



NELSON



Nelson City Council
te kaunihera o whakatū

2010-2011
Annual
PLAN

ANNUAL PLAN 2010/11

**YEAR 2 OF THE 2009-19
NELSON COMMUNITY PLAN**



Nelson City Council
te kaunihera o whakatū

HE MIHI

Whakataka te hau ki te uru	Cease the winds from the west
Whakataka te hau ki te tonga	Cease the winds from the south
Kia mākinakina ki uta	Let the breeze blow over the land
Kia mātaratara ki tai	Let the breeze blow over the ocean
E hāke ana te atakura	Let the red-tipped dawn come with a sharpened air
He tio, he huka, he hau hū	A touch of frost, the promise of a glorious day
Tthei mauri ora	I breathe the breath of life

This karakia originates from the people of Tainui/Taranaki and is included here by kind permission of Tangata Whenua o Whakatū (iwi of Nelson)





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A WORD FROM MAYOR KERRY MARSHALL



The task of charting a year's worth of Council activity is a bit like running a household. It is very much a balancing act. For Council, we must consistently consider the community's needs and aspirations against the sobering influence of affordability. As leaders we need to be more visionary, yet intensely practical.

This plan, after the huge effort of last year's ten year Nelson Community Plan, is very much a "steady as she goes" continuation of that larger vision. We have many challenges ahead but retain absolute clarity on our priorities – delivering great value-for-money services. We also know that progress is equally important to our community and development vital to our future.

Some of our challenges come in the wider context. There are forces influencing our plans that are outside our control. In recent times we have definitely felt the pressure of the global recession. While the impacts are lessening, the effects still ripple through businesses and households. The question that falls out of this for Council is this: how can our actions influence a more positive future for Nelson?

Similarly climate change brings long term challenges, not the least being how urgent our response should be. While there will be continuing argument over scientists' projections, a response is required. Council is committed to a disciplined and precautionary approach.

To further add to economic and environmental demands, Central Government continues to add to local government responsibilities, devolving statutory and other work. Our workload and costs rise as a result of new responsibilities like the recent requirement for more food premises monitoring and Building Act changes.

Some things we do have control over though. I'm very pleased we have been able to limit the rates and charges increase this year to 5.69%, down from initial estimates of 8.1%, following last year's cautious 3.1% increase. At the same time we have some major infrastructure developments and community initiatives planned to put Nelson on the map.

Our focus continues on sustainability, economic development, building community facilities, partnerships with neighbouring councils and delivering great service with a smile.

Under the sustainability banner, key initiatives such as Solar Saver to encourage solar water heating and Clean Heat Warm Homes will continue to improve our quality of life.

Economic development initiatives include the roll out of the Events Strategy. I am particularly looking forward to the Cycling Festival and the once-in-a-lifetime Rugby World Cup 2011.

However our focus also includes arts and cultural opportunities. For the first time in the 15 years since the idea was first mooted, Council was

able to put a firm Performing Arts and Conference Centre (PACC) proposal out for feedback from the community. It emerged that the planned Selwyn Place/Rutherford site and proposal wasn't suitable, but Council remains resolute in its commitment to develop a facility. The vision of an iconic centrepiece for our talented and committed arts, music and drama communities remains clear and another proposal for a new site will be tabled for community discussion later in 2010.

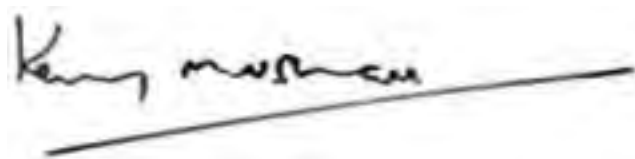
If there is one thing I have learned in local government, it is that some problems or opportunities take a long time to come to fruition, largely because they are so complex. And this Council faces more complexity than most as it is both a City and Regional Council in one. Like the PACC issue, another important piece of work that will be under the microscope this year is transport. The arterial traffic study promises options to solve the state highway puzzle once and for all.

It goes without saying that these last two projects are, like so many other activities, for both local and regional benefit. Recognising this, Council continues to put high priority on building our relationship with Tasman District Council and Marlborough District Council.

Much of what we propose for the coming year has already had your tick of approval though last year's Nelson Community Plan, which set our direction for the next ten years. However this Annual Plan gets down to action as the projects have now progressed and any changes can be updated.

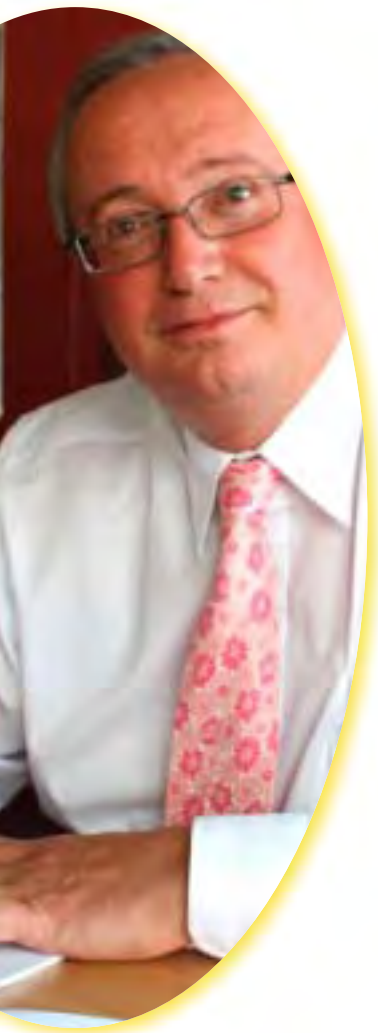
We are all familiar with our city's attributes; our fine environment, central location, strong community identity, sound economy and warm, generous people. These are the basic building blocks of our future. To that, Council adds infrastructure and community services that are geared to deliver our community's goals.

I am immensely proud of Nelson as a wonderful place to live, work and visit. We've worked solidly as a Council for the last three years to improve and build on what we already have here. This Plan sets out the next steps from here.

A handwritten signature in black ink, appearing to read "Kerry Marshall", is written over a horizontal line.

Kerry Marshall MBE, JP
MAYOR OF NELSON

A WORD FROM CHIEF EXECUTIVE KEITH MARSHALL



I can assure you that Council is working to make Nelson a better place. It's a simple enough statement, but it has wide ranging implications. Council provides hundreds of services, from stormwater and roads to community events and hanging baskets. It spends around \$130 million in the community to provide those services annually. What that means is Council services – what we do and how we do it – should matter to everyone because they affect everyone.

This year the rates and charges increase is 5.69%, less than that signalled last year in the 10 year Nelson Community Plan, mainly due to not proceeding this year with the Performing Arts and Conference Centre. Indeed, most of the rate increase this year is due to interest and depreciation costs from Council decisions and capital spending to build new assets and facilities in previous years.

Where rates and charges are shown including GST, the total is subject to an increase in GST during the period of this plan. From 1 October 2010, GST will increase from 12.5% to 15%. The average increase in rates and charges in 2010/11 is 5.69%, exclusive of GST. But, due to the GST increase, the total rates and charges, inclusive of GST, will increase by 7.46% if paid on a quarterly basis. If a ratepayer wishes to pay their total rates before 1 October 2010, the GST charged would only be 12.5%. In addition, if they pay before 27 August 2010, the 2% discount for early payment would also apply.

It is also important to remember that there could be considerable variation in your final rates cost due to property revaluations that were made last year. If a property increases in value more than average, it would face a proportional increase in rates as a result.

We've set ourselves some challenging goals over the next few years. Nelson deserves a Council organisation that focuses on improving value for money, customer service and the quality of its overall service delivery. And we need to achieve these goals on time and under budget. Nelson also deserves a Council organisation where staff and managers are completely committed to their work. This Annual Plan sets out our promise to you for the coming year in terms of both new projects and improved levels of service.

Some of our key projects this year include Rugby World Cup 2011, the Heart of Nelson central city development, the Arterial Traffic Route study, and sustainability initiatives like the Solar Saver scheme. The aim for each project is clear – the project must run within vision, budget, time and legal requirements. But what is just as important is ensuring that the projects are aligned or mesh into other projects and goals so that you get the most value for what we spend. This broader approach to planning is a feature of this

Annual Plan as links between projects mean better efficiency, better results and often less disruption to the community.

We look forward to building on the work that has been done over the last year to further improve our customer service. Launched in December, the Customer Service Centre along with new systems to track the completion of requests and contacts, will help track how we're going at the crucial job of delivering excellent customer service.

This means you'll get faster, more accurate service from a single source without having to traipse around Civic House, or be transferred from one staff member to the next on the phone.

We plan to continue to do our best for you – our most important customer.



Keith Marshall
CHIEF EXECUTIVE

UPFRONT: summary of key points of this plan

This document includes a lot of detailed information on Council's accounts. This section summarizes the major issues from throughout this plan, particularly the key points and changes made in response to submissions.

Economic climate

Council is aware that the economic situation is showing signs of lifting after five quarters of recession. It is also aware that many Nelsonians continue to live with the effects of the downturn and that a financially conservative approach is needed to continue the recovery.

Rate rise this year

The 2009 Nelson Community Plan indicated a rates increase of 8.0% for its second year, in 2010/11. The budget in this Annual Plan shows an average rate increase of 5.69% excluding GST. The main effect on rates was the deferral of funding that had been planned for the now delayed Performing Arts and Conference Centre, equivalent to just over a 1% reduction in the rates increase for 2010/11. This cost will now fall in later years should the project proceed.

Former Community Plan forecast for 2010/11	+8.1%
2010/11 proposed rate increase	+6.3%
Final Effective increase excluding GST	+5.69%

Effect of GST increase

Where rates and charges are shown including GST, the total is subject to an increase in GST during the period of this plan. From 1 October 2010, GST will increase from 12.5% to 15%. The average increase in rates and charges in 2010/11 is 5.69%, exclusive of GST. But, due to the GST increase, the total rates and charges, inclusive of GST, will increase by 7.46% if paid on a quarterly basis. If a ratepayer wishes to pay their total rates before 1 October 2010, the GST charged would only be 12.5%. In addition, if they pay before 27 August 2010, the 2% discount for early payment would also apply.

More for your money

Am I getting more for my increased rates? The short answer to this is yes. Each year Council faces tough choices as it is pressed to deliver more value for less cost. And while Council faces increased costs, it knows ratepayers also face similar challenges. We are always aware of the need to use public funds for the best overall good, and to limit the effect of increased costs.



As well as maintaining enviable infrastructure and utilities networks, Council has invested in developing sporting and community facilities for residents and visitors to enjoy now and the future. It has also invested in proven sustainable technologies so Nelson can look to the future confidently.

An example of improved community facilities is the developments already under way at Tahunanui Beach. The aim is to make the area even more pedestrian friendly and accessible for the thousands of locals and visitors who flock there every year. Work planned for 2010/11 includes more planting, bike racks, disabled access ways and signs to help locals and visitors to find their way around the area.

Council priorities in tough times

Council's considered approach to avoid contraction of the local economy while working increasingly efficiently has helped to protect Nelson from the worst effects of the global recession.

At the same time, Council's goals and priorities have led the city's vision by lining up a series of practical actions to build resilience. These priorities are what Council continues to use as touchstones to coordinate its work for our community. All are equally important.

Council's promise to its community is embodied in the later sections in this plan on Council activities. Each of its enormous breadth of activities – from sewer pipes to Opera in the Park, street lighting to mountain bike tracks – is part of a coordinated plan of work designed to make sure Nelson succeeds in uncertain times.

Most of this Annual Plan was signalled in last year's Nelson Community Plan, so it is steady as we go for the majority of Council's work. But, even in 12 months, projects can be delayed or advanced, new opportunities show up and conditions change, so updates are inevitable, which is why we need an Annual Plan.

Decisions following submissions on the draft Annual Plan

Rating categories

The rating categories were proposed to be changed this year. The Council contracted all affected property owners to explain the proposed changes.

A working party of Councillors was set up in 2008 and its findings recommended that the Urban Farmland category, which had a -10% differential, be removed as there are no longer market gardens within the urban area, making the category outdated. It also recommended removing the Small Holdings category, which also has a -10% differential and exemption from the stormwater charge, to provide equity with neighbouring residential properties. After considering submissions, Council decided to put the removal of the -10% differential on hold. The stormwater charge will be phased in over two years for small holdings west of Gentle Annie saddle and the Urban Farmland category will be removed.

The review also suggested introducing a third commercial category – Fringe Commercial – to cover the commercial ratepayers around the Central Business District (CBD) as those ratepayers receive some benefit from the CBD and should therefore contribute a share of the cost of running it. Council decided to do more work on the fringe commercial category before putting it out for feedback.

Sustainability on the rise

Council decided to allocate \$100,000 to develop a Sustainability Strategy to make Nelson more resilient into the future. A specific Sustainability Plan will be implemented for Rugby World Cup 2011. Sustainability has become increasingly important to this Council and is the impetus behind a programme of practical actions to increase the resilience of our city. It will cover everything from pest control to protecting our economic wellbeing to encouraging more walking and cycling around town, which is healthy, cheap and fun.

A strategic city development plan is planned to build on Council's asset management plans and the Nelson Urban Growth Strategy (NUGS). The NUGS process worked out where growth and intensification could take place but it didn't provide certainty about the order of those identified areas as a staged approach. For more on the city development plan, go to the section on Environmental Management.

Council will fully fund the Eco Building Adviser Service, despite the withdrawal of Government's share of the funding.

Investing in culture, heritage and the arts

In support of culture, heritage and the arts and among its other initiatives Council will provide base funding for the Suter Art Gallery Te Aratoi o Whakatū. Recognising the need to catch up on essential maintenance of the City's art gallery, Council will provide a \$100,000 grant toward this work in 2010/11. Council continues to support this Council Controlled Organisation because of its unique role in meeting the Nelson community's goals, particularly its contribution towards creating a fun creative culture, people-friendly places and a strong economy. Council intends to work with the Bishop Suter Trust Board, which manages the Suter Art Gallery Te Aratoi o Whakatū, as it prepares its redevelopment plans.

This year, Council also plans to work with the Nelson Historic Theatre Trust to investigate a suitable governance and ownership structure for the Theatre Royal. Council decided to provide an additional \$300,000 loan to enable the completion of the Theatre Royal so it can once again continue its long history of providing a performance venue to the Nelson community, as it has for over 130 years. This brings the total loan to \$1.5 million, with repayments deferred until July 2011.

Planning for a major events venue

In late 2009, Council decided to determine the best means to move forward with a Performing Arts and Conference Centre (PACC) as part of this 2010 Annual Plan process. Council continues to review the options for a performing arts centre, conference centre or both.

The effect of the delayed PACC on this Annual Plan is that funding that had been allocated for it would now move out to later years, should it proceed, and the rates increase is lower this year than it would have been had work begun on building it.

Resource consent fees and charges

Council approved the resource consent fees and charges, which are available from Council's customer service centre or on its website.

Updated development contributions policy

The draft Annual Plan included consultation on an updated Development Contributions Policy. Council approved the updated policy with some minor changes. It will be published both as a stand-alone policy and included in the current Nelson Community Plan. The updated policy provides for more equitable sharing of the costs of providing new infrastructure in response to population growth and new development.

Higher waste water costs

There is a significant increase in trade waste and waste water charges this year due to a combination of reasons. The main cause is the cost of the Nelson North treatment facility upgrade and associated operating costs and an increase in Nelson's share of the Nelson Regional Sewerage Business Unit (NRSBU) facility at Bells Island. The value of the NRSBU's asset was re-assessed and because Council funds depreciation, which is money set aside towards the eventual replacement of assets, the costs of Council's share in the facility have also risen. These costs are passed on to consumers through the waste water charges.

Another factor adding to costs is a reduction in volumes of waste water discharged so the unit cost goes up. This effect is most likely due to the combined effects of waste minimisation practices and the economic recession.

Trade waste charges have increased more than the waste water charge as their effluent is more concentrated so they pay a higher proportion of the more expensive treatment costs.

Wise use of waste water

Council decided to allocate \$285,000 for an additional pipe from the Bells Island waste water treatment facility. This will keep options open for possible future use of treated waste water for irrigation in the Tahunanui area.

Other changes included in this Annual Plan

Council's debt levels at 30 June 2010 were \$74 million and by 30 June 2011 are now projected to be \$113 million. These are both lower than the amounts forecast in the 2009 Nelson Community Plan, which were \$85 million rising to \$119 million, respectively.

Other key changes include:

- Allocation of \$146,000 towards design costs of the proposed Lee Valley Dam, which is a regional project
- \$35,000 will be put into a review of the policy on sealing rural roads
- An additional \$10,000 will be provided for Uniquely Nelson, which coordinates and promotes Nelson's central business district

- \$6,000 will be spent on additional sealing of the new play area at The Glen. A small hard surface will be constructed at the Glen Reserve to accommodate skateboard furniture for local children. The total cost including furniture has been estimated at \$10,000
- Due to the postponement in building the Cricket/Athletics pavilion at Saxton Field, \$1.2 million will be carried over to the following 2011/12 financial year. \$3.8 million has been allocated over 2011/12 and 2012/13 for a combined Athletics/Cricket/Football pavilion at Saxton Field. Work will begin once the three sporting codes are assured of being able to raise 20% of the cost
- Another \$130,000, less a contribution from Tasman District Council, will be spent on improved drainage of the Saxton Field football grounds
- A \$25,000 loan will be provided for heating Melrose House
- An additional \$11,000 is to be provided for the contestable fund for heritage buildings, bringing the total available from \$39,000 to \$50,000
- \$100,000 is included to implement the Council's review of its arms length organisations, should Council decide to proceed with investigating any of the detailed proposals.

SUMMARY FINANCIAL INFORMATION

Prospective Statement of Comprehensive Income

Actual 2008/09 \$000		LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue					
45,611	Rates revenue #	47,840	52,139	51,150	(989)
40,702	Income from activities	38,608	35,623	36,161	538
169	Other revenue	350	560	560	0
<u>86,482</u>	Total operating revenue	<u>86,798</u>	<u>88,322</u>	<u>87,871</u>	<u>(451)</u>
Expenditure					
12,087	Employee benefit expenses	11,582	11,924	12,575	651
3,248	Finance costs	3,142	4,420	4,180	(240)
15,218	Depreciation and amortisation	16,001	17,020	17,093	73
<u>37,889</u>	Other expenses	<u>43,470</u>	<u>46,817</u>	<u>45,669</u>	<u>(1,148)</u>
<u>68,442</u>	Total operating expenditure	<u>74,195</u>	<u>80,181</u>	<u>79,517</u>	<u>(664)</u>
18,040	Operating surplus before taxation	12,603	8,141	8,354	213
(4)	Taxation	0	1	148	147
18,044	Net Surplus	12,603	8,140	8,206	66
<u>25,264</u>	Gains/(Losses) on property revaluation	<u>23,565</u>	<u>24,400</u>	<u>24,146</u>	<u>(254)</u>
<u>43,308</u>	Total Comprehensive Income for Year	<u>36,168</u>	<u>32,540</u>	<u>32,352</u>	<u>(188)</u>

Note - The 2009/10 & 2010/11 LTCCP "Rates revenue" has been amended, by deducting the balance brought forward, so as to show the actual rates raised or to be raised.

Prospective Statement of Movements in Equity for the years ended 30 June

Actual 2008/09 \$000		LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
1,025,697	Equity at start of year	1,068,151	1,104,319	1,105,032	713
43,308	Total Comprehensive Income	36,168	32,540	32,352	(188)
<u>1,069,005</u>	Equity at end of year	<u>1,104,319</u>	<u>1,136,859</u>	<u>1,137,384</u>	<u>525</u>

These figures are GST exclusive

Prospective Balance Sheet as at 30 June

Actual 2008/09 \$000		LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Current Assets					
10,149	Cash and cash equivalents	6,873	6,286	8,836	2,550
442	Inventories	362	282	322	40
0	Biological assets	0	0	0	0
10,482	Trade and other receivables	13,119	13,506	10,905	(2,601)
1,000	Other financial assets	0	0	0	0
820	Non-current assets held for sale	0	0	820	820
127	Taxation	170	170	37	(133)
<u>23,020</u>		<u>20,524</u>	<u>20,244</u>	<u>20,921</u>	<u>677</u>
Non Current Assets					
3,098	Trade and other receivables	8,108	11,841	11,569	(272)
21,183	Investments	21,183	21,183	21,183	0
875	Investment properties	996	1,026	910	(116)
140	Other financial assets	140	140	140	0
884	Intangible assets	996	996	884	(112)
3,706	Biological assets	3,716	3,826	3,780	(46)
1,078,399	Property, plant and equipment	1,150,329	1,214,355	1,201,953	(12,402)
<u>1,108,285</u>		<u>1,185,468</u>	<u>1,253,367</u>	<u>1,240,419</u>	<u>(12,948)</u>
<u>1,131,305</u>		<u>1,205,992</u>	<u>1,273,611</u>	<u>1,261,340</u>	<u>(12,271)</u>
Current Liabilities					
8,789	Trade and other payables	10,909	11,231	9,144	(2,087)
1,013	Employee benefit liabilities	1,366	1,406	1,054	(352)
0	Taxation payable	0	0	0	0
6,030	Borrowings	10,466	10,587	10,600	13
<u>15,832</u>		<u>22,741</u>	<u>23,224</u>	<u>20,798</u>	<u>(2,426)</u>
Non Current Liabilities					
532	Provisions	1,389	1,431	553	(878)
431	Employee benefit liabilities	550	566	448	(118)
45,505	Borrowings	76,993	111,531	102,157	(9,374)
<u>46,468</u>		<u>78,932</u>	<u>113,528</u>	<u>103,158</u>	<u>(10,370)</u>
<u>62,300</u>	Total liabilities	<u>101,673</u>	<u>136,752</u>	<u>123,956</u>	<u>(12,796)</u>
<u>1,069,005</u>	Net Assets	<u>1,104,319</u>	<u>1,136,859</u>	<u>1,137,384</u>	<u>525</u>
Ratepayers Equity					
289,747	Accumulated balances	299,355	307,495	310,397	2,902
779,258	Other reserves	804,964	829,364	826,987	(2,377)
<u>1,069,005</u>		<u>1,104,319</u>	<u>1,136,859</u>	<u>1,137,384</u>	<u>525</u>

These figures are GST exclusive

Prospective Cashflows Statement for the year ended 30 June

Actual		LTCCP	LTCCP (yr 2)	Amended	Difference
2008/09		2009/10	2010/11	2010/11	2010/11
\$000		\$000	\$000	\$000	\$000
Cash flows from operating activities					
Cash was provided from:					
73,563	Rates, sales and rentals	78,421	79,395	78,923	(472)
371	Interest received	53	55	300	245
2,345	Dividend received	2,419	2,499	2,508	9
<u>76,279</u>		<u>80,893</u>	<u>81,949</u>	<u>81,731</u>	<u>(218)</u>
Cash was applied to:					
49,900	Payments to employees & suppliers	54,015	57,530	57,235	(295)
2,958	Interest paid	3,141	4,420	4,180	(240)
0	Tax paid/(refund)	50	1	148	147
(2)	Net GST movement	0	0	0	0
<u>52,856</u>		<u>57,206</u>	<u>61,951</u>	<u>61,563</u>	<u>(388)</u>
<u>23,423</u>	Net cash flows from operating activities	<u>23,687</u>	<u>19,998</u>	<u>20,168</u>	<u>170</u>
Cash Flows from Investing Activities					
Cash was provided from:					
1,000	Sale of investments & properties for resale	350	560	560	0
588	Sale of fixed assets	789	785	432	(353)
0	Repayment of loans/advances	233	978	543	(435)
<u>1,588</u>		<u>1,372</u>	<u>2,323</u>	<u>1,535</u>	<u>(788)</u>
Cash was applied to:					
35,374	Purchase of fixed assets	50,547	52,423	56,360	3,937
0	Purchase investments	0	0	0	0
858	Loans and advances	4,746	5,144	4,599	(545)
<u>36,232</u>		<u>55,293</u>	<u>57,567</u>	<u>60,959</u>	<u>3,392</u>
<u>(34,644)</u>	Net outflows from investing activities	<u>(53,921)</u>	<u>(55,244)</u>	<u>(59,424)</u>	<u>(4,180)</u>
Cash Flows from Financing Activities					
34,156	Cash was provided from loans raised	40,803	45,125	49,335	4,210
(19,056)	Cash applied to repayment of loans	(10,137)	(10,466)	(11,286)	(820)
<u>15,100</u>	Net inflows from financing activities	<u>30,666</u>	<u>34,659</u>	<u>38,049</u>	<u>3,390</u>
3,879	Net increase/(decrease) in cash held	432	(587)	(1,207)	(620)
6,270	Plus opening cash balance	6,441	6,873	10,043	3,170
<u>10,149</u>	Closing Balance	<u>6,873</u>	<u>6,286</u>	<u>8,836</u>	<u>2,550</u>
Represented by:					
10,149	Cash and bank	6,873	6,286	8,836	2,550
0	Bank overdraft	0	0	0	0
<u>10,149</u>		<u>6,873</u>	<u>6,286</u>	<u>8,836</u>	<u>2,550</u>

These figures are GST exclusive

Funding Impact Statement

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Operating Income				
General rates:				
Uniform Annual General Charge	5,660	6,273	6,103	(170)
Cents in Dollar	22,655	25,374	23,973	(1,401)
	28,315	31,647	30,076	(1,572)
Waste Water Charge	5,651	6,283	6,633	350
Stormwater Separate General Rate	3,765	3,888	3,976	88
Water Charge	10,109	10,321	10,465	144
Total Rates	47,840	52,139	51,150	(989)
Fees and Charges	27,491	26,688	24,236	(2,452)
Operating Grants and Subsidies	1,960	2,430	2,739	309
Interest	53	55	300	245
Increased Value of Investment	80	87	219	132
Capital Contributions:				
Development/Financial Contributions	1,220	1,335	1,862	527
Vested Assets	5,000	5,148	5,148	0
Capital Grants and Subsidies	3,155	440	2,217	1,777
Total Operating Revenue	86,799	88,322	87,871	(451)
Operating Expenditure				
Operating expenditure	55,052	58,742	58,392	(350)
Interest expense	3,142	4,420	4,180	(240)
Depreciation	16,001	17,020	17,093	73
Total operating expenditure	74,195	80,182	79,665	(517)
Operating Surplus/(Deficit)	12,604	8,140	8,206	66
Other Expenditure				
Capital Expenditure	55,546	57,570	61,508	3,938
Repayment of loan principal	10,137	10,465	11,286	821
Purchase of investment	5,046	5,624	5,079	(545)
Non cash - invest write up	179	280	219	(61)
Transfer to reserve funds	3,121	2,902	2,178	(724)
Total Net Cost	74,029	76,841	80,270	3,429
Funded by				
Net surplus/deficit	12,603	8,140	8,206	66
New loans raised	40,803	45,129	49,335	4,206
Transfer from reserve funds	2,719	3,598	3,466	(132)
Non cash - invest write down	580	712	712	0
Non cash expenditure	16,001	17,020	17,096	76
Sale of investment	533	1,458	1,023	(435)
Sales of assets	790	784	432	(352)
Total Net Funding	74,029	76,841	80,270	3,429

Summary of Rates and Charges

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Differenc 2010/1 \$00
Revenue				
Rates & water charges	(48,619)	(52,139)	(52,057)	8
Development/Financial contributions	(1,732)	(1,862)	(1,862)	
Vested Assets	(5,000)	(5,147)	(5,148)	(148)
Other revenue	(31,875)	(28,623)	(29,151)	(528)
Total Income	(87,226)	(87,771)	(88,218)	(445)
Expenses				
Operating and maintenance	55,002	58,649	58,312	(337)
Interest on loans	3,142	4,420	4,180	(240)
Depreciation	16,001	17,020	17,093	77
Total operating expenses	74,145	80,089	79,585	(504)
Operating (Surplus)/Deficit	(13,081)	(7,682)	(8,633)	(951)
Statement of funding requirement				
Funds required:				
Capital expenditure	55,546	57,588	61,508	3,920
Repayment of loan principal	10,137	10,466	11,286	823
Purchase of investment	4,746	5,144	4,599	(545)
Non cash - invest write up	179	280	219	(61)
Transfer to reserve funds	3,120	2,902	2,178	(724)
Total Funds required	73,728	76,380	79,790	3,412
Source of funds:				
Net surplus/deficit	13,081	7,682	8,633	951
New loans raised	40,804	45,126	49,335	4,209
Transfer from reserve funds	1,939	3,598	2,559	(1,039)
Non cash - invest write down	580	712	712	
Non cash expenditure	16,001	17,020	17,096	77
Sale of investment	533	1,458	1,023	(435)
Sales of assets	790	784	432	(352)
Total source of funds	73,728	76,380	79,790	3,412
Summary of rate movement				
Rates as above	(48,619)	(52,138)	(52,057)	8
Balance brought forward	779	0	907	907
	(47,840)	(52,138)	(51,150)	988
Trade waste charges	(1,298)	(1,444)	(1,506)	(61)
	(49,138)	(53,582)	(52,656)	926
Less estimated natural increment		536	527	
		(53,046)	(52,129)	
Percentage increase in Rates & Charges		8.1%	6.1%	
Adjustment to volume of water sales			-0.4%	
Effective increase in Rates and Charges			5.7%	

These figures are GST exclusive

COMMUNITY OUTCOMES

In 2005 the people of Nelson got together with Council and created a vision for the future of our city. These six community outcomes sum up that vision and guide our work. The six inter-related goals guide Nelson City Council and other organisations' decisions, plans and policies, including the Community Plan and this Annual Plan. These goals come from residents, not Council, so they belong to the whole community. They drive what Council does, just as they guide and coordinate other groups and organisations working to improve community wellbeing in Nelson.

HEALTHY LAND, SEA, AIR AND WATER

We protect the environment

PEOPLE-FRIENDLY PLACES

We build healthy, accessible and attractive places and live in a sustainable region

A STRONG ECONOMY

We all benefit from a sustainable, innovative and diversified economy

KIND, HEALTHY PEOPLE

We are part of a welcoming, safe, inclusive and healthy community

A FUN, CREATIVE CULTURE

We are proud of our creative local culture and regional identity

GOOD LEADERSHIP

Our leaders are proactive, innovative and inclusive

These goals are due to be reviewed in 2010/11 but this process depends on possible changes to the Local Government Act.

About this annual plan

Every council has to prepare an annual plan to:

- Clearly show its budget and how much it will cost ratepayers for this year
- Highlight any major differences from what had been planned in the previous Community Plan, and why these are needed
- Coordinate Council's resources and decision-making
- Be accountable to the community, so you know what we plan to do and can see that we do what we say we will
- Give you the opportunity to take part in Council's major decisions on what it does and how much it will cost.

Once we hear whether we're generally on the right track, the approved Annual Plan sets the Council's work budgets for the year. It is how we work out what Council will deliver over the coming year, how much it will cost, and what we will promise to the Nelson, all within the longer term vision of the ten year Nelson Community Plan.



HOW COUNCIL DELIVERS WHAT THE COMMUNITY WANTS

Achieving the community's goals requires a 'whole of community' approach – Council can't achieve them on its own – but Council has a significant role. Council activities and services are provided, ultimately, to sustain and improve community wellbeing. Most Council activities contribute to achieving several of these goals.

Council priorities

Council listens to what residents want through submissions, letters, meetings, surveys, consultation processes and regular feedback. In 2009, Council developed the following eight overlapping priorities to meet the community's needs.

Putting Nelson's regional identity on the radar

In 2010/11 Council will work on preparations for Rugby World Cup 2011, showcasing Nelson as the birthplace of rugby in New Zealand. Projects at Tahunanui Beach and the central city aim to enhance Nelson's reputation as a sought after holiday destination. Sustainability projects like the Solar Saver scheme continue to build Nelson's profile as a national leader in sustainability. Further Council projects aim to build on the successes of the Victory Community, which won Community of the Year in 2010. This year's plan is to work on a raft of projects that together will lift Nelson's visibility and reputation.

Sustainability, particularly environmental sustainability

Council sees sustainability as a series of practical actions to future-proof the city. It covers everything from pest control, so there is more native birdlife in your garden, to encouraging more walking and cycling around town.

A Sustainability Strategy for the whole city is to be developed with the Nelson community that will extend and build on Council's Sustainability Policy. This strategy and a suite of other initiatives like the Solar Saver scheme and Sustainability Plan for Rugby World Cup 2011 show that Council takes Nelson's resilience into the future seriously.

Sustainable economic development

The Horoirangi Aquaculture Project proposed for near The Glen is likely to see action during 2010/11. A Council team is involved in facilitating its progress through development and consent processes. There is a suite

of other infrastructure, consent processing and investment by Council to continue support for industry, businesses and residents.

The single major event for Nelson with a significant economic effect during the term of this annual plan is Rugby World Cup 2011, the preparations for which will primarily happen over Council's 2010/11 financial year.

Nelson as a centre for arts creativity

Council wants to work towards establishing Nelson as a centre of cultural creativity for the arts through its support and investment. This year Council support will continue for festivals and institutions such as The Suter and the Nelson School of Music. Council's relationship with the renovated Theatre Royal will be a particular focus in the coming months. Council has decided to put more funding into implementing an Arts Policy and festivals to support Nelson's arts and enrich the region culturally, socially and economically.

Building and maintaining strong relationships with iwi/Māori

Local iwi and Māori are going to be a significant economic force in Nelson in the years ahead with the settlement of Treaty claims. Council has developed a close working relationship over the years and plans to maintain this as we move into the post-settlement phase. Among many other activities, local Māori are closely involved in key projects and decisions, including implementation of the Heart of Nelson strategy and preparations for Rugby World Cup 2011.

Safeguarding and promoting our heritage

Council is increasing its emphasis on protecting the city's shared heritage through projects such as its Heritage Inventory work and its continued support for the Nelson Provincial Museum.

Regional programmes, working co-operatively with Tasman District Council

We will continue to work towards an agreement between the two councils to provide a foundation to coordinate all projects that impact across Nelson and Tasman. We all agree that issues like the management of the Waimea Estuary need a cooperative approach and this Council is committed to working on projects like this in the interests of the wider region.

Development of community facilities and infrastructure

Investment in major community facilities, infrastructure and utilities will continue. Council does not want to reinforce the negative effects of the recession by shrinking its capital spending. When you look nationwide at



similar cities and smaller towns we still need to catch up on the full range of good quality community facilities sought by residents. So work continues at sites like Saxton Field and Trafalgar Park to bring these up to standard and expand on what is available for residents and visitors.

In the following sections on Council's activities you can see more on how these priorities drive what Council has planned for the coming year. Take a look at the 2009 Nelson Community Plan for a full account of what is planned for each of these priorities over the next decade.

COUNCIL ACTIVITIES

The following sections cover everything Council does, including detailed financial information for the year ahead for each 'significant activity'. Most of the activities include sub-activities. For example transport covers roads, footpaths and cycle ways.

These are Council activities:

- Water supply
- Waste water
- Stormwater and flood protection
- Solid waste management
- Environmental management
- Transport
- Regulatory compliance (consents/licences/public health/monitoring)
- Parks and open space
- Recreation and leisure
- Community facilities
- Economic and tourism support
- Social development
- Managing emergencies and natural hazards
- Culture, heritage and arts
- Democracy and administration
- Financial reserves
- Heart of Nelson central city strategy.

The 2009 Nelson Community Plan still applies to all Council activities for the coming financial year, except for the changes and updated information highlighted in this Annual Plan.

The financial information for each Council activity shows the updated situation for the 2010/11 financial year. These totals are brought together in the summary financial information beginning on page 16.



WATER SUPPLY

Council supplies high quality water to most Nelson households and businesses through a piped system. Some rural properties provide their own water.

Challenges ahead

Nelson City Council's challenge is to ensure there is a continuous, safe supply of good quality water for industry, businesses and residents at a reasonable cost. It also faces challenges in determining the most cost effective way to minimise the risk of the backflow of contamination into the pipe system from commercial properties.

Extensive systems

The Nelson City area is served by the following mix of water supply systems:

- The Nelson city mains supply takes water from the Maitai and Roding rivers and treats it at the Tantragee Saddle ultra-filtration treatment plant that opened in August 2004. This system serves most of Nelson City
- The Tasman District Council mains supply takes water from the Waimea Aquifer. This serves a small number of Nelson city properties between Saxton Road and Champion Road
- Six private supplies in the Nelson North area serve between 25 and 180 people each. These take water from a variety of sources. Treatment ranges from no treatment to filtration and UV treatment
- An increasing number of subdivisions take Council-supplied water, but operate a private pumping and storage system for properties that are higher up on the surrounding hills than the Nelson City Council supply can service.

In order to provide water for Nelson city, Council manages 320km of water pipes, two main water sources at the Maitai and Roding dams, the water treatment plant and associated pumping and storage facilities.

Excellent water quality

Since the water treatment plant was opened in August 2004, Nelson has achieved an excellent Ministry of Health grading of Ab – 'A' at source and 'b' at the point of distribution – and is on track to achieve the highest grading possible: Aa. With higher quality water, in 2008 75% of Nelson residents approved of the water quality, compared with only 48% approval in 1998.



Plenty of water

There is sufficient water available to supply Nelson's reasonable needs for at least the next thirty years for a drought with 60 year return period, taking into account current use rates and growth projections. Construction of a duplicate Maitai water supply pipeline scheduled over three years from 2011/12 to 2013/14 will enable the full depth of the Maitai Lake to be accessed and will also provide resilience in the event of damage to the existing pipeline.

What we do

Council's water supply work is managed as a single activity with no sub-activities, and includes:

- planning the sustainable management of Nelson's water supply
- water metering and water loss reduction
- operating and maintaining the water supply pumping and storage system, the reticulation/distribution system, and treatment facility
- Council taking steps to prevent the backflow of contaminants from commercial properties into the pipe system.

What's changed since the 2009-19 Nelson Community Plan

There are no major changes to water supply funding from what was included in the 2009 Nelson Community Plan.



Water supply service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Target(s)	Current status	How we will do this
A good quality water supply that meets or exceeds national standards	Water grading	2009/10 Ab 2010/11 Ab 2011/12 Ab 2012/13 Ab 2013/14-2018/19 Aa	Ab grading confirmed in May 2009	Council will address risk, quality and sustainability issues by implementing: <ul style="list-style-type: none"> • Backflow prevention • Public Health Risk Management Plan • Increased storage • Find and fix water losses This would also result in the highest water quality grade Aa ('A' at source and 'a' at the point of delivery) and would cost \$7.2 million over 10 years
A reliable water supply for residents and commercial use	Drought security and provision of water services	1:60 year drought security Max 24 hr outage (all) Supply 99.6% available any property	Achieved 2009 Achieved 2009 Achieved 2009	Continue at current level for next 10 years, which has no capital cost
A secure water supply		Redundancy (duplication) is provided for all key pipe work	Achieved, except for Maitai pipeline which is vulnerable to breakage	The Maitai pipeline needs to be duplicated mainly to ensure a secure supply, but to some extent to increase capacity due to population increase The pipeline duplication is estimated to cost \$12.8 million
A sustainable water supply	Peak demand for water	Capping total demand to less than 50,000m ³ a day (the treatment plant capacity)	Achieved, peak daily demand for 2009/10 summer was 28,167m ³ on 23 February	Council plans to reduce water losses and demand so we don't need to find new water sources. This also means pumping and treatment costs (including electricity) are better managed over time Water restrictions are implemented during drought to ensure minimum water flows are maintained

COUNCIL ACTIVITIES

What Council will provide	Measures	Target(s)	Current status	How we will do this
	Compliance with resource consents	Council complies with all resource consents	Two consents held, Maitai and Roding Rivers and resource consent conditions are met for both	
A water supply that meets residents' needs	Water pressure Council expects that all properties will have: Min working pressure >30m head Max working pressure <90m head	Acceptable pressure 2010/11 – 79% 2011/12 – 79% 2012/13 – 85% and by 2018/19 – 100%	2009/10 – 79% 281 properties have less than 30m head as close to reservoirs so have pumps or oversize pipes to provide enough pressure 3812 properties receive over 90m head	Through system improvements and renewals, and replacement of pipes and fittings as required. System improvements will cost \$1.1 million over the next ten years In 2013, 1168 properties in the Port Hills area will be corrected, and Council intends that all properties will have acceptable pressure by the end of the term of the Nelson Community Plan in 2019
	Water flow	Acceptable water flow for fire fighting purposes – 25 litres per second 2009/10 – 99.4% 2010/11 – 99.9% and by 2018/19 – 100%	2009/10 – 99.3% 135 properties do not have the target water flow 10 in Citrus Lane 122 in Monaco 3 in Isel Park	Work in 2009/10 will correct those in Citrus Lane, 2010/11 for Monaco and Isel Place by 2015

Water supply financial information for 2010/11**Water**

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
Water charges	(10,109)	(10,321)	(10,465)	(144)
Development/Financial contributions	(300)	(309)	(309)	0
Other revenue	(416)	(428)	(473)	(45)
Total Income	(10,825)	(11,058)	(11,247)	(189)
Expenses				
Operating and maintenance	4,874	5,174	5,156	(18)
Interest on loans	1,727	1,497	1,704	207
Depreciation	3,564	3,708	3,708	(0)
Total operating expenses	10,165	10,379	10,568	189
Operating (Surplus)/Deficit	(660)	(679)	(679)	0
Statement of funding requirement				
Funds required:				
Capital expenditure	2,695	2,728	3,033	305
Repayment of loan principal	1,529	1,659	1,354	(305)
Purchase of investment	0	0	0	0
Transfer to reserve funds	0	0	0	0
Total Funds required	4,224	4,387	4,387	(0)
Source of funds:				
Net surplus/deficit	660	679	679	0
New loans raised	0	0	0	0
Transfer from reserve funds	0	0	0	0
Non cash expenditure	3,564	3,708	3,708	(0)
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	4,224	4,387	4,387	(0)

These figures are GST exclusive

WASTE WATER

Council's waste water activity includes the collection, treatment and disposal of sewage and other waste water that is discharged into Nelson's sewers. It is particularly important that Council provides this service because it protects the environment and residents' health. The good standard of health enjoyed by Nelson residents is directly related to the safe treatment of their waste water.

Council manages 366km of waste water pipes, 25 pump stations and the Nelson North waste water treatment plant, which serve the northern residential area of the city from Bishopdale, the Port Hills and the central city to Atawhai.

Nelson City Council is also a 50% owner, with Tasman District Council, of the waste water treatment facility at Bells Island and associated reticulation from North Richmond through to Nelson Airport. This is managed by the Nelson Regional Sewerage Business Unit (NRSBU) and serves the Stoke and Tahunanui areas, several large industrial premises, urban Richmond, the Waimea plains and Mapua/Ruby Bay.

Challenges ahead

Council's challenges for its management of waste water include working out the most cost effective ways to prevent the risk of overflows of untreated sewage, particularly into natural waterways. A long term programme is underway to replace old sewer pipes, some of which date back to the 1800s. This work is essential but it is also disruptive and expensive to dig up the city's streets.

Overflows, stormwater inflows and infiltration, blockages and odours are the main challenges when managing the waste water system. Failure to achieve consent conditions for the Nelson North treatment plant has been considered to be a risk. To date, most consent conditions have been met. Some odour problems were encountered when starting up the plant and the operator has now resolved the causes of those problems. The system is managed and proactively maintained to minimise costly reactive maintenance.

The waste water disposal system for the Nelson area has improved significantly now that the upgrade of the city's Nelson North oxidation ponds is complete. The upgrade used the existing ponds and added pre-treatment technology, including a clarifier and trickling filter, to give a cost-effective solution. The quality of the final discharge into Tasman Bay has been greatly improved compared with before the upgrade, achieving positive environmental and social benefits.



Major waste water projects this year

Major work this year includes the duplication of the regional pipeline across the Waimea Estuary from Monaco to Bells Island, a new Songer Street pump station and improving regional pump stations.

Nelson's share of the operating expenses of the regional scheme, including the Bells Island Facility, will be \$3.187 million in 2010/11. The construction work on the regional pipeline upgrade project is planned to start in October 2010 with an expected completion date of 31 March 2011. The bulk of the expenditure will be from November 2010 to April 2011.

What we do

Council's waste water activity includes:

- Collecting, treating and disposing of waste water – Nelson City Council system
- Collecting, treating and disposing of waste water – Regional Scheme (Bells Island) – 50% NCC ownership with TDC.

What's changed since the 2009-19 Nelson Community Plan

Higher waste water costs

Waste water and trade waste charges are up significantly this year due to a combination of reasons. The major cost increase is because Nelson's share of the Nelson Regional Sewerage facility at Bells Island has increased. The value of the asset was re-assessed after recent improvements and its total value has risen significantly. Because Council funds depreciation, which is money set aside towards the eventual replacement of assets, the costs of Council's share in the facility have also risen and these costs are passed on to consumers through the waste water charge. A lesser effect on these charges is due to the cost of the Nelson North treatment facility upgrade and increased operating costs.

The only other significant change is the allocation of \$285,000 for a waste water pipe from Bells Island. This will keep options open to use treated waste water for irrigation in the Tahunanui area.



Waste water service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Target(s)	Current status	How we will do this
A fully operational waste water treatment plant and network reticulation/ pipes	1. Number of complaints about odour	No odour events for the Nelson North Waste Water plant	There was one odour event in 2009, cause since addressed	Through scheduled maintenance and renewals
	2. Number of dry weather overflows from pump stations	No dry weather overflows from pump station failures No more than three odour event complaints associated with any individual pump station	10 odour complaints from all pump stations in 2009 Dry weather overflow from City-wide power failure at five pump stations. One overflow from pump blockage	
	Response time to emergencies	Provide a prompt and reliable response to service requests and system failures Respond and investigate emergency works within 30 minutes and undertake repairs within eight hours	A satisfactory 24/7 response is provided by contractors with 100% compliance with response within 30 minutes and 99% of repairs completed within eight hours	
Compliance with resource consent conditions	All resource consent conditions are complied with	One condition breached due to 2009 odour event. Cause since addressed through improved processes	Stage 2 wetlands complete. Network reticulation upgrades and renewals ongoing	

Waste water financial information for 2010/11**Waste Water**

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
Waste Water Rate	(5,650)	(6,283)	(6,633)	(350)
Development/Financial contributions	(250)	(257)	(257)	0
Other revenue	(3,104)	(3,341)	(3,301)	40
Total Income	(9,004)	(9,881)	(10,191)	(310)
Expenses				
Operating and maintenance	4,824	5,310	5,560	250
Interest on loans	768	1,096	994	(102)
Depreciation	2,803	3,078	3,170	92
Total operating expenses	8,395	9,484	9,724	240
Operating (Surplus)/Deficit	(609)	(397)	(467)	(70)
Statement of funding requirement				
Funds required:				
Capital expenditure	7,860	12,280	13,674	1,394
Repayment of loan principal	996	712	911	199
Purchase of investment	0	0	0	0
Transfer to reserve funds	0	0	0	0
Total Funds required	8,856	12,992	14,585	1,593
Source of funds:				
Net surplus/deficit	609	397	467	70
New loans raised	5,444	9,517	10,948	1,431
Transfer from reserve funds	0	0	0	0
Non cash expenditure	2,803	3,078	3,170	92
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	8,856	12,992	14,585	1,593

These figures are GST exclusive



STORMWATER AND FLOOD PROTECTION

Council's goal is to provide a stormwater system for Nelson City that is capable of handling stormwater from heavy rainfall in an efficient and sustainable way while ensuring that the ecological, cultural and recreational values of waterways are recognised and enhanced.

The Nelson stormwater system has two parts – the natural waterways and a piped stormwater system. The natural rivers and streams play an important role in the support of aquatic ecosystems, provide areas for recreation and public use and channel stormwater flows when it rains heavily. Council's stormwater work dovetails with its related work on improving stormwater quality by reducing contamination, monitoring and plan changes to enable the use of low impact stormwater systems.

Challenges ahead

Council's challenge is to manage natural water courses so the risk of severe flooding is limited while protecting other uses and natural values. In some cases there is a trade off between cost, high flood risk and a range of other values associated with rivers and streams. The community faces some hard choices around the Maitai River in looking at how much it is prepared to pay to protect property while allowing natural processes to continue unimpeded.

Protecting property from flooding

The high levels of energy during floods can cause significant damage to property within the flood path, should the flow escape the channel. The constructed stormwater network provides channels to drain stormwater and flows from roads and properties in the built-up areas. The network includes pipes, channels, and overland secondary flow paths that carry stormwater to waterways and the sea. The stormwater system also includes pump stations and debris filters.

In large parts of the city a fully-piped system is not provided. On many properties, stormwater soaks into the ground or flows into the road channel, as the primary drainage system.

Maitai River banks still at risk

The floods that Nelson would experience from a Q_{50} event (a once in 50-year flood), which has a 2% probability of occurring in any year, has been adopted as the optimum flow standard for design and construction works for rivers and streams. While most of the smaller streams maintained by Council are nearing the end of an extensive programme to meet this capacity, the Maitai River still has substantial stretches that are at risk from storm flows, as shown during the 2008 floods.



Areas with poor soakage, inundation and land stability issues are the priority for Council for stormwater upgrades.

What's changed since the 2009-19 Nelson Community Plan

There are no major funding changes to Council's stormwater and flood control works and services since the 2009 Nelson Community Plan became operative.



Stormwater service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Target(s)	Current status	How we will do this
Protection for the built and natural environment from flooding and stormwater discharges	Compliance with resource consent	All resource conditions are met	River and stream monitoring shows degradation of habitats Stormwater to freshwater consent was granted February 2009. Monitored in 2009/10	Continue water quality monitoring programme as required by the resource consent Emphasise ecological values in designs for river/stream works. Expand pollution prevention initiatives Develop Catchment Management Plans
	Stream and river stormwater capacity	Streams and rivers to meet Q ₅₀ capacity by 2018	Some properties near rivers and streams are at risk of flooding, e.g. Avon Terrace beside the Maitai River	Continue with river/stream upgrading works to Q ₅₀ standard (able to cope with 1 in 50 year flood events) including Maitai River
	Ensure appropriate stormwater disposal options are available throughout the city	Ongoing provision of appropriate stormwater reticulation or disposal options	Some properties do not have appropriate stormwater disposal systems Most secondary flow paths are identified, which are critical for stormwater disposal during storm events	Continue construction of piped stormwater network to Q ₁₅ standard Continue evaluation of low-impact stormwater design and disposal where appropriate Identify and inspect critical secondary flow paths to maintain their integrity Identify areas lacking adequate stormwater disposal and develop appropriate response

COUNCIL ACTIVITIES

What Council will provide	Measures	Target(s)	Current status	How we will do this
Provide a prompt and reliable response to service requests and system failures	Response and investigation of problems	Contractors respond to emergencies within 30 minutes	Contract service times are being met 95%-100% compliance	Maintain agreed response and investigation times of 30 minutes to one working day as set out in maintenance contract
Integration of recreational uses of rivers and streams with ecological and stormwater disposal requirements	Levels of recreational use of rivers and edges of waterways	River and stream work that recognises and where possible enhances ecological and recreational values	Some older constructions are not fish or ecologically friendly, for example the Brook St channel	Ensure future river and stream works take into account the natural environment and recreational requirements. The costs of this would be covered from within existing programme costs



Stormwater financial information for 2010/11

Stormwater

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
Stormwater Rate	(3,778)	(3,888)	(3,975)	(87)
Development/Financial contributions	(220)	(226)	(226)	0
Other revenue	0	0	0	0
Total Income	(3,998)	(4,114)	(4,201)	(87)
Expenses				
Operating and maintenance	976	990	1,004	14
Interest on loans	1,170	1,167	1,240	73
Depreciation	1,632	1,731	1,731	0
Total operating expenses	3,778	3,888	3,975	87
Operating (Surplus)/Deficit	(220)	(226)	(226)	0
Statement of funding requirement				
Funds required:				
Capital expenditure	3,251	4,016	3,893	(123)
Repayment of loan principal	0	0	0	0
Purchase of investment	0	0	0	0
Transfer to reserve funds	0	0	0	0
Total Funds required	3,251	4,016	3,893	(123)
Source of funds:				
Net surplus/deficit	220	226	226	0
New loans raised	1,399	2,059	1,936	(123)
Transfer from reserve funds	0	0	0	0
Non cash expenditure	1,632	1,731	1,731	0
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	3,251	4,016	3,893	(123)

These figures are GST exclusive

SOLID WASTE MANAGEMENT

The Health Act requires councils to ensure that solid waste is collected and the Waste Minimisation Act 2008 requires the Council to prepare a waste management and minimisation plan. As our population grows, we are producing more waste. With the increasing awareness of sustainability, Council and many others realise we must continue to work towards waste minimisation. This includes reducing waste at source and finding better ways to recycle and recover materials that are thrown away. The user pays waste policy of Council gives an incentive for people to maximise their use of Council's recyclables collection services.

Council's waste management system includes the York Valley landfill and the Pascoe Street transfer station in Tahunanui, which houses the recycling/re-use centre and a green waste collection facility.

Challenges ahead

Solid waste management can face sudden changes in economic factors making it difficult to accurately project costs and prepare budgets. The effect of the international collapse of the recycling market was one example, and the effect of the global recession on waste volumes is another.

Nelson residents are enthusiastically behind recycling and composting, so Council is also keen to provide the necessary infrastructure to support waste minimisation. Managing to coordinate pricing between the Nelson and Tasman Councils has led to fluctuating waste streams in the past, but work to coordinate waste management across the region is anticipated to progress well as mechanisms are developed.

The landfill

The York Valley landfill has around 22 years capacity remaining at current disposal rates. Three adjacent gullies have the potential to provide capacity for several decades beyond that, subject to gaining resource consents.

The landfill fee includes a waste minimisation levy that is used to pay for recycling and waste minimisation initiatives.

Up to 44% of the gas from the landfill is collected and sold to Nelson Hospital for water heating. This is mostly methane, a greenhouse gas.

Solid waste charges this year

The landfill charges will increase by 3% to \$92.00 per tonne including GST. Charges for green waste and general waste disposed of at the Pascoe St transfer station will stay the same as for the previous year at \$20 and \$29 per m³ including GST respectively.

The increase in landfill charges is mainly driven by the decrease in the amount of waste deposited at the York Valley landfill and general waste deposited at the transfer station. The quantity of waste has been steadily declining for the past five years. While the decrease in the amount of



waste over the past 12 to 15 months is most likely to be associated with the recession, it is likely that the sudden increase in waste charges resulting from the imposition of the national waste levy, introduced by the previous government, also affected the behaviour of commercial waste operators and businesses.

Recycling back on track

Council collects around 3,000 tonnes (t) of recyclables per year, compared to a total of over 35,800 t of other solid waste, based on 2008/09 figures and including 2,000 t from Buller District. Council's waste account is self-funding, with recycling and waste minimisation initiatives paid from waste disposal charges at both the York Valley landfill and Pascoe Street transfer station. Since early 2009, recyclables prices have improved and Council and Nelmac Ltd investigated new markets for recyclable products. In June 2009, Council decided to continue full recycling and extended it to all plastics classified 3-7, as well as types 1 & 2.

What we do

Council's solid waste management activity includes:

- Landfill at York Valley
- Transfer station at Pascoe St, Tahunanui
- Recycling
- Green waste
- Waste minimisation and environmental education.

What's changed since the 2009-19 Nelson Community Plan

Waste Management and Minimisation Plan

Since the Community Plan was confirmed, Council has decided to develop a joint waste management and minimisation plan with Tasman District Council. Work on it will continue through 2010/11. The Councils want to create a plan to support more sustainable waste minimisation practices for the Nelson/Tasman communities.

Waste Disposal prices

A saving of \$183,000 was made on the waste disposal budget in 2009/10. The Ministry for the Environment decided that material used for the management of a landfill, such as dirt to cover the waste, will not be subject to the national waste levy. This saving makes up for the decrease in revenue due to lower than forecast amounts of waste being deposited at the transfer station and York Valley landfill. The saving on the 2009/10 budget will be carried forward into 2010/11.

Solid waste service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Target(s)	Current status	How we will do this
Measures to encourage the community to reduce waste to landfill	Rate of increase of waste going landfill	Reduce the rate of increase to landfill to 0%. The change in recycling is likely to result in higher volumes into landfills but Council will encourage reduction in waste through 'reduce, reuse' programmes	Reductions achieved over last four years: Rate of decrease 2006-2009 of 27% likely to have been partly due to recession	As part of the environmental community and commercial programmes run each year Combined Waste Management Plan proposed for development in 2009 providing Council with the opportunity to reassess their strategies
Provide facilities for the separation and diversion of greenwaste from landfill (provided costs are no greater than equivalent landfill disposal costs)	Amount of greenfill diverted from the landfill	Divert additional tonnages of greenwaste from landfill each year 2009/10 2000t then from 2010/11 2500t p.a.	Amount of greenwaste diverted over last four years:- 2005/06 2,019 tonnes 2006/07 1,805 tonnes 2007/08 1,491 tonnes 2008/09 1,765 tonnes	Ensure costs at transfer station reflect greenwaste disposal costs
Solid waste activity uses sustainable practices	Compliance with resource consents	All resource consent conditions are met	One resource consent is held, for the York Valley landfill and all conditions have been met except for total suspended solids following heavy rain	Ensure that residents and businesses continue to have access to safe disposal of waste
Recycling services	Fortnightly kerbside collection of glass	100% of urban households provided with kerbside recycling collection	Council currently provides fortnightly collection of glass and on the alternative week collection of plastics, tin and paper 88% of residents use service once or more per month	



Solid waste financial information for 2010/11

Managing Solid Waste

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(0)	(0)	(0)	0
Development/Financial contributions	(12)	(12)	(12)	0
Other revenue	(3,435)	(3,426)	(3,372)	54
Total Income	(3,447)	(3,438)	(3,384)	54
Expenses				
Operating and maintenance	3,147	3,132	3,097	(35)
Interest on loans	21	19	0	(19)
Depreciation	279	287	287	0
Total operating expenses	3,447	3,438	3,384	(54)
Operating (Surplus)/Deficit	0	0	0	0
Statement of funding requirement				
Funds required:				
Capital expenditure	125	51	412	361
Repayment of loan principal	1	42	0	(42)
Purchase of investment	0	0	0	0
Transfer to reserve funds	154	194	0	(194)
Total Funds required	279	287	412	125
Source of funds:				
Net surplus/deficit	0	0	0	0
New loans raised	0	0	0	0
Transfer from reserve funds	0	0	125	125
Non cash expenditure	279	287	287	0
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	279	287	412	125

These figures are GST exclusive

HEART OF NELSON CENTRAL CITY STRATEGY IMPLEMENTATION

The Central City Strategy activity was set up for the first time in the 2009 Nelson Community Plan to coordinate the implementation of this cross-organisation set of projects. There are 104 different projects that aim to maintain the success of our central city while responding positively to changing uses and growth pressures and building a sense of Nelson's identity into the city.

The total budget for Heart of Nelson projects in 2010/11 is now \$2.159 million after the deferral of the Maitai pathway upgrade and some other smaller projects.

The key projects for 2010/11 to be completed in time for Rugby World Cup 2011 include:

- Improvements to Montgomery Square including a pocket park and better pedestrian connections to Hardy St and Trafalgar St
- Improved way-finding and heritage interpretation signs, with some key signs in place in time for Rugby World Cup 2011 and more to follow in later years
- New gateways into the central city on QE II Drive and the Trafalgar St Bridge
- Design work to improve cycle and pedestrian access and facilities around the city.

What's changed since the 2009-19 Nelson Community Plan

A number of projects planned for 2009/19 will now be undertaken in 2010/11.

Performance measures

There are no separate service levels or performance measures set for this Council activity.





Central City Strategy financial information for 2010/11

Central City Strategy

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
Water charges	(196)	(123)	(204)	(81)
Development/Financial contributions	0	0	0	0
Other revenue	0	0	0	0
Total Income	(196)	(123)	(204)	(81)
Expenses				
Operating and maintenance	170	5	105	100
Interest on loans	26	118	99	(19)
Depreciation	0	0	0	0
Total operating expenses	196	123	204	81
Operating (Surplus)/Deficit	0	0	0	0
Statement of funding requirement				
Funds required:				
Capital expenditure	883	2,522	2,159	(363)
Repayment of loan principal	0	0	0	0
Purchase of investment	0	0	0	0
Transfer to reserve funds	0	0	0	0
Total Funds required	883	2,522	2,159	(363)
Source of funds:				
Net surplus/deficit	0	0	0	0
New loans raised	883	2,522	2,159	(363)
Transfer from reserve funds	0	0	0	0
Non cash expenditure	0	0	0	0
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	883	2,522	2,159	(363)

These figures are GST exclusive

ENVIRONMENTAL MANAGEMENT

As one of the country's five unitary authorities, Nelson City Council manages both territorial local authority functions, like subdivisions and district land use, with regional functions like air quality, fresh water, coastal management and biosecurity. The Council's environmental management work includes planning advice, policy development and implementation, monitoring and promoting sustainability best practice. The Council works with other organisations and community groups to achieve good environmental outcomes for Nelson.

Challenges ahead

Council has to balance individual rights with public interest as it seeks to provide leadership and planning for the built and natural environment of the City. We need to plan for the long term without causing undue disruption or constraints on the short term. Finding practical solutions to increase sustainability and protect the City's future will continue to challenge the community, Councillors and staff.

New policies

Key environmental policy developments for 2010/11 are:

- A Sustainability Strategy to make Nelson more resilient as it faces challenges in the future, including a Sustainability Plan for Rugby World Cup 2011
- A concept and framework for a Strategic City Development Plan that sets the priorities for works, reserves, plan changes, and services that meet the needs for an expanding city, redevelopment and service level deficiencies. This proposal is described in more detail below
- A Waimea Estuary Management Strategy with Tasman District Council
- Top of the South Island Marine Biosecurity Operational Plan
- Developing responses to the effects of climate change
- Changes to the Nelson Resource Management Plan that:
 - a) make activity and development standards more efficient and effective
 - b) encourage quality urban design
 - c) protect additional heritage buildings, sites, objects and trees
 - d) implement the central city strategy – e.g. changes to parking and design requirements
 - e) review the sites of significant indigenous vegetation and habitats of indigenous fauna, under s6(c) of the Resource Management Act.



A long term development plan for the City

The Council plans to develop a Strategic City Development Plan that sets the priorities for meeting the servicing needs for growth, redevelopment and existing capacity and service level deficiencies across the whole City. The plan would set out when and where investment in works, reserves, services and plan changes would occur over the next ten years. Such a Plan would assist the Council to get better value from its expenditure by integrating its work programmes across infrastructure, community services and planning. It would also help the community and Council to prioritise decisions on expenditure across all Council activities to achieve the community's goals.

Environmental information and advocacy

Council's key environmental advocacy initiatives include:

- Engagement with the community to develop a Sustainability Strategy for the whole of Nelson City
- Expanding the Solar Saver Scheme to install 500 solar hot water systems in 2010/11
- Providing sustainability advice to home owners through the Eco Building Adviser and to businesses by contributing to the Sustainability Business Adviser service
- Running the Tenth Ecofest with some exciting new features
- Enviroschools programme extended to more Nelson primary schools
- Running composting and food growing courses
- Expansion of recycling at events
- Running air quality improvement campaigns and continuing the Clean Heat Warm Homes scheme
- Working with landowners and environmental care groups to enhance biodiversity and water quality
- Cleaning up contaminated sites.

You can get more information on all these programmes through the Council website www.nelsoncitycouncil.co.nz

Environmental monitoring

Monitoring is essential to ensure good environmental management.

This includes checking that plans are implemented as intended and that Nelson's air, land, waters and coastal areas are in good health. Council's key monitoring work for 2010/11 includes:

- Air quality modelling to investigate if necessary improvements in air quality have been made and to assist in the assessment of resource consents
- Analysis of the source of air pollutants in Nelson
- Updating analysis of carbon monoxide and nitrous oxides pollution

- Monitoring recreational water sites, streams, rivers and estuary habitats, health, and pollution levels in the environment to assess compliance with national environmental standards
- Baseline surveys of potential sites of significant indigenous vegetation
- Monitoring stream and river discharges to assess the effect of resource consents conditions
- Working with Council's Infrastructure Assets on monitoring stormwater pollution
- More state of the environment information for the public, including through the Council website and a combined regional council web-based information portal.

What's changed since the 2009-19 Nelson Community Plan

Central Government has withdrawn its share of the funding for the Eco Building Adviser service. Council considered discontinuing this service, but will continue to fund the full cost of it because of the benefits for sustainability and social wellbeing. Many of the people who benefit from this service are from lower income households.

A Strategic City Development Plan will be developed that would involve integrating planning work that was previously spread over a number of different parts of Council.





Environmental management service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Target(s)	Current status	How we will do this
Cleaner air	Quality of air in Nelson	Meet or exceed current national air quality targets Clean Heat Warm Homes installations planned are: 2009/10 580 2010/11 560 2011/12 370 2012/13 281	On track, all well under target 356 heater conversions in 2008/09. 208 in previous year	Old enclosed burner phase out with financial assistance to property owners through 'Clean Heat, Warm Homes' scheme at a cost of \$3.3 million to Council over 15 years. Note: The installations cease in 2012/13 but the repayments continue until 2022/23
Well-planned city that meets the community's needs	Projects included in the LTCCP are implemented on time and within budget Residents' satisfaction with the Nelson's environment.	Implement current programme of plan changes 75% of residents rate their satisfaction with Nelson's environmental management as "fairly satisfied" or better	Currently behind in plan change programme due to staff shortages In 2008 only 61% of residents rated their satisfaction with Nelson's environmental management as "fairly satisfied" or better, 32% in 2009	Staff to be employed to fill any vacancies that arise Will investigate one regional plan (TDC/NCC/MDC) within ten years The annual programme for plan changes will be set each year, 2010/11 work includes: Central City Strategy Plan changes Review of Areas of Significant Conservation Value plan provisions Heritage Plan changes Nelson Resource Management plan review Air Quality plan changes Central City Strategy plan changes are a priority to achieve better urban design and economic benefits

What Council will provide	Measures	Target(s)	Current status	How we will do this
Cleaner water	Quality of Nelson's coastal and freshwater	<p>Meet swimming water quality standards</p> <p>Stream health: maintain class A and B waterbodies in current state and improve class C to B, and have no waterbodies worse than class C</p>	<p>Bathing water results for 2008 showed only the Lower Maitai and Wakapuaka Rivers were not meeting swimming standards</p> <p>2007 report found nine stretches of river to be worse than class C Monitoring shows:</p> <ul style="list-style-type: none"> • Stream bank vegetation increasing • Improvement in stream health index 	<p>Ability to clean up limited by urban and rural activities</p> <p>Continuation of environmental programs Pollution prevention plans required by businesses</p>
Protect and restore native biodiversity	<p>Biodiversity in the Nelson area</p> <p>Results from the Land Cover Database produced by the Ministry for the Environment five yearly</p>	<p>Implementation of Council actions in Nelson biodiversity action plans</p> <p>Area of Nelson covered in native vegetation remains the same or increases between 2005 and 2010</p>	<p>Council has drafted with the community biodiversity plans for land, freshwater and coastal environments Waimea Estuary Strategy under way in 2010</p> <p>Area of Nelson covered in native vegetation has remained the same since 2000</p>	<p>Includes spending \$2 million p.a. in 2010/11 across Council to protect and restore biodiversity. The majority of this spending is within the Parks and Open Space activity and includes \$1 million over two years on Brook Sanctuary Fence and \$1 million on pest control and new plantings \$138,983 on pest management advice and services</p>

What Council will provide	Measures	Target(s)	Current status	How we will do this
Identify, promote, and protect Nelson's heritage	Support of the Nelson Heritage Strategy	Implement Council actions in Nelson Heritage Strategy 90% of residents rate their satisfaction with heritage management as "fairly satisfied" or better	Rates remission incentive fund for heritage buildings and zero resource consent fees established, heritage inventory and Central City Strategy implementation underway. Heritage promotion actions still to occur	Heritage strategy implementation spending of \$53,000. Maintenance of Council's heritage properties includes Isel, Broadgreen and Melrose Houses
Sustainability advocacy	Council and community greenhouse gas emissions	Stabilise the Council and community's greenhouse gas emissions by 2012 and reduce by 40% in 2020 compared with 2001	Large reduction in Council and community emissions required to meet target	Implementation of the Climate Change and Sustainability Policies. \$100,000 to develop a sustainability strategy in 2010/11
		Implement Climate Change and Sustainability action plans	Action plans finalised 2008	Includes Eco Building Design Adviser, solar hot water installations on a number of Council facilities, Solar Saver loan scheme (\$50,000), Sustainability Business Adviser (\$10,000 contribution), Environmental Awards, expanded EnviroSchools and EcoFest

Environmental management financial information for 2010/11**Environmental Mgt**

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(2,648)	(2,720)	(2,486)	234
Development/Financial contributions	0	0	0	0
Other revenue	(1,220)	(1,732)	(1,989)	(257)
Total Income	<u>(3,868)</u>	<u>(4,452)</u>	<u>(4,475)</u>	<u>(23)</u>
Expenses				
Operating and maintenance	3,521	4,038	4,667	629
Interest on loans	200	379	450	71
Depreciation	16	16	16	0
Total operating expenses	<u>3,737</u>	<u>4,433</u>	<u>5,133</u>	<u>700</u>
Operating (Surplus)/Deficit	<u>(131)</u>	<u>(19)</u>	<u>658</u>	<u>677</u>
Statement of funding requirement				
Funds required:				
Capital expenditure	0	0	0	0
Repayment of loan principal	221	566	409	(157)
Purchase of investment	3,448	5,136	4,568	(568)
Non cash - invest write up	99	193	133	(60)
Transfer to Reserves	294	211	16	(195)
Total Funds required	<u>4,062</u>	<u>6,106</u>	<u>5,126</u>	<u>(980)</u>
Source of funds:				
Net surplus/deficit	131	19	(658)	(677)
New loans raised	3,115	4,794	4,568	(226)
Transfer from other reserve funds	0	0	79	79
Non cash - invest write down	580	712	712	0
Non cash expenditure	16	16	16	0
Sale of investment	220	565	409	(156)
Sales of assets	0	0	0	0
Total source of funds	<u>4,062</u>	<u>6,106</u>	<u>5,126</u>	<u>(980)</u>

These figures are GST exclusive

TRANSPORT

The efficient and safe movement of people and goods through our region is important for community wellbeing. Nelson City, as a unitary (combined city and regional) authority, does the transport planning for Nelson and is responsible for maintenance, construction and renewal of all roads and other parts of the transport network, except State Highways. The State Highway network is managed separately by the NZ Transport Agency, which replaced Transit NZ, and is 100% funded by central government. All other local roads receive varying percentages of funding from Central Government with the balance provided by Nelson City Council.

Council manages and maintains 261 km of roads, of which 247 km are sealed and 14 km are unsealed; 102 bridges; 19 km of off road cycle lanes; 871 car parks in the central city and 237 car parks in Stoke.

Challenges ahead

Solving Nelson's transport challenges is one of the biggest puzzles facing Council. Moving people and goods smoothly into, around and through Nelson is a complex planning challenge that goes well beyond building roads. Council needs to consider land use planning, economic changes, population growth, changing social patterns and more to work out the optimal mix of transport options and incentives. Applying the updated Land Development Manual is part of solving the puzzle, as is the Arterial Traffic Study. If the application is successful for Nelson to become a Model Community for cycling and walking, more funding will help to promote these solutions to congestion and ill health.

Planning for the long term

The overarching strategy for the transport network is the Regional Land Transport Strategy (RLTS), which covers how to provide for and integrate the different transport modes: motor vehicles, walking, cycling and public transport. This strategy includes new initiatives such as the use of Travel Demand Management. The Regional Transport Committee completed the strategy in early 2009 and Council adopted it in June 2009.

Comprehensive traffic study

While considering the RLTS, Council decided to commission a study into the effects of arterial traffic flows in Nelson. The study is looking into the social, economic and environmental costs and benefits of all the route options between Annesbrook and the QEII Drive/Haven Road roundabout. Consultants MWH Ltd were appointed to begin the study in January 2010 and to complete it by December 2010. Community engagement will be a major part of this study during 2010.



New street zones being investigated

Council is investigating the introduction of Residential Shared Zones in the city. These zones would be places where traffic speeds are low and pedestrians, cyclists and car drivers share the same space. Vehicle speeds would be kept below 30kph through a number of methods including speed tables and planting, to ensure the safety of pedestrians and cyclists. Council is considering trialling this concept on some of the narrow hilly streets where traditional street upgrade standards would require large retaining walls and significant widening of the street. By upgrading the street to a Residential Shared Zone, such a wide road corridor would not be needed and neither would so much space be required for a footpath as all road users would use the same surface. Benefits of this approach include improved safety, minimal reduction in on-street parking, reduced costs for road upgrades and enabling upgrades to be carried out with less impact on the character and amenity of the street. Such zones would also use less construction materials, which would be aligned with Council’s Sustainability Policy.

Active and public transport

The level of subsidised public transport services in Nelson is low. Public feedback during Council consultation processes has highlighted this as an area where residents would like a higher level of service. Council will continue to provide ‘The Bus’ community bus service, subject to government funding. The private sector provides commercial public transport services between Nelson and Richmond. The Ministry of Education provides subsidised school bus services. Council, with Tasman District Council, also provides the Total Mobility Scheme, a door to-door transport service to assist people with impairments who are unable to use public transport.

Nelson has relatively high numbers of pedestrians and cyclists compared with the rest of the country. In response, Council has progressively developed footpaths and cycle facilities. Cycling and walking are considered important transport options to provide for an increasing population and to improve physical activity levels while reducing environmental impacts.

Safer roads

Nelson had an upward trend for reported injury crashes, with annual reported injury crashes increasing in line with population growth over recent years. Cycle crashes are over-represented in Nelson, although cycle volumes are higher here, which might account for some of this trend. Central Government funding has been reduced, but Nelson City will continue key crash reduction initiatives, including:

- Designing roads and transport infrastructure to encourage slower speeds and improved facilities for pedestrians and cyclists
- Four-monthly road safety action plan meetings
- Safer Journeys to School programme
- Minor Safety Works expenditure, up to \$320,000 each year

- Community Road Safety Education programme including campaigns for pedestrian safety, cycle safety, older drivers, seat belts, learner drivers and an early intervention programme for those who come before the courts
- 0800 CYCLE CRASH phone line.

Parking and carpooling

Car parking demand within the Central Business District (CBD) is high and there is some demand to increase the number of short stay parks for shoppers. A car parking survey in December 2008 suggested that a significant proportion of short stay parks within the CBD were being used by all day parkers despite the time restrictions. If this continues, then the simplest way to increase short stay parks for shoppers is to implement stronger enforcement measures so long stay users don't park in the short stay parks. Council supports carpooling by providing free all-day parking to registered carpooling commuters and by hosting links to carpooling websites on the Council site.

What we do

Council's transport activities include:

- Provision of a road network including road safety and street cleaning
- Footpaths
- Cycle ways
- Public transport – 'The Bus', which provides a limited service
- Subsidised public transport including the Total Mobility Scheme to provide access for disabled
- Street lighting
- Inner city parking regulation and Central Business District development
- Street gardens and trees
- Management of properties on road reserve.

This year will also include work to develop a Transport Plan for Rugby World Cup 2011.

What's changed since the 2009-19 Nelson Community Plan

Following discussion of submissions, Council decided to allocate \$35,000 for a review of the policy on sealing rural roads. An additional \$10,000 will be provided for Uniquely Nelson to promote Nelson's central business district. The NZTA published the National Land Transport Programme 2009-2012 in August 2009. The programme changed the rules around the use of 'R' funding to ensure value for money. 'R' funds are now used for the highest priority projects in the region. For Nelson, the programme maintained passenger transport funding to existing 2008/09 levels, reduced road maintenance funding and reduced road safety funding. Council's 20010/11

budgets have been aligned with the new funding levels. Because Central Government funds were redirected to the main cities, the enhanced public transport service that had been proposed by Council is no longer occurring due to the lack of government assistance.

Additional costs have been incurred in the construction of the Ridgeway link road, mainly due to unforeseen ground conditions requiring additional fill and drainage remediation. As a consequence of this, the Atawhai Drive road upgrade has been postponed until 2010/11.

Council decided to pursue an application to become a Model Community for cycle funding, which if granted, would have increased funding for walking and cycling in Nelson over the next two years. Council recently received word that its application was unsuccessful.



Transport service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Status	How we will do this
Public transport services	Increasing use of public transport	<p>Increase share of weekday journey to work trips by public transport to at least 10% by 2018</p> <p>80% households within 400m (5 minutes' walk) of a bus route by 2014</p>	<p>0.5% of all weekday journey to work trips by public transport (source: 2006 National Census)</p> <p>45,651 trips on 'The Bus' in 2008/09</p> <p>Household distance from bus routes not yet assessed</p>	Parking controls an incentive to encourage public transport use
Walkways and cycleways that meet residents' needs	Increased walking and cycling	<p>Increase the number of vehicles with more than one occupant in the peak period across the Waimea Rd/Rocks Rd screenline to at least 10% by 2018</p> <p>Increase the share of weekday journey to work trips undertaken by walking and cycling to at least 25% by 2018</p>	<p>4.3% of people travelled to work as passengers in Nelson in 2006</p> <p>3% in 2009 (July).</p> <p>13.4% of all weekday journey to work trips by walking and cycling (source: 2006 National Census)</p> <p>11% in July 2009 (residents survey)</p>	Introduce school and business travel plans, expand car pooling

COUNCIL ACTIVITIES

What Council will provide	Measures	Targets	Status	How we will do this
Walkways and cycleways that are safe	Number of accidents	Reduce the number of injury pedestrian and cyclist casualties by at least 20% by 2018 compared with 2008	22% of all urban casualties were pedestrian and cyclists in 2007	Implement improved lighting on cycleways from 2010/11, build cycleway underpass for Saxton Field in 2010/11, build cycleways for Halifax Street in 2012/13, The Brook in 2013/14 and Jenkins Creek in 2016/17, safety programmes
Well maintained road network	Residents' satisfaction	At least 75% resident satisfaction with roads	In 2009 resident satisfaction with roads was 49%	Implement the Transport Asset Management Plan The annual reseals budget reviewed every three years to ensure that the reseals backlog does not increase
	Road roughness achieves New Zealand Transport Agency Standards	Maximum average road roughness: Arterial/principal 90-100 Collector 110 Local 120-140 Rural sealed 110-140 Rural unsealed 110-140	Maximum average road roughness: Arterial/principal 85 Collector 105 Local 124 Rural sealed 90 Rural unsealed 121	Note: Road roughness is measured by a system developed by the former National Association of Australian State Roading Authorities (NAASRA). Values are obtained by a special-purpose vehicle traveling down both the outside lanes of a length of road. The rougher the road, the higher the NAASRA counts per lane kilometre

Transport financial information for 2010/11

Transport

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rate	(7,181)	(7,628)	(7,110)	518
Development/Financial contributions	(250)	(257)	(257)	0
Other revenue	(6,272)	(6,752)	(5,781)	971
Total Income	(13,703)	(14,637)	(13,148)	1,489
Expenses				
Operating and maintenance	7,887	8,556	7,198	(1,358)
Interest on loans	1,068	1,050	1,159	109
Depreciation	3,932	4,132	4,132	(0)
Total operating expenses	12,887	13,738	12,489	(1,249)
Operating (Surplus)/Deficit	(816)	(899)	(659)	240
Statement of funding requirement				
Funds required:				
Capital expenditure	3,899	8,720	9,307	587
Repayment of loan principal	824	450	130	(320)
Purchase of investment	0	0	0	0
Transfer to reserve funds	1,097	602	535	(67)
Total Funds required	5,820	9,772	9,972	200
Source of funds:				
Net surplus/deficit	816	899	659	(240)
New loans raised	488	3,447	4,581	1,134
Transfer from reserve funds	484	1,191	498	(693)
Non cash expenditure	3,932	4,132	4,132	(0)
Sale of investment	0	0	0	0
Sales of assets	100	103	103	0
Total source of funds	5,820	9,772	9,972	200

These figures are GST exclusive

REGULATORY COMPLIANCE (consents, licences, public health and monitoring)

As a unitary authority, the Nelson City Council fulfils its legislative responsibilities both as a territorial authority and a regional council.

Council's regulatory compliance work includes administering government regulations mainly related to public health, safety or wellbeing. Controlling dogs, licensing liquor outlets, ensuring food hygiene and safe navigation, for example, all affect social wellbeing.

Processing resource consents and building consents is also included in this Council activity, which promotes environmental as well as social wellbeing. Council's pollution control, noise monitoring and complaints investigation responsibilities are concerned with protecting both the environment and human health and wellbeing.

Challenges ahead

Council has to ensure public safety and sometimes this means providing incentives and disincentives to limit the activities of individuals who might put that safety at risk. Council is also faced with an increasing number of regulations and legal requirements that are imposed by Central Government but not funded centrally. Delivering on these obligations puts an increasing burden on ratepayers. Council has to find the right mix of public funding and user pays to provide essential services equitably.

Consent processing rates are directly related to economic activity and Council has to respond as promptly as possible when applications are lodged.

What we do

Council's consents, licensing and monitoring activities include:

- Dog and animal control
- Liquor licensing
- Food premises monitoring
- Storing and providing land information
- Acting as a Building Consent Authority in processing and inspection of building consents
- Acting as a territorial authority for building compliance, earthquake prone buildings and building warrants of fitness
- Processing and monitoring resource consents, and enforcing conditions of resource consents
- Harbour and coastal safety and navigation
- Pollution management
- Investigating complaints (noise, bylaws, unauthorised activities and illegal building works).



What's changed since the 2009-19 Nelson Community Plan

The Government is committed to a Phase 2 of its reforms of the Resource Management Act 1991. This has the potential to change some of the Council's responsibilities. The work is at an early stage and the effect on service levels and performance measures is unknown, but it could be expected to change Council's budgets in response.

The Government is committed to a review of the Sale of Liquor Act, the Building Act, Food Safety Act, and the Fencing of Swimming Pools Act. The potential effects of these reviews were unknown at the time this Annual Plan was prepared.



Regulatory compliance service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	How we will do this
Building Control team to ensure buildings are built to provide a safe and healthy environment for current and future building owners and users	Compliance with Building Act 2004	100% compliance		Building Control Team to carry out Building Consent Authority (BCA) functions as required by Building Act 2004 Issue building consents, carry out inspections, issues code compliance certificates, compliance schedules and notice to fix
	Meet statutory timeframes under the Building Act 2004	100% compliance with Building Act requirements	June-Dec 2009 1422 building consents sought, 90% completed in 20 working days or less	Monitor workloads weekly and run monthly reports and employ additional resources as required
Building Consent Authority accreditation services & Quality Assurance (QA) accreditation services	Retention of BCA Accreditation	Assessment by IANZ June 2009 and every two years thereafter. Retain Accreditation and obtain Quality Assurance Accreditation	Currently accredited to assess and inspect all building work in Nelson	Ensure adequate staff, resources and training. BCA and Quality Assurance policy, systems & procedures are met by the building control team and audited. Building Consent Authority Regulations 2006

What Council will provide	Measures	Targets	Current status	How we will do this
Reduce risk and ensure life safety of the public in buildings if an earthquake occurs	Implementation of Earthquake Prone Building Policy	<p>Building owners to be notified by June 2009</p> <p>Building owners to be notified by December 2009</p> <p>Building owners to be notified by December 2010</p> <p>Building owners to be notified by December 2011</p>	Desktop review of notified buildings almost complete	<p>Buildings with special post-disaster functions, i.e., hospitals, schools, fire and police stations (Importance level 4)</p> <p>Buildings that contain people in crowds, i.e., theatres, stadiums, halls (Importance level 3)</p> <p>Buildings with a heritage classification of A or B under council's register, e.g. Broadgreen has historic & cultural importance to the Nelson community (Heritage Classification A and B)</p> <p>Buildings with a low consequence for loss of life, i.e. houses, garages, commercial & industrial (Importance level less than 3). Employ professional contractor to assess structure against required levels of standard, AS/NZS1170.0.2002</p>
Resource Consent processing services	Number of consents processed within statutory timeframes	<p>100% of consents processed within statutory timeframes</p> <p>The average days to process a non-notified consent is equal to or less than 20 days</p>	<p>2008/09 78% of non-notified and 69% of notified consents were within timeframes, 95% in early 2010</p> <p>2009/10 average 21 days</p>	Ensure appropriate staff levels, provide staff training, improve consent processes and utilise consultants when workloads are unusually high
Public health protection services including food and liquor licensing and inspections	The percentage of premises inspected each year	All premises are inspected at least once per year and any failures reinspected	Achieved	Ensure appropriate staff levels and provide training to meet new requirements from legislative changes.

COUNCIL ACTIVITIES

What Council will provide	Measures	Targets	Current status	How we will do this
Response to Complaints (e.g. pollution response, dogs)	The percent of priority complaints responded to within 30 minutes. High priority complaints are complaints that require immediate response due to a serious imminent threat to the environment or person	100% of high priority complaints are responded to within 30 minutes. Including dogs attacking or showing aggressive behaviour and pollution complaints	In 2009 achieving 100% within 30 minutes	Ensure appropriate staff levels and provide training to ensure staff safety when responding
Noise control	The percent of priority complaints responded to within 30 minutes	80% of high priority complaints are responded to within 30 minutes. High priority complaints are those in the early hours of the morning	Up to 30 November 2008 achieved 69% within 30 minutes	Ensure appropriate staff levels and provide training to ensure staff safety when responding. Overall noise control will cost \$92,709 in 2010/11 and will only partly be recovered in fines

Regulatory compliance financial information for 2010/11**Regulatory Compliance**

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(1,867)	(1,947)	(1,975)	(28)
Development/Financial contributions	0	0	0	0
Other revenue	(3,261)	(3,275)	(3,254)	21
Total Income	<u>(5,128)</u>	<u>(5,222)</u>	<u>(5,229)</u>	<u>(7)</u>
Expenses				
Operating and maintenance	4,999	5,173	5,165	(8)
Interest on loans	0	0	0	0
Depreciation	26	26	25	(1)
Total operating expenses	<u>5,025</u>	<u>5,199</u>	<u>5,190</u>	<u>(9)</u>
Operating (Surplus)/Deficit	<u>(103)</u>	<u>(23)</u>	<u>(39)</u>	<u>(16)</u>
Statement of funding requirement				
Funds required:				
Capital expenditure	90	0	0	0
Repayment of loan principal	0	0	0	0
Purchase of investment	0	0	0	0
Transfer to reserve funds	39	49	64	15
Total Funds required	<u>129</u>	<u>49</u>	<u>64</u>	<u>15</u>
Source of funds:				
Net surplus/deficit	103	23	39	16
New loans raised	0	0	0	0
Transfer from reserve funds	0	0	0	0
Non cash expenditure	26	26	25	(1)
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	<u>129</u>	<u>49</u>	<u>64</u>	<u>15</u>

These figures are GST exclusive

PARKS AND RESERVES

Council owns and manages a wide range of parks and open spaces that enhance the protection of Nelson’s biodiversity and protect heritage, river and coastal areas. The presence of reserves in and around the city fosters active lifestyles, bringing health and wellbeing benefits and providing for a variety of outdoor recreation activities.

The Council manages 11,120 hectares (ha) of parks and reserves. The majority is held in the Brook, Roding and Maitai Conservation Reserves, which together total just over 10,000ha and are rich in native species and ecosystems. Nelson’s landscape reserves form the green backdrop to the city which is very much a part of the Nelson reputation as a green and beautiful part of the country.

Challenges ahead

Nelson’s parks and reserves are admired and enjoyed by residents and visitors. It is Council’s challenge to make sure they are protected from threats and managed for future as well as current uses.

Managing Council reserves and sportsfields equitably will present Council with some hard choices as maintenance costs continue to rise. It costs the Council a significant amount each year to maintain the services and facilities that residents and visitors have come to expect. Council and the community need to consider the balance between the cost of these services and the many social, cultural, economic and environmental benefits that a reserve like Victory Square brings to the surrounding area.

Parks and Reserves Activity Management Plan

In 2009, Council reviewed its Parks and Reserves Activity Management Plan. This plan guides Council in its provision and management of parks and reserves to provide open space that meets the needs of the community in a cost-effective manner. The plan identifies where new parks are needed, which is mostly in areas of new housing development, and looks at future open space needs as a result of changing trends in recreation and demographics.

The Plan is available from Council offices at Civic House and on the Council website.



What we do

Council's parks and reserves include:

Open Space Type	Primary Purpose(s)
Conservation Reserves	Water supply catchment protection, biodiversity and heritage conservation and informal recreation such as mountain biking and walking
Landscape Reserves	Protecting the city's back-drop and landscape characteristics and providing high quality opportunities for informal recreation
Esplanade and Foreshore Reserves	Protecting waterways and the coast, and providing ecological linkages and walking/cycling corridors between the city's open spaces
Sportsfield Reserves	Organised sports such as netball, football, rugby, hockey, cricket, tennis, athletics and providing larger areas for informal recreation
Neighbourhood Parks	Accessible informal recreation close to home, primarily for play and social interaction and enhancing the amenity of residential areas
Horticultural Parks	Preserving heritage plantings, botanical display and accessible for passive recreation
Heritage and Park Trees	Protection and maintenance of heritage and park trees

Broadly, Council's parks and reserves responsibilities are split into planning, acquisitions, development and maintenance.

What's changed since the 2009-19 Nelson Community Plan

To keep options open for the irrigation of parks with treated waste water, Council decided to allocate \$285,000 for an additional pipe from the Bells Island waste water treatment facility.

There has also been some minor shifting of priorities. For example the new toilets near Church Hill have been brought forward after they had been proposed to be delayed and the new \$154,000 Queens Gardens toilets are to be postponed by a year to 2011/12.

Parks and reserves service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	What we will do to achieve this
Neighbourhood parks well distributed throughout the city for residents use and enjoyment	Neighbourhood park distribution	At least one neighbourhood park within 400m of each home in residential area and within 5km in rural small holdings zone	Target met for all of Nelson except in the Wood where options for acquiring land being considered	Continue current programme of assessing reserve requirements through activity management planning
Sufficient sportsfield reserves provided to support community's organised sport needs	Area of sportsfield reserves	Maintain at least 2.5ha of sportsfield reserves per 1000 residents	Target met for all of Nelson 2.84ha per 1000 people in 2009	Continue current programme of assessing reserve requirements through activity management planning
Well designed and safe play facilities are located within walking distance of every house in the urban area	Playground location distribution. Internal and independent audits monitor safety and design standards	Play facilities located within 800m of every house in the urban area Audits occur according to agreed schedule and recommendations are implemented	Distribution target met for all of Nelson. Work on audit schedule underway	Yr 1: establish schedule of internal and independent audits Yr 2-3: implement new schedule and monitor compliance with audit results
Threats to significant biodiversity values within Conservation and Landscape Reserves are actively monitored	Monitoring system for key species and habitats	Regular system of monitoring of key species and habitats implemented for Conservation and Landscape Reserves and findings reported to Council and community	Introduced species are threatening biodiversity within city's reserves but extent of problem needs to be better researched	Yr 1 : Programme of species/habitat monitoring established Yr 2-3: Monitoring undertaken annually and trends reported to Council and publicised
City's parks and reserves managed in a sustainable manner	Key indicators show improvement in sustainability	Council-wide system for monitoring sustainability indicators established and targets set for key indicators in parks and reserves	Council developing monitoring system for key indicators	Yr 1: Monitoring system established and targets set for parks and reserves Yr 2-3: Implement practices to achieve sustainability targets

Parks and reserves financial information for 2010/11**Parks and Open Spaces**

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(5,270)	(6,355)	(6,020)	335
Development/Financial contributions	0	0	0	0
Other revenue	(390)	(440)	(447)	(7)
Total Income	(5,660)	(6,795)	(6,467)	328
Expenses				
Operating and maintenance	4,571	4,934	4,841	(93)
Interest on loans	568	834	587	(247)
Depreciation	923	989	989	0
Total operating expenses	6,062	6,757	6,417	(340)
Operating (Surplus)/Deficit	402	(38)	(50)	(12)
Statement of funding requirement				
Funds required:				
Capital expenditure	6,210	9,764	10,043	280
Repayment of loan principal	0	0	0	0
Purchase of investment	0	0	0	0
Transfer to reserve funds	0	0	0	0
Total Funds required	6,210	9,764	10,043	280
Source of funds:				
Net surplus/deficit	(402)	38	50	12
New loans raised	4,905	7,287	7,895	608
Transfer from reserve funds	784	1,450	1,109	(340)
Non cash expenditure	923	989	989	0
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	6,210	9,764	10,043	280

These figures are GST exclusive

RECREATION AND LEISURE

With the long-term trend towards increasing inactivity and obesity, councils and other organisations see the many benefits to the community of more active, and therefore healthier, people. Council provides recreation and leisure opportunities through its provision of infrastructure such as footpaths and cycle ways, parks and open space, information, services, events and programmes.

'Recreation' and 'leisure' are defined broadly to include all passive and active pastimes that 'refresh, occupy and entertain'.

Healthy Nelson lifestyle

Taking part in physical activities as well as enjoying leisure time is a significant and essential part of Nelson's culture. Nelson has the highest proportion of residents in the country taking part in sport and recreation. Related to this, Nelson has the fewest smokers nationwide.

Challenges ahead

Council faces the same challenge with its recreation and leisure responsibilities as it does in managing its parks, reserves and community facilities. Council and the community need to balance the costs of providing these opportunities against their many social, economic, health and cultural benefits.

Our health as a community is in part shaped by our surrounding environment and physical opportunities. A healthy community is also more productive, with fewer people unable to work because of illness. Council's recreation and leisure activity overlaps with other Council activities particularly:

- Culture, heritage and arts
- Parks and open space
- Transport (especially active and public transport)
- Environmental management
- Community facilities.

Physical activity at Council events

Many community events run by Council, such as Broadgreen Rose Day, now include opportunities to be physically active. An example is the Summer Festival outdoor movies that include active games for the crowd. The Lantern Spectacular includes a walk to the top of the Centre of NZ hill, and the Teddy Bears' Picnic includes sports activities for children and parents like tug of war and sack races.

Council support for active recreation in conjunction with festival events includes Rose Day, Isel in Bloom, Youth Council events, Bikewise Week, and support for Youth Week in May every year. Initiatives include the Summer Passport, recreation activities at the beach and neighbourhood reserves and



the Activator programmes. Council-facilitated family initiatives include Arts Festival youth activities and the New Year's Eve concert.

Recreation planning

Council's recreation and leisure work includes planning, coordination, funding and the provision of facilities. The Regional Physical Activity Strategy and Nelson Tasman Physical Activity Plan were developed through Council's partnership with key stakeholders and, likewise, implementation is funded by Councils and other interested organisations. The regional strategy covers high level collaboration strategies for Buller, Tasman, Nelson, Marlborough and Kaikoura. The Nelson Tasman Physical Activity Plan has a local focus and lists specific goals and initiatives for this area. Council is one of several organisations implementing this plan with others including Public Health, Tasman Regional Sports Trust, SPARC, Tasman District Council, schools and recreation providers.

The local plan covers issues such as health, active transport, inclusiveness and access, information sharing, open space, facility planning, education, volunteer support and links to related policies.

Community funding

Council administers the Nelson City Physical Activity Fund for community groups with specific projects to increase physical activity levels. Up to \$40,000 per annum is given to groups, which is residual funding from the former Hillary Commission Community Sport Fund.

The Community Assistance Policy provides for Council grants and fixed term contracts to community organisations including those that provide recreation and leisure services for residents.

Way2Go

Way2Go is a Nelson-Tasman Active Communities project to increase the physical activity levels of the community with a focus on those who face social barriers to getting active. It is a collaborative programme between Nelson City and Tasman District Councils, Nelson Marlborough District Health Board, the Tasman Regional Sports Trust and the Nelson Bays Primary Health.

Regional recreation facilities

The Nelson and Tasman Councils also work through the Regional Funding Forum to coordinate the funding and development of regional community recreation and leisure facilities, such as those at Saxton Field.

The Trafalgar Centre is the region's largest indoor events venue catering for major arts, cultural, sporting and recreation events that attract large audiences. The main stadium was upgraded in March 2009, including improved acoustics, insulation and ventilation, new toilets and changing facilities, increased floor space, flexible seating and stage area and additional storage areas.

What we do

Council's recreation and leisure activities include:

- Recreation and reserves planning
- Trafalgar Centre
- Golf courses (Waahi Taakaro, Maitai)
- Swimming pools (Riverside and Nayland)
- Natureland Zoo at Tahunanui
- Recreation grants (community assistance funding and Nelson City Physical Activity Fund)
- Coordinating and funding community programmes
- Community liaison – recreation
- Play facilities (playgrounds, youth parks, skate parks)
- Support for after school and holiday programmes
- Facilitation of the community recreation cluster
- In Your Neighbourhood and Activator physical activity programmes.

What's changed since the 2009-19 Nelson Community Plan

\$6,000 is to be spent on sealing part of a play area at The Glen.

Recreation and leisure service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	What we will do to achieve this
Natureland established as a high quality visitor attraction	Visitor numbers	Visitor numbers increase annually	Visitor numbers static prior to the facility being leased to the Orana Wildlife Trust	Continue funding in accordance with funding agreement
Trafalgar Centre as a venue that continues to meet needs of the community and attract visitors	Bookings	Bookings increase annually	Newly refurbished Trafalgar Centre opened February 2009. Trend upwards for performances and national sports (4 bookings 2006, 20 in 2009). Local sports bookings decreasing 85 (2006) to 31 (2009)	Continue to promote the Trafalgar Centre as an important regional venue for a wide range of events



Recreation and leisure financial information for 2010/11

Recreation and Leisure

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(2,956)	(3,062)	(3,007)	55
Development/Financial contributions	0	0	0	0
Other revenue	(385)	(430)	(605)	(175)
Total Income	(3,341)	(3,492)	(3,612)	(120)
Expenses				
Operating and maintenance	2,332	2,422	2,489	67
Interest on loans	426	397	450	53
Depreciation	589	668	668	0
Total operating expenses	3,347	3,487	3,607	120
Operating (Surplus)/Deficit	6	(5)	(5)	(0)
Statement of funding requirement				
Funds required:				
Capital expenditure	960	728	1,408	680
Repayment of loan principal	204	305	253	(52)
Purchase of investment	90	0	0	0
Transfer to reserve funds	5	5	5	0
Total Funds required	1,259	1,038	1,666	628
Source of funds:				
Net surplus/deficit	(6)	5	5	0
New loans raised	325	21	707	686
Transfer from reserve funds	338	331	273	(58)
Non cash expenditure	589	668	668	0
Sale of investment	13	13	13	0
Sales of assets	0	0	0	0
Total source of funds	1,259	1,038	1,666	628

These figures are GST exclusive

COMMUNITY FACILITIES



Community facilities are needed to ensure Nelson has a range of high quality places where services are provided for a variety of uses by residents and visitors. These range from public toilets and camping grounds to the crematorium. Many different facilities are included in this Council financial activity, from the three public libraries to community properties including local halls. The types of community facilities include:

- Public libraries
- Marsden cemetery and crematorium
- Public toilets
- Marina
- Community properties
- Motor camps (Tahunanui, Brook and Maitai)
- Community housing – 142 units of low cost housing for older residents with limited financial means
- Regional community facilities e.g. Saxton Stadium.

Challenges ahead

In recent years, a larger proportion of Council's resources went into bringing essential infrastructure and utilities to the required standard. This was an expensive process and meant that the City has fallen behind on providing the full range of high quality community facilities that are now needed and expected by the community. Now that its infrastructure is largely in place, Council and the community are turning to the question of how to fill the obvious gaps in its suite of facilities. Council is well aware that investing in community facilities brings a range of social, cultural and economic benefits to Nelson and it already provides and manages many of these. The next few years will present Nelson with more decisions on the best way to fund, locate and develop those that are yet to be built.

All sorts of facilities

Council has grouped very different kinds of properties to be managed together under this activity. What they have in common is that they are all physical properties owned by Council on behalf of the community for people to use and for delivering community services in some form. Because public use of these facilities differs so widely, each group of facilities is addressed separately to set service levels and performance measures.

All of Council's community facilities, recreation and leisure, parks and open space and social development activities are concerned with enhancing community wellbeing through overlapping social, cultural, economic and environmental initiatives.

Saxton Stadium regional facility

Saxton Stadium is an important facility and asset for the region and is the culmination of a number of years hard work by the Saxton Field Stadium Society, all the sporting codes that use the facility and funding and support from both the Nelson and Tasman District Councils. The Nelson City contribution has been \$6.7 million of the \$13.2 million cost of this facility. The 7000m² stadium houses five basketball/netball courts, 12 volleyball courts and a table tennis area along with sports administration offices.

The operating cost of Saxton Stadium is budgeted to be \$919,000 in 2010/11, which includes interest on the loan, depreciation and the management of the facility. Of the total amount, \$111,000 is budgeted to be received from users and \$59,417 as a contribution from the Tasman District Council.

What's changed since the 2009-19 Nelson Community Plan

In 2009 Nelson City Council secured additional funding from Housing New Zealand for upgrading Nelson City Council's community housing (\$1.17 million).

This year Council plans to pick up on the delayed Performing Arts and Conference Centre (PACC) concept. Following public consultation in 2009, Council resolved on 10 December 2009 not to proceed further with the construction of a Performing Arts and Conference Centre on land on the corner of Selwyn Place, Rutherford Street and Nile Street West. Council decided to determine the best means to move forward with a Performing Arts and Conference Centre during the 2010 Annual Plan process. Council continues to review options for a Performing Arts and/or conference facility. The effect of the delayed PACC project on this Annual Plan is that funding that had been allocated for it will move out to later years should the project proceed.

\$1.2 million is to be carried over to 2011/12 due to the delay in building the cricket/athletics/football pavilion at Saxton Field.

A further \$130,000 is to be spent on improved drainage for the Saxton Field football grounds, less a contribution from Tasman District Council.

Community facilities service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	What we will do to achieve this
Well-managed facilities with appropriate services for a variety of uses by the community	Residents survey	Minimum of 80% satisfaction with facilities	Well-patronised range of community facilities	Continue funding for current facilities and develop new ones e.g. Performing Arts and Conference Centre, as necessary to meet community needs
Nelson Public Libraries are well used and offer a range of services that satisfy the needs of the community	Membership figures. Issues per capita compared to national average. Holdings per capita compared to national average. Residents survey	Membership as a % of population equals or better the national average. Items per capita and holdings per capita equal or better national average. 85% minimum satisfaction with libraries	Library membership 84% of population (national average 50.2%) Issues per capita 19.7 (national average 12.76) Holdings per capita 3.46 (national average 2.8) 91.6% satisfied in 2008/09, exceeding target	Implement Nelson Public Libraries Strategic Plan
Provide low cost, self-funding community housing for older persons	Condition assessments. Cost to rates	Community housing maintained to a level 3 (average) standard and at no cost to rates	All units Grade 3 level or higher. Currently community housing rents do not cover maintenance and operations	Orchard St units to be upgraded in 2010/11



Community facilities financial information for 2010/11

Community Facilities

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(5,735)	(6,037)	(5,712)	325
Development/Financial contributions	0	0	0	0
Other revenue	(8,006)	(3,068)	(4,270)	(1,202)
Total Income	(13,741)	(9,105)	(9,982)	(877)
Expenses				
Operating and maintenance	5,344	5,980	5,105	(875)
Interest on loans	1,701	2,291	2,105	(186)
Depreciation	1,198	1,304	1,285	(19)
Total operating expenses	8,243	9,575	8,496	(1,080)
Operating (Surplus)/Deficit	(5,498)	470	(1,487)	(1,957)
Statement of funding requirement				
Funds required:				
Capital expenditure	21,858	9,516	9,133	(383)
Repayment of loan principal	213	666	369	(298)
Purchase of investment	1,200	0	0	0
Transfer to reserve funds	28	102	0	(102)
Total Funds required	23,299	10,284	9,501	(783)
Source of funds:				
Net surplus/deficit	5,498	(470)	1,487	1,957
New loans raised	15,915	8,210	6,226	(1,984)
Transfer from reserve funds	18	179	73	(106)
Non cash expenditure	1,198	1,304	1,285	(19)
Sale of investment	0	400	121	(279)
Sales of assets	670	661	309	(352)
Total source of funds	23,299	10,284	9,501	(783)

These figures are GST exclusive

ECONOMIC AND TOURISM SUPPORT

Council supports economic development in Nelson by providing the right economic environment, consent services, utilities and infrastructure for businesses to operate effectively. Council's economic development services include staff advice, promotional material, information and assistance for elected members and the public. Council currently processes around \$80 million worth of renovation and building consents annually, which is a major driver of the region's economic success.

Challenges ahead

Council's challenge with economic development is to determine the best way to support the region's economy and limit any negative effects of the global recession without reducing Council expenditure on essential infrastructure. It also wants to determine the right mix of infrastructure and facilities to build local resilience and economic success without putting an undue cost on ratepayers.

Major event preparations

The major event for Nelson with a significant economic effect is Rugby World Cup 2011, the preparations for which will primarily happen over the coming year. This event and others bring opportunities and economic benefits to the whole community that Council supports directly and through its arms-length organisations.

Council organisations supporting businesses and industry

Council coordinates many of its economic development initiatives by providing base funding the activities of Council-controlled agencies such as the Nelson Regional Economic Development Agency and Tourism Nelson Tasman Ltd, which trades as Nelson Tasman Tourism based in the Millers Acre, Taha o te Awa complex. The base funding is then used by these organisations to gain additional funding from other sources for a range of projects.

Council established the Nelson Regional Economic Development Agency (EDA) in 2004 and provides its base operating funding with a smaller contribution from Tasman District Council. The EDA's work for the coming year includes a range of projects to enhance the growth of Nelson's businesses nationally and internationally. It will also provide economic information to the region to inform decision-making and continue to assess the region's economic performance.



Promoting Nelson as a destination

Council part-funds Nelson Tasman Tourism, which it jointly owns with Tasman District Council, to promote Nelson locally, nationally and internationally as a desirable destination to visit.

Other Council support

Council also provides funding to support the Uniquely Nelson central city business coordinator and funds the Nelson Events Strategy implementation recognising that major events build the economic wealth of the region and bring benefits for the community.

Council contributes to promoting the region nationally and internationally through campaigns, events, publications and through participation in Sister City programmes.

Council developed the Millers Acre Centre, Taha o te Awa, complex as a one stop shop for economic, business and tourism development in the region. The complex houses the Nelson Regional EDA, the Nelson regional visitor information centre, Nelson Tasman Tourism, Nelson Tasman Business Trust and NZ Trade and Enterprise.

What we do

Council's economic and tourism support activity includes:

- Economic development, including through the Nelson Regional Economic Development Agency (EDA)
- Tourism support through Tourism Nelson Tasman Ltd.

What's changed since the 2009-19 Nelson Community Plan

Council decided to allocate Nelson Tasman Tourism an additional \$50,000 for 2010/11 to enable it to take part in a central government joint venture initiative to market the Nelson region in Australia. This is subject to the Tasman District Council contributing a similar amount.

Council decided to reallocate this funding from the Nelson Events Strategy fund since it also aims to increase visitor numbers to the region in the off peak and shoulder tourist seasons. If the funding, or part thereof, is not required, it would be returned to the Events Strategy Fund.

Council also decided to spend \$146,000 towards design costs of the proposed Lee Valley Dam, as a regional project.

Economic and tourism support service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	How we will do this
<p>Coordination and promotion of economic development. Effective Council Controlled Organisations (CCOs) and infrastructure that provide for a sound local economy</p>	<p>Resident satisfaction Detailed targets for CCOs are in the relevant Statements of Intent</p>	<p>Resident satisfaction with Council performance >80%</p>	<p>Regional Economic Development Agency and Nelson Tasman Tourism deliver regional coordination or economic development and tourism In 2008, 82% of residents surveyed were satisfied with Council performance for economic and tourism support</p>	<p>Council funds the EDA and Tourism Nelson Tasman, and approves the annual Statement of Intent of each organisation Council funded the development of the Event Strategy and will implement it at a cost of \$400,000 p.a. Staff and Councillors maintain contact with the sector Council also promotes economic development through its support of:</p> <ul style="list-style-type: none"> • Rugby World Cup 2011 • Implementation of the Central City Strategy • Uniquely Nelson support



Economic/tourism support financial information for 2010/11

Economic and Tourism Support

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(1,341)	(1,581)	(1,538)	43
Development/Financial contributions	0	0	0	0
Other revenue	0	0	(20)	(20)
Total Income	(1,341)	(1,581)	(1,558)	23
Expenses				
Operating and maintenance	1,341	1,581	1,553	(28)
Interest on loans	0	0	5	5
Depreciation	0	0	0	0
Total operating expenses	1,341	1,581	1,558	(23)
Operating (Surplus)/Deficit	0	0	0	0
Statement of funding requirement				
Funds required:				
Capital expenditure	0	0	0	0
Repayment of loan principal	0	0	0	0
Purchase of investment	0	0	0	0
Transfer to reserve funds	0	0	0	0
Total Funds required	0	0	0	0
Source of funds:				
Net surplus/deficit	0	0	0	0
New loans raised	0	0	0	0
Transfer from reserve funds	0	0	0	0
Non cash expenditure	0	0	0	0
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	0	0	0	0

These figures are GST exclusive

MANAGING EMERGENCIES AND NATURAL HAZARDS



Civil Defence Emergency Management in Nelson and Tasman

Council's emergency management work aims to protect life, property and infrastructure from natural and technological hazards or disasters. This obligation comes from the Civil Defence Emergency Management Act 2002, which requires local authorities to plan and provide for civil defence and emergency management (CDEM) in their areas.

Also, Council provides a number of services that are defined by legislation as 'lifeline' services i.e. water, waste water and roads. This places an obligation on Council and other utility and energy providers to be able to continue to operate these services in an emergency, albeit at a reduced level.

Challenges ahead

The physical setting and population of Nelson mean it is exposed to many potential hazards. Experience tells us that flooding is the most common threat requiring a CDEM response, while a major earthquake has the potential to be the most damaging. Other hazards include storm surge, biological pests and new organisms, tsunami, communicable disease outbreak, and bushfire. Council and the community have to be able to be ready to face any of these, to respond and recover quickly afterwards.

Operations

Nelson City Council undertakes its CDEM function jointly with Tasman District Council as part of the Nelson Tasman Civil Defence Emergency Management Group. Nelson City Council is the administering authority for the CDEM Group.

The vision for Civil Defence Emergency Management in Nelson and Tasman is: 'a resilient Nelson Tasman community'. A resilient community understands risk, is ready for emergencies, and has the ability to respond to and recover from an emergency.

The Councils' Emergency Management Office, with a staff of three, is based at the Trafalgar Centre. The region's primary Emergency Operations Centre is the Council Chamber at Civic House in Nelson. The alternate is the Tasman District Council Chamber in Richmond. Council staff are trained to respond to CDEM events and to operate the Emergency Operations Centre. The services provided by the CDEM Group are set out in the current Nelson Tasman Civil Defence Emergency Group Plan. In 2010/11, Nelson City Council will contribute \$222,000 as its share towards operating and maintaining the levels of service stated in the Plan.

Rural fires

Council contributes funds to the Waimea Rural Fire Committee, which is primarily responsible for rural fire prevention and suppression. The Rural Fire Committee's other stakeholders include Tasman Bay Forests Ltd, Tasman District Council and the Department of Conservation. The Rural Fire Network is contracted to manage rural fires, operating under the Forest and Rural Fires Act 1977. It is a stand-alone organisation that provides training, equipment, fire permits, lookout, prevention and rural fire coordination services for the Waimea Rural Fire Committee.

What's changed since the 2009-19 Nelson Community Plan

There are no significant changes to Council's funding for civil defence since the 2009-19 Nelson Community Plan was approved in June 2009. The budget set out in that Plan still applies.

Managing emergencies service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	How we will do this
Sustainable communities – able to understand and reduce vulnerability to emergencies		Adequate hazard and risk information for Civil Defence Emergency Management (CDEM) planning	Regional Hazard Analysis conducted in 2005 – identified gaps in knowledge	Review of the Nelson Tasman CDEM Group Plan to be completed in 2010/11
Communication with the community	Public preparedness for emergencies	Promotion of personal readiness for emergencies Ability to keep public informed in an emergency	Annual cycle of public education campaigns Regional CDEM website completed	Maintain public education campaigns Regional CDEM maintained
Emergency management planning	Effective CDEM planning for Nelson Tasman region	Review of CDEM Group plan	Nelson Tasman CDEM Group Plan review under way	Review of Nelson Tasman CDEM Group Plan
Self-reliant communities prepared to respond to emergencies	Ability to operate effective CDEM Group Emergency Operations Centre (EOC) for Nelson Tasman, and Alternate EOC		Current Group Emergency Operations Centres (EOCs) reviewed and judged inadequate. Other options being considered	
Co-ordination of emergency management services	CDEM staff are adequately trained for their roles		Training Needs Analysis undertaken in 2008 – shortcomings being addressed	Implement CDEM Group Training Plan
	Radio communications network in place	Effective back-up communications and power	Requires periodic replacement / maintenance	Lifecycle upgrade of radios in 2010/11
	Exercises programmed every year, together with partner agencies	Maintain specialist volunteer rescue team		Four-yearly large scale exercises – next is due in 2010/11 with smaller exercises programmed in other years
	Full strength, accredited rescue team (NZ-RT2) is maintained			Regular training, supply of equipment and maintenance of vehicle on an on-going basis



Managing emergencies financial information for 2010/11

Managing Emergencies and Natural Hazards

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(416)	(425)	(419)	6
Development/Financial contributions	0	0	0	0
Other revenue	(14)	(14)	(42)	(28)
Total Income	(430)	(439)	(461)	(22)
Expenses				
Operating and maintenance	426	435	425	(10)
Interest on loans	1	1	3	2
Depreciation	3	3	3	0
Total operating expenses	430	439	431	(8)
Operating (Surplus)/Deficit	0	0	(30)	(30)
Statement of funding requirement				
Funds required:				
Capital expenditure	0	0	125	125
Repayment of loan principal	0	0	0	0
Purchase of investment	0	0	0	0
Transfer to reserve funds	3	3	(35)	(38)
Total Funds required	3	3	90	87
Source of funds:				
Net surplus/deficit	0	0	30	30
New loans raised	0	0	57	57
Transfer from reserve funds	0	0	0	0
Non cash expenditure	3	3	3	0
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	3	3	90	87

These figures are GST exclusive

SOCIAL DEVELOPMENT



Council recognises that social wellbeing is an important aspect of community wellbeing, and is one of many organisations working towards improving social wellbeing in Nelson. Social wellbeing can mean different things to different people, but generally it relates to the aspects of life that are important for a person's happiness, quality of life and welfare. These aspects include being healthy, having access to education, paid work, recreation and leisure opportunities, being connected to neighbours, friends and the wider community, and living in an environment that is safe and meets the needs of the community.

Challenges ahead

Council supports programmes in a number of areas including employment initiatives for youth, safety in the city, community events and festivals and support for new migrants. Funding these equitably to ensure the maximum benefit to the community will continue to challenge Council in the next few years.

To help guide Council's work in this area, a Social Wellbeing Policy was developed and adopted in 2003. This policy is being reviewed in 2010. The aim is to create a policy that focuses on wellbeing at a community level, has flexibility to respond to community needs and provides clarity on Council's role. As part of the review, Council will also be reviewing its Positive Ageing Policy, developing a Youth Policy and looking at Affordable Housing issues.

Many organisations involved

Achieving social wellbeing is particularly dependent on strong collaboration between organisations. Key partners include the Ministry of Social Development, the Ministry of Justice, Department of Labour, schools, Community and Whanau Network, and many volunteer and community groups. Council provides community assistance funding for community organisations and community projects within the city. Council also works with the Victory Community Centre, the Tahunanui Community Centre and House 44 in Stoke to strengthen community wellbeing in these areas.

What we do

Council's social development work includes:

- Community liaison and support
- Community assistance funding
- Employment initiatives, including the Mayors' Taskforce for Jobs
- Youth development
- Settlement Support (Department of Labour funded) and services for new migrants
- Safe City Nelson Project – Keeping Nelson Safe (Ministry of Justice funded)
- Monitoring key social wellbeing indicators.

What's changed since the 2009-19 Nelson Community Plan

There are no major funding changes to Council's social development activities since the 2009 Nelson community Plan became operative.

Social development service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	How we will do this
Council policy framework that supports the social wellbeing of residents	Social wellbeing policy reviewed according to schedule	Revised social wellbeing policy adopted (by Yr 1) and implementation begun (Yrs 2-3)	Existing Social Wellbeing policy under review, due for completion in 2010/11 and then implementation	Policy review incorporating a review of Positive Ageing, Affordable Housing, Accessibility and a first ever Youth Policy

Social development financial information for 2010/11**Social Development and Assistance**

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(934)	(747)	(736)	11
Development/Financial contributions	0	0	0	0
Other revenue	(263)	(211)	(201)	10
Total Income	(1,197)	(958)	(937)	21
Expenses				
Operating and maintenance	1,222	981	962	(19)
Interest on loans	5	6	5	(1)
Depreciation	10	10	10	0
Total operating expenses	1,237	997	977	(20)
Operating (Surplus)/Deficit	40	39	40	1
Statement of funding requirement				
Funds required:				
Capital expenditure	31	5	36	31
Repayment of loan principal	7	9	7	(2)
Purchase of investment	0	0	0	0
Transfer to reserve funds	1	1	1	0
Total Funds required	39	15	44	29
Source of funds:				
Net surplus/deficit	(40)	(39)	(40)	(1)
New loans raised	29	3	31	29
Transfer from reserve funds	40	41	43	1
Non cash expenditure	10	10	10	0
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	39	15	44	29

These figures are GST exclusive

CULTURE, HERITAGE AND ARTS

Council recognises that cultural wellbeing is an important aspect of community wellbeing, and acknowledges the need to invest in sustaining and developing the heritage and arts of Nelson.

Cultural wellbeing, defined by the Ministry for Culture and Heritage, refers to the vitality that communities and individuals enjoy through participation in recreation, creative and cultural activities; and the freedom to retain, interpret and express their arts, history, heritage and traditions. Cultural wellbeing in its broadest definition includes:

- Arts, creative and cultural activities
- Languages, film and broadcasting
- History and heritage
- Recreation
- Sense of place
- Local identity and heritage.

Challenges ahead

Council's challenge is to fund a full range of facilities and activities that are expected by the community without putting an undue burden on ratepayers. Some of the gaps in community facilities fall within the arts and heritage sector. A significant challenge facing the Nelson community will be working out how best to address the redevelopment of the Suter Art Gallery, Te Aratoi o Whakatū.

Council's role

Nelson City Council primarily contributes towards the arts, local heritage, recreation and creating a sense of place and belonging. While people have a sense of the Nelson 'culture', it is difficult to describe objectively what makes Nelson, 'Nelson'.

Council's contribution to enhancing cultural wellbeing is part of a range of community arts, heritage and cultural activities in Nelson. Council has a significant part to play in making Nelson a fun and creative place to live in and visit, and in celebrating our city's rich and diverse heritage.

Council runs the annual Summer and Arts Festivals, as well as other recurring and one-off events to provide celebrations for Nelson's residents and visitors. Council staff work closely with Tasman District Council on these events, recognising regional links.

Council protects some of the city's heritage assets on behalf of the community. These have a total book value of \$1,870,522 at 30 June 2009 and include:

- Historic houses (Broadgreen, Melrose and Isel)
- Founders Heritage Park



- The Nelson Provincial Museum jointly owned by the Nelson City and Tasman District Councils. Since July 2000, the Tasman Bays Heritage Trust has been responsible for managing the museum
- Historic cemeteries such as the Wakapuaka Cemetery
- The Bishop Suter Trust which became a Council controlled organisation in 2008 has the responsibility for managing the Suter Art Gallery, Te Aratoi o Whakatū.

Community institutions

Council contributes towards a range of non-Council facilities such as the Theatre Royal and the Nelson School of Music. Council also carries out inspections and management of heritage trees on public and private land as identified in the Nelson Resource Management Plan.

This year Council plans to work with the Nelson Historic Theatre Trust to investigate a suitable governance and ownership structure for the Theatre Royal. Council approved an additional \$300,000 loan in 2010/11 towards the completion and fit out of the Theatre Royal. Council will suspend repayment of the Theatre Trust's total \$1.5 million loan until after July 2011.

The Theatre Royal and The Suter are included in council's review of its arms length organisations.

Other support for culture, heritage and arts sector

Council has community contracts with a variety of groups according to its Community Assistance Policy. Through improved targeting of Council financial assistance, Council will continue to significantly contribute to enhancing economic, social and cultural wellbeing.

What we do

Council's culture, heritage and arts activities include:

- Heritage and arts planning including implementing the Whakatū Nelson Heritage Strategy and the Nelson Tasman Regional Arts Strategy
- Support for the Tasman Bays Heritage Trust and the Suter Art Gallery, Te Aratoi o Whakatū
- Historic buildings and facilities such as Broadgreen, Isel and Melrose historic houses and Founders Park
- Historic cemeteries (including Hallowell, Wakapuaka, Hira, Seaview and others)
- Arts and heritage grants (community assistance funding)
- Festivals, events and street decorations
- Sister City links.



What's changed since the 2009-19 Nelson Community Plan

An additional \$11,000 has been added to the contestable heritage fund, bringing the total available to \$50,000.

There has been a change to Council's funding for the Suter Art Gallery, Te Aratoi o Whakatū after Council decided to provide an additional \$100,000 grant for essential maintenance. This brings the Council's total annual contribution for the Suter in 2010/11 to \$527,140, the balance being an operating grant.

Council also decided to provide an additional \$300,000 loan towards the completion and fit out of the Theatre Royal, on top of the \$1.2 million loan from the previous year, with all repayments suspended until after July 2011.

Funding to implement the Arts Policy of \$125,000 in 2010/11 has been included, which will total \$500,000 over three years. Council will also provide a \$45,000 contribution towards extending the Founders Railway line.

An interest-free loan of \$25,000 will be provided for heating Melrose House.

Culture, heritage and arts service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	How we will do this
Support for arts access, participation and visibility and facilitation of the arts as a major economic driver for Nelson	Regional Arts Strategy and Arts Policy	Nelson Tasman Regional Arts Strategy and Nelson Arts Policy developed (Yr 1) and implementation begun (Yrs 2-3)	Council's Arts Policy is under development	Funding of \$125,000 in 2010/11 to implement Arts Policy
Delivery of a range of arts events and festivals that provide entertainment and education for the community	Customer surveys undertaken during events and festivals	Minimum 80% customer satisfaction	Wide range of popular festivals and events are established part of Nelson arts scene	Festivals and arts events to continue to be developed as vibrant, high quality, accessible and unique events that showcase local, national and international excellence in the arts
Heritage assets that are managed to ensure their protection and ongoing financial sustainability	Condition assessment of heritage assets, cost to rates, visitor numbers	Heritage assets maintained to a level 3 (average) or better condition. Comparison across all heritage assets shows cost of maintaining heritage attractions is commensurate with visitor numbers	Heritage Strategy in place and being implemented	Work on the management of these assets to make them more self-sufficient and assure future viability

Culture, heritage and arts financial information for 2010/11**Culture, Heritage and Arts**

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	(3,033)	(3,370)	(3,756)	(386)
Development/Financial contributions	0	0	0	0
Other revenue	(897)	(928)	(920)	8
Total Income	<u>(3,930)</u>	<u>(4,298)</u>	<u>(4,676)</u>	<u>(378)</u>
Expenses				
Operating and maintenance	3,688	3,990	4,324	334
Interest on loans	139	129	175	46
Depreciation	81	82	82	0
Total operating expenses	<u>3,908</u>	<u>4,201</u>	<u>4,581</u>	<u>380</u>
Operating (Surplus)/Deficit	<u>(22)</u>	<u>(97)</u>	<u>(95)</u>	<u>2</u>
Statement of funding requirement				
Funds required:				
Capital expenditure	437	39	261	222
Repayment of loan principal	0	44	44	0
Purchase of investment	0	0	25	25
Non cash - invest write up	80	87	87	0
Transfer to reserve funds	108	108	89	(19)
Total Funds required	<u>625</u>	<u>278</u>	<u>506</u>	<u>228</u>
Source of funds:				
Net surplus/deficit	22	97	95	(2)
New loans raised	451	18	167	149
Transfer from reserve funds	71	81	159	78
Non cash expenditure	81	82	85	3
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	<u>625</u>	<u>278</u>	<u>506</u>	<u>228</u>

These figures are GST exclusive

DEMOCRACY AND ADMINISTRATION

Council separately accounts for the costs associated with providing administration, local governance, representation and democracy processes for the Nelson community, which includes strategic asset and investment management and running the local body election process every three years, including this year in October 2010. Councillors' meeting fees and expenses are included, as well as running consultation processes, public communications, annual planning, annual reporting and general administrative support provided by Council staff. This service also includes facilitating the participation by Māori in Council's decision making processes, as required by the Local Government Act.

Nelson City Council employed 243 people, as at 31 December 2009, which was 210.8 full-time equivalents (FTEs).

Challenges ahead

Council will continue its work to improve its delivery of excellent customer service, working smarter and better for its residents and visitors to Nelson. A lot of background work to improve the organisation and systems will come to fruition in 2010/11. Council's challenge is to improve services without adding unduly to its costs. More services and facilities are expected of Council every year, and at the same time many don't want to face higher rates bills. Council is mindful of these expectations in how it approaches management of its overheads and administrative costs so there is full transparency and accountability.

Nelson Community Plan

The largest democracy and administration project of 2009 was the development and promotion of the Nelson Community Plan. This Annual Plan updates its second financial year – 2010/11.

Chief Executive's performance indicators

The Chief Executive's performance criteria that were agreed with Council for the 2010/11 financial year are set out here to provide accountability for the organisation's performance.

The priorities for Organisational Focus are:

- Stakeholder engagement
- Customer service excellence
- Precision delivery.

Key Performance Indicators for monitoring of the Chief Executive's performance are:

Statutory duties:

- Statutory duties performed as set out in the Local Government Act 2002, including implementing a statutory compliance process suitable to Audit NZ – by 30 June 2011
- An unqualified audit report received in respect of the 2009/10 annual report – by 30 November 2010

Economic Performance:

- Operating budgets not exceeded – 30 June 2011
- Individual capital projects over \$750 000 achieved within \pm 5%
- Any changes outside of \pm 5% will be brought back to Council for reconsideration, along with consequential effects
- Total Capital budget achieved – 30 June 2011

Customer satisfaction increased as follows:

- Residents perception of value for money 5% greater than at 30 June 2010 – at 30 June 2011
- Customers' satisfaction with counter staff contact 5% greater than at 30 June 2010 – at 30 June 2011
- Residents' overall satisfaction with Council service performance 5% greater than at 30 June 2010 – at 30 June 2011

These measures will be assessed using the same process as at 30 June 2010.

Staff Satisfaction increased as follows:

- The overall performance index two points higher than 30 June 2010 level – at 30 June 2011
- The employee engagement index two points higher than 30 June 2010 level – at 30 June 2011
- The employee engagement index in the top 25% when compared with all organisations in the JRA (industry standard) survey – at 30 June 2011

These measures will be assessed using the same process as at 30 June 2010.

The Chief Executive's more specific Key Areas of Focus will be finalised soon after the beginning of the financial year. These are high priority projects where the organisation wants to see significant progress over the next year.

Annual residents survey

Another important project is the annual Residents Survey, which this year covers all Council activities and overall Council performance. Results from the survey will appear in Live Nelson around August 2010.

What we do

There are three 'sub-activities' included under democracy and administration:

- Cost of democracy (including meetings, publicity, Councillor costs and elections)
- Management of investments, including rental properties, forestry, Civic House, the Port Company and the Ridgeway subdivision
- Long-term planning and internal monitoring.

What's changed since the 2009-19 Nelson Community Plan

Funding of \$100,000 has been included to develop a sustainability strategy for Nelson, which was not included in the Nelson Community Plan.

Council also decided to include \$100,000 to implement the Council review of its arms length organisations, should it decide to proceed with investigating any detailed proposals.



Democracy and administration service levels and performance measures set in the 2009-19 Nelson Community Plan

What Council will provide	Measures	Targets	Current status	How we will do this
An effective and impartial elections administration service that meets or exceeds legislative requirements	Elections held in 2010 without any significant problems	Completion of election process on target and within budget	Elections in October 2010 to be managed by Electionz.com	The next local government elections are in October 2010, then 2013 and 2016
Community engagement processes that meet or exceed good practice and enable community participation in Council decision making	Public satisfaction with community engagement by Council	Run optimum number of consultation processes according to best practice	In March 2010 at least 9 major consultations were either running or had just closed	Council typically conducts 20-30 formal consultations each year, plus a larger number of informal workshops and consultations with input from the community
Participation of Māori in Council decision making	Implementation of the Memorandum of Understanding (MOU) with Nelson iwi	Implementation of MOU action plan according to agreed deadlines	MOU review under way for implementation in 2010/11	Legislation requires Council to provide opportunities for Māori involvement in Council decision making. Council has a programme and Memorandum of Understanding (MOU) to achieve these goals
Efficient and prudent administration of Council assets and control of Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs)	Completion of CCO statements of intent	All CCO statements of intent and annual reporting requirements met	All Council's arms length organisations are being independently reviewed	Working with Tasman District Council and jointly owned CCTOs to complete Statement of Intent and working directly with solely owned CCOs and CCTOs



Democracy and administration financial information for 2010/11

Democracy and Central Administration

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
General Rates	2,496	2,347	1,975	(372)
Development/Financial contributions	0	0	0	0
Other revenue	(12,253)	(13,584)	(13,315)	269
Total Income	(9,757)	(11,237)	(11,340)	(103)
Expenses				
Operating and maintenance	5,527	5,791	6,503	712
Interest on loans	3,822	4,917	4,523	(394)
Depreciation	945	985	985	0
Total operating expenses	10,294	11,693	12,011	318
Operating (Surplus)/Deficit	537	456	671	215
Statement of funding requirement				
Funds required:				
Capital expenditure	2,246	2,071	2,874	803
Repayment of loan principal	6,144	6,013	7,810	1,797
Purchase of investment	8	8	6	(2)
Transfer to reserve funds	383	510	512	2
Total Funds required	8,781	8,602	11,202	2,600
Source of funds:				
Net surplus/deficit	(537)	(456)	(671)	(215)
New loans raised	7,850	7,248	10,062	2,814
Transfer from reserve funds	203	324	326	2
Non cash expenditure	945	985	985	0
Sale of investment	300	480	480	0
Sales of assets	20	21	20	(1)
Total source of funds	8,781	8,602	11,202	2,600

These figures are GST exclusive

FINANCIAL RESERVES

Financial reserves are a component of Council's equity generally representing a particular use to which various parts of equity have been assigned. These reserves may be:

RESTRICTED 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 a third party. Transfer from these reserves may be made only for certain specified purposes or if certain specified conditions are met.

COUNCIL-CREATED RESERVES, which are part of the accumulated balance established by the Council. 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.

REVALUATION RESERVES result from revaluing land, infrastructure assets and forestry and are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve for any class of asset, this is listed as an expense in the Statement of Financial Performance. Any increases in value are used to offset previous decreases.

There are no service levels or performance measures set for this Council activity.



Financial reserves information for 2010/11**Reserves**

	LTCCP 2009/10 \$000	LTCCP (yr 2) 2010/11 \$000	Amended 2010/11 \$000	Difference 2010/11 \$000
Revenue				
Water charges	0	0	0	0
Development/Financial contributions	(700)	(800)	(800)	0
Other revenue	(5,462)	(5,623)	(5,623)	0
Total Income	(6,162)	(6,423)	(6,423)	0
Expenses				
Operating and maintenance	154	158	158	0
Interest on loans	0	0	0	0
Depreciation	0	0	0	0
Total operating expenses	154	158	158	0
Operating (Surplus)/Deficit	(6,008)	(6,265)	(6,265)	0
Statement of funding requirement				
Funds required:				
Capital expenditure	5,000	5,148	5,148	0
Repayment of loan principal	0	0	0	0
Purchase of investment	0	0	0	0
Transfer to reserve funds	1,008	1,117	1,117	0
Total Funds required	6,008	6,265	6,265	0
Source of funds:				
Net surplus/deficit	6,008	6,265	6,265	0
New loans raised	0	0	0	0
Transfer from reserve funds	0	0	0	0
Non cash expenditure	0	0	0	0
Sale of investment	0	0	0	0
Sales of assets	0	0	0	0
Total source of funds	6,008	6,265	6,265	0

These figures are GST exclusive

ACCOUNTING POLICIES

Reporting entity

Nelson City Council is a unitary authority subject to the Local Government Act 2002. The Nelson City Council group consists of the Nelson City Council and its subsidiary NELMAC Ltd, the Nelson Civic Trust Inc., Nelson Regional Development Agency, associates and joint ventures.

The information provided in this Annual Plan covers the parent organisation only, as Council considers this to be the most relevant information for residents. The main purpose of this Annual Plan is to provide residents with information about the core services the Council intends to provide to the community, the expected cost of those services and therefore how much the Council has to raise through rates to fund what it intends to provide. The required level of rates funding is affected by subsidiaries, such as Port Nelson, only to the extent that the Council obtains distributions from or further invests in those subsidiaries. Any such adjustments are summarised in each year's annual report.

Statement of compliance and basis of preparation

This forecast information has been prepared and complies with section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, and the pronouncements of the New Zealand Institute of Chartered Accountants. These financial statements comply with New Zealand International Financial Reporting Standards (NZIFRS) which have been applied since 1 July 2006, as well as FRS-42.

Nelson City Council is a Public Benefit Entity with a primary objective to provide goods and services for regional or social benefit. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

The prospective financial statements of Nelson City Council are for the year ending 30 June 2011. The prospective financial statements were authorised for issue by Council on 23 March 2010.

Basis of financial statement preparation and measurement base

The financial statements are prepared using a measurement base of historical cost modified by the revaluation of certain assets as set out in the specific accounting policies below.

The preparation of financial statements conforming with NZIFRS requires Council and its managers to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions



are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual financial results may therefore vary from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to accounting estimates are recognised in the accounting system in the same period as when the estimate is revised.

The accounting policies set out below have been consistently applied to all periods presented in the financial statements and estimates.

Specific accounting policies

The following accounting policies, which may materially affect the measurement of results and financial position, have been applied to Council's financial statements.

Associate entities

Associate organisations are accounted for by the equity method, which records the Council's share of surpluses and deficits for the period in the Statement of Financial Performance and shows the amount of equity held in investments in the Statement of Financial Position. An associate organisation is one in which the Council has an equity interest of between 20% and 50% and the capacity to significantly influence the policies of that organisation.

As the Council does not have a controlling interest in any of the following, they have been accounted for using the equity method:

- Port Nelson Limited (PNL)
- Nelson Airport Limited
- Tasman Bays Heritage Trust (the Nelson Provincial Museum)
- Tourism Nelson Tasman Limited (trading as Nelson Tasman Tourism).

Joint ventures

The Council does not have a controlling interest in the Nelson Regional Sewerage Business Unit (NRSBU), Civil Defence or Ridgeway Joint Venture. As these are not separate legal entities, Council has consolidated their share through line-by-line proportionate consolidation.

Fixed assets and other assets

Fixed assets of the Nelson City Council are grouped into the following categories for accounting:

OPERATIONAL ASSETS are land, buildings, improvements, motor vehicles, plant and equipment, library books, forestry and the marina.

RESTRICTED ASSETS are land, buildings and improvements that are owned by the Council but that benefit or service the community.

HERITAGE ASSETS include Museum artefacts, collections and historic buildings and monuments.

INFRASTRUCTURE ASSETS are the fixed utility systems owned by the Council including the road, water, sewer, and stormwater networks.

All assets are valued at historical cost or deemed cost, except for the following:

INVESTMENT PROPERTIES have been valued at fair value. The valuations were carried out by registered valuers Telfer Young as at 30 June 2008 and are re-valued annually.

LAND, including operational and restricted land, with the exception of Walters Bluff and Ridgeway subdivisions, has been valued at net current value by Quotable Value NZ as at 30 June 2007 and is re-valued every three years or whenever a significant movement in value occurs.

LAND UNDER ROADS has been valued at net current value by Telfer Young registered valuers as at 30 June 2006. This is now considered to be deemed cost.

INFRASTRUCTURE ASSETS, excluding specialised infrastructure assets, were valued internally at depreciated replacement cost by Council engineers as at 30 June 2008. The valuation methodology was peer reviewed by Opus International Consultants Ltd, and revaluations are updated annually.

SPECIALIST INFRASTRUCTURE ASSETS include dams, water reservoir and waste water treatment plants. These assets have been valued at depreciated replacement cost as at 30 June 2008 by Opus International Consultants Ltd and will be re-valued every year.

NELSON REGIONAL SEWERAGE BUSINESS UNIT (Bells Island) land is valued at market valuation as at 30 June 2007 by Quotable Value NZ and is re-valued every three years. The unit's infrastructure assets are valued by an independent valuer at depreciated replacement cost with assets optimized using the least cost alternative method. The latest valuation was 30 June 2007 by Duffill Watts and Tse Ltd, consultant engineers, and will be revalued every three years or whenever a significant movement in value occurs.

HERITAGE ASSETS are valued at deemed cost as at 30 June 2005. Museum assets have been valued on the basis of what a willing buyer would be prepared to pay a willing seller. The valuation was undertaken by Dunbar Sloane registered valuer as at 30 June 1999. The Cawthron Steps and Broadgreen House have been valued on the basis of depreciated replacement cost by Quotable Value at 30 June 2002. Founders Park has been valued on the basis of depreciated replacement cost by Telfer Young at 30 June 2002. The Cawthron Steps, Broadgreen House and Founders Park were included as Council assets in 2002 for the first time.



NEW COUNCIL ASSETS that are added between valuations are recorded at cost, except for vested assets.

VESTED ASSETS are infrastructure assets such as roads, sewers and water mains that are paid for by developers and vested in the City Council on completion of the subdivision. These have been valued based on the actual quantities of infrastructure components and the current 'in the ground' cost of providing identical services.

RESOURCE CONSENT COSTS are included in the capital costs of the part of the asset to which they relate. If the resource consent application is declined then all capitalised costs are written off in the current period.

Depreciation

Depreciation is the wearing out, consumption or loss of value of an asset over time, where funding is set aside towards the asset's eventual replacement. Council has provided for depreciation on a straight line basis on all fixed assets – other than heritage assets, operational land, restricted land, land under roads, and the Marina Basin – at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Depreciated assets' lives are set as follows:

Asset	Depreciable Life (years)
Operational assets	
Buildings	50 – 100
Improvements	Nil – 20
Motor Vehicles	7
Plant and equipment	2 – 30
Library books	3 – 10
Marina	30 – 50
Restricted assets (community use)	
Buildings	50 – 100
Improvements	Nil – 20
Infrastructural assets	
Roads	
Formation	N/A
Sub-base	N/A
Base course	5 – 80
Surfacing (sealed)	2 – 50
Surfacing (unsealed)	N/A
Bridges	20 – 100
Retaining/sea walls	75 – 150
Box culverts	60 – 90

Footpaths	5 – 100
Carparks	10 – 100
Streetlights	30 – 60
Signs	15
Water supply	
Pipeline	55 – 120
Manholes	55 – 120
Reservoirs and tanks	45 – 100
Dams	16 – 200

Asset	Depreciable Life (years)
Sewer	
Pipeline	40 – 120
Manholes	80
Pump stations	10 – 50
Oxidation pond	22 – 139
Stormwater	
Pipeline	50 – 80
Bank protection	25 – 100
Manholes	90
Solid Waste	
Pipes	60 – 90
Ponds and dams	100
Gas flare	20
Resource consents	24



Intangible assets

SOFTWARE ACQUISITION AND DEVELOPMENT

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use by Nelson City Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

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

Intangible asset	Useful life (yr)	Amortisation rate
Computer software	3	33%

Inventory

Inventories are valued at cost or net realisable value, whichever is lower. For the purpose of arriving at cost, the weighted average cost method is used.

Biological assets

Forestry assets are valued annually based on the fair value of maturing trees stocks in Council's plantation. The net present value (NPV) valuation methodology is used based on the age and condition of the trees. The valuation was undertaken by P F Olsen on 30 June 2008.

Changes in the biological asset fair value are recognised within the Council's Profit and Loss Statement.

Work in progress

Profits on contracts are recognised progressively over the period of each contract. The contract amount included in the Statement of Financial Performance and the value of work in progress are established by assessing each individual contract, taking into account the proportion of work completed, cost analysis and estimated final results. Foreseeable losses on contracts are recognised immediately.

Impairment

The carrying amounts of Nelson City Council's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such impairment exists, the assets recoverable amount is estimated.

If the estimated recoverable amount of the asset is less than the carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Income Statement.

Investment properties

Investment properties are stated at fair value. The fair value is based on market values, being the estimated amount for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Investment properties are valued annually and changes will be recognised in the Profit and Loss account.

Financial instruments

The Council and group is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank, accounts receivable and payable, investments, and loans that have all been recognised in the financial statements. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Nelson City Council does not have any derivative financial instruments.

Debtors

Debtors are stated at expected realisable value after providing for doubtful and uncollectable debts. Any accounts considered to be irrecoverable are written off at year-end.

Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that Nelson City Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired.

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 statement of financial performance. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount. Impairment of term deposits, local authority, government stock and related party and community loans is established when there is objective evidence that the Nelson City Council will not be able to collect amounts due to the original terms of the instruments. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Investments

The activities of associated entities have been included in the financial statements based on the equity held by Council at 30 June 2008, as shown in the financial statements at that date, or in the most recent statements where there is a different year end.

Other investments are stated at cost, except the shares in the Local Government Insurance Corporation, which are recorded at their net asset value.

Other financial instruments

All other financial instruments, including cash, bank, accounts payable and loans are recognised at their fair value with any resultant gain or loss being recognised directly as equity, except for impairment losses. In the case of monetary items such as debt securities, these are recorded when these investments are de-recognised. The cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where the investments are interest bearing, interest calculated using the effective interest method is recognised in the income statement.

Foreign exchange transactions

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. Capital items are converted at the exchange rate ruling at balance date of the forward exchange rate where applicable.

Non-current assets intended for sale

Non-current assets intended for sale are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered mainly through a sales transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset or disposal group to the fair cost to sell.

A gain is recognised for any subsequent increase in fair value less costs to sell of an asset or disposal group, but not in excess of any cumulative impairment loss previously recognised. A gain not previously recognised by

the sale date of the non-current asset intended for sale is recognised at the date of de-recognition.

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

Non-current assets classified as intended for sale and the assets of a disposal group classified as intended for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Provisions

A provision is recognised in the balance sheet when the Council has a present legal or constructive obligation as a result of a past event, and when it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Employee entitlements

Provision is made in respect of the Council's liability for annual leave, long service leave, sick leave and retirement gratuities.

Annual leave due has been calculated on an actual entitlement basis at current rates of pay. Provision is also made for long service leave, sick leave and retirement gratuities based on an actuarial calculation.

Landfill

As operator of the York Valley landfill, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. This provision is calculated on the basis of discounting closure and post closure costs into present day values. The calculation assumes no change in the resource consent conditions for closure and post closure treatment.

Taxation

Income tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus after allowing for all allowable deductions under current tax legislation.

The Council uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis.

Future tax benefits attributed to tax losses and timing differences are recognised only when there is a probable realisation.

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable from previous years.

Goods and services tax (GST)

All amounts in the accounts are exclusive of GST except for debtors and creditors, which are shown inclusive of GST.

Allocation of overheads – significant activities

All overheads in the job costing system have been allocated to Council's 'significant activities', which include broad Council functions like Water Supply and Community Facilities. This allocation has been mainly on the basis of time spent but, where items of expenditure clearly relate to a particular activity, they are allocated on that basis.

Financial reserves

Financial reserves are a component of Council's equity generally representing a particular use to which various parts of equity have been assigned. These reserves may be:

RESTRICTED 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 a third party. Transfer from these reserves may be made only for certain specified purposes or if certain specified conditions are met.

COUNCIL-CREATED RESERVES, which are part of the accumulated balance established at the will of the Council. 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.

REVALUATION RESERVES result from revaluing land, infrastructure assets and forestry and are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve for any class of asset, this is listed as an expense in the Statement of Financial Performance. Any increases in value are used to offset previous decreases.



Statement of cash flows

'Cash' means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council or group invests as part of its day-to-day cash management.

OPERATING ACTIVITIES include cash received from all income sources of the group and record the cash payments from the supply of goods and services.

INVESTING ACTIVITIES are those activities relating to the acquisition and disposal of non-current assets.

FINANCING ACTIVITIES are activities that change the equity and debt capital structure of the Council and group.

Revenue recognition

RATES are recognised as revenue when they are struck (calculated for billing).

GRANTS AND SUBSIDIES are recognised as revenue when eligibility is established, which is when there is reasonable assurance that the grant or subsidy will be received and the Nelson City Council will comply with all the conditions. They are recognised at fair value. This includes government grants from the New Zealand Transport Authority, which subsidises part of Nelson City Council's costs in maintaining the local road infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

REVENUE FROM THE SALE OF GOODS AND SERVICES is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer or the obligation to pay arises or, in the case of licence fees, upon the renewal of the licence.

REVENUE FROM SERVICES RENDERED is recognised in the income statement in proportion to the stage of completion of the transaction at balance date. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs, the possible return of goods, or continuing management involved with the goods.

DIVIDEND INCOME is recognised on an accrual basis when declared.

DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are not recognised as liabilities until such time the Council provides, or is able to provide, the service.

CASH AND CASH EQUIVALENTS includes cash on 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 within borrowings in current liabilities in the statement of financial position.

Expense recognition

Expenditure is recognised when the service has been provided or the goods received or when it has been established that the rewards of ownership have been transferred from the seller/provider to the Council and when it is certain the obligation to pay arises.

Leases

Finance leases are leases of fixed assets where substantially all the risks and benefits incidental to ownership of the asset are transferred to the Council. The leased assets are recognised as non-current assets in the Statement of Financial Position and are depreciated over the period the company is expected to benefit from their use. The corresponding liability is also recognised in the Statement of Financial Position. The Nelson City Council does not have any finance leases.

OPERATING LEASE payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the period in which they are incurred.

Assumptions used in the development of the forecast financial information

The assumptions used when Council developed its financial forecasts for the 2009-19 Nelson Community Plan were included on pages 5-8 in Volume 2 of that Plan. The general assumptions covered population growth, inflation, interest, the effects of the Emissions Trading Scheme and other accounting assumptions. Of those, only the following covering inflation and interest rates have been updated with new information when preparing this 2010/11 Annual Plan.

Inflation/price changes

The Community Plan provided for an inflation rate of 2.95% in 2010/11. The actual inflation rate has generally been lower than this, and so the 2010/11 annual plan has been based on inflation of 1.7%, except where there is clear evidence available of the need to use a different rate for specific areas.

Interest rates

The Community Plan was based on a predicted interest rate of 5.5% for 2010/11. This rate now looks to be too low and the 2010/11 estimates are based on a rate of 6.25%.

FUNDING IMPACT STATEMENT: summary of rates and charges

How much will it cost?

Total rates, fees and charges on each property in Nelson (a 'rating unit') include payment for local authority (city council) and regional council services. The final figure is made up of a combination of whichever of the following apply to your property:

- General rate, which includes the UAGC
- Uniform annual general charge (UAGC)
- Stormwater charge
- Clean heat warm home targeted rate (if part of scheme)
- Solar hot water targeted rate (if part of scheme)
- Waste water charge or commercial waste water charge for sewage disposal
- Water charge
- Some types of properties are subject to differentials, which adjust rates upwards or downwards depending on the whether more or less Council services are typically provided, for example commercial, rural or multi-unit properties. Differentials are worked out using the standard residential property rate as a baseline.

Rates and charges

The 'funding impact statement' sets out the rates and charges that are for this financial year. The information on rates included here is based on Volume 2 of the 2009-19 Nelson Community Plan, with the information updated for this financial year.

Where rates and charges are shown including GST, the total is subject to change when the GST rate changes during the period of this plan.

Effect of GST increase

Where rates and charges are shown including GST, the total is subject to an increase in GST during the period of this plan. From 1 October 2010, GST will increase from 12.5% to 15%. The average increase in rates and charges in 2010/11 is 5.67%, exclusive of GST. But, due to the GST increase, the total rates and charges, inclusive of GST, will increase by 7.43% if paid on a quarterly basis. If a ratepayer wishes to pay their total rates before 1 October 2010, the GST charged would only be 12.5%. In addition, if they pay before 27 August 2010, the 2% discount for early payment would also apply.



Rating of separately used or inhabited parts of a rating unit

CONDITIONS AND CRITERIA: COUNCIL'S POLICY

The Council will charge multiple uniform charges against a rating unit for each separately used or inhabited part of the unit. A 'unit of occupancy' is defined as being separately let and permanently occupied.

The following are considered to be separately used parts of a rating unit:

- Flats or apartments
- Flats that share kitchen or bathroom facilities
- Separately leased commercial areas that are leased on a rating unit basis
- A vacant rating unit
- Where there is multiple use of a single rating unit, such as a shop with a dwelling.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- Individual offices or premises of business partners.

The policy applies to the ratepayers who meet the relevant criteria as approved by the Chief Financial Officer.

General Rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 is based on the rateable value of the land. General rates are set at different rates in the dollar of rateable value for different categories of rateable land. The general rate for a residential property is 0.49475 cents in the land value dollar (including GST) for the 2010/11 rating year. This compares to the previous year's rate of 0.49983 cents in the land value dollar in 2009/10. As a comparison, a residential property with a land value of \$165,000 in 2009 would have paid general rates of \$824.72 in 2009/10. This same property would have an average land value of \$172,000 in 2010 after the 2009 revaluation of the City and it would pay \$851.00 as a general rate in the 2010/11 rating year.

Uniform Annual General Charge (UAGC)

A uniform annual general charge (UAGC) is set under section 15 of the Local Government (Rating) Act 2002 on each separately occupied portion of a rating unit. It is levied:

- As a charge for services which have an equal element of benefit irrespective of property value
- To ensure a minimum charge on all properties

- To reduce the extremes of rates paid by the highest and lowest valued rating units
- In recognition that land valuation-based rating does not necessarily reflect a ratepayer's ability to pay.

Council will collect 15% of rates, excluding water and trade waste charges, through the UAGC. The UAGC will be \$325.80 (including GST) per separately occupied portion of a property for the 2010/11 rating year. The 2010/11 year's charge is \$23.80 higher than the charge of \$302.00 for 2009/10. Uniform general charges are required to be no more than 30% of total revenue from all rates, excluding water charges. The 2010/11 year's charges are 15% of rates, well within the 30% limit.

Stormwater

The stormwater rate is a separate targeted rate set under section 16 of the Local Government (Rating) Act 2002 per rating unit and is \$233.60 this year. It recovers the funding required by Council for storm water purposes. It is payable by all ratepayers other than the rural rating categories and residential properties east of Gentle Annie saddle. This year's charge is \$13.20 higher than last year's charge of \$220.40. Small holding category properties will be charged \$116.80, excluding small holdings east of Gentle Annie saddle.

Targeted rate for Clean Heat Warm Homes

The Clean Heat Warm Homes rate is a targeted rate collected per separately occupied portion of a rating unit (home) that has been provided with insulation and a heater to replace a non-complying solid fuel burner. Property owners who are eligible for a Rate Rebate under the Department of Internal Affairs scheme are eligible to apply for a remission of this rate. For more details on this option refer to the Rates Remissions Policy in Volume 2 of the 2009/19 Nelson Community Plan.

The cost to the community of funding the interest on the borrowing for the assistance and the administration costs for participating properties will be approximately half the cost of what the grant would have been under the earlier Clean Heat Warm Homes subsidy programme (the open fire replacement programme).

The targeted rate applying to any participating property is determined depending on the \$200 band within which the total installed cost falls, as set out in the table of rate charges on the following page. That total cost includes the addition of a \$100 administration fee. The targeted rate is 10% of the lowest amount of that \$200 band, and will apply for 10 years. For example, a total cost of \$2,720 that falls within the targeted rate band G of \$2,600 to \$2,799 would pay a targeted rate of \$264.33 each year for 10 years.

Participants in the scheme are required to sign a contractual agreement agreeing to the targeted rate.

Table: Explanation of targeted rate for heater conversion

Rate Mechanism:	Targeted differential clean heat rate
Group of activities funded:	Environmental management
Categories of rateable land for setting targeted rate:	All rateable land in Nelson City area
How liability for targeted rate is to be calculated:	The value of each 'unit of service' provided, which is the installation of a complying heater and insulation

Table: Rate charge per year for each category of the total cost of installed heater and insulation

Categories of rateable land (band)	Total installed cost range in dollars (\$)	Rate charge per year (GST inclusive) for ten years (\$)
A	1400 to 1599	142.33
B	1600 to 1799	162.67
C	1800 to 1999	183.00
D	2000 to 2199	203.33
E	2200 to 2399	223.67
F	2400 to 2599	244.00
G	2600 to 2799	264.33
H	2800 to 2999	284.67
I	3000 to 3199	305.00
J	3200 to 3399	325.33
K	3400 to 3599	345.67
L	3600 to 3799	366.00
M	3800 to 3999	386.33
N	4000 to 4199	406.67
O	4200 to 4399	427.00

P	4400 to 4599	447.33
Q	4600 to 4799	467.67
R	4800 to 4999	488.00

Targeted rate for Solar Hot Water Systems

The Solar Hot Water Systems rate is a targeted rate collected per separately occupied portion of a rating unit that has been provided with financial assistance to install a Solar Hot Water System (SHWS).

This scheme differs from the Clean Heat Warm Homes scheme in that the participating property owner will pay the interest and administration costs of the scheme.

Users of the scheme will be eligible for a \$1000 grant plus GST, from the Energy Efficiency and Conservation Authority (EECA) subject to the Government continuing to fund that scheme. The grant amount will be deducted from the capital cost of purchasing and installing the SHWS, and will reduce the amount the Council has to borrow to fund the system for a given property.

The targeted rate applying to any participating property is determined by the net cost of the work including GST, after deducting EECA grants, plus the funding cost. The full cost of the works and Council's costs of borrowing and administering the scheme are paid over a ten year period by the homeowner receiving the service.

The funding cost comprises:

- A. The interest rate (I) fixed for 10 years over the period of the targeted rate. The fixed interest rate to apply to new installations in any financial year is set annually and published in the Annual Plan.
- B. A levy calculated as $(I \text{ divided by two}) \times (\text{Net Cost of the Works})$ to cover the initial borrowing cost in the year of installation of the works.
- C. A fee to cover administration of the scheme. Administration costs will be set in the applicable Annual Plan. An administration fee will not apply to systems installed during 2009/10 and rates struck 2010/11 because EECA provided a grant to assist with the establishment of the scheme.

For targeted rates commencing in 2010/11 the rate each year for 10 years will be 0.14964 (including GST) multiplied by the Net Cost of the Work adjusted for increased GST.

Targeted rates commencing in subsequent years will be set when the rates are struck for that year and included in the applicable annual plan.



Waste water charge

A separate targeted rate is set under Section 16 of the Local Government (Rating) Act 2002 to recover the costs required for Council's waste water and sewage disposal system. This charge is levied to all rating units (premises) to which the Council's waste water and sewage disposal service is provided. The waste water charge will be \$384.80 per unit (including GST) for the 2010/11 rating year compared to 2009/10 rate of \$326.50. Commercial properties are also levied waste water charges based on Council's tradewaste bylaw and these charges are set out in the following section.

Commercial waste water charge

Waste water charges for commercial properties are set according to Council's Trade Waste Bylaw. Each year the Council is required to revise the method of charging schedule associated with the Trade Waste Bylaw. The formulae for calculating the charges to commercial producers are complicated, but in summary Council examines the flow rates and effluent strength during the previous year to calculate charges for the following year. Two methods are used for commercial properties:

Method A is applied to the two largest trade waste contributors and the charge is calculated on both discharge rates and effluent strength. Charges are highest for the most concentrated and larger volumes.

Method B applies to all other trade waste contributors, of which there are approximately 1500 in Nelson City. The charge is calculated based on the estimated volume of effluent discharged. The estimate assumes the amount of waste water is 80% of the volume of incoming water.

The total Trade Waste B revenue estimate for 2010/11 is \$973,047 of total Trade Waste revenue estimated to be \$1,305,855 in 2010/11.

For 2010/11, the trade waste charges are:

- Trade Waste A Conveying Charge \$473.06 per litre per minute
- Trade Waste A Treatment Charge \$1,224.5 per kg BOD per day
- Trade Waste B Combined Charge \$1.71 per m³
- Waste water charge of \$384.80.

Last year, for 2009/10, the equivalent charges were:

- Trade Waste A Conveying Charge \$330.00 per litre per minute
- Trade Waste A Treatment Charge \$875.00 per kg BOD per day
- Trade Waste B Combined Charge \$1.26 per m³
- Waste water charge of \$326.50.

Waste water charges will rise this much this year due to a combination of reasons. The major cost increase is because Nelson’s share of the Nelson Regional Sewerage facility at Bells Island has increased. The value of the asset was re-assessed after recent improvements and its total value has risen significantly. Because Council funds depreciation, which is money set aside towards the eventual replacement of assets, the costs of Council’s share in the facility have also risen and these costs are passed on to consumers through the waste water charge. A lesser effect on these charges is due to the cost of the Nelson North treatment facility upgrade and increased operating costs.

METHOD A: QUALITY/QUANTITY APPROACH

The two largest commercial contributors are monitored every six months and the waste stream sampled over four days to measure the discharge rate and effluent strength as BOD, the biochemical oxygen demand. The trade waste charge is then calculated using the conveyance, which is the amount discharged, and treatment rates from the method of charging schedule. These rates are determined annually.

The conveyance rate is calculated by dividing the estimated conveyance costs for the coming financial year by the previous year’s average flow rate. The treatment rate is calculated by dividing the estimated treatment costs for the coming financial year by the previous year’s average BOD loading.

Conveying (\$/annum/litre/minute)			
Year	Total cost (\$) Incl. GST	Average flow rate (Litres/min)	Cost/Litre/Min (\$)
2009/10	4,386,319	11,815	371.25
2010/11	4,841,191	10,234	473.06
Treatment			
Year	Total cost (\$) Incl. GST	Average BOD* Loading (kg/day)	Cost/kg/BOD/day (\$)
2009/10	3,434,792	3,826	897.75
2010/11	4,333,111	3,539	1,224.50

*BOD is the biochemical oxygen demand, or effluent strength

METHOD B: QUANTITY APPROACH

For all other commercial premises, the trade waste charge is simply based on the volume of effluent assessed as being discharged from the premises. This effluent volume is calculated by multiplying the volume of water supplied into the premises by a correlation factor. The correlation factor is usually set at 0.8 unless another figure is agreed. It is assumed that 80% of the water that is distributed to a commercial property is subsequently discharged as waste water.

The trade waste charge is then calculated using a combined conveyance and treatment rate. This rate is determined annually by dividing the estimated cost of operating the sewerage system for the coming financial year by the previous year’s total effluent volume.

Initially, all trade waste ratepayers pay the waste water rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

The charges compared with the previous year’s charges are tabulated below:

Conveying and treatment			
Year	Total cost (\$)	Total Effluent Volume (m³)	Cost/ m³ (\$)
2009/10	7,824,242	6,209,716	1.26
2010/11	9,174,302	5,378,821	1.71

Water charges

Nelson's water charges are a targeted rate for water supply set under section 19 of the Local Government (Rating) Act 2002 and are based on a fixed daily charge. This charge is payable by all ratepayers with a water meter installed on the property and recovers the funding required by Council to supply water. The water charges for 2010/11 (including GST) are a minimum annual charge of \$177.83, until 30 September rising to \$181.78, which is charged at a daily rate with no free allowance. The cost per cubic metre is:

	To 30 Sept 2010 (\$ per m ³)	1 Oct 2010 – 30 June 2011 (\$ per m ³)
0-10,000 m³ per year	1.763	1.802
10,001 – 100,000 m³ per year	1.563	1.598
Over 100,000 m³ per year	1.233	1.260
Summer irrigation	1.663	1.700

These rates have been adjusted for the increased GST. The water charges have increased by 1.57% for the 2010/11 year, compared to the 2009/10 charges.

Payment methods for rates

The Council provides for rates to be paid in four equal instalments. Ratepayers may choose to pay the whole year's rates in one sum on instalment one and receive a discount. Alternatively, ratepayers can choose to pay the whole year's rates in one sum on the second instalment without incurring penalty charges on instalment one.

Penalty on unpaid rates

In accordance with Sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 10% is added to each instalment or part thereof that is unpaid after the due date for payment. Previous year's rates that remain unpaid will have a further 10% penalty added on 30 June and 31 December.

Penalty remission on full payment of yearly rates

The total annual rates may be paid in one lump sum by 26 November 2010 and any first instalment penalty already incurred will be remitted. If the annual rates are not paid in full by 26 November 2010, the penalties relating to the four instalments outlined above will apply.



Discount for early payment of rates

In accordance with Section 55 of the Local Government (Rating) Act 2002, a discount of 2% of the total year's rates (excluding water charges) will be allowed where they are paid in full on or before 27 August 2010.

Differentials

Differentials are adjustments to the rates of particular property types to better reflect the services provided by Council. Commercial properties pay higher rates to reflect additional services such as street cleaning and car parks. Properties classified as rural have a negative differential to reflect the fewer Council services provided to those properties.

Differential categories

Council's general rate is assessed on a differential basis – these rates are subject to the provisions of Schedule Two of the Local Government (Rating) Act 2002. Each year, Council is required to state the category or categories of any differential.

CATEGORIES OF DIFFERENTIALS BASED ON LAND USE:

Category	Description
Residential	single unit, residential rating units
Multi-residential	rating units containing more than one residential unit
Commercial	rating units used for commercial purposes
Rural	rating units defined in the Rating Information Database as rural with a land area greater than 15Ha
Small holding	rating units defined in the Rating Information Database as a small holding with a land area greater than 0.5Ha

The 'urban farmland' category has been removed.

Properties that have more than one use identified above will be placed into a rating category subject to the rating unit's majority use as determined by the Council.

The neutral base from which differentials are calculated is a residential property with a single dwelling.

NOTE: Objections to the Rating Information Database under Section 28 of the Local Government (Rating) Act 2002 will be reviewed by Council and the Council is the sole determiner of rating categories.

Rating review change to rating categories

A working party of Councillors was set up in 2008 to consider changes to the rating system to make it fairer and more equitable. The working party recommended that the Urban Farmland category (which has a -10% differential) be abolished as there are no longer market gardens within the urban area making the category outdated. This was agreed to following consideration of submissions. It also recommended removing the Small Holdings category (which also has a -10% differential and exemption from the stormwater charge) to provide equity with neighbouring residential properties. They also suggested introducing a third commercial category – Fringe Commercial – to cover the commercial ratepayers around the Central Business District (CBD) as those ratepayers receive some benefit from the CBD. Council has decided to remove the 'urban farmland' category. The 'small holding' category is to be charged 50% of the stormwater charge in 2010/11. Council has decided to do more work on the Fringe Commercial proposal before proceeding with any further changes to rating categories.

The categories of general rates applying the general rate differential are as follows:

Differential rates: description of class	2010/11 Differential %
Residential – single unit	Nil
Residential section	Nil
Single residential unit forming part of a parent valuation, the remainder of which is non-rateable	10
Two or more residential units on one assessment	10
Rural	(35)
Small holding	(10)
Commercial – excluding inner city and Stoke commercial	
100% commercial and industrial (occupied and empty)	131
25% residential/75% commercial	98.3
50% residential/50% commercial	65.5
75% residential/25% commercial	32.8
Commercial – inner city and Stoke commercial	
100% commercial and industrial (occupied and empty)	240
25% residential/75% commercial	180
50% residential/50% commercial	120
75% residential/25% commercial	60

Council has adopted a policy that Commercial rates are set to collect 25% of the total rates. .

Glossary

Accountability is a principle governing public service organisations, including Nelson City Council; it means that they are responsible to the public, and must answer to them if questioned on their performance. For example, we publish the Annual Report each year to explain the results of the past year's work.

Activities are the services, projects or goods produced by Council. As used in this document, activity also means a group of 'sub-activities' carried out by Council. These are broad groups of all of Council's services and facilities, each with common elements. For practical management of our work, we assign responsibility for these activities to various Council teams, each with their own budgets. Examples include 'water supply', 'recreation and leisure' and 'economic and tourism support'.

Advocate or advocacy is a role where Council uses resources, such as publicity, to positively influence others' activities for the benefit of the city. Examples include encouraging recycling or improving road safety.

Annual plan (this document) sets out Council's current financial situation, intended activities and work programme for the next financial year. It is published in years two and three, alternating with the Nelson Community Plan which is updated every three years and covers the next ten years.

Annual report is an audited account of the results of Council's planned work programme for the past year. 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 and is published by Council around October following the end of each financial year on 30 June.

Asset(s) are physical facilities of value to the community that are owned by Council and that have an economic life greater than one year. Examples include buildings, parks, equipment, vehicles and computers.

Asset management plan (AMP) is a Council plan for the management of assets. It applies technical and financial management techniques to ensure that specified levels of service, or agreed standards, are provided in the most cost-effective manner over the life-cycle of the asset.

Assumptions are the underlying 'givens' assumed 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. For example, we assume that the population of Nelson will continue to increase over the next decade in the mid-range of current projections. Estimates suggest the population of Nelson might increase by around 2,900 people, to 47,200 by 2016.

Audit is the regular official inspection of Council's accounts and processes, currently carried out by Audit NZ.

Biodiversity is the natural diversity of all life, including diversity in genes, species, populations and ecosystems.

Capital expenditure (CAPEX) is money used to create new assets or to increase the capacity of existing assets; this increases the total value of Council's assets.

CBD is short for central business district; the central city.

CCTV is closed circuit television, for ensuring public safety or remote inspection of pipelines.

Community/we includes everyone in Nelson city: individuals, businesses, local and central government, groups and organisations, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban, Nelson residents and visitors.

Community Outcomes are goals, results or the desired end points identified by the community that it wants to see achieved, for the present and future social, economic, environmental and cultural wellbeing of the community. Identifying these goals allows the community to discuss the relative importance of priorities and provides for the measurement of progress towards achieving the goals. The Community Outcomes promote better coordination and application of community resources and guide the setting of priorities by the Council and other organisations. The current list of outcomes is included at the front of this document.

Community plan, short for Long-Term Council Community Plan; see 'LTCCP' for a full definition.

Community wellbeing includes all aspects of the social, economic, environmental and cultural wellbeing of the community in the present and for the future.

Consultation is the method Council uses to talk with residents and seek their input and feedback on decisions and plans to be made. Ranges from informal discussions to written submissions and hearings.

Council Controlled Organisation (CCO) is a company controlled by one or more local authorities, for example Nelson Tasman Tourism Ltd.

Council Controlled Trading Organisation (CCTO) is a type of Council-controlled organisation that operates for the purpose of making a profit, for example the Ridgeways Joint Venture.

Depreciation is the wearing out, consumption or loss of value of an asset over time, where funding is set aside towards the asset's eventual replacement. See also 'Asset'.

Development contributions are contributions of money to Council, as provided for in Council's Development Contributions Policy that is included in Volume 2 of the Nelson Community Plan. The contributions are calculated according to the method set out in that Policy.

Draft Community Plan (Draft LTCCP) or Draft Annual Plan sets out the proposed spending programme for the next decade, or one-three financial years, respectively. The draft documents are a 'statement of proposal', subject to public consultation before they are amended in response to that consultation and adopted by Council as its work programme for the specified period.

Estimated natural increment is growth in the rating base, or number of ratepayers, as population increases.

Facilitator is a role of Council where it brings groups or organisations together to achieve a specified purpose. For example, the Council facilitated the Community Outcomes process on behalf of the community.

Financial year for council runs for 12 months each year from 1 July ending 30 June the following year.

Funder is a role of Council where Council finances specified groups or organisations to carry out work that contributes to improving community wellbeing.

General rate is charged based on the land value of a landowner's property. The money pays for Council services and facilities that benefit the community as a whole.

GIS Geographic Information System is computer software for viewing, searching and analysing information, usually in the form of maps with attached information.

IFRS (or NZIFRS) is the New Zealand International Financial Reporting Standards, which are international standards covering accounting practices that all local authorities and government departments, among others, are required by law to use. These standards have replaced the earlier term GAAP, or Generally Accepted Accounting Practice.

Inflation is the general increase in prices over time. Council is now required to estimate the rate of inflation that is likely to apply over the term of the Nelson Community Plan, which it bases on accepted authorities such as BERL (Business and Economic Research Ltd) figures.

Infrastructure assets are those assets owned by Council on behalf of the community to provide essential service or utility networks for solid waste, transport, water supply, waste water disposal and stormwater management.

Infrastructure includes the networks that support the running of an area, like the water, waste water/sewerage, solid waste (rubbish disposal), and transport systems managed by Council. Networks provided by non-Council organisations, like electricity and telecommunications, also form part of the community's essential infrastructure.

Iwi refers to the local tangata whenua or tribe(s) of the rohe (area). In Whakatū (Nelson) that means the six Iwi affiliated with Whakatū Marae, which are represented by charitable trusts and mandated representatives (rangatira). These are Ngāti Kuia, Ngāti Toa, Ngāti Rārua, Ngāti Koata, Ngāti Tama and Te Ātiawa.

Kaitiakitanga is an inherited responsibility of tangata whenua to look after the mauri (life force) of nga taonga tuku iho (natural resources). It is a form of guardianship and includes protecting biodiversity and the maintenance of resources for present and future generations.

Levels of service (LOS), or service levels, are the reasonable standards Council aims to meet when providing a facility or service. They are the measurable effect or result of a Council service or asset, described in terms of quality, quantity, reliability, timelines, cost or similar variables. For example, the level of service for residential water supply includes its purity and flow rate from your tap.

LGA / Local Government Act 2002 sets out the purpose and powers of local government. The LGA provides for democratic local government, and promotes accountability to their communities. The Act provides for local authorities, including this Council, to play a broad role in the social, economic, environmental and cultural wellbeing of the community, taking a 'sustainable development approach' [from the Act].

Lifeline utility is an essential utility, some of which are provided by Council. They include roads, ports, water and sewerage systems. Radio, electricity and communications networks are non-Council lifeline utilities. All these services are critical to the functioning of a region and, in the event of a major emergency, every lifeline is required to function, albeit at a reduced level, during and after the emergency.

LTCCP, Long-term Council Community Plan is referred to as the 'Nelson Community Plan' or Community Plan. Prepared as a requirement of the Local Government Act 2002 with the purpose of describing Council's activities, describing the 'Community Outcomes' (goals) of the community, providing integrated decision-making and coordinating Council resources. It provides a long-term focus for the decisions and activities of the Nelson City Council, and is an important basis for the accountability of the Council to the Nelson community. Drafting of the plan provides an opportunity for the public to participate in decisions on activities to be carried out by Council. It covers ten years' planned financial expenditure, with the first three years in detail.

Mana whenua/tāngata whenua, literally the people of the land, means the original Māori people of a place, the local people or hosts.

Māori translates literally as ‘normal’. It is commonly used to refer to everyone of Māori descent living in Nelson, including local Iwi and Māta Waka from elsewhere in Aotearoa New Zealand.

MM8 is a moderate damage-causing earthquake. The Modified Mercalli (MM) scale is a linear scale that measures intensity in terms of the damage. MMVIII includes car steering affected, some damage to masonry, fallen chimneys and frame houses moving on foundations. The MM scale is very different from the Richter scale, which measures the force or energy released by a quake. Damage can vary widely depending on the depth and location of the epicenter, so the MM scale is more useful in figuring out how much damage there might be.

Ngā taonga tuku iho are the treasured resources (particularly natural) of this area (rohe).

NGO, or non-government organisation, includes a wide range of often charitable or advocacy organisations that are usually nationally or regionally-based, but are not part of central government. Examples include Forest and Bird, St. John Ambulance Service, the Business Roundtable, National Council of Women, and the SPCA.

Non cash expenditure is depreciation, or the cost of an asset wearing out over time. Even though it is a non cash item it must be matched by revenue, as this will eventually help to fund the replacement asset when the existing one is worn out. Depreciation funds are used for capital expenditure renewals and new assets and so in the financial statements it is shown under source of funding as “non cash expenditure”. The non cash expenditure should always equal the depreciation.

NUGS or Nelson Urban Growth Strategy was the result of a 2005 study by Council to provide a very long-term (up to 50 year) approach to planning for an increasing population. It particularly focuses on housing, transport, urban quality and the environment and will guide Council’s land use and zoning decisions.

Operating expenditure (OPEX) is the cost of operating and maintaining an asset. Money spent on operations and maintenance does not alter the value of an asset and is not included in the asset valuation.

Outcome is a positive end result that the Council aims to achieve on behalf of, and to benefit, the community.

Outputs are services, activities or goods produced by or for the Council that contribute to achieving an outcome.

Performance measures are a statement of intended results, usually annually based, that are measurable and subject to audit. Council is accountable for their achievement, and they are reported in the Annual Report.



Plan is a more specific document setting out actions, accountabilities, costings, time lines and targets.

Policy is 'the way things are to be done' and refers to an agreed and documented position of Council on a particular issue. It guides subsequent decisions so that they are generally consistent with that agreed position. 'The Policy' refers to a published document, like the Social Development Policy, whereas Council 'policy' refers to a decision (or series of decisions) by Councillors and/or staff, depending on the level of the issue, on Council's approach to a specific issue. For example, it is Council's current policy to hold some of its regular meetings at venues in the community, not just in the Council Chamber.

Rangatiratanga is the chiefly authority iwi leaders hold in relation to their iwi. It refers to self-determination and 'Māori control of all things Māori'.

Regulator is a role of Council where it seeks to modify the actions of individuals through enforceable regulations to achieve a specified purpose. For example, Council issues permits and regularly inspects restaurants and takeaways to make sure the food served is safe to eat, and can take action if it's not.

Residents' (satisfaction) surveys are carried out annually by Council to provide information on residents' views on a range of issues, particularly on satisfaction with Council performance in delivering services and providing facilities. They usually involve 300-400 phone interviews by an independent research organisation.

RMA, Resource Management Act 1991, is an Act to promote sustainable management of natural and physical resources. Council is responsible for administering a range of duties under this Act including environmental planning and resource consents.

Service level, refer to L.O.S or Levels of Service.

Significance, in relation to any matter before Council, is the degree of importance, as measured by Council, in terms of the issue's likely impact on community wellbeing or affected persons, or the capacity of Council to perform its role and the costs of doing so. A 'significant' matter is one assessed to have a high degree of 'significance' and therefore triggers a special consultative procedure under Council's Significance Policy. Typically, a major project costing several million dollars, such as a performing arts/ conference centre, requires full consultation with the community. The Significance Policy explains how Council determines what is a 'significant' project or decision and consequently the extent of public consultation that is required.

SOI, Statement of Intent, is required annually from each Council Controlled Organisation to provide accountability for meeting agreed targets and outcomes.

Stormwater discharge occurs at the discharge point from any stormwater pipe into water, including natural waters, constructed channels or the sea.

Strategic asset is a key or major asset that Council needs in order to achieve Community Outcomes (goals). Council's strategic assets include the water treatment plant, the road network, and Port Nelson.

Strategy is a long-term, high-level approach to achieve a goal. Council strategies are usually expressed in documents, such as the Alcohol Strategy. We would refer to the Alcohol Strategy, for example, when deciding where alcohol is allowed in the city's public parks and reserves.

Sustainable management, from the Resource Management Act, means managing the use, development and protection of natural and physical resources in a way, or at a rate, that enables people and communities to provide for their social, economic and cultural wellbeing and for their health and safety while (a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and (b) safeguarding the life-supporting capacity of air, water, soil and ecosystems; and (c) avoiding, remedying or mitigating any adverse effects of activities on the environment.

Targeted rates are a charge on ratepayers to fund a specific service like stormwater drainage.

Targets are the specified levels or standards Council aims to achieve so its performance can be assessed in relation to their attainment.

Te Tau Ihu (o te Waka a Māui) refers to the Top of the South from Marlborough to Golden Bay. Literally it means the prow of the canoe of Maui, the South Island, from which Māui fished up Te Ika a Māui, the North Island.

Transparency is a principle followed by local government where, in general, its actions, accounts, reports and correspondence must be open to examination by the public unless there are specified reasons not to do so.

Unitary authority means a city or district council that also has the responsibilities of a regional council. There are only five of these, of which Nelson City, Tasman District and Marlborough District Councils are three.

User fees and charges apply for specified Council services where the user clearly benefits from the service and this form of charging is the most equitable means of covering the costs of its provision.

Whakatū is the original name for the Nelson city area. It is sometimes known as Wakatu (without an 'h'), which is a dialectal difference introduced by Taranaki iwi when they migrated to Te Tau Ihu, the Top of the South Island.

Councillor Portfolios and Committees up to October 2010

In 2009 Council reviewed its structure and updated its committees and functions. Council now meets every two weeks and there are fewer special purpose (standing) committees. Council now has a mix of portfolio holders and committees that are expected to remain in place until the local government elections in October 2010 as follows:

Mayor – Kerry Marshall

(on all Committees except Hearings Panel and Regional Transport Committee)

Deputy Mayor – Rachel Reese

PORTFOLIO HOLDERS

Community Services (joint) – Pete Rainey and Ali Boswijk

Governance – Graeme Thomas, Aldo Miccio (deputy)

Environment – Rachel Reese, Derek Shaw (deputy)

Infrastructure – Mark Holmes, Mike Cotton (deputy)

HEARINGS PANEL

For Dog Control Act, Fencing of Swimming Pools Act, Sale of Liquor Act and other non-Resource Management Act matters – all Councillors.

For Resource Management Act hearings –

Commissioner Ian Barker

Commissioner Gail Collingwood

Commissioner Denise Henigan

Commissioner Mark Holmes

Commissioner Rachel Reese

Commissioner Derek Shaw

For Resource Management Act plan changes – All Councillors.

Note: These responsibilities will change after the October 2010 local government elections.

Membership of Committees up to October 2010

Founders Heritage Park

Cr Holmes

Finance, Audit and Risk Committee

Councillor Thomas (Chair), Deputy Mayor, Cr Collingwood,
Mayor and Bede Carran (Independent member)

Civil Defence Emergency Management Group

Mayor and Deputy Mayor

Remuneration Review Committee

Mayor, Deputy Mayor, Cr Thomas

Resource Management Act Procedures Committee

Mayor, Deputy Mayor, Cr Shaw

Plan Change Committee

Deputy Mayor, Cr Boswijk, Cr Cotton, Cr Shaw

Nelson Central Relief Fund

Mayor, Councillor Thomas, Chief Executive

Property Committee

Cr Miccio (Chair), Cr Thomas, Cr Cotton

Communications Committee

Cr Boswijk (Chair), Cr Holmes, Cr Rainey,
Mr Mick Mason (Independent Member).

Nelson Tasman Regional Pest Management Committee

Cr Barker, Cr Reese, G Thomas

This Committee also includes three Councillors from
Tasman District Council

Regional Transport Committee

Cr Shaw (Chair), Cr Collingwood, Cr Holmes Cr Miccio, Cr Thomas

NCC/TDC Joint Shareholders Committee

Mayor, Deputy Mayor and Cr Thomas, or alternates.

Nelson Regional Sewerage Business Unit

Cr Cotton, Cr Shaw.

Note: These responsibilities will change after the October 2010 local government elections.



Contact us

Customer service centre

The service centre is open from 8.30am to 5.00pm weekdays
Civic House, corner Halifax and Trafalgar St
110 Trafalgar Street
PO Box 645
Nelson
Telephone (03) 546 0200 24 hour, 7 day service
Facsimile: (03) 546 0239

Website and email enquiries

www.nelsoncitycouncil.co.nz or email enquiry@ncc.govt.nz

Correspondence

Written correspondence to the Council should be addressed to the Chief Executive, PO Box 645, Nelson 7040 or fax to (03) 546 0239.

Attending a council meeting

Meetings are advertised in the Live Nelson. Members of the public are welcome to attend meetings of the Council and its Standing and Special Committees. You could be asked to leave a meeting if Council needs to discuss a confidential topic. To do that, Council would pass a resolution to that effect, under the Local Government Official Information and Meetings Act 1987.

Public forums

There is a Public Forum at the beginning of most ordinary Council meeting where up to 5 minutes will be available for members of the public to address the Committee on matters of concern. You need to book a time before the meeting by contacting a Council Administration Adviser on (03) 546 0200.

Deputations

Groups or organisations may form a deputation to make a representation to a Council or Committee meeting. There is a formal procedure for such a presentation. A request for a deputation to appear, including the subject to be raised, needs to be made in writing at least 10 days before the meeting. Contact a Council Administration Adviser on (03) 546 0200.

Petitions

The presentation of a petition to Council or its Standing Committees also has to conform to certain rules. Contact a Council Administration Adviser on (03) 546 0200.



Nelson City Council
te kaunihera o whakatū