

# SUMMARY ANNUAL REPORT 2019/20

For the financial year ending 30  
June 2020

A copy of Council's full 2019/20  
Annual Report is available from  
[nelson.govt.nz](http://nelson.govt.nz)



The Smart Little City  
**SHAPING**  
**NELSON'S FUTURE**

# MAYOR'S FOREWORD:

E ngā mana, e ngā reo  
E ngā rau rangatira mā  
Tēnā koutou katoa

Reflecting on 2019/20, it really was a year of two halves – before COVID-19 and living with COVID-19. The economic and social consequences of the pandemic are significant and will be an ongoing challenge for the community, businesses and Council, for a number of years. Council is committed to supporting the economic recovery of Whakatū, as well as the social, environmental and cultural wellbeing of our community. More now than ever our focus needs to be on the wellbeing of our people, and how we as an organisation can help Nelson's COVID-19 rebuild.

With targeted economic recovery initiatives, and working alongside the business sector, Council is committed to mitigating the negative economic impacts of COVID-19.

We have contributed to the development of Project Kōkiri, the region's economic response, recovery and regeneration plan, and will be involved in shaping its direction as the economic situation evolves. At a practical level, over the next year or two, Nelsonians will see more orange cones around the city as Council carries out large 'shovel ready' projects, which will contribute to employment in Nelson and support labour redeployment outcomes. The Mahitahi/Maitai River will also be a hive of activity, with \$3.7 million of funding received from Central Government's 'Jobs for Nature' programme, to support the implementation of an Ecological Restoration Plan for the river. This will enhance the work already undertaken in the catchment, and create 54 jobs in the conservation/restoration sector over 5 years. Council is well placed to deliver on our plans for the year ahead, and importantly has steered clear of austerity measures that would reduce economic activity in the region. Our sound financial position enables us to invest in projects that will support our economy and get us back on our feet sooner.

Despite the challenging circumstances, Council has forged ahead with projects that are designed to deliver multiple benefits to the community. For example, the installation of LED streetlights will achieve an annual cost saving of \$100,000, as well as lowering our energy use. Council has also reduced paper waste by replacing parking tickets with electronic parking meters. This also brings considerable cost benefits as well as improving the availability and convenience of parking in our city centre.

The city centre has been further enhanced by the pedestrianisation of Upper Trafalgar Street and the addition of a pop-up park for young people in Halifax Street. Both projects demonstrate Council's commitment to making Nelson a destination for people. Other projects delivered this year reflect Council's focus on sustainable transport. The Tahunanui Shared Pathway has made it safer for children to cycle to school, and the introduction of the Bee Card on public transport has made it easier to access Nelson's cheapest bus fares.

A notable milestone achieved in 2019/20 was that for the first time there were no breaches of air quality standards in the Nelson area. The commitment that Nelsonians have shown to improving the air that we breathe for this generation, and all those that follow, is delivering.

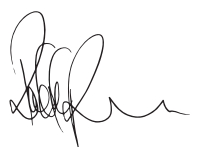
There has been significant support from all elected members and the community for Council's work in the climate change area. Council is undertaking a wide range of climate change activities and this is a priority for us. For example, we have put the Climate Change Reserve of \$500,000 to good use by introducing a food waste trial, funding an e-bike for compost collection, and providing funding to both the Nelson Tasman Climate Forum and the Businesses for Climate Action groups. We also approved a Principles of Collaboration agreement with Lemvig,

Denmark – world leaders in climate change adaption. The appointment of a Climate Change Champion for Council in the last financial year ensures that the issue of climate change will stay at the forefront of all our work across Council. Council has also adopted the Joint Waste Management and Minimisation Plan alongside Tasman District Council – so far we have seen a 2.3% reduction in waste to landfill per capita from the previous year. The decision to run a food waste trial is designed to investigate how we might further reduce the amount we send to landfill. Additional work is being programmed through the upcoming Long Term Plan 2021-31. We are responding to climate change with urgency, while acknowledging that this is a marathon not a sprint - our journey to becoming a more resilient and sustainable city will be ongoing.

As we look towards the future, the release of the Draft Nelson Plan Whakamahere Whakatū for public engagement is an important step. It is your opportunity to help shape what will become the guiding resource management planning document for Nelson. An online information and feedback platform has been set up at [shape.nelson.govt.nz/nelsonplan](http://shape.nelson.govt.nz/nelsonplan).

2020 has been an unpredictable year for all of us, but as I look through the pages of this Annual Report, I can't help but feel very proud of the efforts and achievements of our people and our Nelson community. The work we are doing is making a significant difference to the lives of those who live in our Smart Little City, he taōne tōrire a Whakatū, and I'm sure there will be more to celebrate in the future and there is much more to do. Nelson - kia kaha.

He waka eke noa - we are all in this together.



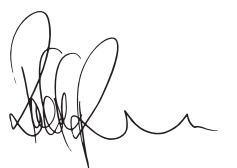
**Rachel Reese**  
Mayor of Nelson:  
Te Koromatua o Whakatū



## STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The Annual Report Summary provides an overview of Council's activities, services and finances for the year 1 July 2019 to 30 June 2020. The information is taken from Council's audited Annual Report 2019/20. Complete information about Council's financial position and operations is provided in the full Annual Report 2019/20.

This Summary Annual Report was authorised by the Chief Executive of the Nelson City Council on 18 January 2021.



**Rachel Reese**  
Mayor of Nelson:  
Te Koromatua o Whakatū



**Pat Dougherty**  
Chief Executive

# WELCOME TO OUR SUMMARY OF THE ANNUAL REPORT 2019/20



Each year in June Council produces its Annual Plan, which outlines the activities that we will undertake during the following 12 months. At the end of the year we produce a second document, our Annual Report, which includes a detailed set of audited financial statements. The Annual Report presents the details of how successful we were in meeting our goals for that year, what we did well and where we can improve. It also includes the income Council has generated, and how much money it spent.

This document is a summary of the Annual Report 2019/20. It gives a condensed overview of the key findings and provides a snapshot of Nelson City Council's performance, from 1 July 2019 to 30 June 2020.

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You can read the full Annual Report at [nelson.govt.nz/annual-report-201920](https://nelson.govt.nz/annual-report-201920)

Copies of the full Annual Report 2019/20 are also available at all Council libraries, and at the Customer Service Centre.



Visit: Civic House,  
110 Trafalgar Street,  
Nelson



Post: PO Box 645,  
Nelson, 7040



Email:  
[enquiry@ncc.govt.nz](mailto:enquiry@ncc.govt.nz)



Phone:  
03 546 0200



Online at  
[nelson.govt.nz](https://nelson.govt.nz)



# AUDIT REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Nelson City Council and group's summary of the annual report for the year ended 30 June 2020

The summary of the annual report was derived from the annual report of the Nelson City Council and group (the City Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 13 to 34:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary key achievements and service performance.

### Opinion

In our opinion:

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

### Summary of the annual report

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

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

## The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2020 in our auditor's report dated 17 December 2020. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 on the City Council as set out in the full annual report in Note 43 to the financial statements and pages 12 and 13 of the statement of service provision in the full audit report. We drew specific attention to the following matters due to the significant level of uncertainty caused by Covid-19:

- ***Sensitivity of the valuation model used in the impairment assessment***

The sensitivity of the City Council's impairment model to changes in key assumptions for the Group's investment in Port Nelson Limited (PNL).

- ***Investment properties***

The Group's investment in PNL and resulting share of PNL's surplus is affected by the fair value of PNL's investment properties. The valuer of PNL's investment properties has communicated significant uncertainties related to estimating their fair value.

## Council's responsibility for the summary of the annual report

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

## Auditor's responsibility

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

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

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



John Mackey,  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
18 January 2021

# THE IMPACT OF COVID-19 ON COUNCIL IN 2019/20

On 25 March 2020, New Zealand moved into COVID-19 Alert Level 2. Four days after that the country was in Level 4. While Nelson has been fortunate to have experienced relatively few infections, the social and economic consequences have been, and will continue to be, immense.

For Council, as an essential services provider, much of our work continued during the lockdown – recycling collection, potable water, wastewater, stormwater, roading maintenance, and public transport services were provided, but there were delays to key capital works projects, and revenue streams were severely impacted. In addition Council co-ordinated the collection of rubbish for the region (Council are not directly involved in rubbish collection). Lockdown meant a big change to how Council operated, but the organisation adapted quickly to continue seamless delivery of essential services, with over 270 staff immediately transitioning to working from home.

To support its decision-making through the lockdown period, Council established an Emergency Committee, comprised of the Mayor, Deputy Mayor, and relevant Committee Chair as required. However, a temporary law change by central government enabled elected members to meet and make decisions using audio-visual links.

Council is acutely aware of the impact the COVID-19 lockdown has had, and will continue to have, on the economic, health and social wellbeing of so many of our residents and businesses. Our support package in 2019/20 included a range of responses such as:

- Access to payment plans for ratepayers struggling to pay rates
- Rental relief for Council lease and licence holders in the tourism, hospitality and community sectors
- The establishment of a \$200,000 Emergency Fund for community organisations
- Central city parking charges were suspended until the end of June 2020 to support city centre businesses

The emergency necessitated a rethink of the Annual Plan 2020/21, after the adoption of the Consultation Document. The public consultation period was extended to 6 May, with the many submitters presenting at hearings remotely, using Zoom videoconferencing. The major change to the Annual Plan was the setting of a net rates rise of 0% for 2020/21. Council put this proposal to the community midway through the consultation period as the financial burden of the emergency became clearer, and the submissions received were overwhelmingly in support. To deliver a net 0% rates rise in 2020/21, Council made savings in many areas but has not chosen austerity measures which would reduce economic activity in the region.

The 2019/20 Annual Plan provided for a capital works programme of \$46.7 million. This was revised to a \$29.3 million forecast spend in light of disruptions caused by COVID-19. The transport and water activities were most significantly impacted, with major delays to several projects. Council's work programme for 2020/21 has been increased to compensate for delays to the work planned for 2019/20, and to provide much needed jobs and economic stimulus. Council aims to deliver a \$54.1 million capital works programme for 2020/21, which is \$7.1 million higher than the Long Term Plan forecast. Council's



sound financial position enables it to continue to invest in projects that will support the economy.

The achievement of Council's performance measure targets for 2019/20 was also impacted by COVID-19. Of the 80 measures, 53 (66.25%) were 'achieved', 21 (26.25%) 'not achieved', and 6 (7.5%) were 'not measured'. 71% of the 80 measures were achieved in 2018/19. Removing the 15 measures disrupted by the COVID-19 lockdown, 83.1% of 65 targets were achieved.

The impact of COVID-19 on the global, national and regional economy will be long lasting. The pandemic presents a significant health and economic challenge in terms of business and government policy responses. COVID-19 was first and foremost a health crisis. However, the measures put in place globally to minimise this health crisis have resulted in unprecedented disruption to global economic activity, including trade and tourism. While New Zealand has mitigated the impact of COVID-19 on the economy with its strict health response, the country and the Nelson region have not been immune to disruption. Between March and June 2020, total Jobseeker numbers in Nelson increased from 1,500 to 2,000, with 18-24 year olds making up 1/3 of this increase.

COVID-19 has significantly altered the economic landscape in Nelson Tasman. The region's economy has managed to keep momentum during this challenging time, in part due to the ability for the primary industries and other essential services to continue operating. Other sectors, particularly

associated with tourism, are facing great uncertainty and risk. All parts of the economy will be affected by ongoing global uncertainty and associated economic downturn. Ongoing restrictions to the re-opening of New Zealand's borders will impact not just tourism, but other industries reliant on skilled migrant labour, and reduced demand for goods and services associated with a reduction in inward migration.

Council is committed to supporting the economic recovery of the region, and the wellbeing of the people of Whakatū, as the impacts from the emergency continue to unfold. Council contributed to the development of Project Kōkiri in 2019/20, the region's economic recovery and regeneration plan. This included developing a list of 'Shovel Ready' projects (together with Tasman District Council, Nelson Regional Development Agency (NRDA), and the Chamber of Commerce), for central government consideration. Applications were also put together for several Council projects associated with infrastructure, the environment, and the Stoke Hall upgrade, to support job creation and provide much needed stimulus to the economy. Some of these have been successfully funded, while others are still awaiting decisions.

With targeted economic recovery initiatives and cooperation with the business sector, Council will continue to do everything within its power to mitigate the impacts of the COVID-19 recession, support the wellbeing and resilience of the Whakatū community, and work towards economic recovery in the longer term.



# OUR ACHIEVEMENTS: COUNCIL HIGHLIGHTS 2019/20



HERE ARE A FEW OF THE GREAT THINGS WE ACHIEVED THIS YEAR:



## REPLACED

Nelson's parking meters with new machines using Pay-by-Plate technology.

See page 25 of full Annual Report 2019/20



## DID NOT

exceed the air quality limits of the National Environmental Standards for the first time since monitoring began in 2001.

See page 59 of the full Annual Report 2019/20

## COMPLETED



Stage 1 of the Tahunanui shared pathway cycleway project.

See page 26 of the full Annual Report 2019/20

## RENEWED

**706** metres of footpath, and

**ADDED**  
a further

**426**

metres of new footpath.

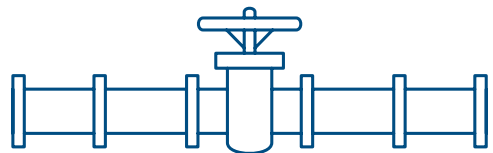
See page 25 of the full Annual Report 2019/20



## CARRIED OUT

flood modelling to examine the possible impacts of climate change on our waterways and infrastructure.

See page 19 of the full Annual Report 2019/20



**REDUCED** unaccountable loss from the water network to

**24.5%**

down from **25.7%** in 2018/19.

See page 35 of the full Annual Report 2019/20



**COMPLETED** the draft Stoke Stormwater Strategy.

See page 44 of the full Annual Report 2019/20

## ADOPTED

the Joint Waste Management and Minimisation Plan with Tasman District Council, with a target of



**10%**

waste reduction per capita by 2030.

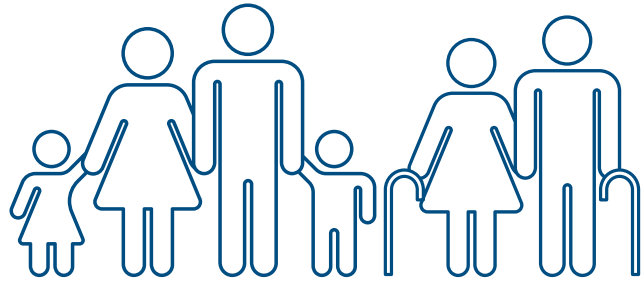
See page 54 of the full Annual Report 2019/20



## DEVELOPED

the Upper Trafalgar Street pedestrian area, and Halifax Street Pop-Up Park.

See page 60 of the full Annual Report 2019/20



## LAUNCHED

 the City For All Ages project, to promote an age-friendly community.

See page 66 of the full Annual Report 2019/20



## PROGRESSED

development of the Draft Nelson Plan Whakamahere Whakatū.

See page 60 of the full Annual Report 2019/20



## TRANSFORMED

 Paddy's Knob Reserve from a car park into a neighbourhood park.

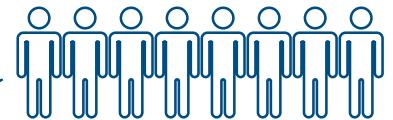
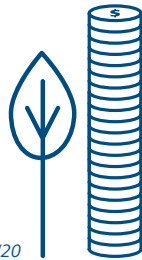
See page 74 of the full Annual Report 2019/20

## OBTAINED

# \$3.7M

from the Government's 'Jobs for Nature' fund.

See page 59 of the full Annual Report 2019/20



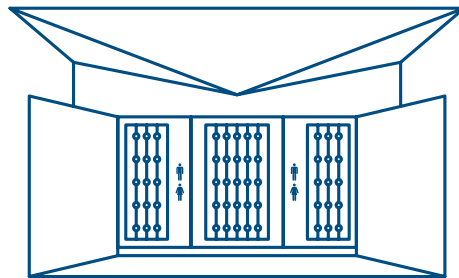
people attended the Nelson Arts Festival and Piki Mai light show.

See page 67 of the full Annual Report 2019/20

## CONTRIBUTED

to the development of Project Kōkiri, the region's economic recovery and regeneration plan in response to COVID-19.

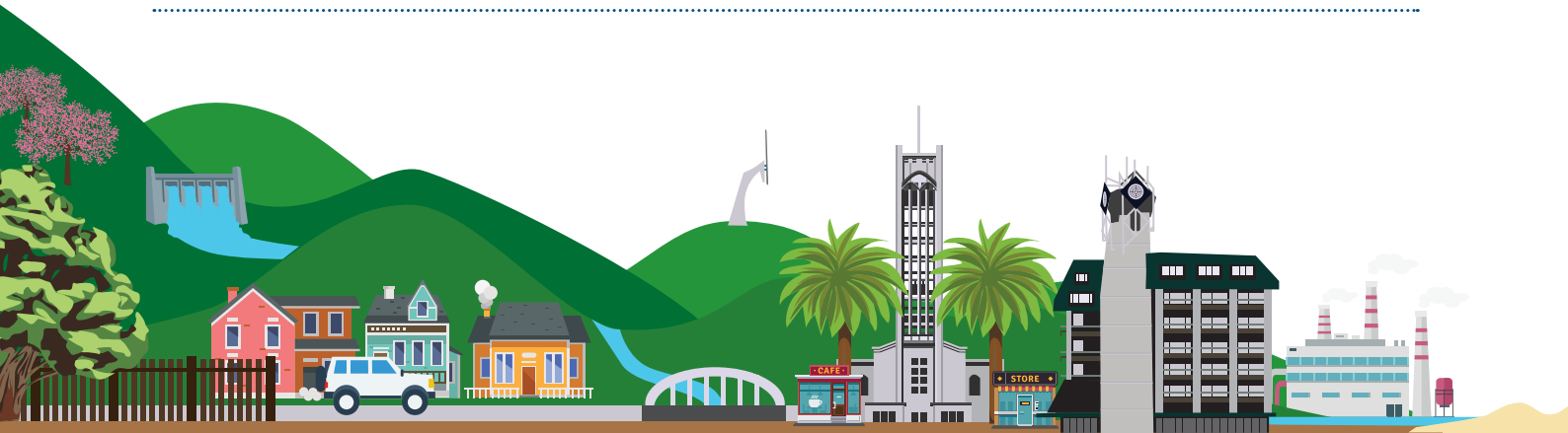
See pages 8 and 81 of the full Annual Report 2019/20



## INSTALLED

a new architecturally designed toilet block in Queen's Gardens.

See page 66 of the full Annual Report 2019/20



# WORKING WITH MĀORI AND IWI

## COUNCIL AND IWI ARE COMMITTED TO WORKING TOGETHER

Key objectives for our work together are to strengthen the relationship between iwi and Council, support communication, and implement an active partnership. More information about how Council does this is included in the Māori contribution to decision-making processes section in the Long Term Plan 2018-28.

During 2019/20 all parties worked hard to ensure that Māori had the opportunity to contribute to the decision-making process of Council. Successes include:

- The appointment of two Council Kaumātua who provide cultural advice to the Mayor and Council, and cultural support at official occasions.
- The Iwi-Council Partnership Group met on a regular basis. Council and iwi have agreed on some general principles of engagement, and four engagement forums at governance, management and operational levels.
- The Council and Iwi Managers Group met quarterly to discuss management matters.
- The Iwi Working Group continued to meet and contribute to the development of the Draft Nelson Plan Whakamahere Whakatū.
- In 2019/20 there were Māori representatives on: the Environmental Committee, the Nelson Regional Sewerage Business Unit, and Nelson Tasman Regional Landfill Business Unit, and the Planning and Regulatory Committee. The Nelson Regional Development Agency also appointed two Māori representatives to its Board.
- The Mayor continued to sit on the Whakatū Marae Committee.
- Over 200 He Waka Kuaka Te Reo Māori course places were filled by Council employees.
- Te Kāhui Whiria, Council's Māori Partnerships Team, provided cultural support, leadership and guidance alongside iwi for several events.

You can read about all the ways Council is working with iwi and Māori in the 2019/20 Annual Report.



# OUR ACTIVITIES

## KEY ACHIEVEMENTS AND SERVICE PERFORMANCE

Council has eleven activities:

Transport	15
Water Supply	16
Wastewater	17
Stormwater	18
Flood Protection	19
Solid Waste	20
Environment	21
Social	22
Parks and Active Recreation	24
Economic	25
Corporate	26

*For more detailed information please  
refer to the full Annual Report 2019/20*

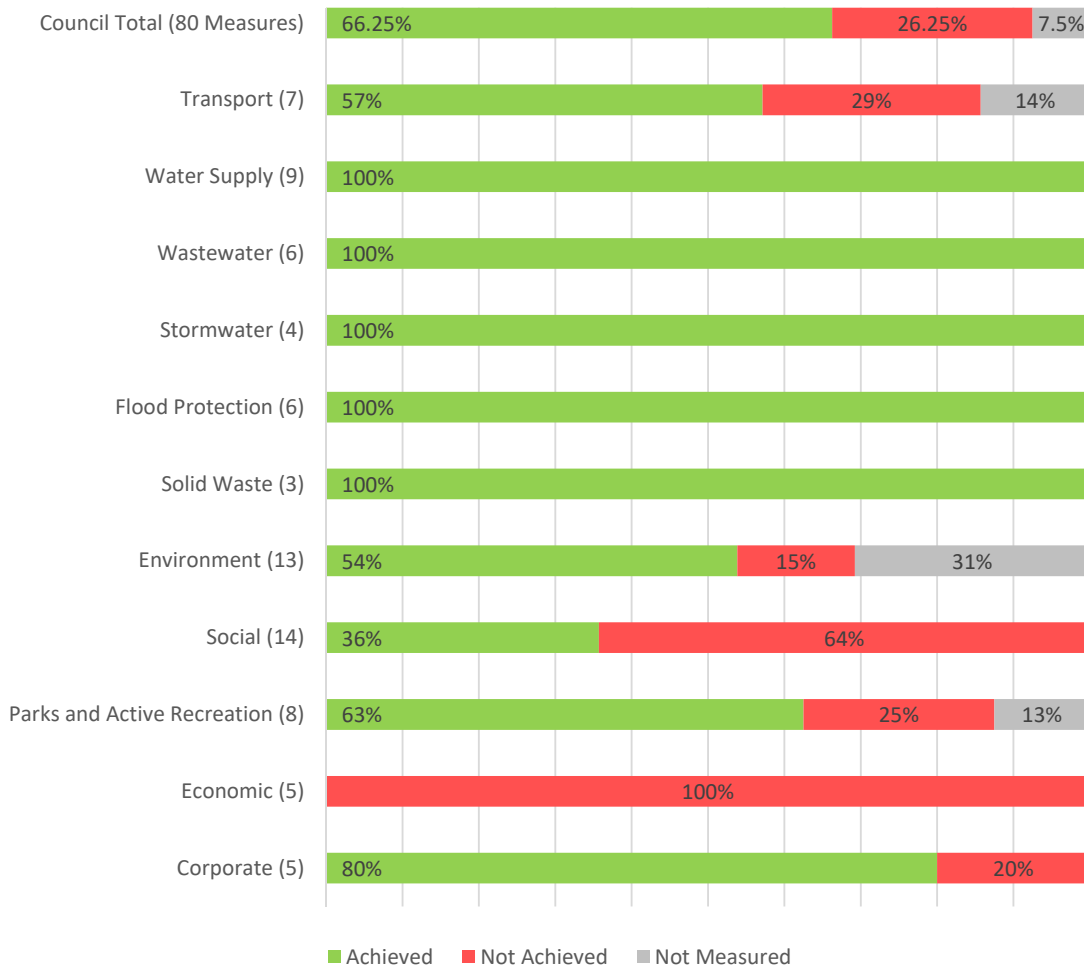
# PERFORMANCE MEASURES

Council measures its performance each year using indicators that are set through the Long Term Plan, a number of which are based on the feedback we receive during the Annual Residents' Survey. The results present us with a high level view of the organisation's performance.

Under the Long Term Plan 2018-28, Council reports on 80 non-financial performance measures across its 11 activity areas. In 2019/20 66.25% of these were achieved, compared with 71% in 2018/19. Disruptions from the COVID-19 pandemic had a significant impact on target achievement this year. Detailed information on the targets and the impact of COVID-19 is included in the full Annual Report 2019/20.

The chart below summarises the results by activity area, with the total number of measures per activity listed alongside the name.

## PERFORMANCE MEASURE RESULTS 2018/19 AS A PERCENTAGE OF TOTAL MEASURES PER ACTIVITY





# TRANSPORT

Council’s transport activity includes building, operating and maintaining physical infrastructure, and the environment on road reserves, for driving, cycling and walking. Council also manages road safety, parking control, traffic control, public transport and Total Mobility services.

## HIGHLIGHTS FOR 2019/20

The NBus service continued during all COVID-19 lockdown levels, with necessary restrictions applied. This allowed essential services workers to continue using public transport.

Work was carried out to prepare for the launch of the Bee Card electronic bus ticketing system in August 2020. Users pay a lower fare with the Bee Card than by using cash.

Replacement of Nelson’s parking meters with new machines using Pay-by-Plate technology, eliminating paper waste - this will save an estimated \$100,000 in operating costs per year.

The replacement bridge over Saltwater Creek opened, and won the Exterior Structure Design award at the 2020 New Zealand Wood Timber Design Awards.

Stage 1 of the Tahunanui shared pathway cycleway project (along Annesbrook Drive from the roundabout to Parkers Road) was completed, and Stage 2 along Muritai Street commenced.

15.1km of road were resurfaced in chip seal and 1.2km in asphalt.

706m of footpath were renewed, and 426m were added to the network.

Construction of the Princes Drive Underpass on the Railway Reserve shared pathway began.

More than 1,800 school students received ‘bike ready’ skills and scooter skills training.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	12.6	8.3
<b>Operating Expenditure</b>	13.7	12.1

*These figures are approximate, see the full Annual Report 2019/20 for details.*





# WATER SUPPLY

Council supplies high quality water to most Nelson households and businesses through a piped network. Providing potable water to the city is a major part of Council's core business, because a good quality, reliable water supply is essential for community and environmental wellbeing.

## HIGHLIGHTS FOR 2019/20

Approximately 4,800 residential meters were installed in Tahunanui, Stoke and Annesbrook, following the 1,200 meters installed in 2018/19. Completion of this programme is planned for the end of June 2022.

The watermain in Tui Glen Road was upgraded to improve fire-fighting flows.

The watermains in Hardy Street (Collingwood Street to Trafalgar Street) and Annesbrook Drive (from the roundabout to the Black Cat Dairy) were renewed.

Real/unaccountable water loss from the network was 24.5% in 2019/20, a reduction from 25.7% in 2018/19.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	4.7	4.4
<b>Operating Expenditure</b>	8.1	8.3

*These figures are approximate, see the full Annual Report 2019/20 for details.*







# WASTEWATER

Council provides a wastewater system for the collection, treatment and disposal of wastewater discharged into Nelson’s sewers. There are two treatment plants – one in Nelson North and one at Bell Island (this being a regional facility).

Activities include operation and maintenance of the facilities and the network of pipes, manholes and pump stations.

## HIGHLIGHTS FOR 2019/20

The sewer pipeline in St Vincent Street (between Parere Street and Gloucester Street) was upgraded to improve network capacity for future development.

Design for the new Gracefield Sewer Diversion pipeline was completed, including a new wider footpath along Annesbrook Drive from Stafford Avenue. This project is key to reducing sewer overflows during wet weather events and catering for future development. This project is running one year ahead of the long term plan schedule and construction began in September 2020.

The design for Awatea Pump Station was advanced in 2019/20. The new pump station will replace two separate pump stations in Parkers Road and will improve the resilience of the wastewater system during heavy rainfall events, significantly reduce operating and maintenance costs, and allow for the installation of modern odour control equipment. The construction of the Beach Road storage tank facility is now underway, and construction of the pump station will begin later in the financial year.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	5.9	6.3
<b>Operating Expenditure</b>	7.4	7.9

*These figures are approximate, see the full Annual Report 2019/20 for details.*





# STORMWATER

The stormwater network covers the infrastructure that carries stormwater to waterways and the sea.

Council provides a stormwater system to prevent harm to people and property, and to protect the environment from uncontrolled stormwater discharges.

In large parts of the city a fully-piped system is not provided. Stormwater soaks into the ground or flows into road channels, which is often the primary drainage system. Work continues to expand the piped network to areas of the city where this is lacking.

## HIGHLIGHTS FOR 2019/20

The focus for the year was on designing stormwater projects for implementation over the next three years.

Council increased the stormwater capacity of approximately 150 metres of the stormwater network within Nayland Road (near Galway Street).

The draft Stoke Stormwater Strategy was completed. It provides Council with a risk-based framework for addressing stormwater issues affecting the Stoke community's wellbeing and property. A stormwater network model was developed to understand the existing capacity constraints and as a tool to support assessment of proposed flood mitigation projects.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	2.4	2.0
<b>Operating Expenditure</b>	2.0	2.0

*These figures are approximate, see the full Annual Report 2019/20 for details.*





The Nelson stormwater and flood protection system is in two parts – the natural waterways, and a constructed stormwater system. This section covers the flood protection works that are generally associated with natural waterways.

Operations and maintenance in Council’s flood protection activity centres on the rivers and streams in the urban area of Nelson. While Council has carried out a programme of upgrading works over the past 20 years, ongoing maintenance is required to keep the streams clear. Future upgrading works are expected to be required as a result of climate change and will follow a risk-based approach.

## HIGHLIGHTS FOR 2019/20

Stage 3 of the Saxton Creek Upgrade commenced in 2019/20 but was severely delayed as a result of the COVID-19 lockdown and will be completed in 2020/21.

Stormwater upgrades at Poormans Valley Stream Culvert on Main Road Stoke were undertaken 2019/20. This upgrade improves the area’s resilience to heavy rain events.

Eight river flood models were updated, incorporating the latest rainfall data from the National Institute of Water and Atmospheric Research (NIWA). This information will be included within the draft Nelson Plan.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	4.2	3.0
<b>Operating Expenditure</b>	1.2	1.3

*These figures are approximate, see the full Annual Report 2019/20 for details.*





# SOLID WASTE

Good public health and wellbeing depend on the safe disposal of waste. Environmental protection also depends on promoting the reduction, reuse, recycling, and recovery of potential solid waste and compostable material.

Council provides management and minimisation services to reduce the creation of waste, improve the efficiency of resource use, and to reduce the harmful effects of waste on people and the environment.

## HIGHLIGHTS FOR 2019/20

Council adopted the Joint Waste Management and Minimisation Plan (JWMMP) with Tasman District Council in September 2019, with a target of 10% waste reduction per capita by 2030.

There was a 2.3% reduction in kilograms of waste to landfill per capita compared with the previous year, which is reflective of better waste diversion and recycling.

Council now only collects plastic containers types 1, 2 and 5, as these can be recycled within New Zealand in a sustainable manner.

A new waste minimisation work programme was developed. The initial focus considered food waste, electronic waste and opportunities such as avoiding or reducing waste at events to support behaviour change. A range of waste minimisation activities were undertaken, including continuing the promotion of home composting, promoting reuse through activities such as Secondhand Sunday, and campaigns focusing on reducing single-use items, such as the Cup Bond Subsidy programme and RefillNZ.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	0.4	0.1
<b>Operating Expenditure</b>	7.6	8.7

*These figures are approximate, see the full Annual Report 2019/20 for details.*





Environmental management functions include: environmental science and non-regulatory programmes for air, freshwater, coastal and marine environments, land management, biodiversity, biosecurity, and environmental education. They also include: resource consents and compliance, building, city development, planning, harbourmaster services, dog and animal control, food and liquor licensing, and noise control.

## HIGHLIGHTS FOR 2019/20

### Science and Environment

Air quality did not exceed the limits of the National Environmental Standard for Air Quality, for the first time since monitoring began in 2001. This is a reflection of Council and the community's work in this area.

The national Jobs for Nature project fund seeks to address major environmental needs and create employment to stimulate New Zealand's economy post-COVID-19. Council will receive total funding of \$3.7 million for the Maitai/Mahitahi River catchment.

A survey of the Waimea Estuary was jointly undertaken with Tasman District Council to monitor the extent and condition of habitats and ecosystems.

Surveys for freshwater fish were undertaken and identified new spawning sites for koaro. Work is underway to map fish spawning habitat.

The Environmental Grants Scheme was introduced in August 2019 to support groups and individuals working to improve the health of Nelson's natural environment. \$314,214 was awarded in grants in 2019/20.

### Planning

The Draft Nelson Plan Whakamahere Whakatū evolved, with significant involvement of Te Tau Ihu (top of the south) iwi. The introduction of Government-driven National Planning Standards in mid-2019 required a complete reorganisation of the draft Plan provisions.

### City Development

Council began two exciting city development projects in 2019/20, the Upper Trafalgar Street pedestrian zone and the Halifax Street pop-up playground.

The Intensification Action Plan was prepared in 2019/20 and approved for inclusion in the draft Long Term Plan in September 2020. It seeks to address the supply of residential land within Nelson.

### Building, Consents and Compliance

Council received 902 building consents. The building team upgraded their online systems to improve customer service. 5232 building inspections were conducted.

Council received 452 resource consent applications, and 350 decisions were issued. 97% of non-notified resource consents were processed within 20 working days, which was a significant improvement on 83% in the previous year.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	0.6	0.3
<b>Operating Expenditure</b>	13.5	14.9

These figures are approximate, see the full Annual Report 2019/20 for details.



# SOCIAL

Council works with the community to deliver a range of social, arts and heritage facilities and services, such as our libraries and Founders Heritage Park. Council also funds events such as the Arts Festival, and provides investment and support to key community-owned facilities like the Theatre Royal and the Nelson Centre of Musical Arts.

## HIGHLIGHTS FOR 2019/20

### Community Facilities

Work was completed in Marsden Cemetery which has improved the groundwater issues and developed a new burial area.

The Stoke Memorial Hall and Refinery Building were closed in March 2020 as an earthquake safety precaution, with users and tenants successfully relocated to other facilities. The buildings are now in preliminary stages of the strengthening process.

### Community Partnerships

A City For All Ages Strategy was launched in February to help Nelson thrive as its population ages. A community steering group has been established and is being supported by Council in its work to promote an age-friendly community.

A \$200,000 emergency fund was established to provide grants to community groups experiencing hardship due to COVID-19. A total of \$82,220 was granted to 18 groups in 2019/20.

Project C-19 ran from March to early August 2020, to support organisations working with vulnerable people. It identified service gaps and needs in response to COVID-19, and helped organisations share their resources. This collaborative project between Civil Defence, Volunteer Nelson and Neighbourhood Support Nelson was funded by Council.

### Arts and Heritage

The Founders Book Fair was held in June 2019 and raised \$175,000 for the Friends of Founders Trust, to assist Founders Heritage Park with development projects.

The April Heritage Festival was redeveloped into a virtual online festival, featuring a number of short films and community projects, due to COVID-19 Alert Levels restricting gatherings at the time.

### Events

COVID-19 and movement between Alert Levels had a severe impact on the events sector. However, through the Ngā Toi Huatau Seasonal Arts initiative, arts organisations were supported to deliver events in the city centre at Alert Level 2 and beyond.

The Four Lanes festival was held in August, bringing over 10,000 visitors into the city centre across pedestrian lanes.

Bay Dreams music festival included over a dozen musical performances and attracted 17,500 attendees to the Trafalgar venues.

85,000 people came from Nelson and the wider region and beyond for the Nelson Arts Festival and the Piki Mai light show installation.

The FlagTrax system was rolled out to enable easy deployment of flags on streetlights in the city centre, featuring art flags from 80 local artists.

## Libraries

Work to replace the Self Check Out units was undertaken in Elma Turner Library.

Public computers were all replaced with fixed chromestations and mobile chromebooks, enabling a variety of approaches to public computer use.

Council collaborated with the Digital Inclusion Alliance Aotearoa and Tasman District Council to bring the DORA (Digital On Road Access) bus to the region in February. This functioned as a mobile classroom educating people on internet banking and digital safety.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	3.0	2.3
<b>Operating Expenditure</b>	15.1	15.4

*These figures are approximate, see the full Annual Report 2019/20 for details.*





# PARKS AND ACTIVE RECREATION

Council provides active recreation opportunities for Nelsonians and visitors through infrastructure such as walkways and cycleways, sports and recreation facilities, parks and open space, services and events. We also assist in the protection of Nelson’s biodiversity, heritage, rivers and coast.

## HIGHLIGHTS FOR 2019/20

### Parks and Reserves

Paddy’s Knob Reserve was transformed from an asphalt car park into a neighbourhood park, with play facilities, a community planter box, and reinforced viewing platforms.

Landscaping to enhance the area at the top of the church steps at Church Hill Piki Mai was completed.

An alternative design for the area currently occupied by the Tahunanui Modellers Pond was approved by Council to progress to preliminary design.

Development of a new playground in Marsden Valley got underway, with earthworks finished, and natural play equipment, seating and picnic benches installed.

A shared pathway between the Ngāwhatu Valley and Montebello Subdivision was completed.

A new carpark was constructed at the Tahuna back beach in 2019/20, to replace the parking area lost to erosion in February 2018.

### Recreation and Facilities

Renewal of the Coppermine Trail from the Coppermine Saddle to Maitai River South Branch was completed, and a new Grade 2 mountain bike trail was constructed at Saxton Field.

A boardwalk section of the Great Taste Trail was constructed to connect Parkers Cove to the Tahuna BMX track.

The Saxton Field Athletics track surface was renewed.

Council opened a temporary daytime service camping hub, with \$256,878 contributed by the Ministry of Business, Innovation and Employment. Over 2,500 vehicles passed through the hub in the two months it was open, and it received positive feedback.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	8.9	5.0
<b>Operating Expenditure</b>	13.7	13.6

*These figures are approximate, see the full Annual Report 2019/20 for details.*





# ECONOMIC

Council has a role in creating a successful, sustainable and economically viable region and fostering economic development. The economic development activity is largely delivered through the Council owned Nelson Regional Development Agency (NRDA). Council’s funding for the NRDA was \$1.36 million in 2019/20, including economic events supported through the Events Fund (\$391,500).

## HIGHLIGHTS FOR 2019/20

Council contributed to the development of Project Kōkiri, the region’s economic recovery and regeneration plan in response to COVID-19.

Council commissioned a review of NRDA in 2019, and is now progressing with work to implement aspects of the recommendations.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
<b>Capital Expenditure</b>	0.6	0.2
<b>Operating Expenditure</b>	1.8	2.2

*These figures are approximate, see the full Annual Report 2019/20 for details.*



# CORPORATE



Council’s corporate activity includes finance and administration, governance services, local government elections, and behind the scenes support services to ensure the smooth running of the organisation.

## HIGHLIGHTS FOR 2019/20

### Annual Plan 2020/21

During 2019/20, Council prepared, consulted on and adopted the Annual Plan 2020/21. A net 0% rates was implemented in recognition of the financial impact of the COVID-19 lockdown on the community.

A new position of Climate Change Champion was created, and Council advanced development of an emissions reduction action plan for the organisation.

1,890 rates rebates interviews were completed, with \$1.1 million in rebates being approved.

54% of respondents to the Residents’ Survey were satisfied or very satisfied with opportunities to provide feedback Council - an increase from 44% in 2018/19.

### Organisational Response to COVID-19

Council quickly transitioned over 270 staff to work remotely from the start of Alert Level 4.

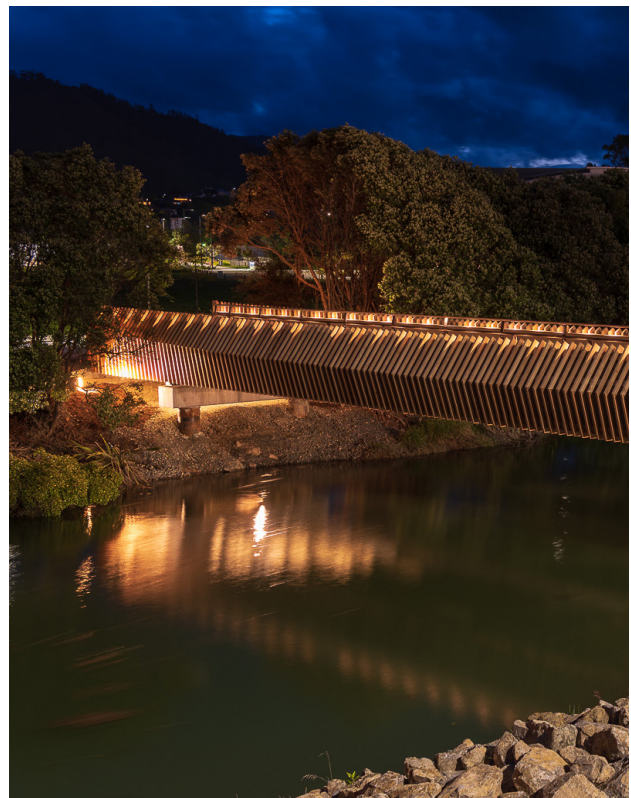
The regional Emergency Operations Centre was activated for response and recovery work. 2,300 welfare check calls were made to potentially vulnerable residents.

Assistance was given to ratepayers struggling to pay their rates, through the rates rebate scheme and payment plans.

Council initiated a \$200,000 Emergency Fund for community organisations. Support was also given to selected Council lease and licence holders.

	Budgeted for 2019/20 (\$ million)	Actual Spend 2019/20 (\$ million)
Capital Expenditure	3.4	2.7
Operating Expenditure	13.1	14.0

*These figures are approximate, see the full Annual Report 2019/20 for details.*





# KEY FINANCIAL INFORMATION

## FINANCIAL OVERVIEW

Council is required under the provisions of the Local Government Act 2002 (section 101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community.

Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break-even). This Annual Report shows that Council recorded a net surplus before revaluations (for the year ended 30 June 2020) of \$7.2 million, which was \$8.7 million less than budgeted. An explanation of this variance can be found in note 40 in the Notes to Accounts section.

The surplus was \$5.2 million in the 2018/19 financial year. It should be noted that the word 'surplus' is an accounting term, and is different from the rating surplus. The accounting surplus includes capital items such as road subsidies and grants relating to capital projects, revaluations and vested assets which are required to be treated as income for accounting purposes.

As of 30 June 2020, Council's borrowings, net of deposits and cash, were \$100.9 million, compared to the budget

of \$94.1 million. This full Annual Report 2019/20 was prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and complied with International Public Sector Accounting Standards, and other applicable financial reporting standards, as appropriate for public benefit entities.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land, certain infrastructural assets, investment property and biological assets. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Nelson City Council is New Zealand dollars.

The financial statements of Nelson City Council are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 18 January 2021.

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A copy of the full Annual Report 2019/20 is available online at [nelson.govt.nz](http://nelson.govt.nz), from all Council Libraries, and from the Customer Service Centre.

# FINANCIAL STATEMENTS

Nelson City Council's full financial statements have been prepared in accordance with Tier 1 PBE standards.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

The summary financial statements comply with PBE Standards as they relate to summary financial statements.

## SUMMARY OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2020

	Council			Group	
	Actual 2020	Annual Plan 2020	Actual 2019	Actual 2020	Actual 2019
	\$000	\$000	\$000	\$000	\$000
Total operating revenue	122,964	128,712	116,286	137,134	127,421
Total operating expenditure *	115,794	112,867	111,055	132,380	125,998
Surplus/(deficit) before tax	7,170	15,845	5,231	4,754	1,423
Share of associates surplus/(deficit)	-	-	-	5,532	9,448
Income tax expense	-	-	-	(228)	(180)
Net Surplus	7,170	15,845	5,231	10,058	10,691
Gains/(Losses) Land and infrastructure revaluations	130,573	43,865	40,814	130,573	40,814
Share of associates revalued movements	-	-	-	27,214	(855)
Share of subsidiaries revalued movements	-	-	-	1,080	-
<b>Total comprehensive revenue or expense</b>	<b>137,743</b>	<b>59,710</b>	<b>46,045</b>	<b>168,925</b>	<b>50,650</b>
* includes finance costs of:	4,086	3,961	4,492	4,225	4,628

## SUMMARY OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

Balance at 1 July 2019	1,510,802	1,495,123	1,464,757	1,630,388	1,597,571
Prior year adjustment	-	-	-	-	17,833
Total comprehensive revenue	137,743	59,710	46,045	168,925	50,650
<b>Equity at end of year</b>	<b>1,648,545</b>	<b>1,554,833</b>	<b>1,510,802</b>	<b>1,799,313</b>	<b>1,630,388</b>

## SUMMARY OF STATEMENT OF FINANCIAL POSITION 30 JUNE 2020

Current assets	47,103	18,082	44,064	53,809	49,547
Non-current assets	1,743,742	1,658,060	1,601,074	1,892,297	1,719,873
<b>Total assets</b>	<b>1,790,845</b>	<b>1,676,142</b>	<b>1,645,138</b>	<b>1,946,106</b>	<b>1,769,420</b>
Current liabilities	54,373	43,049	30,458	56,941	32,851
Non-current liabilities	87,927	78,260	103,878	89,852	106,181
<b>Total liabilities</b>	<b>142,300</b>	<b>121,309</b>	<b>134,336</b>	<b>146,793</b>	<b>139,032</b>
<b>Total net assets</b>	<b>1,648,545</b>	<b>1,554,833</b>	<b>1,510,802</b>	<b>1,799,313</b>	<b>1,630,388</b>
Retained earnings	431,518	553,479	425,191	476,115	466,900
Other reserves	1,217,027	1,001,354	1,085,611	1,323,198	1,163,488
<b>Total equity</b>	<b>1,648,545</b>	<b>1,554,833</b>	<b>1,510,802</b>	<b>1,799,313</b>	<b>1,630,388</b>

## SUMMARY OF STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

Cashflows from operating activities	33,505	33,430	33,095	35,714	34,252
Cashflow from investing activities	(31,671)	(35,959)	(29,736)	(32,660)	(31,326)
Cashflows from financing activities	(150)	(7,471)	4,600	(400)	4,920
Net increase/(decrease) in cash held	1,684	(10,000)	7,959	2,654	7,846
Plus opening cash balance	15,391	12,432	7,432	16,294	8,448
<b>Closing balance</b>	<b>17,075</b>	<b>2,432</b>	<b>15,391</b>	<b>18,948</b>	<b>16,294</b>
Represented by:					
Cash and cash equivalents	17,075	2,432	15,391	18,948	16,294
	<b>17,075</b>	<b>2,432</b>	<b>15,391</b>	<b>18,948</b>	<b>16,294</b>

## SUMMARY OF COMMITMENTS AND CONTINGENCIES AS AT 30 JUNE 2020

	Council		Group	
	Actual 2020	Actual 2019	Actual 2020	Actual 2019
	\$000	\$000	\$000	\$000
<b>Commitments under:</b>				
Capital contracts	9,917	6,799	17,151	20,497
Operating leases as lessor	7,092	7,694	31,316	33,107
Operating leases as lessee	1,240	1,423	1,881	2,054
<b>Contingent assets</b>				
No quantifiable contingent assets	-	-	-	-
<b>Contingent Liabilities</b>				
No quantifiable contingent liabilities	-	-	-	-

# EVENTS OCCURRING AFTER THE BALANCE DATE

## Council

There have been no significant events after the balance sheet date that materially impact Nelson City Council's financial position or viability as a going concern. There have been no events after the balance sheet date related to the Coronavirus (COVID 19) pandemic, please refer to Note 43 Coronavirus (COVID 19) in the full Annual Report for more details.

On 2 November Nelson City Council agreed to transfer its community housing portfolio to Kainga Ora for \$19.8 million. \$12 million will be available immediately on settlement for the creation of a Council Housing Reserve to support affordable and social housing projects in Nelson. From the proceeds Council will repay a loan owed to Kainga Ora for earlier upgrades to some of the community housing and also paid to bring the units up to the government's new Healthy Homes standard. Council is also leaving in just over \$5 million of the sale price to cover

the cost of consents for expanding the housing, a share of the costs for units that undergo retrofitting or renewal, and rent top ups for any tenants who need that. Any of the \$5 million not used by Kainga Ora will be added to the Housing Reserve after 15 years. Settlement will occur in early 2021.

## Group:

On 22 September 2020 Nelson City Council resolved to extend the Utilities Maintenance contract and the Nelson Wastewater Treatment Plant maintenance contract with Nelmac (giving regard to them being a strategic partner) for a further 10 years (on a five plus five basis subject to satisfactory performance). Both of these contracts were set to end in 2023 – the new date will be 2033.

Other than the above, there have been no significant events after the balance sheet date, relating to COVID-19 or otherwise, that materially impact the Group's financial position.



### Prior Period Adjustment

Nelson City Council owns the land used for the airport. It is leased to Nelson Airport Ltd (a Joint Venture) at a peppercorn rental on a 60-year, continually renewing, lease. In the consolidated financial statements the Council's investment in Nelson Airport is accounted for using the equity method, while in the separate parent financial statements the Council's investment in Nelson Airport is accounted for at cost. In the prior period the Group investment in Nelson Airport was overstated in the consolidated financial statements by \$17.8 million, due to the Council's investment in associate at cost not being completely eliminated on consolidation.

2019 Group figures have been restated to reflect the correction of this prior period error.

In the Statements of Financial Position, the Investments accounted for using the equity method changed from a total of \$151.9 million to \$134.1 million as at 30 June 2019. The Statements of changes in equity group balance for the year ended 30 June reduced from \$1,648.2 million to \$1,630.4 million.

Note 25 Investment in equity accounted joint ventures, in relation to the Group's interest in Nelson Airport, changed from \$50.6 million to \$32.7 million for the year ended 2019. Note 31 Equity was also adjusted which resulted in a \$17.8 million decrease to Accumulated Funds, reducing the total from \$484.7 million to \$466.9 million for the year ended 2019.

As this error also occurred in periods prior to 30 June 2019, the group's opening balances as at 1 July 2018 have also been restated in the Statement of Financial Position, the Investments accounted for using the equity method

changed from a total of \$147.6 million to \$129.8 million as at 1 July 2018. The Statement of changes in equity group balance as at 1 July 2018 reduced from \$1,598.1 million to \$1,580.2 million.

### Coronavirus (COVID-19) Pandemic

Please refer to Note 43 Coronavirus (COVID-19) pandemic in the Council's full 2019/20 Annual Report for details of the impact of Coronavirus on Council. In particular to note is the valuation of assets in Port Nelson Ltd. as follows:

#### Port Nelson

Port Nelson's discounted cash flow model includes assumptions relating to the uncertain fiscal environment brought on by the impact of COVID-19 on future cash flows in the medium to long term. Forecasts were reassessed and updated as appropriate due to the significant changes in economic and market conditions. As a result, the discount rate has increased from pre COVID-19 levels to the rate used for impairment testing of 6.6%. The result of this assessment was that no asset impairment was required.

The equity accounted carrying value of PNL and Council's associated share of PNL's surplus is affected by the fair value of PNL's investment properties. The independent valuer of PNL communicated that there is a heightened level of uncertainty concerning the valuations for assets held at fair value at 30 June 2020 due to the market disruption and lack of transactional data during Level 4 lockdown. The unprecedented set of circumstances has been considered together with the key assumptions used in the valuation of PNL investment property and the valuation still represents the most appropriate value of these assets under the current circumstances.

# EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

## STATEMENTS OF COMPREHENSIVE REVENUE AND EXPENSE

**Total operating revenue \$5.7 million less than budget:**

Other gains/(losses) of (\$475,000) less than budget reflect the following non- cash items:

- Interest rate swap valuation losses (\$2.9 million). Council utilises interest rate swaps to minimise exposure to interest rate movements. These derivatives are revalued annually.
- Gain on changes to fair value of forestry assets (\$3.0 million).
- Loss on fair value of investment property (\$225,000).
- Other unbudgeted movements on the valuation and disposal of assets of \$350,000.

Other revenue is \$5.3 million less than budget. Significant items include:

- The value of assets vested to Council by developers is \$4.6 million less than budget. The timing of vested asset receipts is dependent on the development cycle of individual developers;
- Dividend revenue is under budget by \$554,000. This relates to dividend revenue from Port Nelson Ltd (\$350,000 less than budget) and Nelmac Ltd (\$239,000 less than budget).
- A combination of other revenue items totalling \$146,000 under budget;

Fees and charges are \$1.2 million under budget. More details can be seen in the activities section, however the most significant items are:

- Parking meter revenue and enforcement charges are \$254,000 less than budget. These fees were not charged during the COVID-19 lockdown.

- Building consent and resource consent revenue are under budget by \$121,000 and \$39,000 respectively. Both have been impacted by COVID-19, and revenue is dependent on activity within the sector.
- Public Transport ticket revenue \$717,000 under budget due to delays in moving from a net to a gross contract.
- Other fees and charges totalling \$69,000 under budget.

Development and subdivision reserves contributions are \$489,000 higher than anticipated. The receipt of development contributions reflects the development cycle of individual developers and is not within the control of Nelson City Council.

Total operating expenditure was \$2.9 million more than budget:

Personnel costs are more than budget by \$393,000 due to the hiring of additional staff sooner than anticipated in the budgeting process.

Other Expenses were over budget by \$3 million. More details can be seen in the activities section, however the most significant items are:

- The Nelson Tasman Regional Landfill Business Unit has recorded after-care provision costs to provide for future landfill closure costs (\$1.4 million over budget). This is offset by the Emissions Trading Scheme Levy being underspent by \$514,000. Unbudgeted recycling costs of \$258,000 were also incurred.
- Resource consent costs are over budget by \$431,000, including unbudgeted external expert service and consultancy costs.
- Unbudgeted building claims expenditure of \$690,000 has been recorded in the current financial year.
- Community Housing expenses \$388,000 more than budget due to delays in the sale of the portfolio.



- A combination of other expenses totalling \$347,000 over budget.

Finance Costs \$125,000 more than budgeted, this is due to prefunding of upcoming debt maturities.

Depreciation and amortisation expenses were \$645,000 less than budget due to delays in the capital programme.

## OTHER COMPREHENSIVE INCOME

The infrastructure assets are revalued every year to smooth out the large fluctuations, and land is revalued when its fair value diverges materially from its carrying value. The revaluation as at 30 June 2020 resulted in a total increase in asset value of \$130.6 million, \$87 million more than budget.

## STATEMENTS OF FINANCIAL POSITION

Current assets are \$29 million greater than budget. This relates to \$13 million of unbudgeted term deposits,

which includes unbudgeted cash surpluses and a \$10 million deposit held to offset the prefunding of upcoming debt maturities. \$11.2 million has also been transferred to assets held for sale to reflect the intention to sell Community Housing and the State Advances Building.

Property, plant, and equipment is \$80 million more than budget. Revaluations are \$87 million greater than budget, and vested asset additions were \$4.6 million less than budget.

Current trade and other payables are \$4 million more than budget due to higher than anticipated payables due at 30 June 2020.

The Council's external borrowings as at 30 June 2020 were \$100.9 million, which is \$6.7 million over budget. External borrowings are summarised in Note 28 of the financial statements. In 2019/20 Council also undertook to pre fund \$10 million of debt due to mature in July 2020 in order to take advantage of favourable interest rate margins at the time. There is an offsetting term deposit in place to match the pre funding.

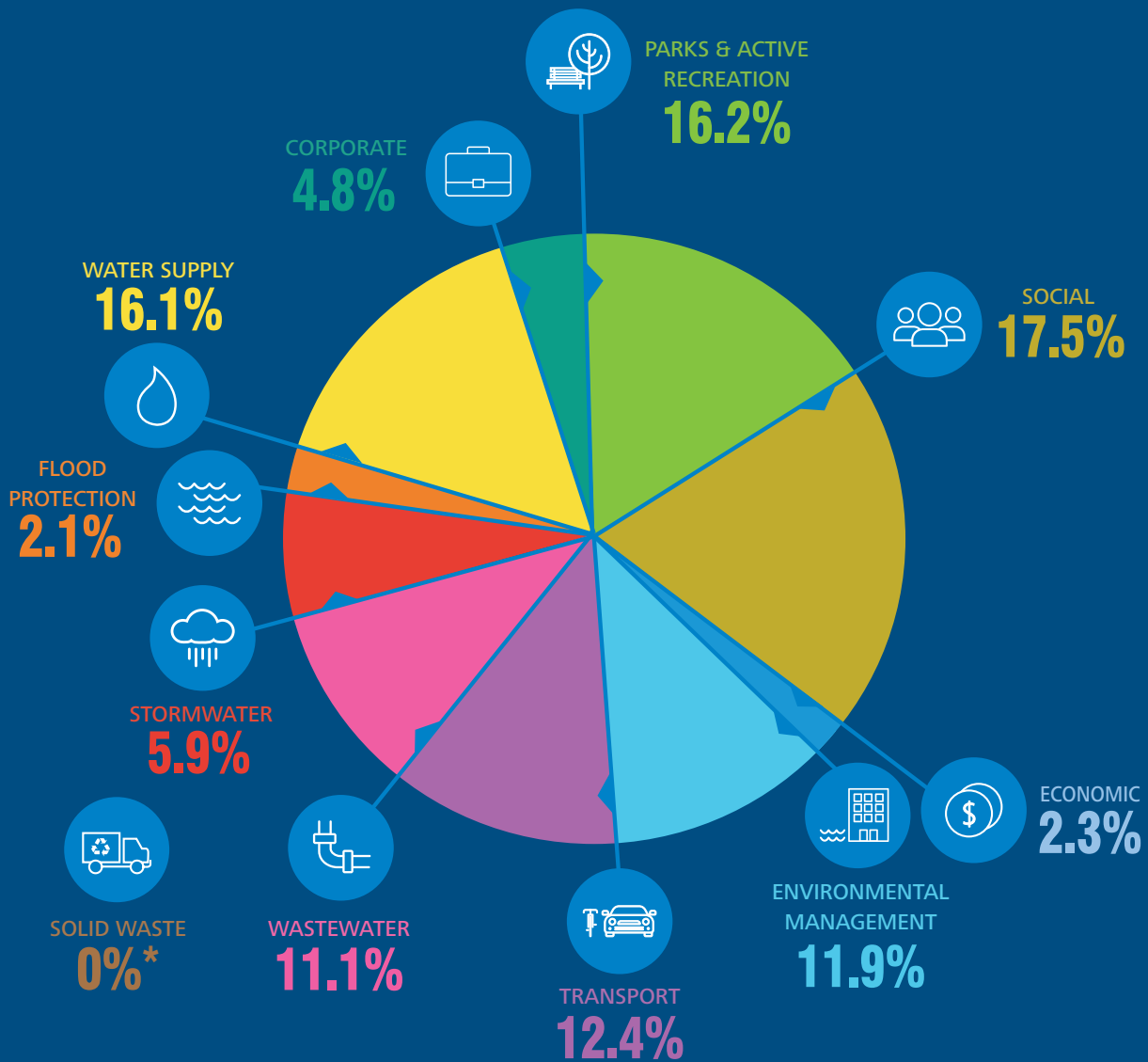
Total provisions \$1.8 million more than budget.





# EXPENDITURE SUMMARY

How your rates dollar was spent:



\*Solid waste costs are user pays and not rate funded.



# COUNCIL CONTROLLED ORGANISATIONS

Council reports on the performance of Council Controlled organisations are available in the full Annual Report, including details on Port Nelson, Nelmac, Nelson Airport, Nelson Regional Development Agency, Tasman Bays Heritage Trust, and The Bishop Suter Trust.



# CONTACT US



Visit: Civic House,  
110 Trafalgar Street,  
Nelson



Post: PO Box 645,  
Nelson, 7040



Email:  
enquiry@ncc.govt.nz



Phone:  
03 546 0200



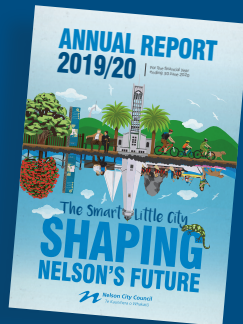
Online at  
nelson.govt.nz

## COUNCIL CUSTOMER SERVICE CENTRE

Open from 8.30am to 5.00pm weekdays (from 9.00am Wednesdays) in Civic House, corner Halifax and Trafalgar St, 110 Trafalgar Street, Nelson.

## FOR A COPY OF FULL ANNUAL REPORT 2019/20

A copy of the full Annual Report 2019/20 is available online at [nelson.govt.nz](http://nelson.govt.nz), from all Council Libraries, and from the Customer Service Centre.



## CORRESPONDENCE

Written correspondence to Council should be addressed to the Chief Executive, PO Box 645, Nelson 7040. Emails should be sent to [enquiry@ncc.govt.nz](mailto:enquiry@ncc.govt.nz)

## ATTEND A COUNCIL MEETING

Council meetings are advertised in Our Nelson. Members of the public are welcome to attend meetings of 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 meetings where up to five minutes will be available for members of the public to speak to Council. You need to book a time before the meeting by contacting a Council Governance Adviser on 03 546 0436.

## PETITIONS

The presentation of a petition to Council or its Standing Committees must also conform to certain rules. Contact a Council Governance Adviser on 03 546 0436.



**Nelson City Council**

*Te Kaunihera o Whakatū*

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Civic House, 110 Trafalgar St, Nelson  
PO Box 645, Nelson, 7040  
enquiry@ncc.govt.nz  
03 546 0200

**nelson.govt.nz**