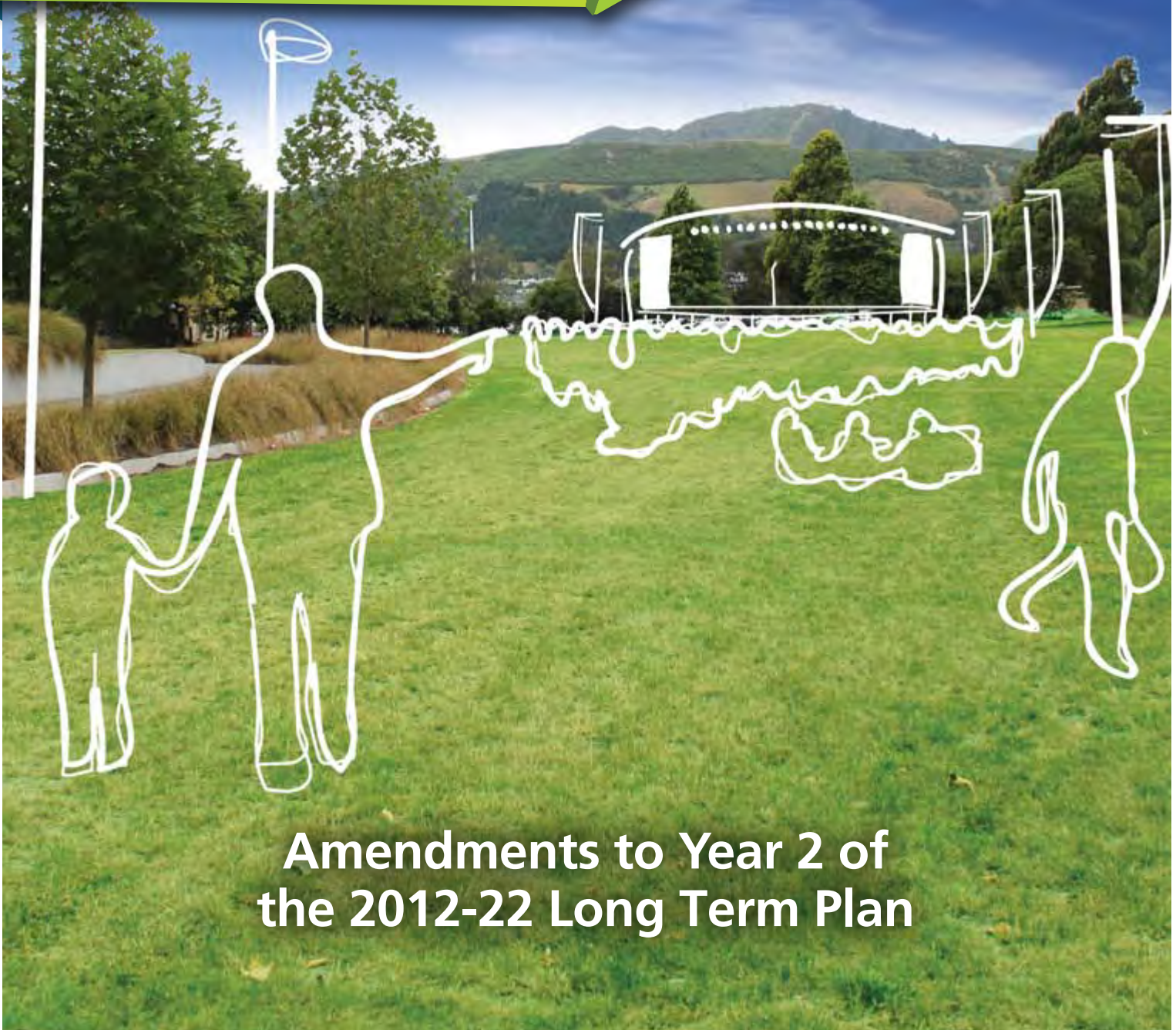


Final
ANNUAL PLAN

NELSON 2013/14



**Amendments to Year 2 of
the 2012-22 Long Term Plan**

CONTENTS

About this Annual Plan	4
Mayor's Message	5
Setting the Rates	5
The Annual Plan Consultation Process	6
Changes to Local Government Act 2002	6
Key Changes made after Public Consultation	7
New Projects	8
Council Activities	8
Transport including roads and footpaths	9
Water supply	13
Wastewater	17
Stormwater	21
Flood protection	25
Environment	28
Social including arts and heritage	32
Parks and active recreation	36
Economic	41
Corporate	44
Rates, Fees and Charges	47
Accounting Policies	53
Financials	60
Contact Us	74
Appendix	75

ABOUT THIS ANNUAL PLAN

The Local Government Act (2002) requires Council to prepare an Annual Plan every year to:

- Clearly show its budget and how much it will cost ratepayers for this year
- Highlight any major differences from what had been planned for that year in the Council's Long Term Plan and why these changes are necessary
- Coordinate Council's resources and decision-making
- Be accountable to the community, and give residents the opportunity to take part in Council's major decisions

Nelson City Council's major planning document for the current period is the Long Term Plan 2012-22. The Plan sets out Council's planned priorities and spending for ten years from 2012, with more detail for the first three years.

This Annual Plan provides an update to the Long Term Plan, highlighting changes to the Council's work programme for Year 2 (2013/14), the reasons for the changes and the impact on rates. To fully understand this Annual Plan, you may find it helpful to read it alongside the Long Term Plan 2012-22 which contains the detailed explanation of Council's work programme. All other activities, policies and levels of service detailed in the Long Term Plan 2012-22 are proposed to be delivered as stated in the Plan.

The format of this Annual Plan follows the same order as the Long Term Plan to make it easy to relate the two documents. Following the introductory sections on the Setting of Rates and some changes to the Local Government Act 2002, each of Council's 10 activity areas is discussed in terms of any significant changes since the Long Term Plan. Following the discussion of the activity areas there are a series of financial tables setting out the planned expenditure for the 2013/14 financial year.

Copies of the Long Term Plan can be viewed at the Council Customer Service Centre at 110 Trafalgar St, at any of our public libraries or on our website www.nelsoncitycouncil.co.nz.

MAYOR'S MESSAGE

I am pleased to bring Nelson residents and ratepayers this Annual Plan 2013/14 with the lowest average rates rise in 20 years.

Both Council and staff have worked hard to drop this year's proposed average rates rise to 2.0% while still maintaining quality core services.

Council has also moved to reduce predicted debt levels. At the end of 2012/13, the predicted debt level of \$84 million will reduce to \$73 million, while at the end of 2013/14 the proposed debt level of \$112 million will reduce to around \$100 million. This is a great result.

It's not easy to keep the rates rises low and keep our city operating, growing and developing. Part of our focus this year has been on Nelson 2060, the strategy that has emerged from the Framing our Future process. This is a partnership between Council and the community to look forward together and is both an investment in and commitment to our future.

Back in our immediate future, Council is also taking a few bold moves to meet infrastructure and disaster-readiness needs. The duplicate Maitai pipeline is now well underway. We are allocating \$500,000 of capital expenditure in 2013/14 to go toward stormwater improvements, including an investigation of high risk areas identified after the December 2011 and April 2013 rain events. And a new disaster fund policy will come into effect, minimising the need to loan-fund disaster related costs. These measures represent additional layers of protection for our city and our emphasis on strong infrastructure.

This plan has been developed to ensure Council and the community continue to make Nelson a better place.



Aldo Miccio
MAYOR OF NELSON



SETTING THE RATES

After deliberations on submissions, and updates made to the Annual Plan for 2013/14, Council has set the average rate increase for 2013/14 at 2.0%.

For further information on how Council sets its rates and charges, please refer to the Rates, Fees and Charges section of this Annual Plan.

>> Check out your rates for 2013/14 at www.nelsoncitycouncil.co.nz

THE ANNUAL PLAN CONSULTATION PROCESS

The draft Annual Plan consultation period ran from 25 March to 26 April 2013. Council received 306 submissions, with 62 asking to speak to Council at hearings which were held on 16 and 17 May 2013.

A high number of submissions were received on the following topics:

- Trafalgar Centre upgrade
- Trans-Pacific Partnership Agreement resolution
- New community sporting facilities
- Extension of smoke-free policies
- Nelson School of Music
- Nelson Theatre Royal
- Bridge Street upgrade
- Buxton Lane safety
- Rocks Road Cycle/Walkway
- Stormwater and flood protection
- Museum storage
- Continued support for Tourism and i-SITE
- Concern about rates and debt levels

Council then made decisions on the feedback received from the community, and updated budgets during deliberations on 29 and 30 May 2013.

This final Annual Plan 2013/14 was adopted on 27 June 2013 and became operative from 1 July 2011 for the following 12 months.

CHANGES TO LOCAL GOVERNMENT ACT 2002

Parliament amended the Local Government Act 2002 in December last year, with one of the key changes being the modification of the purpose of local government, which is now:

“to meet the current and future needs of communities for good quality local infrastructure, local public services and the performance of regulatory functions in a way that is most cost-effective for households and businesses”

Since the Long Term Plan 2012-22 was adopted, the changes to the Local Government Act have removed the reference to Council promoting the four wellbeings (social, economic, environmental and cultural). The Act still requires councils to take a sustainable development approach, which means consideration of the social, economic and cultural interests of the community, and to maintain and enhance the quality of the environment.

Council carefully considered its current activities and reviewed how they relate to the new purpose. Generally Council's work programme was a good fit with the new requirements of the Act, however some projects were identified as needing further analysis. These projects were considered in greater depth and found to be appropriate for continued support. Council also reviewed the criteria for its Community Assistance grants and amended them to align them with the new purpose.

Cost-effectiveness is an important element of the new purpose of local government and something to which Council has always paid close attention. Council will ensure it meets the requirements of the new legislation by not only looking at project costs but also considering other approaches for achieving the same outcomes. As part of the changes to the legislation, guidance was provided that councils should not be funding areas already covered by central government or the private sector and should concentrate on “doing the things only councils can do”. While it is still appropriate for Council to work in partnership with others, it will consider closely the extent of its involvement where others have a lead role.

Further information on changes to the Local Government Act 2002 can be found at www.legislation.govt.nz.

KEY CHANGES MADE AFTER PUBLIC CONSULTATION

Below are the key changes made after public consultation and Council deliberations on the draft Annual Plan 2013/14. Further details on each of these projects can be found under the relevant activity sections.

Transport

- Funding was allocated to address safety issues affecting Buxton Lane
- Several projects were deferred or extended over additional years (see full list in Transport section)

Wastewater

- The Awatea Place Pump Station project was deferred from 2013/14 to the 2015-25 Long Term Plan

Stormwater

- Funding of \$500,000 capital expenditure was added to address stormwater priorities
- Several projects were deferred or extended over additional years (see full list in Stormwater section)

Flood protection

- Maitai upgrade and enhancement work was deferred to 2014/15

Environment

- The \$500,000 that was included to address the future of the Council-owned earthquake-prone building at 23 Halifax Street (Mediterranean Food Warehouse), and the additional \$239,000 that was needed to repay the loan on this building, was removed from this Annual Plan as the building will be retained for storage.
- Several projects were deferred or extended over additional years (see full list in Environment section)

Social including arts and heritage

- Operational funding was increased for School of Music and Theatre Royal, subject to certain criteria
- Funding was allocated to revitalise the Heart of Nelson Strategy
- A grant was made to support an RSA memorial should other funding not be available
- A grant was made for a Riverside Murals project (over two years)
- Funding was allocated for Christmas decorations
- Timing of the biennial Opera in the Park was moved one year to alternate with the Adam Chamber Music Festival
- Several projects were deferred or extended over additional years (see full list in Social section)

Parks and active recreation

- Funding was allocated to upgrade changing facilities to support the Community swimming programme at Nelson Intermediate
- Funding was allocated for a 50/50 partnership with the Anglican Diocese for the design and construction of public toilets adjacent to the Nelson Cathedral
- Funding was allocated to assist the Stoke Bowling Club with stormwater drainage issues
- Nelson Cricket's request for land at Saxton Field for an indoor cricket facility was approved
- A site at Rutherford Park for a new tennis clubroom was approved along with funding to assist with connection of services
- Funding has been allocated for upgrades to the Saxton Oval should external funding not eventuate
- Several projects were deferred or extended over additional years (see full list in Parks and active recreation section)

Economic

- Council has formally withdrawn its bid for the FIFA under 20s World Cup tournament and removed the funding for the bid from the Annual Plan 2013/14.

Corporate

- Funding has been increased for the Disaster Recovery Fund and an excess imposed in each activity area.

NEW PROJECTS

In addition to the new projects added after public consultation (above), below are major new projects that were added for 2013/14. Further detail can be found in the relevant sections that follow.

- A new project to address earthquake risks at the Trafalgar Centre has been added. This includes looking again at the existing structure and the South End upgrade which, while it met New Building Standards at the time, may now have structural issues - based on the lessons learned from the Christchurch earthquake. Existing funding in the Long Term Plan for the Trafalgar Centre has been adjusted to allow seismic issues to be addressed in 2013/14.
- \$300,000 has been allocated to commence detailed earthquake assessments of Council-owned buildings identified in 2012/13 as potentially earthquake-prone on initial assessment.
- \$300,000 has been allocated to address the future of the Council-owned earthquake-prone building at 23 New Street (The Hub).
- \$300,000 has been included for a new stock effluent facility as part of a network of such facilities being developed around the country by the New Zealand Transport Agency.
- Council has submitted a bid to be a host city for the Cricket World Cup in 2015. Council's capped bid is \$900,000. A contingency of staff time has also been earmarked for 2014/15.
- \$300,000 for repair work in urban streams at The Brook, Enner Glynn, Marsden Valley and Champion Road as a result of the December 2011 extreme rainfall event.

COUNCIL ACTIVITIES

The Nelson City Council activities are divided into ten groups. They are:

Transport	Water supply
Wastewater	Stormwater
Flood protection	Environment
Social	Parks and active recreation
Economic	Corporate

Each of these activities are summarised in the following section with comments on any major changes to Year 2 (2013/14) of the Long Term Plan 2012-22.

TRANSPORT INCLUDING ROADS AND FOOTPATHS

The transport activity of Council covers the provision, operation and maintenance of physical infrastructure and the environment, on road reserves for driving, cycling and walking as well as safety, parking control, traffic control and public transport services.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other transport activities are proposed to be delivered as stated in pages 60-72 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Rocks Road shared walk/cycleway

The feasibility study on the proposed shared walk/cycleway around Rocks Road was delayed while the terms of reference were agreed with the New Zealand Transport Authority, and will now take place in 2013/14.

New stock effluent facility

There is a new project in 2013/14 for a stock effluent facility to be located near Richmond. This is needed as part of a network of such facilities being developed around the country by the New Zealand Transport Agency to avoid the safety and environmental hazards caused by spillage of untreated waste from stock transport trucks.

Princes Drive

The Princes Drive upgrade project has been delayed and construction will now commence in 2013/14. Also the Railway Reserve/Princes Drive extension project has been brought forward one year, into 2013/14, to align with construction led by the developer.

Church Street improvements

Heart of Nelson Church Street improvements are delayed to 2013/14 so they can be integrated with the adjacent Heart of Nelson Upper Trafalgar project, in order to enable a combined treatment of the two Selwyn Street intersections.

Waimea Road/Motueka Street

Funding for the Waimea Road/Motueka Street intersection upgrade (following additional design review) has been carried into 2013/14 and physical works will commence as soon as possible.

Public transport revenue

Public Transport revenue is forecast to be ahead of budget if 2012/13 patronage is assumed for 2013/14. However, parking revenue, which subsidises public transport costs, is down.

Cable Bay

The design work for the repair of 28 slips on Cable Bay Road caused by the December 2011 extreme rainfall event has been completed. The repair work is now scheduled for construction and will begin in early 2013/14. The work has been reclassified as capital.

Buxton Lane

After deliberations on submissions, funding was allocated for Council to work with surrounding businesses and landowners in improving the safety of Buxton Lane and discouraging antisocial behaviour occurring there.

2013/14 Projects Extended into 2014/15

Some work on the following projects will be rescheduled and shift from 2013/14 to 2014/15.

- Tasman Street upgrade (Nile to Bronte)
- The Brook shared path (City/Maitai to the start of the Dun Mountain Walkway)

2013/14 Projects Deferred to 2014/15

The following projects were deferred from 2013/14 to 2014/15 due to lack of resource and in an effort to deliver an achievable work programme for 2013/14.

- Todd Bush Road upgrade - as construction funding is in 2015/16 the deferring of design work to 2014/15 will not affect the planned completion of the project
- Bishopdale to the Ridgeway shared path project

2013/14 Projects Deferred to the 2015-25 Long Term Plan

The following projects were deferred from 2013/14 for consideration in the 2015-25 Long Term Plan due to lack of resource and in an effort to deliver an achievable work programme for 2013/14.

- Upper Trafalgar Street upgrade
- Trafalgar Street entry enhancement
- Roading Arterial Pedestrian Access (Days Track)
- Paru Paru left turn exit removal
- Collingwood Street landscape improvements
- Tasman Street landscape improvements
- Waimea Road/Market Road intersection upgrade
- Church Street improvements

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
Walking and cycling are easy and attractive transport choices	Percentage of the community that travel to work by walking or cycling based on Annual Survey of Residents and/or national census	<i>In the 2012 Residents' Survey, 9% travelled to work by walking and 9% by cycling</i>	18%
An efficient transport system that enables people and freight to move efficiently	Average AM and PM peak hour travel times on Waimea Road and the State Highway between Annesbrook and Haven Road roundabout, based on the RLTS annual monitoring report	<i>2011/12 travel times data: Rocks Rd PM peak delay: 1 min Waimea Rd AM peak delay: 3 min</i>	Average peak hour travel time delays are no greater than 5 minutes above uncongested travel times
Minimised social and economic costs of crashes on the transport network	Total five year average social cost of urban crashes (injury and non-injury) at the worst ten intersections	<i>2002-06 = \$12.7m 2003-07 = \$10.8m 2005-09 = \$10.5m 2007-11 = \$14.2m</i>	The annual total social cost is below the previous five year average
Public transport services that meet the transport needs of the community with an equitable sharing of costs	The fare recovery ratio	<i>Approximately 25% in 2010/11 Ratio for new service will be calculated after one year of service</i>	30-35%
Supply and pricing of short stay parking managed to encourage commercial activity in the city centre	Percentage of short stay parking spaces occupied in midweek peak in December	<i>Dec 2012 – 80%</i>	95%
Supply and pricing of long stay parking managed to incentivise greater use of transport options other than cars	Availability of long stay parking spaces between peak travel times as a percentage of the total long stay spaces within a 20min walk of the central city, excluding CBD long stay spaces	<i>Dec 2012 – 30%, this included all long stay parking within the city fringe area</i>	No less than 5%

TRANSPORT FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	8,076	8,417	8,104	(313)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	3,740	1,825	2,138	313
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	503	503	225	(278)
Local authorities fuel tax, fines, infringement fees, and other receipts	4,081	3,826	3,042	(784)
Total Operating Funding	16,400	14,571	13,509	(1,062)
Applications of operating funding				
Payments to staff and suppliers	13,450	9,099	9,121	22
Finance costs	158	157	141	(16)
Internal charges and overheads applied *	1,486	1,604	1,075	(529)
Other operating funding applications	0	0	0	0
Total applications of operating funding	15,094	10,860	10,337	(523)
Surplus (Deficit) of operating funding	1,306	3,711	3,172	(539)
Sources of capital funding				
Subsidies and grants for capital	3,277	2,617	4,104	1,487
Development and financial contributions	180	184	184	0
Increase (decrease) in debt	2,935	1,994	5,853	3,859
Gross proceeds from sale of assets	20	20	20	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	6,412	4,815	10,161	5,346
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,389	1,344	1,450	106
- to improve level of service	5,464	4,993	8,558	3,565
- to replace existing assets	3,340	2,195	5,001	2,806
Increase (decrease) in reserves	(2,475)	(6)	(1,677)	(1,671)
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	7,718	8,526	13,333	4,807
Surplus (Deficit) of capital funding	(1,306)	(3,711)	(3,172)	539
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs

TRANSPORT COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	8,076	8,417	8,104	(313)
Operating Income	7,821	5,651	5,405	(246)
Capital Income	3,457	2,801	4,288	1,487
Total Income	19,354	16,869	17,797	928
Expenses				
Payments to staff and suppliers	13,450	9,099	9,346	247
Finance costs	1,141	1,258	991	(267)
Depreciation	4,793	5,110	5,005	(105)
Total Expenses	19,384	15,467	15,342	(125)
Net Surplus (Deficit)	(30)	1,402	2,455	1,053
Sources of funds				
Net Surplus (Deficit)	(30)	1,402	2,455	1,053
Non cash expenditure	4,793	5,110	5,005	(105)
Increase (decrease) in debt	2,935	1,994	5,852	3,858
Gross proceeds from sale of assets	20	20	20	0
Total Sources of funds	7,718	8,526	13,332	4,806
Applications of funds				
Capital Expenditure				
- to meet additional demand	1,389	1,344	1,450	106
- to improve level of service	5,464	4,993	8,558	3,565
- to replace existing assets	3,340	2,195	5,001	2,806
Increase (decrease) in reserves	(2,475)	(6)	(1,677)	(1,671)
Increase (decrease) in investments	0	0	0	0
Total applications of funds	7,718	8,526	13,332	4,806
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from				
Funding Impact Statement	1,306	3,711	3,172	(539)
Subsidies and grants for capital expenditure	3,277	2,617	4,104	1,487
Development and financial contributions	180	184	184	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(4,793)	(5,110)	(5,005)	105
Net Surplus (Deficit) before taxation in Cost of Service Statement	(30)	1,402	2,455	1053

This activity covers the supply of high quality water to Nelson households and businesses through a piped network. The work in this area includes maintaining water pump stations, water treatment plants, dams and reservoirs.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other water supply activities are proposed to be delivered as stated in pages 74-84 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Observatory Hill reservoir and pump station

Detailed design and construction of a second water reservoir and pump station at Observatory Hill will commence in the 2013/14 financial year and will largely be funded by development contributions as subdivision in the area is completed over time.

Residential water meters

Funding for replacement of residential water meters in 2013/14 has been deferred. Council is currently testing existing water meters for accuracy and if they are still well within the tolerance for accuracy then it may be possible to delay the full replacement programme.

Emergencies

Improving the earthquake readiness of vital seismic activated valves, pump stations and reservoirs in the water supply network was planned for 2012/13, but has been postponed to 2013/14 to enable the Council to benefit from lessons from the Christchurch Recovery and the recommended solutions.

2013/14 Projects Extended into 2014/15

Some work on the following projects will be rescheduled and shift from 2013/14 to 2014/15.

- Water pipe renewal programme
- Backflow prevention programme
- Commercial meter renewals programme
- Pressure reduction programme
- Water network improvement programme
- Water ridermain upgrade programme

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
Good quality water	Grading under Drinking Water Standards for NZ 2005/08 sampling and test standards	Council's water supply has Ab grading – "A" for source and "b" for reticulation	Maintain Ab grading
A reliable supply of water	Day to day continuity of supply	Achieved in 2011	1 in 60 year drought security for at least the next 50 years
Acceptable water pressure	Percentage of customers with acceptable pressure, defined as minimum 30m head, max 90m head and maximum fluctuation <35%	2010/11 target of 79% achieved – 80% had acceptable pressure	84% in 2013/14
Adequate flows of water	Proportion of properties with NZ Fire Service fire minimum flows of 24 litre/s and therefore adequate domestic, commercial, industrial minimum flows	Not Achieved Was 98.6%, 1.3% below target of 99.9% for 2010/11, 99.3% in 2009/10 when target was 99.4%	99.3% in 2013/14
A prompt emergency response	Meet response times for emergencies identified in external works contract	Achieved in 2011	Maximum 24 hour outage (all) Supply 99.6% available at any property
A network that protects the natural environment	Level of compliance with resource consents.	Achieved in 2011	100% compliance

WATER FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	9	10	10	0
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	11,015	11,365	11,263	(102)
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	23	74	100	26
Total Operating Funding	11,047	11,449	11,373	(76)
Applications of operating funding				
Payments to staff and suppliers	6,093	5,793	5,939	146
Finance costs	0	0	0	0
Internal charges and overheads applied *	1,375	1,527	1,283	(244)
Other operating funding applications	0	0	0	0
Total applications of operating funding	7,468	7,320	7,222	(98)
Surplus (Deficit) of operating funding	3,579	4,129	4,151	22
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	610	625	626	1
Increase (decrease) in debt	3,147	3,148	2,307	(841)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	3,757	3,773	2,933	(840)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	98	510	1,007	497
- to improve level of service	6,258	5,393	5,048	(345)
- to replace existing assets	1,373	1,999	1,029	(970)
Increase (decrease) in reserves	(393)	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	7,336	7,902	7,084	(818)
Surplus (Deficit) of capital funding	(3,579)	(4,129)	(4,151)	(22)
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs

WATER COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	0	0	0	0
Operating Income	11,047	11,449	11,373	(76)
Capital Income	610	625	626	1
Total Income	11,657	12,074	11,999	(75)
Expenses				
Payments to staff and suppliers	6,093	5,793	5,939	146
Finance costs	1,375	1,527	1,283	(244)
Depreciation	3,941	4,126	4,146	20
Total Expenses	11,409	11,446	11,368	(78)
Net Surplus (Deficit)	248	628	631	3
Sources of funds				
Net Surplus (Deficit)	248	628	631	3
Non cash expenditure	3,941	4,126	4,146	20
Increase (decrease) in debt	3,147	3,148	2,307	(841)
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	7,336	7,902	7,084	(818)
Applications of funds				
Capital Expenditure				
- to meet additional demand	98	510	1,007	497
- to improve level of service	6,258	5,393	5,048	(345)
- to replace existing assets	1,373	1,999	1,029	(970)
Increase (decrease) in reserves	(393)	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of funds	7,336	7,902	7,084	(818)
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,579	4,129	4,151	22
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	610	625	626	1
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(3,941)	(4,126)	(4,146)	(20)
Net Surplus (Deficit) before taxation in Cost of Service Statement	248	628	631	3

Council provides a wastewater system for the collection, treatment and disposal of wastewater discharged into Nelson's sewers.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other wastewater activities are proposed to be delivered as stated in pages 85-95 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Marsden Valley wastewater

The Long Term Plan includes a project to upgrade the sewer reticulation to the Songer Street Pump Station to cater for increased development planned for the upper Marsden Valley area. Council needs to increase the project funding in 2013/14 by \$1.25 million to bring this upgrade forward to support continued subdivision development.

The wastewater pipe renewals funding for 2013/14 has been reduced in order to provide additional resource for the Marsden Valley project.

Corder Park pump station

After a more detailed design and consultation with the community, the design of the capital project to upgrade Corder Park Pump Station in Atawhai has changed to provide a pump station that will be partly below ground to reduce the visual effects. The cost for this pump station will increase by \$1.7 million, to be spent in 2014/15. It will, however, lead to savings in future years as it will defer the need for both a new pump station at Neale Park and an upgrade of the pipes between the two pump stations for a number of years.

Nelson North wastewater treatment plant

In 2012/13 funding was allocated for the installation of a number of aerators on the Nelson North Oxidation Pond. It is anticipated that the project will run over two years and for that reason \$0.6 million was carried forward into 2013/14.

2013/14 also includes \$2.8 million operating expenditure for the desludging of the ponds, which Council plans to loan fund. As desludging only needs to be done every 30 years, Council considers it appropriate to loan fund this, to spread the cost to ratepayers.

2013/14 Projects Extended into 2014/15

Some work on the following projects will be rescheduled and shift from 2013/14 to 2014/15.

- Sewer pipe renewal programme
- Franklyn Street sewer upgrade
- Beatson Road renewal

2013/14 Project Deferred to the 2015-25 Long Term Plan

The Awatea Place Pump Station project was deferred from 2013/14 for consideration in the 2015-25 Long Term Plan due to lack of resource and an effort to deliver an achievable work programme for 2013/14.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
A fully operational wastewater treatment plant	Level of compliance of treatment plant with resource consent conditions	Not Achieved Complied with all existing conditions for discharge consents. Breached odour conditions for Nelson North Wastewater Treatment Plant	Maintain 100% compliance
Emergency response	Time taken to respond and investigate emergencies	Achieved Contractor records show 100% response within 30 minutes for emergency works and 100% response within two hours for other non-urgent investigations All repairs within eight hours	Respond and investigate emergency works within 30 mins and repairs within eight hours
Environmental protection	Level of compliance with resource consent conditions for accidental discharges from the network	<i>No base line data</i> <i>Resource consent granted for accidental discharges from the network</i>	100% compliance
	Number of confirmed odour complaints per annum associated with a pump station	<i>Two odour events from central Nelson pump station</i>	No more than three confirmed odour complaints a year associated with a pump station

WASTEWATER FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	6,436	6,514	6,800	286
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	3,658	4,036	3,583	(453)
Total Operating Funding	10,094	10,550	10,383	(167)
Applications of operating funding				
Payments to staff and suppliers	5,983	8,984	9,166	182
Finance costs	605	584	454	(130)
Internal charges and overheads applied *	0	85	23	(62)
Other operating funding applications	0	0	0	0
Total applications of operating funding	6,588	9,653	9,643	(10)
Surplus (Deficit) of operating funding	3,506	897	740	(157)
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	540	553	553	0
Increase (decrease) in debt	78	2,373	1,293	(1,080)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	618	2,926	1,846	(1,080)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,616	258	1,655	1,397
- to improve level of service	2,927	2,932	2,683	(249)
- to replace existing assets	1,341	983	821	(162)
Increase (decrease) in reserves	(1,760)	(350)	(2,573)	(2,223)
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	4,124	3,823	2,586	(1,237)
Surplus (Deficit) of capital funding	(3,506)	(897)	(740)	157
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

WASTEWATER COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	6,436	6,514	6,800	286
Operating Income	3,658	4,036	3,583	(453)
Capital Income	540	553	553	0
Total Income	10,634	11,103	10,936	(167)
Expenses				
Payments to staff and suppliers	5,983	8,984	9,166	182
Finance costs	605	669	477	(192)
Depreciation	3,730	3,992	4,034	42
Total Expenses	10,318	13,645	13,677	32
Net Surplus (Deficit)	316	(2,542)	(2,741)	(199)
Sources of funds				
Net Surplus (Deficit)	316	(2,542)	(2,741)	(199)
Non cash expenditure	3,730	3,992	4,034	42
Increase (decrease) in debt	78	2,373	1,293	(1,080)
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	4,124	3,823	2,586	(1,237)
Applications of funds				
Capital Expenditure				
- to meet additional demand	1,616	258	1,655	1,397
- to improve level of service	2,927	2,932	2,683	(249)
- to replace existing assets	1,341	983	821	(162)
Increase (decrease) in reserves	(1,760)	(350)	(2,573)	(2,223)
Increase (decrease) in investments	0	0	0	0
Total applications of funds	4,124	3,823	2,586	(1,237)
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,506	897	740	(157)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	540	553	553	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(3,730)	(3,992)	(4,034)	(42)
Net Surplus (Deficit) before taxation in Cost of Service Statement	316	(2,542)	(2,741)	(199)

This activity disposes of stormwater through a system made up of two parts: a natural component of 27km of rivers and streams and a constructed stormwater system of mains, pump stations and outfalls to rivers, streams or the sea.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other stormwater activities are proposed to be delivered as stated in pages 96-106 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Review of flood paths in the Victory Square/Vanguard Street area

The investigations being carried out on the existing stormwater capacity in the Vanguard Street/St Vincent Street area are now expected to be completed in 2013/14. The subsequent stages of the project are expected to begin in 2014/15, and for this reason, part of the 2013/14 funding has been deferred to Year 3 (2014/15).

St Vincent Street/Haven Road culvert

Recent inspections identified deterioration in the culvert at the corner of St Vincent Street and Haven Road. Investigations are being undertaken to identify short term repair options. Construction of a new culvert is likely to happen in about five years' time.

Brougham Street

This stormwater project has been deferred in order to align with a roading project in the same area (for which the timing has not yet been determined).

General stormwater issues

In response to a number of submissions on stormwater, extra funding of \$500,000 was added to 2013/14 to address urgent stormwater and flood control issues.

2013/14 Projects Extended into 2014/15

Some work on the following projects will be rescheduled and shift from 2013/14 to 2014/15.

- Vanguard Street upgrade
- Stormwater renewals

2013/14 Projects Deferred to the 2015-25 Long Term Plan

The following projects were deferred from 2013/14 for consideration in the 2015-25 Long Term Plan due to lack of resource and in an effort to deliver an achievable work programme for 2013/14.

- Design of a new stormwater network to Milton Street as part of the ongoing Wood area stormwater project
- Design of a new stormwater network to Main Road Stoke to connect to the recently upgraded section of Arapiki Stream (Marsden Road to Hays corner)

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
Environmental Protection For the built and natural environment from flooding and stormwater discharges	Level of compliance with resource consent conditions	Achieved Water quality monitoring completed for first round of six city sites	100% compliance
	Ensure appropriate stormwater disposal options are available throughout the city	Ongoing programme on track to improve network, targeting highest risk areas	Planned work programme completed to improve network, targeting highest risk areas.
Reliability An operational stormwater network	Number of blockages per 100 km of pipes on an annual basis	Achieved 21 blockages per 100km	Less than 25 blockages per 100km of pipes on an annual basis
Emergency response Provide a prompt, reliable and timely response to service requests and system failures	Time that contractors take to respond to emergencies	<i>Not achieved – 98% response within 30 minutes</i> <i>Three events out of 138 did not meet target; two of these were just over target time, one was a delay of an hour due to a failure to recognise response urgency – change of afterhours call centre expected to improve this</i>	Contractors respond to emergencies within 30 minutes

STORMWATER FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	3,814	3,914	3,499	(415)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	3,814	3,914	3,499	(415)
Applications of operating funding				
Payments to staff and suppliers	1,079	949	1,226	277
Finance costs	0	0	0	0
Internal charges and overheads applied *	918	936	777	(159)
Other operating funding applications	0	0	0	0
Total applications of operating funding	1,997	1,885	2,003	118
Surplus (Deficit) of operating funding	1,817	2,029	1,496	(533)
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	598	612	612	0
Increase (decrease) in debt	311	641	649	8
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	909	1,253	1,261	8
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	2,369	3,045	2,911	(134)
- to replace existing assets	457	237	100	(137)
Increase (decrease) in reserves	(100)	0	(254)	(254)
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	2,726	3,282	2,757	(525)
Surplus (Deficit) of capital funding	(1,817)	(2,029)	(1,496)	533
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

STORMWATER COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	3,814	3,914	3,499	(415)
Operating Income	0	0	0	0
Capital Income	598	612	612	0
Total Income	4,412	4,526	4,111	(415)
Expenses				
Payments to staff and suppliers	1,079	949	1,226	277
Finance costs	918	936	777	(159)
Depreciation	1,917	2,030	1,750	(280)
Total Expenses	3,914	3,915	3,753	(162)
Net Surplus (Deficit)	498	611	358	(253)
Sources of funds				
Net Surplus (Deficit)	498	611	358	(253)
Non cash expenditure	1,917	2,030	1,750	(280)
Increase (decrease) in debt	311	641	649	8
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	2,348	3,282	2,757	(525)
Applications of funds				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	2,369	3,045	2,911	(134)
- to replace existing assets	457	237	100	(137)
Increase (decrease) in reserves	(100)	0	(254)	(254)
Increase (decrease) in investments	0	0	0	0
Total applications of funds	2,348	3,282	2,757	(525)
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from				
Funding Impact Statement	1,817	2,029	1,496	(533)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	598	612	612	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,917)	(2,030)	(1,750)	280
Net Surplus (Deficit) before taxation in Cost of Service Statement	498	611	358	(253)

FLOOD PROTECTION

Council's flood protection assets include river and stream bank protection, storm water detention dams/ponds, protection systems and flooding response and maintenance. These operations focus on the rivers and streams in the urban area of Nelson City.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other flood protection activities are proposed to be delivered as stated in pages 107-116 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

York Stream

The next stage in the upgrade of York Stream flood capacity involves new piping downstream from the Bishopdale Caltex Station. This project requires an additional \$1.7 million to complete the works started in 2012/13. As the concrete pipes will be in the ground for more than 100 years, Council is designing the works to provide for the predicted increases in rainfall intensity from climate change. In 2013/14 the first stage of the upgrade will be constructed crossing the Tipahi St/Kawai St intersection. Subsequent stages will be constructed in future years.

Repair work/flood mitigation

As a result of the December 2011 extreme rainfall event, an increase in 2013/14 funding of \$300,000 is necessary for repair work for parts of the urban streams in The Brook, Enner Glynn, Marsden Valley and Champion Road areas.

Rural rivers

The operational budget for flood protection has been increased to allow Council to respond to emergencies and carry out essential works in rural areas to reduce risk of damage to the urban area.

2013/14 Projects Extended into 2014/15

Some work on the following projects will be rescheduled and shift from 2013/14 to 2014/15.

- Flood mitigation
- Todds Valley Stream upgrade

2013/14 Project Deferred to 2014/15

The Maitai upgrade and enhancement project was deferred from 2013/14 to 2014/15 due to lack of resource and in an effort to deliver an achievable work programme for 2013/14.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
Protection for the urban built and natural environment from Q₅₀ floods	Damage to urban property from stream flooding is minimised	No base line data exists	Begin design works of three urban streams Q ₅₀ capacity
	Damage to urban property from Maitai River flooding is minimised	No base line data exists	Begin review of Maitai River Q ₅₀ capacity
Integration of ecological and stormwater requirements in urban sections of streams and rivers	Fish passage in streams is maximised and ecological impact of structures is minimised	No base line data exists	Complete catchment management plan for the Maitai River, design fresh water quality improvement initiative(s)

FLOOD PROTECTION FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	122	158	390	232
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	122	158	390	232
Applications of operating funding				
Payments to staff and suppliers	112	130	758	628
Finance costs	0	0	0	0
Internal charges and overheads applied *	10	28	15	(13)
Other operating funding applications	0	0	0	0
Total applications of operating funding	122	158	773	615
Surplus (Deficit) of operating funding	0	0	(383)	(383)
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	399	321	829	508
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	399	321	829	508
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	399	321	962	641
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	(516)	(516)
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	399	321	446	125
Surplus (Deficit) of capital funding	0	0	383	383
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

FLOOD PROTECTION COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	122	158	390	232
Operating Income	0	0	0	0
Capital Income	0	0	0	0
Total Income	122	158	390	232
Expenses				
Payments to staff and suppliers	112	130	758	628
Finance costs	10	28	15	(13)
Depreciation	0	0	134	134
Total Expenses	122	158	907	749
Net Surplus (Deficit)	0	0	(517)	(517)
Sources of funds				
Net Surplus (Deficit)	0	0	(517)	(517)
Non cash expenditure	0	0	134	134
Increase (decrease) in debt	399	321	829	508
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	399	321	446	125
Applications of funds				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	399	321	962	641
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	(516)	(516)
Increase (decrease) in investments	0	0	0	0
Total applications of funds	399	321	446	125
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	0	0	(383)	(383)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	0	0	(134)	(134)
Net Surplus (Deficit) before taxation in Cost of Service Statement	0	0	(517)	(517)

The Nelson City Council's environmental functions include planning and service delivery, advice, monitoring, education, advocacy and enforcement.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other environment activities are proposed to be delivered as stated in pages 117-131 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Council-owned earthquake-prone buildings

Council set aside \$200,000 in the 2012/13 financial year to complete initial earthquake assessments of all Council-owned buildings. These will be completed by June 2013.

Council has provided a budget of \$300,000 in each of the next two years (2013/14 and 2014/15) to commence detailed earthquake assessments of those buildings with initial assessments below 33% of New Building Standards (NBS). The reason for this increase in budget is that Council now knows the extent of the work required from the initial assessments and wants to be sure it has full information about the structural safety of its buildings. Council will prioritise detailed assessments for those sub 33% NBS buildings early in the new financial year, following receipt of all initial assessments and a final report from staff.¹

\$300,000 has been allocated to address the future of the Council-owned earthquake-prone building at 23 New Street (The Hub).

The \$500,000 that was included to address the future of the Council-owned earthquake-prone building at 23 Halifax Street (Mediterranean Food Warehouse), and the additional \$239,000 that was needed to repay the loan on this building, was removed from this Annual Plan as the building will be retained for storage for the time being.

Freshwater

The Maitai Catchment Management Plan has not been prepared as flood modelling for the Maitai catchment has only recently been completed. Background data collection of flows in the Brook Stream is also underway. It is proposed to continue the work in the Brook Stream into the future and begin the initial work on the Maitai Catchment Management Plan in 2013/14. This project involves development of a plan with policies for the management of the Maitai catchment, taking into account flooding risk, freshwater quality, and recreational, cultural and environmental values.

Other changes

There was a decrease in estimated Emissions Trading Scheme (ETS) liability due to the price of carbon being lower than expected.

There has also been a decrease in staff time for this activity, which is offset under the Corporate activity of Council.

The Riskpool claim for Council's contribution to the Fund's leaky homes liability is no longer required.

Building consent fees are lower than expected due to lower building activity levels than anticipated.

Transfer Station and Landfill revenue is down, reflecting lower waste volumes than expected.

2013/14 Projects Deferred to the 2015-25 Long Term Plan

The following projects were deferred from 2013/14 for consideration in the 2015-25 Long Term Plan due to lack of resource and in an effort to deliver an achievable work programme for 2013/14.

- 23 Halifax Street building remediation
- State Advances building remediation
- Investigation and potential trial of a photovoltaic array on a Council facility

¹ While earthquake prone buildings are discussed in the environment section the financial impact has been spread across a range of activities.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
Cleaner water	Health of Nelson's freshwater environments measured by water body classification	In 2011 9 streams worse than class C water body classification: 9 at A; 4 at B; 6 at C; 7 at D; 2 at E	Maintain class A and B water bodies in current state Decrease number of water bodies classified as D or E by Year 3
	Level of compliance with swimming water quality standards	Three river swimming areas that are monitored do not meet the standard	Increase the number of monitored swimming areas that meet the swimming quality standards
Cleaner air	Level of compliance with national standard for air quality	<i>Comply with national standard in Airshed C (Wood/Atawhai)</i> <i>Airshed A, on track to comply with interim target in 2016 and final target in 2020. Airshed B, on track to comply with final target as required by 2016</i>	Continue to comply with the national standard in Airshed B and C Airshed A breaches will decline from prior year
A well-planned city that meets communities' current and future needs and responds to national policy direction	Resource management plans updated to implement national policy changes and Council's strategic direction	Resource management plans need updating due to new National Policy Statements, National Environmental Standards (NES) and the direction set by Council's strategic planning documents	Complete existing plan changes and respond to national policy changes
Reduced waste to landfill	The amount (in tonnes) of waste per resident disposed of at landfill	The amount of waste sent to landfill has decreased from 1.2t per capita in 2003/04 to 0.65t per capita in 2010/11	Continue each year to decrease the per capita amount of waste from the NCC area disposed of at landfill, in tonnes
An effective and timely CDEM response to support our community following emergency events	Ability to operate an effective Emergency Operations Centre (EOC) for Nelson Tasman	Not achieved as EOC inadequate	New EOC operational. From Year 2 effective EOC is operating for Nelson Tasman
Buildings are a safe and healthy environment for current and future building users	All building consents and code compliance certificates issued within 20 working days	<i>Not achieved – 90% of building consents and 99% of code compliance certificates issued within 20 working days</i>	100% of building consents and Code Compliance Certificates issued within 20 working days
	Implementation of the Earthquake-prone and Dangerous Building Policy	<i>Programme commenced but at slower rate of implementation than planned. Work output will increase during 2013 with additional resource</i>	Review and implementation of the Earthquake Prone and Dangerous Building Policy meets deadlines specified in the Policy
	Level of customer satisfaction as measured by a survey of building and resource consent customers	<i>Resource Consent survey has 73% of responses either satisfied or strongly satisfied with the level of service</i>	60% of customers are satisfied or very satisfied with the building and resource consent services
Resource consents processing service	Level of compliance with statutory timeframes for processing resource consents	<i>2011/2012 97% non-notified consents on time, 100% notified or limited notified consents on time. At Dec 2012 85% non-notified on time, 50% notified on time</i>	100% of non-notified resource consents processed within 20 working days, 100% of notified/limited notified consents processed within 75 working days (or less as required by the RMA)

ENVIRONMENTAL MANAGEMENT FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	6,136	5,848	5,340	(508)
Targeted rates (other than a targeted rate for water supply)	613	609	582	(27)
Subsidies and grants for operating purposes	300	213	185	(28)
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	2,053	2,081	2,467	386
Local authorities fuel tax, fines, infringement fees, and other receipts	7,237	7,605	6,654	(951)
Total Operating Funding	16,339	16,356	15,228	(1,128)
Applications of operating funding				
Payments to staff and suppliers	13,125	13,081	11,645	(1,436)
Finance costs	0	0	0	0
Internal charges and overheads applied *	2,296	2,298	2,680	382
Other operating funding applications	0	0	0	0
Total applications of operating funding	15,421	15,379	14,325	(1,054)
Surplus (Deficit) of operating funding	918	977	903	(74)
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	12	12	12	0
Increase (decrease) in debt	(378)	(620)	(251)	369
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	(366)	(608)	(239)	369
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	89	0	0	0
- to improve level of service	98	0	23	23
- to replace existing assets	195	102	78	(24)
Increase (decrease) in reserves	(117)	281	277	(4)
Increase (decrease) in investments	287	(14)	286	300
Total applications of capital funding	552	369	664	295
Surplus (Deficit) of capital funding	(918)	(977)	(903)	74
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

ENVIRONMENTAL MANAGEMENT COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	6,749	6,457	5,922	(535)
Operating Income	9,590	9,899	9,306	(593)
Capital Income	12	12	12	0
Total Income	16,351	16,368	15,240	(1,128)
Expenses				
Payments to staff and suppliers	15,178	15,162	14,112	(1,050)
Finance costs	243	217	213	(4)
Depreciation	346	364	422	58
Total Expenses	15,767	15,743	14,747	(996)
Net Surplus (Deficit)	584	625	493	(132)
Sources of funds				
Net Surplus (Deficit)	584	625	493	(132)
Non cash expenditure	346	364	422	58
Increase (decrease) in debt	(378)	(620)	(251)	369
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	552	369	664	295
Applications of funds				
Capital Expenditure				
- to meet additional demand	89	0	0	0
- to improve level of service	98	0	23	23
- to replace existing assets	195	102	78	(24)
Increase (decrease) in reserves	(117)	281	277	(4)
Increase (decrease) in investments	287	(14)	286	300
Total applications of funds	552	369	664	295
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	918	977	903	(74)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	12	12	12	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(346)	(364)	(422)	(58)
Net Surplus (Deficit) before taxation in Cost of Service Statement	584	625	493	(132)

Council provides a range of services that contribute to the quality of life and wellbeing of residents. This activity is very diverse including the provision of heritage houses, settlement support, a museum, festivals and public libraries, amongst many others.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other social activities are proposed to be delivered as stated in pages 132-146 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Nelson School of Music and Theatre Royal

During deliberations on submissions, Council affirmed existing funding levels for the Theatre Royal and Nelson School of Music until a new entity is formed to bring both institutions together into a new entity for the performing arts. Additional transition funding of \$125,000 in 2013/14 has been allocated for the new entity to help establish its operations and this will reduce to \$75,000 in 2014/15.

Some of the funding allocated in 2013/14 for earthquake strengthening and refurbishment of the Nelson School of Music has been deferred to 2014/15 due to the transfer of assets to Council proceeding more slowly than expected.

Marketing Council facilities

Marketing work to improve the use of all Council facilities will be developed and implemented in 2013/14 to fit with availability of resources.

Funding policy – equity analysis

A review to consider the appropriate level of user pays funding for community facilities has been rescheduled for 2013/14.

Heart of Nelson

In response to submissions, additional funding was allocated to revitalise the Heart of Nelson Strategy.

RSA Memorial

In response to a submission, funding has been allocated over 2013/14 and 2014/15 to support a Returned Servicemen's Association 100 year memorial at Marsden Valley should other funding not be forthcoming.

Riverside murals project

In response to a submission, funding has been allocated over 2013/14 and 2014/15 to support a Riverside Murals Project along the Maitai River.

Christmas decorations

In response to a submission, additional funding has been provided for Christmas tree decorations.

Opera in the Park

Opera in the Park, which occurs every second year, is to be moved so that it alternates with the Adam Chamber Music Festival to allow the community to enjoy a significant music event at this time each year.

Refurbishment of Buxton toilet

Funding has been reduced for the refurbishment of the Buxton Toilet, which will be completed as a community project organised by Creative Communities during 2013/14.

2013/14 Projects Deferred to 2014/15

The following projects were deferred from 2013/14 to 2014/15 due to lack of resource and an effort to deliver an achievable work programme for 2013/14.

- No physical works will be undertaken on the Art Works Programme, Heart of Nelson Artwork and Sculptures, and Arts Promotion projects and the majority of the funding will be deferred to 2014/15

2013/14 Projects Deferred to the 2015-25 Long Term Plan

The following projects were deferred from 2013/14 for consideration in the 2015-25 Long Term Plan due to lack of resource and an effort to deliver an achievable work programme for 2013/14.

- Funding for burial and ash beams at Wakapuaka and Marsden Valley cemeteries
- Seating and storage renewal at Stoke Hall

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
Work with the community to secure the future of the city's significant arts infrastructure	Assuming Council takes ownership of the Nelson School of Music and Theatre Royal measures will be building condition assessments and delivery of community outcomes	Serious earthquake strengthening and maintenance problems with the Nelson School of Music building and both Theatre Royal and Nelson School of Music have financial problems	Plans for earthquake strengthening of Nelson School of Music agreed and work commenced
Libraries that are well used, welcoming and safe environments	The level of satisfaction with the libraries as determined by residents' survey Trends in membership, door counts	85% satisfied/very satisfied 76% of the population are members Door Counts increasing in all libraries except Nightingale Library	Maintain at least 80% of customers satisfied or very satisfied with libraries and 75% of population are library members Door counts remain static or increase
A regional art gallery that engages, educates and entertains the regional community	The level of satisfaction of customers with the Suter Art Gallery as measured by a residents' survey	53% of residents and 76% of users satisfied or very satisfied in 2011	80% of users satisfied or very satisfied with the Suter Art Gallery

SOCIAL FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	9,994	10,474	10,680	206
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	485	398	378	(20)
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	165	165
Local authorities fuel tax, fines, infringement fees, and other receipts	2,318	2,403	2,508	105
Total Operating Funding	12,797	13,275	13,731	456
Applications of operating funding				
Payments to staff and suppliers	11,755	11,560	12,246	686
Finance costs	0	0	0	0
Internal charges and overheads applied *	381	441	353	(88)
Other operating funding applications	0	0	0	0
Total applications of operating funding	12,136	12,001	12,599	598
Surplus (Deficit) of operating funding	661	1,274	1,132	(142)
Sources of capital funding				
Subsidies and grants for capital	6,876	0	6,766	6,766
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	1,877	684	1,034	350
Gross proceeds from sale of assets	1	1	1	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	8,754	685	7,801	7,116
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	539	625	504	(121)
- to improve level of service	9,795	729	9,553	8,824
- to replace existing assets	777	362	297	(65)
Increase (decrease) in reserves	(183)	256	92	(164)
Increase (decrease) in investments	(1,513)	(13)	(1,513)	(1,500)
Total applications of capital funding	9,415	1,959	8,933	6,974
Surplus (Deficit) of capital funding	(661)	(1,274)	(1,132)	142
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

SOCIAL COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	9,994	10,474	10,680	206
Operating Income	2,803	2,801	3,051	250
Capital Income	6,876	0	6,766	6,766
Total Income	19,673	13,275	20,497	7,222
Expenses				
Payments to staff and suppliers	11,755	11,560	12,246	686
Finance costs	381	441	353	(88)
Depreciation	1,156	1,293	1,291	(2)
Total Expenses	13,292	13,294	13,890	596
Net Surplus (Deficit)	6,381	(19)	6,607	6,626
Sources of funds				
Net Surplus (Deficit)	6,381	(19)	6,607	6,626
Non cash expenditure	1,156	1,293	1,291	(2)
Increase (decrease) in debt	1,878	685	1,035	350
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	9,415	1,959	8,933	6,974
Applications of funds				
Capital Expenditure				
- to meet additional demand	539	625	504	(121)
- to improve level of service	9,795	729	9,553	8,824
- to replace existing assets	777	362	297	(65)
Increase (decrease) in reserves	(183)	256	92	(164)
Increase (decrease) in investments	(1,513)	(13)	(1,513)	(1,500)
Total applications of funds	9,415	1,959	8,933	6,974
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from				
Funding Impact Statement	661	1,274	1,132	(142)
Subsidies and grants for capital expenditure	6,876	0	6,766	6,766
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,156)	(1,293)	(1,291)	2
Revaluation Gains (Losses)	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	6,381	(19)	6,607	6,626

PARKS AND ACTIVE RECREATION

The Parks and Active Recreation activity of Council manages a range of parks and open spaces to help protect Nelson's biodiversity, heritage, rivers and coast. It provides active recreation opportunities through its provision of infrastructure such as walkways and cycle ways, expanding cycle trails, sports and recreation facilities, parks and opens space, services and events.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other parks and active recreation activities are proposed to be delivered as stated in pages 147-159 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Trafalgar Centre

In the Long Term Plan 2012-22 funding was included for the upgrade of the northern part of the Trafalgar Centre. Part of this work, following the Christchurch earthquakes, identified issues relating to potential liquefaction and structural elements with respect to the recently completed southern end and main stadium.

Notwithstanding the fact that the southern end met building standards at the time of construction, the knowledge gained since the Christchurch earthquakes may require these structures to be strengthened to meet the New Building Standards.

Council will complete detailed earthquake and geotechnical assessments of the Trafalgar Centre in 2012/13. To address the issues raised in these assessments Council has allocated, in 2013/14, \$3 million of the total Long Term Plan allocation of \$10.237 million for the Trafalgar Centre redevelopment. This may also provide sufficient funding to allow work to begin on amenity improvements in 2013/14.

Although there are many priorities for the different sections of the Trafalgar Centre, Council's focus is to spend the funds wisely, prioritise remedial works, and improve the aesthetics and amenities.

Land purchases

The funding for the capital land purchase at Daelyn subdivision has been reduced due to Tasman District Council withdrawing its funding for the purchase.

The proposed purchase of an area of land on the Grampians is still under negotiation, so the funding has been carried forward into 2013/14.

Saxton Field power lines

Funding for the relocated overhead power lines at Saxton Field has been deferred to 2013/14 because Council is awaiting completion of an appropriate design of the realignment by the power company. The construction of the velodrome is dependent on this realignment.

Greenmeadows

During the Long Term Plan Council considered the request for replacement toilets and showers, and provision of meeting space, from the Stoke Rugby Club. Council supported the development and was prepared to provide land for the project but no funding was allocated. The variation in capital expenditure showing in this Annual Plan is offset in capital income, so overall there is no variance for 2013/14.

Nayland Pool

Council has embarked on a working party process with users of the Nayland Pool to ensure any future improvements meet the needs of users and the wider community. This has resulted in the delay of actual planned work into 2013/14. The working party commenced meetings in March 2013.

Victory swimming initiative

In response to submissions, funding was allocated for Victory Community Health to upgrade changing facilities at Nelson Intermediate swimming pool to support its community swimming programme.

Cathedral Hill public toilets

In response to a submission, funding was allocated for a 50/50 partnership with the Anglican Diocese for the design and construction of public toilets adjacent to the Nelson Cathedral. In approving this funding Council acknowledged the importance of the cathedral as a tourist destination and events venue.

Stoke Bowling Club

In response to a submission, funding was allocated to assist the Stoke Bowling Club to address stormwater drainage issues.

Indoor cricket facility

In response to the request from Nelson Cricket, land at Saxton Field for an indoor cricket facility was approved.

Tennis Facility at Rutherford Park

In response to a submission, funding for service connections and provision of a site on a temporary basis for a relocateable Nelson Lawn Tennis clubhouse at Rutherford Park was approved.

Saxton Oval

Funding has been allocated for upgrades to Saxton Oval, only to be available if external funding is not secured or granted in full.

2013/14 Projects Extended into 2014/15

Some work on the following projects will be rescheduled and shift from 2013/14 to 2014/15.

- Swimming pools renewal programme
- Marina pontoons renewal programme
- Neighbourhood parks upgrade programme
- Esplanade and foreshore surfaces upgrades
- Horticultural Parks upgrade programme
- Marina renewal programme
- Esplanade and foreshore upgrade programme
- Landscape Reserves planting programme

2013/14 Projects Deferred to 2014/15

The following projects were deferred from 2013/14 to 2014/15 due to lack of resource and in an effort to deliver an achievable work programme for 2013/14.

- Marina Hardstand
- Walkway lighting programme
- Stoke Skatepark
- Saxton Field general development

2013/14 Projects Deferred to the 2015-25 Long Term Plan

The following projects were deferred from 2013/14 for consideration in the 2015-25 Long Term Plan due to lack of resource and in an effort to deliver an achievable work programme for 2013/14.

- Wakapuaka Sandflats environmental enhancement
- Tahunanui Reserve Management Plan Implementation
- Saxton – Walk/cycleways
- Creation of a period garden related to Isel House
- Destination Playground at Rutherford Park
- Trafalgar Centre renewal programme
- Installation of irrigation at Marsden Recreation Reserve
- Parks walkway surfaces upgrades
- Conservation parks upgrade programme
- Landscape Reserve Mountain Bike upgrade programme
- Marina: Minor Capital Development
- Riverside balance tank renewal
- Sports Parks Minor Development Programme
- Rutherford and Trafalgar Parks Development Plan implementation
- Wakefield Quay Enhancement

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
A connected network of parks and reserves throughout the city to protect and enhance the natural environment, provide enjoyment and a range of leisure and recreation opportunities for residents and visitors	Area in hectares of parks and reserves per 1000 residents	245 hectares per 1000 residents	Maintain current levels of parks and reserves provision, at least 245 hectares per 1000 residents. Measure may be reduced where divestment offers clear net benefits to the community
	Level of resident satisfaction	82% satisfied or very satisfied in 2011	Maintain levels of resident satisfaction, at least 80%
Sustainably managed parks and reserves	Level of improvement in key species and habitats in priority reserve areas	Ad hoc monitoring and lack of robust data	Establish council-wide system for monitoring key species and habitats, with baseline data collected in 2012/13 and demonstrate improvement in key species and habitats in priority reserve areas by 2015
	Level of use of electricity, diesel/oil, water and toxic substances per hectare across parks and reserves	Baseline data to come from Council reporting and Nelmac	Current use of electricity, diesel/oil, water and toxic substances reduced by 5% per hectare by 2015
Neighbourhood parks within walking distance of all homes, providing play opportunities, open space and amenity values	Level of neighbourhood park distribution	Currently one neighbourhood park provided within 400m radius of urban residential properties, with some limited areas with lower level of provision	One neighbourhood park within reasonable walking distance (500m radius or ten minute walk) of urban residential properties, easily accessible, ideally from more than one road frontage
Maximised use of the Trafalgar Centre across a range of users	Number of people using the Trafalgar Centre and total hours used	New measure	At least maintain annual number of users Annual use hours exceeds 2500/year
Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes	Level of accessibility of public swimming pools Annual user satisfaction surveys Yardstick benchmarking comparison	New measure Satisfaction 57% in 2011 Riverside admissions per m2 per annum better than peer group benchmark, but Nayland Pool is lower	Provision of a swimming pool that is within 10km driving/cycling distance of 80% of the Nelson City population 60% of customers satisfied or very satisfied with the swimming pools Admissions per m2 per annum above average of peer group as measured by Yardstick
Financially sustainable marina facility	Level of self funding of the marina	No net cost to rates, but financial model needs work to determine exact costs of marina	No cost to rates to operate the marina Fees and charges cover the maintenance and renewal of marina facilities

PARKS FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	12,207	12,870	11,306	(1,564)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	2,777	2,868	4,448	1,580
Total Operating Funding	14,984	15,738	15,754	16
Applications of operating funding				
Payments to staff and suppliers	10,202	9,781	11,850	2,069
Finance costs	0	0	0	0
Internal charges and overheads applied *	2,646	3,032	2,205	(827)
Other operating funding applications	0	0	0	0
Total applications of operating funding	12,848	12,813	14,055	1,242
Surplus (Deficit) of operating funding	2,136	2,925	1,699	(1,226)
Sources of capital funding				
Subsidies and grants for capital	700	2,243	27	(2,216)
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	9,723	6,186	6,939	753
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	10,423	8,429	6,966	(1,463)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	9,312	3,325	3,370	45
- to improve level of service	2,859	7,322	4,372	(2,950)
- to replace existing assets	2,772	2,319	1,641	(678)
Increase (decrease) in reserves	(2,384)	(1,612)	(718)	894
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	12,559	11,354	8,665	(2,689)
Surplus (Deficit) of capital funding	(2,136)	(2,925)	(1,699)	1,226
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

PARKS COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	12,207	12,870	11,306	(1,564)
Operating Income	2,777	2,868	4,448	1,580
Capital Income	700	2,243	27	(2,216)
Total Income	15,684	17,981	15,781	(2,200)
Expenses				
Payments to staff and suppliers	10,202	9,781	11,850	2,069
Finance costs	2,646	3,032	2,205	(827)
Depreciation	3,270	3,457	2,728	(729)
Total Expenses	16,118	16,270	16,783	513
Net Surplus (Deficit)	(434)	1,711	(1,002)	(2,713)
Sources of funds				
Net Surplus (Deficit)	(434)	1,711	(1,002)	(2,713)
Non cash expenditure	3,270	3,457	2,728	(729)
Increase (decrease) in debt	9,723	6,186	6,939	753
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	12,559	11,354	8,665	(2,689)
Applications of funds				
Capital Expenditure				
- to meet additional demand	9,312	3,325	3,370	45
- to improve level of service	2,859	7,322	4,372	(2,950)
- to replace existing assets	2,772	2,319	1,641	(678)
Increase (decrease) in reserves	(2,384)	(1,612)	(718)	894
Increase (decrease) in investments	0	0	0	0
Total applications of funds	12,559	11,354	8,665	(2,689)
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from				
Funding Impact Statement	2,136	2,925	1,699	(1,226)
Subsidies and grants for capital expenditure	700	2,243	27	(2,216)
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(3,270)	(3,457)	(2,728)	729
Net Surplus (Deficit) before taxation in Cost of Service Statement	(434)	1,711	(1,002)	(2,713)

Council has a role in creating a successful city and aims to achieve this through work on city infrastructure and a focus on economic development. The priority for Council is to work on activities that will have a positive outcome for the city, with a focus on sustainable economic development as opposed to growth.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other economic activities are proposed to be delivered as stated in pages 160-167 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Cricket World Cup

Council has submitted a bid to be a host city for the Cricket World Cup 2015. Council's proposal is to host warm-up matches and pool matches in February 2015. The tournament is the fourth largest world sporting event and is jointly hosted by Australia and New Zealand. Council has allocated a capped budget towards tournament costs, including staff time, of \$900,000 over 2013/14 and 2014/15, with the balance being met by Cricket World Cup 2015. A contingency of staff time has also been earmarked for 2014/15 as a buffer to ensure that Council is able to meet its contractual commitments. Council is supporting this event as it contributes to the local economy through the tournament and visitor spend in the city, and because it provides an opportunity to showcase the region and its facilities. An economic impact assessment undertaken by the Nelson Regional Economic Development Agency estimated that hosting a team and two pool matches could bring expenditure into our region upwards of \$2.2 million, depending on team allocations.

FIFA Bid

Final decisions have yet to be announced by NZ Soccer and the Fédération Internationale de Football Association (FIFA), however it is very unlikely that Nelson will be part of the FIFA U20s tournament. Therefore Council has formally withdrawn its bid and removed the funding for the bid from the Annual Plan 2013/14.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in *italics* indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
Infrastructure to provide for a sustainable local and regional economy	Council investment in infrastructure networks as measured by total value of network assets (transport, water supply, wastewater and storm water) at net present value (\$)	New measure	Total value of Council's network assets is maintained or increased
	Value of capital projects completed each year	New measure	Total value of capital projects is maintained or increased compared to previous year
Facilitate economic development for the benefit of the community	Amount of government business support funding accessed for the region	<i>In the 2012-13 financial year accessed \$550,928 of government funding</i>	Government business support funding is maintained or increased and budgeted grants for research and development, and capability development are fully allocated to businesses
Promotion of Nelson to increase the economic value of tourism	Number of tourism guest nights annually	2010/2011 Total Guest Nights = 1,230,836 2011/2012 Total Guest Nights = 1,277,601 Increase = 4%	Increase the number of tourism guest nights annually
	Number of tourism guest nights in the off-peak months	April – Oct 2010/2011 = 409,665 April – Oct 2011/2012 = 441,695 Increase = 8%	Increase the number of tourism guest nights in the off-peak months

ECONOMIC FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	1,453	1,513	1,468	(45)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	1,453	1,513	1,468	(45)
Applications of operating funding				
Payments to staff and suppliers	1,441	1,501	1,292	(209)
Finance costs	0	0	0	0
Internal charges and overheads applied *	12	12	176	164
Other operating funding applications	0	0	0	0
Total applications of operating funding	1,453	1,513	1,468	(45)
Surplus (Deficit) of operating funding	0	0	0	0
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	0	0	0	0
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	0	0	0	0
Surplus (Deficit) of capital funding	0	0	0	0
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

ECONOMIC COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	1,453	1,513	1,468	(45)
Operating Income	0	0	0	0
Capital Income	0	0	0	0
Total Income	1,453	1,513	1,468	(45)
Expenses				
Payments to staff and suppliers	1,441	1,501	1,457	(44)
Finance costs	12	12	11	(1)
Depreciation	0	0	0	0
Total Expenses	1,453	1,513	1,468	(45)
Net Surplus (Deficit)	0	0	0	0
Sources of funds				
Net Surplus (Deficit)	0	0	0	0
Non cash expenditure	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	0	0	0	0
Applications of funds				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of funds	0	0	0	0
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	0	0	0	0
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	0	0	0	0

The corporate activity of Council provides governance services and the running of the Council organisation. This includes elections, finances and administration, strategic documents and Councillor support.

This section describes changes to this activity area since the Long Term Plan 2012-22 was adopted. All other corporate activities are proposed to be delivered as stated in pages 168-176 of the Long Term Plan 2012-22.

Year 2 (2013/14) - Project Updates

Strategic land purchases

The 2012/13 year funding allocation for strategic land and building purchases is being carried forward into the 2013/14 year, as further investigation is required.

Disaster Recovery Fund

A new disaster fund policy has come into effect, minimising the need to loan-fund disaster related costs. The policy has an excess of \$150,000 operating costs in each Council activity and the remainder will be funded by the Disaster Recovery Fund. Following this decision, an additional \$698,000 has been allocated for the Disaster Recovery Fund to cover the April 2013 rainfall event.

Other changes

There are external interest savings due to both lower interest rates than estimated and delays in the capital programme. Vested assets have been re-estimated down by \$4.9 million, reflecting current subdivision activity levels.

2013/14 Project Extended into 2014/15

Some work on earthquake-prone buildings remediation will be rescheduled and shift from 2013/14 to 2014/15.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2013/14

NOTE: Areas that are in italics indicate an update from the Long Term Plan 2012-22.

What Council Will Provide	Performance Measures	Current Performance	Year 2 Targets
Effective and impartial election administration service that meets or exceeds legislative requirements	Completion of election processes in 2013, 2016 and 2019	<i>Election project planned and underway</i>	Elections proceed on time, within budget, no upheld complaints
Effective engagement and consultation	Proportion of residents satisfied with opportunities to take part and amount of information provided by Council – measured every three years	52% satisfied with opportunities to take part (2011) 69% thought amount of information was 'about right' (2011)	Maintain or improve on 2011 results
Opportunities for participation in Council decisions – a Council organisation that listens and understands	Evaluation by participants taking part in range of processes – documented evaluation across focus groups, web-based consultation, workshops and other techniques	New measure	At least 55% satisfied or better
Participation of Māori in decision making	Level of iwi/Māori representatives satisfaction with participation opportunities	New measure	At least 80% satisfied or very satisfied
Council Controlled Organisations that deliver net benefit to the community	Refer to CCO section of the Long Term Plan for specific measures for each CCO	<i>Statements of Intent (SOIs) have been developed by six of the eight CCOs. Nelson Airport and Tasman Bays Heritage Trust (Nelson Provincial Museum) have yet to complete their SOIs</i>	Council satisfied with attainment of six monthly SOI targets for all

CORPORATE FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties Targeted rates (other than a targeted rate for water supply)	(1,329)	1,185	883	(302)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	2	2	2	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	8,088	9,151	7,095	(2,056)
Total Operating Funding	11,180	14,320	12,394	(1,926)
Applications of operating funding				
Payments to staff and suppliers	6,850	6,899	7,638	739
Finance costs	3,337	4,407	3,476	(931)
Internal charges and overheads applied *	923	1,128	1,362	234
Other operating funding applications	0	0	0	0
Total applications of operating funding	11,110	12,434	12,476	42
Surplus (Deficit) of operating funding	70	1,886	(82)	(1,968)
Sources of capital funding				
Subsidies and grants for capital	1,500	1,536	650	(886)
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	31,462	19,687	28,448	8,761
Gross proceeds from sale of assets	20	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	32,982	21,223	29,098	7,875
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	895	123	582	459
- to improve level of service	2,806	1,370	3,387	2,017
- to replace existing assets	1,354	1,604	1,150	(454)
Increase (decrease) in reserves	3,550	2,024	(23)	(2,047)
Increase (decrease) in investments	24,447	17,988	23,920	5,932
Total applications of capital funding	33,052	23,109	29,016	5,907
Surplus (Deficit) of capital funding	(70)	(1,886)	82	1,968
Funding balance	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

CORPORATE COST OF SERVICE STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rating Income	(1,509)	1,010	704	(306)
Operating Income	12,689	13,312	11,690	(1,622)
Capital Income	9,078	9,401	3,650	(5,751)
Total Income	20,258	23,723	16,044	(7,679)
Expenses				
Payments to staff and suppliers	6,850	6,899	8,217	1,318
Finance costs	4,260	5,537	4,259	(1,278)
Depreciation	1,032	1,231	1,519	288
Total Expenses	12,142	13,667	13,995	328
Net Surplus (Deficit)	8,116	10,056	2,049	(8,007)
Sources of funds				
Net Surplus (Deficit)	8,116	10,056	2,049	(8,007)
Non cash expenditure	1,032	1,231	1,519	288
Increase (decrease) in debt	31,462	19,687	28,448	8,761
Gross proceeds from sale of assets	20	0	0	0
Total Sources of funds	40,630	30,974	32,016	1,042
Applications of funds				
Capital Expenditure				
- to meet additional demand	8,473	7,988	3,582	(4,406)
- to improve level of service	2,806	1,370	3,387	2,017
- to replace existing assets	1,354	1,604	1,150	(454)
Increase (decrease) in reserves	3,550	2,024	(23)	(2,047)
Increase (decrease) in investments	24,447	17,988	23,920	5,932
Total applications of funds	40,630	30,974	32,016	1,042
Funding balance	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	70	1,886	(82)	(1,968)
Subsidies and grants for capital expenditure	1,500	1,536	650	(886)
Development and financial contributions	0	0	0	0
Vested Assets	7,578	7,865	3,000	(4,865)
Gains on sale	0	0	0	0
Depreciation	(1,032)	(1,231)	(1,519)	(288)
Net Surplus (Deficit) before taxation in Cost of Service Statement	8,116	10,056	2,049	(8,008)

RATES, FEES AND CHARGES

How much will my rates 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. Nelson is a unitary council combining both of these functions. 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 and flood protection charge
- Clean Heat Warm Home targeted rate, if part of scheme
- Solar hot water targeted rate, if part of scheme
- Wastewater charge or commercial wastewater charge for sewage disposal
- Water charge.

Differentials

Some types of properties are subject to differentials, which adjust rates upwards or downwards, typically depending on whether more or less council services are 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 planned for the next year. Unless otherwise stated, rates and charges are shown including GST.

Rating of separately used or inhabited parts of a rating unit

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.

Examples of rates for 2013/14

The three yearly revaluation of the City for rating purposes was undertaken in 2012 and those valuations are the base for the rates set in 2013/14. The examples given use the average land value revaluation for that category. If your land value movement was more or less than the average land value movement, then your rates movement may be more or less than the average.

RATES INCREASES BASED ON 2012 PROPERTY VALUATIONS

Summary of Rates Increases for representative properties within the City	Land Value (2009 valuation)	Land Value (2012 valuation)	Average Land Value change	2012/13 Rates	2013/14 Rates	% Increase on 2012/13	\$ Increase from 2012/13
Residential rates (including average \$512 water charges in 2012/13 & \$517 in 2013/14)	100,000	\$105,000	4.99%	\$2,086.20	\$2,140.30	2.59	\$54.10
	177,000	\$185,800	4.99%	\$2,567.40	\$2,633.30	2.57	\$65.90
	300,000	\$315,000	4.99%	\$3,336.10	\$3,421.30	2.55	\$85.20
	400,000	\$419,900	4.99%	\$3,961.00	\$4,061.30	2.53	\$100.30
Rural rates (No stormwater, sewerage or water charges supplied to property)	350,000	\$354,500	1.29%	\$1,785.70	\$1,783.00	-0.15	\$-2.70
	680,000	\$688,800	1.29%	\$3,126.20	\$3,109.00	-0.55	\$-17.20
Small holding rates (No wastewater, or water charges supplied to property)	245,000	\$254,500	3.86%	\$1,967.30	\$2,001.20	1.72	\$33.90
	360,000	\$373,900	3.86%	\$2,614.10	\$2,656.20	1.61	\$42.10
Multi residential rates (Two flats - Two charges for UAGC & sewerage as per Council rating policy)	138,000	\$144,200	4.48%	\$2,621.70	\$2,706.40	3.23	\$84.70
	260,000	\$271,600	4.48%	\$3,460.30	\$3,561.40	2.92	\$101.10
Commercial rates - Inner city	205,000	\$205,400	0.19%	\$4,831.10	\$4,993.30	3.36	\$162.20
	550,000	\$551,000	0.19%	\$11,364.00	\$11,742.30	3.33	\$378.30
Commercial rates - Excluding inner city	106,000	\$100,300	-5.37%	\$2,366.80	\$2,451.30	3.57	\$84.50
	210,000	\$198,700	-5.37%	\$3,757.70	\$3,892.30	3.58	\$134.60

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 is 0.61023 cents in the land value dollar (including GST) for the 2013/14 rating year. This compares to the previous year's rate of 0.62495 cents in the land value dollar in 2012/13. The reduction in the general rate cents in the dollar for 2013/14 from the 2012/13 rating year is the result of the 2012 revaluation of the city in which the total land value increased.

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 occupiable 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 Solar Saver and Clean Heat Warm Homes targeted rates and water and trade waste charges, through the UAGC. The UAGC is \$372.10 including GST per separately occupied portion of a property for the 2013/14 rating year. The 2013/14 charge is \$8.20 higher than the charge of \$363.90 for 2012/13.

The rates revenue sought from the uniform annual general charge and targeted rates set on a uniform basis is 18.7% of the total revenue from all rates sought by Council. This is well within the 30% limit set by Section 21 of the Local Government (Rating) Act 2002.

Targeted rate for stormwater and flood protection (*Separate general charge*)

The stormwater and flood protection rate is a separate targeted rate set under section 16 of the Local Government (Rating) Act 2002 per rating unit and is \$219.40 for 2013/14. It recovers the funding required by Council for stormwater and flood protection 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 \$6.00 lower than the previous year's charge of \$225.40.

Targeted rates for Clean Heat Warm Homes

The Clean Heat Warm Homes (CHWH) rates are targeted rates collected for each 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 Clean Heat Warm Homes section in the Rates Remissions Policy.

The cost to the community is from funding the interest on the borrowing for the assistance, the administration costs and any rate remissions. The CHWH scheme closed to new applicants from 30 May 2012, but interest costs continue until the last targeted rate is repaid in 2022.

The formula for calculating the targeted rates are for any participating property whose CHWH agreements were signed after 1 July 2011. The targeted rate for each year for 10 years is the total cost of the installed works excluding GST, divided by 10, plus GST at the current rate.

For CHWH agreements dated before 1 July 2011, the targeted rate for each year is based on the agreement entered into with the ratepayer, adjusted for any change in GST.

Targeted rate for solar hot water systems

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

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 SHWS scheme closed to new applicants from 30 June 2012.

Wastewater 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 wastewater and sewage disposal system. This charge is levied to all rating units (premises) to which the Council's wastewater and sewage disposal service is provided. The wastewater charge is \$374.90 per unit including GST for the 2013/14 rating year compared to the previous year's rate of \$359.90. Commercial properties are also levied wastewater charges based on Council's Trade Waste Bylaw. These charges are set out in the following section.

Commercial wastewater charge

Wastewater 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 largest trade waste contributor 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 1300 in Nelson City. The charge is calculated based on the estimated volume of effluent discharged. The estimate assumes the amount of wastewater is 80% of the volume of incoming water.

The total trade waste B revenue for 2013/14 will be \$680,000 of an estimated total trade waste revenue of \$1,040,000.

Rates and charges

For 2013/14, the GST inclusive trade waste charges are:

- Trade waste A conveying charge \$481.47 per litre per minute
- Trade waste A treatment charge \$959.17 per kg BOD * per day
- Trade waste B combined charge \$1.56 per m³
- Wastewater charge \$374.90 per year.

*BOD is the biochemical oxygen demand, or effluent strength

For the previous year, 2012/13, the equivalent GST inclusive charges were:

- Trade waste A conveying charge \$428.53 per litre per minute
- Trade Waste A treatment charge \$973.22 per kg BOD per day
- Trade waste B combined charge \$1.39 per m³
- Wastewater charge of \$359.90 per year.

Some wastewater charges are to rise and others to fall this year for the following reasons:

- The conveying and combined charges have increased due to reduced volumes. The treatment charge has reduced due to higher BOD levels.
- The wastewater charge has increased due to increased depreciation.

Method A: quality/quantity approach

The largest commercial contributor is monitored every three 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), INCLUDING GST

Year	Total Cost (\$)	Average Flow Rate (litres/min)	Cost/Litre/Min (\$)
2012/13	5,045,204	11,773	428.53
2013/14	5,294,654	10,997	481.47

TREATMENT (\$/KG BOD/DAY), INCLUDING GST

Year	Total Cost (\$)	Average BOD loading (kg/day)	Cost/kg/day (\$)
2012/13	3,563,955	3,662	973.22
2013/14	3,721,401	3,880	959.17

Method B: quantity approach

For all other commercial premises, the tradewaste 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 wastewater. 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 wastewater rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

The 2013/14 charges compared with the previous year's charges are:

CONVEYING AND TREATMENT, INCLUDING GST

Year	Total cost (\$)	Total effluent volume (m ³)	Cost/m ³ (\$)
2012/13	8,609,159	6,188,003	1.39
2013/14	9,016,055	5,779,926	1.56

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. The charges are billed separately from the rates invoices and recover the funding required by Council to supply water. The water charges for 2013/14 including GST are a minimum annual charge of \$191.42 which is charged at a daily rate of \$0.5244 per day with no free allowance compared with \$188.12 in the previous year.

The cost per cubic metre is:

WATER CHARGES – RESIDENTIAL, COMMERCIAL AND INDUSTRIAL INCLUDING GST

Amount/type	Cost (\$ per m3) 2012/13	Cost (\$ per m3) 2013/14
All users 0-10,000m3 per year	1.914	1.968
Bulk		
Summer irrigation over 10,000m3 per year	1.703	1.736
Bulk 10,001-100,000m3 per year	1.493	1.504
Bulk over 100,000m3 per year	1.179	1.188

The water charges represent an average increase of 2.4% for the 2013/14 year for an average water user.

NOTE: An average water user uses 160m3 per annum.

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 27 November 2013 and any first instalment penalty already incurred will be remitted. If the annual rates are not paid in full by 27 November 2013, 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 2013.

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.

Rating categories

The categories of general rates that are to be used for applying the general rate differential and amount of total revenue to be collected from each category, for 2013/14, is as in the table below.

CATEGORIES OF DIFFERENTIALS BASED ON LAND USE

Category	Description	Total amount (\$)
Residential	single unit, residential rating units	\$38,177,357
Multi-residential	rating units containing more than one residential unit	\$2,494,556
Commercial	rating units used for commercial purposes	\$13,924,767
Rural	rating units defined in the Rating Information Database as rural with a land area greater than 15Ha	\$398,155
Small holding	rating units defined in the Rating Information Database as a small holding with a land area greater than 0.5 ha	\$1,313,278

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.

DIFFERENTIAL RATES

Class 2013/14	Differential %
Residential – single unit	0
Residential section	0
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)	140
25% residential/75% commercial	105
50% residential/50% commercial	70
75% residential/25% commercial	35
Commercial – inner city and Stoke commercial	
100% commercial and industrial (occupied and empty)	220
25% residential/75% commercial	165
50% residential/50% commercial	110
75% residential/25% commercial	55

Council has adopted a policy that commercial rates are set to collect 25% of the total rates. This would result in commercial properties paying a total of \$13,924,767 in rates for the 2013/14 rating year compared to \$13,473,098 the previous year.

ACCOUNTING POLICIES

The only change to the Nelson City Council's Accounting Policies as they were stated in the Long Term Plan 2012-22, is the adoption of Financial Reporting Standard 44 (FRS-44).

FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments) – The purpose of the new standard and amendments is to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments on the Council and group is that certain information about property valuations is no longer required to be disclosed.

The rest of the Accounting Policies are included below for compliance requirements.

Reporting entity

Since 1 July 1992, the Council has been constituted as a unitary authority assuming the responsibilities of the former Nelson Marlborough Regional Council and City Council. This forecast information includes the operation of Nelson City Council only, as Council considers this to be the most relevant information for residents.

Statement of compliance and basis of preparation

This forecast information has been prepared in accordance with the requirements of the Local Government Act 2002, Standards issued by the Institute of Chartered Accountants of New Zealand.

With the exception of the Funding Impact Statements this forecast information has been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable financial reporting standards, as appropriate for public benefit entities.

The Funding Impact Statements (FIS) do not comply with GAAP as they do not recognise depreciation and movements in the valuation of assets and also they do not show capital income (Subsidies and Development Contributions) as operating income. A reconciliation is provided between the FIS surplus/(deficit) of operating funding and the Statement of Comprehensive Income or activity Cost of Service Statement net surplus/(deficit) before tax for the whole of council summary and each activity.

The prospective statements of Nelson City Council are for the year ending 30 June 2014. The forecast information was authorised for issue by Council on 27 June 2013.

This prospective financial information is based upon the financial statements as published in the June 2012 Annual Report, updated by the Long Term Plan 2012–22, and adjusted to incorporate updated assumptions and council decisions made for the purpose of this Annual Plan. Actual financial results are likely to be different from these Prospective Financial Statements, and that difference may be material.

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 measurement base adopted is that of historical cost, modified by the revaluation of certain assets. The following particular accounting policies, which materially affect the reported results, have been applied consistently to all periods.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Government grants

The City Council receives government grants from the NZ Transport Agency, which subsidises part of the City Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in the City Council are recognised as income when control over the asset is obtained.

Sales of goods

Revenue from sales of goods is recognised when a product is sold to a customer.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

Interest and dividends

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established.

Development contributions

Development 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

Cash and cash equivalents included 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.

Fixed assets and other assets

Fixed assets are grouped in the following categories:

- **Operational Assets** – these include land, buildings, improvements, motor vehicles, plant and equipment, library books, forestry and the marina
- **Restricted Assets** – restricted assets are land, buildings and improvements, which are owned by the Council but which benefit or service the community
- **Heritage Assets** – include museum artefacts, collections and historical buildings and monuments
- **Infrastructure Assets** – infrastructure assets are the fixed utility systems owned by the Council. These include the roading, water, sewer and stormwater networks.

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

- Land – operational and restricted land (with the exception of Ridgeway subdivisions) has been valued at net current value by Quotable Value NZ as at 30 June 2010. Quotable Value NZ has confirmed this as being appropriate for financial reporting purposes
- Land under roads – land under roads has been valued at net current value by Telfer Young registered valuers as at 30 June 2006. This is considered to be deemed cost
- Infrastructure assets – excluding specialised Infrastructural assets have been valued internally at depreciated replacement cost by Council engineers as at 30 June 2011. The valuation methodology has been peer reviewed by Opus International Consultants Ltd and revaluations are updated annually
- Specialist infrastructure assets – include dams, water reservoirs and wastewater treatment plants. These assets have been valued at depreciated replacement cost as at 30 June 2011 by an independent registered valuer and will be revalued annually
- Nelson Regional Sewerage Business Unit – land is valued at market valuation as at 30 June 2009 by Quotable Value and is reviewed every five years or if there is a material movement. Infrastructure assets are valued at depreciated replacement cost with assets optimised using least cost alternative by an independent valuer. The latest valuation was conducted as at 30 June 2012 by C.P.G. New Zealand Ltd, consultant engineers and will be revalued annually
- Heritage assets – museum collection 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 Heritage 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 Heritage Park were included in 2002 for the first time and are deemed to be at cost
- New Council assets that are added between valuations are recorded at cost except for vested assets
- Vested assets are infrastructural assets such as roads, sewers and water mains, paid for by subdividers and vested in the City 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.

Valuations are performed with sufficient regularity to ensure the carrying amount of property, plant and equipment does not materially differ from fair value.

Depreciation

Depreciation has been provided on a straight line basis on all fixed assets, other than forestry, heritage, 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.

Assets depreciated are as follows:

ASSET	DEPRECIABLE LIFE (YEARS)
Operational	
Buildings	50 - 100
Improvements	Nil-20
Motor vehicles	7
Plant and equipment	2 - 30
Library books	3 - 10
Marina	30 - 50
Restricted	
Buildings	50 - 100
Improvements	Nil - 20
Solid waste	
Pipes	60 - 90
Ponds and dam	100
Gas Flare	20
Resource consents	24
Water Supply	
Pipeline	55 - 120
Manholes	55 - 120
Reservoirs and tanks	45 - 100
Dams	16 - 200
Wastewater	
Pipeline	40 - 120
Manholes	80
Pump stations	10 - 50
Oxidation pond	22 - 139
Stormwater	
Pipeline	50 - 80
Bank protection	25 - 100
Manholes	90
Roading	
Roads formation	n/a
Sub-base	n/a
Basecourse	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

Biological assets

Forestry assets are valued annually. The valuation methodology adopted is net present value based on the age and condition of the trees. Changes in the valuation of the forestry assets are recognised in the Statement of Comprehensive Income.

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 de-recognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income. 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	3-10	10-33%

Inventory

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

Work in progress

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

Investment property

Nelson City Council's investment property is valued annually at fair value as at 30 June. Investment properties were valued based on open market evidence. The valuation was performed by Ian McKeage of Telfer Young (Nelson) Limited and changes in valuation are recognised in the Statement of Comprehensive Income.

Financial instruments

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

Derivative financial instruments

The Council uses derivative financial instruments (interest rate swaps) to minimise its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and subsequently re-measured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are taken directly to the Statement of Comprehensive Income for the year. The fair value of interest rate swaps is determined by reference to market values for similar instruments. The net differential paid or received on interest rate swaps is recognised as a component of interest expense or interest revenue over the period of the agreement.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. They are stated at expected realisable value after providing for doubtful and uncollectable debts. Any accounts considered to be unrecoverable are written off at year end.

Investments

The activities of associated entities have been included in the parent financial statements at cost on acquisition. 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, and bank and accounts payable, are recognised at their fair value. Loans are recorded at cost.

Impairment of financial assets

At each balance sheet date Nelson City Council assesses whether there is any objective evidence that financial assets or a group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

Loans and other receivables

Impairment of a loan or a receivable amount 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 Comprehensive Income. 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 according 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.

Properties intended for sale

Properties intended for sale are valued at the lower of cost and net realisable value.

Borrowing costs

The Council and group has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Employee entitlements

Provision is made in respect of the Council's liability for annual leave, long service 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 retirement gratuities and long service leave based on an actuarial calculation.

Landfill after care costs

As operator of the York Valley landfill, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill site after closure. The landfill post closure provision is recognised in accordance with New Zealand International Reporting Standard 37 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post closure costs into present day value.

The calculations assume no change in the legislative requirements for closure and post closure treatment.

Income tax

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date. Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

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 by way of the job costing system have been allocated to the Council's significant activities. This allocation has been mainly on the basis of time spent, but where items of expenditure clearly relate to particular activities, then they are allocated on that basis.

Financial reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. 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 – 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 – The results of revaluing land, infrastructural assets 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 expensed in the Statement of Comprehensive Income. To the extent that increases in value offset previous decreases debited to the Statement of Comprehensive Income, the increase is credited to the Statement of Comprehensive Income.

Statement of cashflows

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 made of the supply of goods and services.

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

Financing activities comprise activities that change the equity and debt capital structure of the Council and group.

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.

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.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations that are not yet effective and have not been early adopted that are relevant to the Council and group are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. The City Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

Critical accounting estimates and assumptions

In preparing this forecast information Nelson City Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets
- Estimating any obsolescence or surplus capacity of an asset
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates
- Experienced independent valuers perform the Council's infrastructural asset revaluations.

The Council's Annual Plan covers the period 1 July 2013 to 30 June 2014. It incorporates operating and capital expenditure for the period for the core Council entity - consolidated statements have not been prepared to include subsidiaries. In this section financial information is provided at a summary level but more detailed information for each Activity and Group of Activities is included throughout the document.

Consistent with the Financial Strategy prepared during the Long Term Plan 2012-22 and its associated funding and financial policies, this Annual Plan achieves the following:

- In general terms maintains the current level of service for each of the Council activities
- An ability to maintain the condition of the City's assets though there is only limited provision for unforeseen events
- A capital expenditure programme for new works which is \$56m including the gift of the Theatre Royal and Nelson School of Music assets of \$9m – transactions which did not take place in 2012/13 as originally planned and are now scheduled for 2013/14. This is \$14m higher than planned in the Long Term Plan - \$27m related to work scheduled for 2012/13 but not completed in that year (including School of Music and Theatre Royal), \$14m was removed from the 2013/14 capital programme and \$0.7m was added through the deliberations on the submissions to the draft Annual Plan.
- Forecast net debt at 30 June 2014 of \$102m
- An increase in the total rates requirement for 2013/14 of 2.0%.

To provide a degree of certainty to ratepayers the Financial Strategy sets limits on rate increases and levels of debt throughout the term of the Long Term Plan. The table below shows the key financial parameters for this Annual Plan.

Parameter	Annual Plan 2013/14	Limit
Increase in total rate requirement	2.0%	5.1%*
Net debt as a % of equity	8.4%	<20%
Net debt as a % of total revenue	103.1%	<150%
Net interest as a % of total revenue	4.1%	<15%
Net interest as a % of rates revenue	6.7%	<20%

*Based on September 2012 BERL Local Government cost indicator of 3.1% plus 2%.

Council Controlled Organisations

The Council is involved with several organisations that deliver strategic outcomes or public benefit for the city. The eight organisations that Council owns or part owns to achieve agreed community outcomes are:

- The Port Company – Port Nelson Ltd (50% with TDC)
- Council Controlled Trading Organisations – Nelmac Ltd, Nelson Airport Ltd (50% with TDC), Tourism Nelson Tasman Ltd (50% with TDC), and the Stoke Heights (Ridgeways) Joint Venture
- Council Controlled Organisations – Nelson Regional Economic Development Agency, the Tasman Bays Heritage Trust (Nelson Provincial Museum – 50% with TDC), and the Bishop Suter Trust.

Further details on Council Controlled Organisations can be found on pages 222-231 of the Long Term Plan 2012-22.

STATEMENT OF COMPREHENSIVE INCOME

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Income				
Rates other than targeted rates for water supply	47,346	51,323	48,874	(2,449)
Operating grants, donations and subsidies	4,527	2,437	2,703	266
Capital grants, donations and subsidies	10,853	4,859	11,546	6,687
Vested Assets	7,578	7,865	3,000	(4,865)
Development Contributions	1,940	1,987	1,987	0
Other fees, charges and rentals	35,166	35,792	33,500	(2,292)
Interest Received	36	66	28	(38)
Dividend Received	2,610	2,673	2,673	0
Total Income	110,056	107,002	104,311	(2,691)
Operating Expenditure				
Staff expenditure	17,442	17,988	18,151	163
Finance Costs	4,099	5,148	4,068	(1,080)
Depreciation and amortisation	20,185	21,603	21,028	(575)
Other Expenses	52,651	49,787	52,729	2,942
Total Expenditure	94,377	94,526	95,976	1,450
Net Surplus/(Deficit) before taxation	15,679	12,476	8,335	(4,141)
Taxation	84	86	86	0
Net Surplus/(Deficit)	15,595	12,390	8,249	(4,141)
Increase in Asset Revaluation Reserves	43,473	27,854	20,553	(7,301)
Total Other Comprehensive Income	43,473	27,854	20,553	(7,301)
Total Comprehensive Income	59,068	40,244	28,802	(11,442)

STATEMENT OF CHANGES IN EQUITY

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Equity at beginning of year	1,185,251	1,244,319	1,195,319	(49,000)
Total Comprehensive Income	59,068	40,244	28,802	(11,442)
Equity at end of year	1,244,319	1,284,563	1,224,121	(60,442)

The 2013/14 Annual Plan equity at the beginning of the year is based on 2011/12 Annual Report closing balance plus a forecast for 2012/13, and therefore is not equal to 2012/13 Annual Plan equity at end of year.

STATEMENT OF FINANCIAL POSITION

	Long-term Plan (LTP) 2012/13 (\$'000)	Long-term Plan (LTP) 2013/14 (\$'000)	Annual Plan 2013/14 (\$'000)	Difference to LTP 2013/14 (\$'000)
Current Assets				
Cash and cash equivalents	98	98	0	(98)
Inventories	91	0	78	78
Trade and other receivables	12,138	12,224	8,965	(3,259)
Other Financial Assets	271	654	306	(348)
Taxation	0	0	76	76
Total Current Assets	12,598	12,976	9,425	(3,551)
Non Current Assets				
Trade and other receivables	6,831	6,831	7,127	296
Investments in Council- Controlled Organisations	22,310	22,310	22,383	73
Investment Properties	883	904	883	(21)
Other Financial Assets	140	140	140	0
Intangible Assets	1,249	1,249	1,350	101
Biological Assets	4,114	4,484	4,692	208
Property, Plant and equipment*	1,311,429	1,367,517	1,300,731	(66,786)
Total Non Current Assets	1,346,956	1,403,435	1,337,306	(66,129)
Total Assets	1,359,554	1,416,411	1,346,731	(69,680)
Current Liabilities				
Bank Overdraft	3,087	2,178	3,279	1,101
Trade and other payables	15,010	15,528	13,078	(2,450)
Employee benefit liabilities	1,364	1,407	1,544	137
Taxation payable	0	0	0	0
Current portion of borrowings	12,136	14,591	39,717	25,126
Derivative Financial Instruments			16	16
Total Current Liabilities	31,597	33,704	57,634	23,930
Non Current Liabilities				
Provisions	608	618	992	374
Employee Benefit Liabilities	321	331	352	21
Derivative Financial Instruments	1,147	1,147	3,885	2,738
Non-current portion of borrowings	81,562	96,048	59,747	(36,301)
Total Non-Current Liabilities	83,638	98,144	64,976	(33,168)
Total Liabilities	115,235	131,848	122,610	(9,238)
Net Assets	1,244,319	1,284,563	1,224,121	(60,442)
Ratepayer's Equity				
Accumulated Balances	375,899	387,644	346,614	(41,030)
Other Reserves	868,420	896,919	877,507	(19,412)
Total Ratepayer's Equity	1,244,319	1,284,563	1,224,121	(60,442)

Opening balances for 2013/14 Annual Plan have been derived from 2011/12 Annual Report closing balances plus a forecast for 2012/13, as this represents a more recent and accurate assessment than the 2012/13 Annual Plan closing balances.

* The \$67 million difference against the Long Term plan has a number of different drivers, some of which are interdependent. Firstly, the opening balance at 01 July 2012 is \$13 million lower than projected in the LTP. Vested assets over the first two years of the LTP are now projected to be \$11m lower. The lower asset base combined with a reduced projection for asset revaluation indices has produced a reduction in asset revaluation over the two years to June 2014 of \$33 million. The remainder of the difference is a result of changes to the capital programme along with the depreciation effect from the lower asset base.

CASH FLOW STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from Ratepayers	47,531	51,512	49,063	(2,449)
Receipts from grants, donations, and subsidies	10,025	8,832	7,393	(1,439)
Receipts of other fees, charges, and rentals	33,615	33,368	33,192	(176)
Development Contributions	1,940	1,987	1,987	0
Interest Received	36	66	28	(38)
Dividends Received	2,610	2,673	2,673	0
	95,757	98,438	94,336	(4,102)
Cash was disbursed to:				
Payments to suppliers	52,563	49,184	52,719	3,535
Payments to employees	17,442	17,933	18,097	164
Interest Paid	4,099	5,148	4,068	(1,080)
Tax Paid/(refund)	84	86	86	0
	74,188	72,351	74,970	2,619
Net Cash Flows from Operating Activities	21,569	26,087	19,366	(6,721)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Sale of Investments and properties for resale	0	0	0	0
Repayment of LGFA* borrower notes	0	0	0	0
Sale of fixed assets	41	22	22	0
Repayment of community loans and advances	326	334	334	0
	367	356	356	0
Cash was disbursed to:				
Investments in council controlled organisations	0	0	0	0
Investments in LGFA* borrower notes	271	383	306	(77)
Community loans advanced	300	0	300	300
Purchase of fixed assets:				0
Renewals	11,609	9,801	10,073	272
New works - growth	13,938	6,185	8,562	2,377
New works - Increased level of service	24,619	26,106	29,189	3,083
	50,737	42,475	48,430	5,955
Net Cash Flows from Investing Activities	(50,370)	(42,119)	(48,074)	(5,955)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Proceeds from borrowings	25,793	17,956	24,039	6,083
Cash was applied to:				
Repayment of borrowings	775	1,015	715	(300)
Net Cash Flows from Financing Activities	25,018	16,941	23,324	6,383
Net Increase/(Decrease) in Cash Held	(3,783)	909	(5,384)	(6,293)
Add Opening Cash Balance	794	(2,989)	2,105	5,094
Closing Balance	(2,989)	(2,080)	(3,279)	(1,199)
Represented by:				
Cash and Cash Equivalents	(2,989)	(2,080)	(3,279)	(1,199)

The opening cash balance for Annual Plan 2013/14 is based on the 2011/12 Annual Report closing balance plus a forecast for 2012/13 and therefore is not equal to the 2012/13 Annual Plan closing balance.

* Local Government Funding Agency

FUNDING IMPACT STATEMENT

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	36,545	40,317	37,791	(2,526)
Targeted rates (other than a targeted rate for water supply)	10,986	11,195	11,272	77
Subsidies and grants for operating purposes	4,527	2,437	2,703	266
Fees, charges, and targeted rates for water supply	11,015	11,365	11,263	(102)
Interest and dividends from investments	2,646	2,739	2,701	(38)
Local authorities fuel tax, fines, infringement fees, and other receipts	22,465	22,702	22,048	(654)
Total Operating Funding	88,184	90,755	87,778	(2,977)
Applications of operating funding				
Payments to staff and suppliers	70,093	67,775	70,880	3,105
Finance costs	4,099	5,148	4,068	(1,080)
Other operating funding applications	0	0	0	0
Total applications of operating funding	74,192	72,923	74,948	2,025
Surplus (Deficit) of operating funding	13,992	17,832	12,830	(5,002)
Sources of capital funding				
Subsidies and grants for capital	12,354	6,395	11,546	5,151
Development and financial contributions	1,940	1,987	1,987	0
Increase (decrease) in debt	24,943	16,866	23,295	6,429
Gross proceeds from sale of assets	41	22	22	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	39,278	25,270	36,850	11,580
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	13,938	6,185	8,562	2,377
- to improve level of service	32,975	26,106	37,545	11,439
- to replace existing assets	11,609	9,801	10,073	272
Increase (decrease) in reserves	(3,861)	592	(5,391)	(5,983)
Increase (decrease) in investments	(1,391)	418	(1,110)	(1,528)
Total applications of capital funding	53,270	43,102	49,679	6,577
Surplus (Deficit) of capital funding	(13,992)	(17,832)	(12,829)	5,003
Funding balance	0	0	0	0

Reconciliation between the surplus in the Statement of Comprehensive Income and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference to LTP 2013/14 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	13,992	17,832	12,830	(5,002)
Subsidies and grants for capital expenditure	12,354	6,395	11,546	5,151
Development and financial contributions	1,940	1,987	1,987	0
Vested Assets	7,578	7,865	3,000	(4,865)
Gains on sale	0	0	0	0
Depreciation	(20,185)	(21,603)	(21,028)	575
Net Surplus (Deficit) before taxation in Statement of Comprehensive Income	15,679	12,476	8,335	(4,141)

SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000

Project	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference from LTP 2013/14 (\$000)
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Transport

Roads: Subsidised				
Bishopdale to The Ridgeway shared path	350			
Emergency 2011 Cable Bay Road			2,250	2,250
Emergency 2011 response	725		419	419
Footpath: walkway connection	55	100	100	
Integration activities	300	300	375	75
Maitai shared path (Akerston St to Trafalgar St)		1,000	1,000	
Other walk/cycle projects	50	300	300	
R Fund: Waimea/Motueka junction	1,224		1,237	1,237
Road renewals: friction course replacement	989	567	567	
Road renewals: resurfacing	602	602	602	
Road renewals: traffic services	130	130	130	
Road: minor improvements programme	413	469	469	
Rocks Rd 4 metre wide shared path	110	250	105	(145)
School approach and frontage treatments	50	200	240	40
Streetlights	250	250	450	200
The Brook shared path	50	450	25	(425)
Variable speed signs	360		340	340
Waimea/Princes intersection			450	450
Projects under \$100,000	487	283	356	73
Roads: Unsubsidised				
Land purchase			220	220
Renewals: footpaths	550	571	571	
Renewals: streetlights	125	130	130	
Road: Princes Dr	1,074		1,031	1,031
Road: Queens Rd	321			
Road: Tasman St (Cambria to Grove)		300	318	17
Road: Tasman St (Halifax to Grove)	176			
Road: Tasman St (Nile to Bronte)	70	467	15	(452)
Stock effluent facility			300	300
Sundry land purchases	220			
Variable speed signs	120			
Projects under \$100,000	256	346	506	160
Inner City Enhancement -Car Parks				
23 New St (the Hub)			300	300
Bridge St enhancement	262		218	218
Maitai shared path (Akerston St to Trafalgar St)	450	1,299	1,822	524
Montgomery Sq upgrade	100			
Upper Trafalgar St improvements	25	261		(261)
Projects under \$100,000	262	221	90	(131)

Project	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference from LTP 2013/14 (\$000)
Public Transport				
Projects under \$100,000	36	36	72	36
Total Transport	10,194	8,532	15,009	6,477

Water Supply

Water Supply				
Backflow prevention	100	364	100	(264)
Maitai duplicate pipeline	5,098	4,509	4,509	
Observatory Hill reservoir and pump	94	357	981	624
Pipe renewals	778	811	600	(211)
Pressure reduction	395	253	50	(203)
Renewals: commercial meters	287	292	151	(141)
Renewals: misc pipes & fittings	116	63	63	
Renewals: residential meters	50	696	46	(650)
Ridermains	179	150	100	(50)
System improvements	123	128	52	(76)
Projects under \$100,000	509	280	431	151
Total Water Supply	7,728	7,902	7,083	(819)

Wastewater

Wastewater				
Arapiki/Quarantine trunk main	91	1,548	1,581	33
Awatea PI		291		(291)
Beatson Rd	120		30	30
Corder Park pump station	78	1,035		(1,035)
Franklyn St	170		30	30
Kawai St	190			
Marsden Valley trunk main	584	255	1,500	1,245
Neale Park pump station	226			
Nelson North wastewater treatment plant	2,251		901	901
Regional Sewerage Business Unit/Bell Island (NRSBU)	824			
Renewals: NRSBU	286	119	292	174
Renewals: pump stations	215	223	223	
Rising/swallows renewals	134	51	66	16
Wastewater pipe renewals	26	537	100	(437)
Projects under \$100,000	690	114	434	320
Total Wastewater	5,883	4,172	5,158	986

Stormwater

Stormwater				
Brougham St	29	308		(308)
Chamberlain St			100	100
Fountain Place			100	100
Marlowe St	147			
Neale/Kea/Kaka/Railway Reserve	245			
North Esk/Beccles	47	253	265	12
Piping ditches	175	105	262	156
Public/private drains	126	116	116	
Queens Rd	236			
Railway Reserve/ Newall/ Bledisloe/Louisson/Main Rd (West)		513	513	
Salt Water Creek/Haven Rd culvert	140	79	79	

Project	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference from LTP 2013/14 (\$000)
Seaview Tce	47	204	209	4
St Vincent/Hastings St culvert	140	79	43	(36)
Stanley/Beachville	52	331	374	43
Stormwater post flood improvements			100	100
Stormwater renewals	417	169	29	(140)
Tasman St (Cambria to Grove)	5	206	206	
Tasman St (Nile to Bronte)	57	282	10	(273)
Vanguard St	131	331	52	(279)
Projects under \$100,000	832	305	553	248
Total Stormwater	2,826	3,282	3,010	(272)

Flood Protection

Flood Protection				
Flood mitigation			150	150
Maitai River	100	104		(104)
Stormwater post flood improvements			200	200
Todds Valley Stream	141	79	60	(19)
York Stream channel	79	49	470	421
Projects under \$100,000	80	89	83	(7)
Total Flood Protection	399	321	962	642

Environmental Management

Rural Fire Control				
Projects under \$100,000	85		12	12
Waste Minimisation				
Projects under \$100,000	12	6		(6)
Transfer Station				
Projects under \$100,000	81	54	69	15
York Valley Landfill				
Projects under \$100,000	206	42	20	(22)
Total Environmental Management	383	102	101	(1)

Social

Heritage & Arts Planning				
Art works programme	58	130		(130)
Heart of Nelson artwork & sculptures	145	57		(57)
QEII gateway art	157			
Projects under \$100,000		16	41	25
Isel House				
Projects under \$100,000	20			
Melrose House				
Projects under \$100,000		10		(10)
Founders Park				
Projects under \$100,000	15	16	16	
Historic Cemeteries				
Projects under \$100,000	46	42	7	(35)
Nelson School of Music				
Buildings - NSOM	2,406		2,406	2,406
Earthquake strengthening	20	603	323	(280)

Project	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference from LTP 2013/14 (\$000)
Theatre Royal				
Theatre Royal Building	6,590		6,590	6,590
Nelson Library				
Book Purchases	371	375	375	
Radio frequency ID circulation	360			
Projects under \$100,000	175	194	153	(41)
Stoke Library				
Projects under \$100,000	7	33	31	(1)
Nightingale Library				
Building	153		119	119
Projects under \$100,000	5	5	4	(1)
Marsden Cemetery				
Projects under \$100,000	80	98	39	(60)
Crematorium				
Projects under \$100,000	16	4		(4)
Public Toilets, Free				
Buxton Toilet	314			
Cathedral Toilets			150	150
Projects under \$100,000	49	51	47	(5)
Stoke Hall				
Projects under \$100,000	42	17		(17)
Maitai Club				
Projects under \$100,000	15			
Wakapuaka Community Centre				
Projects under \$100,000		10		(10)
Trafalgar St Hall				
Projects under \$100,000	15			
Maitai Camp				
Projects under \$100,000	7			
Brook Camp				
Projects under \$100,000	4	12	12	
Community Housing				
Projects under \$100,000	41	43	43	
Total Social	11,112	1,715	10,354	8,639

Parks & Active Recreation

Horticulture Parks				
Church steps toilet	137			
Isel House landscaping	100			
Projects under \$100,000	224	227	211	(16)
Neighbourhood Parks				
Branford Park	106			
Land purchase: general reserve	1,189	519	1,189	669
Reserve development	501	104	504	400
Projects under \$100,000	379	351	222	(129)
Conservation Reserves				
Renewals: tracks	127	38	68	30
Projects under \$100,000	103	75	11	(64)
Landscape Reserves				
Fringed Hill revegetation	150	125	125	
Projects under \$100,000	298	274	243	(31)
Esplanade & Foreshore Reserves				
Acessway/carpark	168	104	50	(54)
General artworks	133			
Planting	138	143	143	

Project	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference from LTP 2013/14 (\$000)
Tahunanui modellers pond	50	467	492	25
Tahunanui resource management plan implementation	294	208		(208)
Wakapuaka Sandflats	200	10		(10)
Wakefield Quay	694			
Projects under \$100,000	196	188	140	(48)
Walkways				
Projects under \$100,000	343	224	70	(154)
Sports Parks				
Greenmeadows toilet/changing facilities	200	1,870		(1,870)
Maitai shared path (Akerston St to Trafalgar St)			118	118
Rutherford/Trafalgar Park development plan	109			
Projects under \$100,000	405	416	316	(100)
Natureland				
Projects under \$100,000	31	1		(1)
Trafalgar Centre				
Mother grid design and installation		312		(312)
North extension	1,000	4,675	3,253	(1,422)
Projects under \$100,000	107	75	68	(7)
Saxton Field Stadium				
Projects under \$100,000	30			
Golf Course				
Projects under \$100,000	52	31	24	(7)
Pools				
Nayland Pool remodelling	60	541	52	(489)
Renewal: landscaping	141	104	51	(53)
Riverside seismic strengthening	180	416	416	
Projects under \$100,000	7	39		(39)
Play Facilities				
Playgrounds	405		198	198
Skatepark	567			
Youth Park	369		15	15
Projects under \$100,000	67	152	81	(71)
Marina				
Akersten St Development	456			
Hardstand	2,400			
Renewal: torsion bar	259	249	140	(109)
Projects under \$100,000	204	121	113	(8)
Saxton Field				
General development	245	156		(156)
Land purchase (Daelyn)	500	519	689	170
Relocate overhead power	300		275	275
Replace hockey turf	950			
Road entrance Main Rd	168			
Walkways/cycleways	200			
Projects under \$100,000	3	3	104	101
Regional Community Facilities				
Projects under \$100,000	1	1		(1)
Total Parks & Active Recreation	14,943	12,740	9,383	(3,357)

Project	Long-term Plan (LTP) 2012/13 (\$000)	Long-term Plan (LTP) 2013/14 (\$000)	Annual Plan 2013/14 (\$000)	Difference from LTP 2013/14 (\$000)
Corporate				
Council Publicity				
Major Signage	112			
Civic House				
Earthquake prone buildings	140	1,039	500	(539)
Plant & Equipment	491	255	606	351
State Advances building remediation	30	156		(156)
Rental Properties				
Reliance building demolition	180			
Strategic building purchases	2,400		2,400	2,400
Projects under \$100,000	21		21	21
Administration				
Hardware/desktops	1,580	1,497	1,441	(57)
Motor Vehicles	100	151	151	
Total Corporate	5,054	3,097	5,118	2,021
TOTAL CAPITAL EXPENDITURE	58,523	41,864	56,180	14,316

FINANCIAL RESERVES

The Local Government Act 2002 requires that councils provide a summary of the restricted reserves it holds.

Name	Activity	Purpose	Balance July 2013 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Balance June 2014 (\$000)
Nelson Institute Funds	Nelson Library	Bequest to Nelson Institute	7,790	351	-	8,141
L C Voller Bequest (ETL)	Nelson Library	Youth Section of Elma Turner Library	18,072	815	-	18,887
Nellie Nightingale Bequest	Tahuna Library	Maintenance and upkeep Library & restroom	117,061	1,959	119,020	-
Subdivisions Reserve	Reserve Contributions	Financial Contributions for Reserves	-	650,000	650,000	-
Nelson 2000 Trust	Esplanade Reserves	Wakefield Quay Development	120,275	-	120,275	-
Insurance Reserve	Investment Management	To fund Insurance claim excess	653,460	29,471	20,000	662,931
Health & Safety Reserve	Admin and Meeting Support	OSH Compliance	23,242	1,048	-	24,290
Parking Reserve	Car parks	Self funded activity balance	-	200,682	200,682	-
Saxton/Suffolk Stormwater	Stormwater	Financial Contribution for capital works	94,640	4,268	-	98,908
Wastney Tce Stormwater Reserve	Stormwater	Financial Contribution for capital works	53,847	2,428	-	56,275
Roading Contributions	Roading	Financial Contribution for capital works	86,580	-	-	86,580
Dog Control Reserve	Dog Control	Self funded activity balance	138,739	-	1,505	137,234
Pensioner Housing Reserve	Community Housing	Self funded activity balance	198,247	5,252	-	203,499
Founders Park Reserve	Founders	Founders development	80,167	76,800	76,174	80,793
Unused Depreciation Reserve	Various Activities	Special Reserve to track unused depreciation	4,273,424	579,108	2,714,868	2,137,664

CONTACT US

Council Customer Service Centre

Civic House, corner Halifax and Trafalgar Streets
Open from 8.30am to 5.00pm weekdays

Address: 110 Trafalgar Street, PO Box 645 Nelson, 7040

Phone: (03) 546 0200 - 24 hour, 7 day service

Fax: (03) 546 0239

Email: enquiry@ncc.govt.nz

Website: www.nelsoncitycouncil.co.nz

Correspondence

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

Attending a Council meeting

Council meetings are advertised in 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 meetings where up to five minutes will be available for members of the public to speak to Councillors. You need to book a time before the meeting by contacting a Council Administration Adviser on 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 ten days before the meeting. Contact a Council Administration Adviser on 546 0200.

Petitions

The presentation of a petition to Council or its standing Committees must also conform to certain rules. Contact a Council Administration Adviser on 546 0200.

APPENDIX

About this Annual Plan	4	Rural rivers	25	Other changes	44
Mayors message	5	2013/14 Projects Extended into 2014/15	25	2013/14 Project Extended into 2014/15	44
Setting the rates	5	2013/14 Projects Deferred to 2014/15	25	Service Levels, Performance Measures and Targets for 2013/14	44
The Annual Plan Consultation Process	6	Service Levels, Performance Measures and Targets for 2013/14	25	Corporate Funding Impact Statement	45
Changes to Local Government Act 2002	6	Flood Protection Funding Impact Statement	26	Corporate Cost of Service Statement	46
Key changes made after public consultation	7	Flood Protection Cost of Service Statement	27	Rates, fees and charges	47
New projects	8	Environment	28	How much would my rates cost?	47
Council activities	8	Year 2 (2013/14) - Project Updates	28	Differentials	47
Transport including roads and footpaths	9	Council-owned earthquake-prone buildings	28	Rates and charges	47
Year 2 (2013/14) - Project Updates	9	Freshwater	28	Rating of separately used or inhabited parts of a rating unit	47
Rocks Road shared walk/cycleway	9	Other changes	28	Examples of proposed rates for 2013/14	47
New stock effluent facility	9	2013/14 Projects Deferred to the 2015-25 Long Term Plan	28	Rates increases based on 2012 property valuations	48
Princes Drive	9	Service Levels, Performance Measures and Targets for 2013/14	29	General Rate	48
Church Street improvements	9	Environmental Funding Impact Statement	30	Uniform Annual General Charge (UAGC)	48
Waimea Road/Motueka Street	9	Environmental Cost of Service Statement	31	Targeted rate for stormwater and flood protection (Separate general charge)	49
Public transport revenue	9	Social including arts and heritage	32	Targeted rates for Clean Heat Warm Homes	49
Cable Bay	9	Year 2 (2013/14) - Project Updates	32	Targeted rate for solar hot water systems	49
Buxton Lane	9	Nelson School of Music and Theatre Royal	32	Wastewater charge	49
2013/14 Projects Extended into 2014/15	9	Marketing Council facilities	32	Commercial wastewater charge	49
2013/14 Projects Deferred to 2014/15	9	Funding Policy – equity analysis	32	Rates and charges	49
2013/14 Projects Deferred to the 2015-25 Long Term Plan	10	Heart of Nelson	32	Method A: quality/quantity approach	50
Service Levels, Performance Measures and Targets for 2013/14	10	RSA Memorial	32	Method A: quality/quantity approach	50
Transport Funding Impact Statement	11	Riverside murals project	32	Water charges	51
Transport Cost of Service Statement	12	Christmas decorations	32	Payment methods for rates	51
Water supply	13	Opera in the Park	32	Penalty on unpaid rates	51
Year 2 (2013/14) - Project Updates	13	Refurbishment of Buxton toilet	32	Penalty remission on full payment of yearly rates	51
Observatory Hill reservoir and pump station	13	2013/14 Projects Deferred to 2014/15	32	Discount for early payment of rates	51
Residential water meters	13	2013/14 Projects Deferred to the 2015-25 Long Term Plan	33	Differentials	51
Emergencies	13	Service Levels, Performance Measures and Targets for 2013/14	33	Differential categories	51
2013/14 Projects Extended into 2014/15	13	Social Funding Impact Statement	34	Rating categories	52
Service Levels, Performance Measures and Targets for 2013/14	14	Social Cost of Service Statement	35	Accounting policies	53
Water Funding Impact Statement	15	Parks and active recreation	36	Reporting entity	53
Water Cost of Service Statement	16	Year 2 (2013/14) - Project Updates	36	Statement of compliance and basis of preparation	53
Wastewater	17	Trafalgar Centre	36	Revenue	53
Year 2 (2013/14) - Project Updates	17	Land purchases	36	Rates revenue	53
Marsden Valley wastewater	17	Saxton Field power lines	36	Government grants	53
Corder Park pump station	17	Greenmeadows	36	Provision of services	53
Nelson North wastewater treatment plant	17	Nayland Pool	36	Vested assets	54
2013/14 Projects Extended into 2014/15	17	Victory swimming initiative	36	Sales of goods	54
2013/14 Projects Deferred to the 2015-25 Long Term Plan	17	Cathedral Hill public toilets	36	Traffic and parking infringements	54
Service Levels, Performance Measures and Targets for 2013/14	18	Stoke Bowling Club	37	Interest and dividends	54
Wastewater Funding Impact Statement	19	Indoor cricket facility	37	Development contributions	54
Wastewater Cost of Service Statement	20	Tennis Facility at Rutherford Park	37	Cash and cash equivalents	54
Stormwater	21	Saxton Oval	37	Fixed assets and other assets	54
Year 2 (2013/14) - Project Updates	21	2013/14 Projects Extended into 2014/15	37	Depreciation	55
Review of flood paths in the Victory Square/Vanguard Street area	21	2013/14 Projects Deferred to 2014/15	37	Biological Assets	56
St Vincent Street/Haven Road culvert	21	2013/14 Projects Deferred to the 2015-25 Long Term Plan	37	Intangible assets	56
Brougham Street	21	Service Levels, Performance Measures and Targets for 2013/14	38	Financials	60
General stormwater issues	21	Parks Funding Impact Statement	39	Council Controlled Organisations	60
2013/14 Projects Extended into 2014/15	21	Parks Cost of Service Statement	40	Statement of Comprehensive Income	61
2013/14 Projects Deferred to the 2015-25 Long Term Plan	21	Economic	41	Statement of Changes in Equity	62
Service Levels, Performance Measures and Targets for 2013/14	22	Year 2 (2013/14) - Project Updates	41	Statement of Financial Position	63
Stormwater Funding Impact Statement	23	Cricket World Cup	41	Cash Flow Statement	64
Stormwater Cost of Service Statement	24	FIFA Bid41	41	Funding Impact Statement	65
Flood protection	25	Service Levels, Performance Measures and Targets for 2013/14	41	Summary of Capital Expenditure over \$100,000	67
Year 2 (2013/14) - Project Updates	25	Economic Funding Impact Statement	42	Financial Reserves Estimate	73
York Stream	25	Economic Cost of Service Statement	43	Contact us	74
Repair work/flood mitigation	25	Corporate	44	Correspondence	74
Todds Valley stream	25	Year 2 (2013/14) - Project Updates	44	Attending a Council meeting	74
		Strategic land purchases	44	Public forums	74
		Disaster Recovery Fund	44	Deputations	74
				Petitions	74
				Appendix	75

