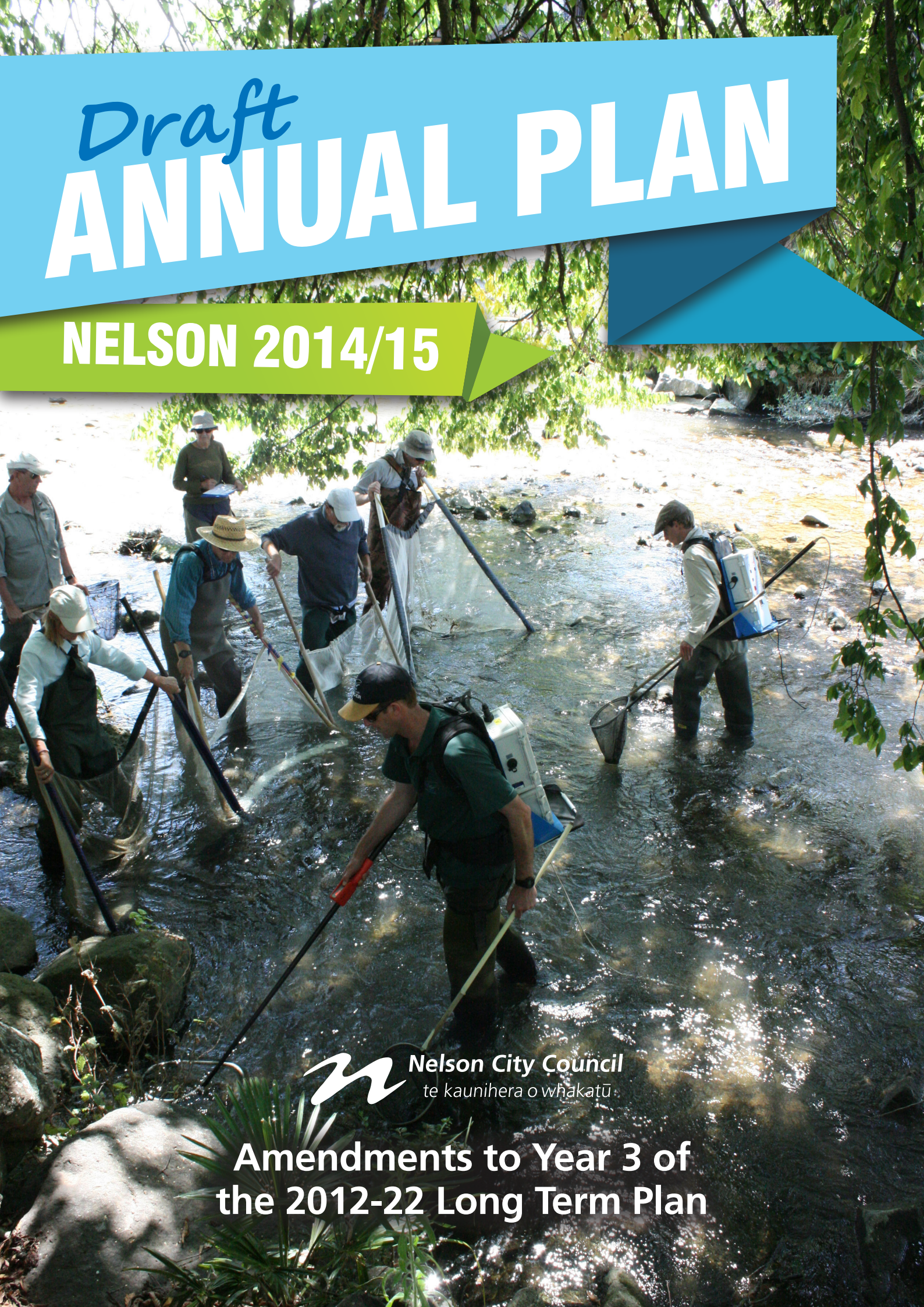


Draft ANNUAL PLAN

NELSON 2014/15



Nelson City Council
te kaunihera o whakatū

Amendments to Year 3 of
the 2012-22 Long Term Plan

Front cover image: Friends of the Maitai, DoC and Fish and Game are working with Council to monitor the health of the Maitai River

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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 3 (2014/15), 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 that 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, each of Council's ten activity areas is discussed in terms of any significant changes since the Long Term Plan was adopted. Then there is a series of financial tables setting out the planned expenditure for the 2014/15 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.

HOW DO I MAKE A SUBMISSION?

There is a loose leaf submission form with this document and more are available at the Council Customer Service Centre or can be downloaded from our website. Submissions must be in by 4.30pm Monday 28 April 2014.

They can be:



Online

Online at
www.nelsoncitycouncil.co.nz



By post

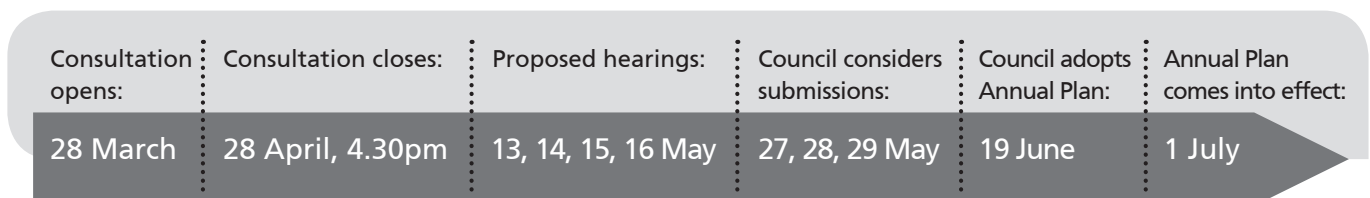
Post to Freepost Authority Number
76919, Po Box 645 Nelson 7010



Drop off

Drop into Civic House,
110 Trafalgar Street

DRAFT ANNUAL PLAN TIMELINE



MAYOR'S MESSAGE

On behalf of the Council I present the 2014/2015 Draft Annual Plan for your consideration. The Draft Annual Plan sets out this Council's adjustments to the third year of the Long Term Plan (LTP). It should be noted that some changes to the 2014/2015 year had already been made by the previous Council, including deferment of projects to the next LTP or in some cases cancellation of projects. You will see these changes noted under the individual activities.

In reviewing this year's Annual Plan this Council has worked through our priorities for the coming year's programme of works and made preparation for the next LTP which follows in 2015.

We want to build a strong and resilient community while we continue to ensure Nelson is a great place to live. We have reviewed budgets and made savings wherever possible. This plan represents an average rates rise of 3.7% which is significantly less than what was originally planned in the LTP.*

We have carefully considered the fairness of the rates rise for current ratepayers. Further reductions could have been made, but they would have come at a risk to assets and a loss of services.

The next section of this plan includes a snapshot of Key Issues and New Projects. The breadth of activities undertaken by Council is extensive so you may need to read further into this plan, or refer to the LTP, to find out about activities or areas of Council business that are of special interest to you.

There is a lot of detail across the ten activity areas. There will be issues you agree with and others you do not.

I encourage you to read the plan, ask questions and make a submission on what is important to you. We do want to hear your views.



A handwritten signature in black ink, appearing to read 'Rachel Reese', written over a light grey rectangular background.

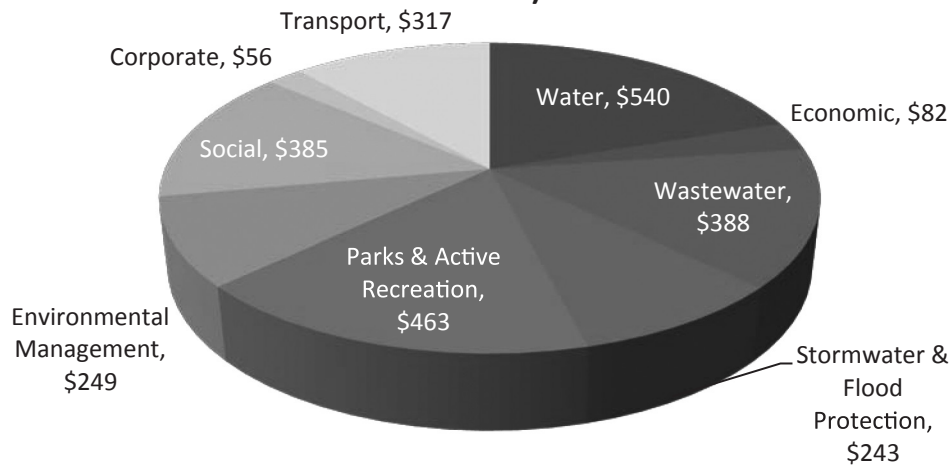
Rachel Reese
MAYOR OF NELSON

**The LTP 2012-22 forecast for Year 3 was a rate increase of 5%. Changes in the intervening two years saw the forecast grow to 9.6%, but savings in corporate costs, and capital programme delays have now reduced this to 3.7% (after allowing 1% growth in the rating base).*

SETTING THE RATES

Council proposes the overall increase in rates required for 2014/15 to be 3.7%. Council will make decisions about the final Annual Plan after a community consultation period running from 28 March to 28 April 2014. Any changes resulting from consultation may affect the final rates and charges. For further information on how Council sets its rates and charges, please refer to the Rates, Fees and Charges section of this draft Annual Plan.

Makeup of the Average Annual Rates Bill (\$2,723 incl GST)



TE TAU IHU TREATY SETTLEMENTS

The Te Tau Ihu Claims Settlement Bill (expected to become law in May 2014) contains specific requirements for Council which include the attachment of Statutory Acknowledgments to district and regional plans as well as process requirements for resource consents and policy development. A Statutory Acknowledgement is a type of cultural redress frequently included in Treaty settlements between the Crown and a Māori claimant group. A Statutory Acknowledgement recognises the particular cultural, spiritual, historical and traditional associations of an iwi with the identified site/area. This type of redress enhances the ability of the iwi to participate in specified Resource Management Act 1991 processes. Statutory Acknowledgements areas can be extensive, for example in Nelson they include all of the coastal marine area, as well as the Maitai River catchment, which covers most of the central urban area of Nelson.

The settlements also require Memorandums of Understanding between each iwi and each Council across Te Tau Ihu. Council will be working with iwi on these aspects of Treaty settlement through the 2014/15 year and the three top of the south councils have made a commitment to developing an effective and efficient model of working with Māori.

KEY ISSUES AND NEW PROJECTS

Bridge Street Enhancement

Work is underway in 2013/14 to make improvements to the look and feel of Bridge Street, between Trafalgar Street and Collingwood Street. Good quality public spaces are important in achieving a vibrant CBD that provides public amenity and safety. Council has included an additional \$200,000 in the draft Annual Plan for 2014/15 to address issues of daytime amenity. This is part of an ongoing effort, in collaboration with the Bridge Street business community, to make a positive change in this part of the city.

Stoke/Greenmeadows Community and Sports Facility

During the development of the Long Term Plan 2012-22, Council considered the building of shared community and sports facilities at Greenmeadows, Stoke, for \$2 million. Funding was not included in the Long Term Plan, but Council did agree in principle to make land available for the development. It is important that our suburban communities are revitalised. Work has started in 2013/14 to identify the current and future needs of residents in Stoke. This will ensure that the development is what the people of Stoke want. The Council has set aside \$200,000 in 2014/15 to fund further investigation and design for a community and sports facility with construction planned for the following year.

Air Quality

Concerns have been raised about the impact of the Nelson Air Quality Plan on woodburner use. While there have been great gains made in Nelson's air quality over the last decade, through significant investment by Council and the community, it is timely to review the current approach to woodburners. Council is working with the Ministry for the Environment and gathering information through modelling. This work will be reported back to Council as soon as possible. The Resource Management Act 1991 places considerable restrictions on how we can make changes to the rules and the modelling work is an important step in progressing change.

Maitai River

The Maitai River is a significant natural feature of the City and is highly valued by the Nelson community. Council recognises the importance of improving the river's water quality and is proposing \$400,000 be set aside in 2014/15, for projects to improve the river's health, \$200,000 of which is new capital funding and \$200,000 operating funding transferred from other budgets. This is an investment in some immediate steps to restore natural values and function in the Maitai River.

Ongoing Impact of Emergency Rainfall Events

Nelson had two extreme rainfall events in December 2011 and April 2013 resulting in significant damage to some of the city's infrastructure (both public and private) and subsequent recovery costs. In the Long Term Plan 2012-22 Council established a Disaster Recovery Fund contributing \$500,000 in Year 1 and adding \$1 million each year after that. The purpose of the fund is to be ready for future events and to assist with a rapid recovery.

The December 2011 rainfall event is now projected to cost Council \$9.5 million over four years, compared to the \$5.5 million estimated in the Long Term Plan 2012-22. This shortfall in the estimated costs reflects the timing of the preparation of the Long Term Plan 2012-22, as it was early on in the recovery planning. The April 2013 rainfall event is projected to cost \$1.2 million, of which \$720,000 is funded through the Disaster Recovery Fund. As a consequence an additional \$698,000 was added in Year 2 from Rates.

The Disaster Recovery Fund is funded through general rates so that all ratepayers contribute. As a result of these two extreme rainfall events the Disaster Recovery Fund has borrowed money and will not start accumulating funds until Year 9. For this reason the Council is proposing to set aside an additional \$500,000 in the Annual Plan 2014/15, to help meet the projected costs of the 2011 and 2013 events sooner and eventually start to accumulate funds for future events by year 8.

Stormwater and Flood Protection

Flooding from intense rainfall events have serious and long term impacts when services are not in place or able to cope. Improving stormwater and flood protection is a focus of this year's plan. Additional expenditure is planned for Orphanage Creek and Saxton Creek in 2014/2015 with further stages planned for following years.

Delivery of Capital Programme

An allocation of \$120,000 has been provided in 2014/15, and \$240,000 annually thereafter, to provide increased resource for delivering an additional capital works programme each year. This is to help the Council get back on track with its planned capital works programme following resources being directed to recovery works after the emergency rainfall events in 2011 and 2013.

Property Assets Review

We have set aside \$100,000 for a comprehensive review of Council owned properties to better understand why they are being held and to inform decision-making on future land use. The value of property in this category is approximately \$77M (excluding road reserve). This substantial group of assets needs more oversight.

Events Venues

Trafalgar Centre

The Trafalgar Centre has been identified as an earthquake prone building and was closed in December 2013 to manage the risk to public safety. Strengthening options are still being assessed and reviewed. Council has set aside a provision of \$3m (\$2.25m of which is carried forward from 2013/14) to address issues as required over the next 12 months. Considerable effort has been put in since 2013 by council to address the current closure and review a number of options to relocate those events previously booked at the Trafalgar Centre to other venues, including Saxton Stadium.

Nelson School of Music

The Nelson School of Music requires both earthquake strengthening and refurbishment. We are committed to providing support to this special Nelson institution and its nationally acclaimed auditorium. We will be working closely with the School to progress development plans and funding of \$150,000 has been allocated for the next financial year.

Funding of \$1,431,000 to support earthquake strengthening and refurbishment works will be deferred to 2015/16 while the School of Music works on plans for its redevelopment project. The planned transfer of the School of Music land and building to Council has not occurred due to delays in the project.

Theatre Royal

The Theatre Royal has a different suite of issues. The Theatre Royal continues to experience financial difficulties despite high community use and commercial bookings. After being advised in December 2013 that the ongoing viability of the Theatre was in jeopardy, Council undertook a detailed review of the Theatre Royal's financial position. The initial budgets produced by the Trust have proven to be unrealistic. Council is of the view that the Theatre Royal is a key community asset and makes a valuable contribution that is worthy of council funding. For this reason the Council is proposing to increase the operational grant to the Theatre in 2014/2015 by \$115,000 to a total of \$220,000.

Saxton Field

As a community we have invested heavily in Saxton Field buildings and facilities. This year we are progressing long overdue governance, management and marketing of Saxton Field. We want to return the most we can from your investment.

Rates - Discount for 'SUIPs'

The Council is concerned that the level of charges for 'Separately Used or Inhabited Parts' of a rating unit (SUIPs) is causing hardship to multi leased commercial properties when applying uniform charges. These uniform charges are levied to each separately inhabited portion of a commercial property, for example, each separately leased commercial area of a rating unit is charged a uniform annual general charge and waste water charge. Council has considered an option around discounting the uniform annual general charge but this cannot be easily done. This will be looked at further through the Long Term Plan. However, in the draft Annual Plan 2014/15 the Council is proposing that additional SUIPs charges for commercial properties, for wastewater, are reduced by 75%.

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 is summarised in the following section with comments on any major changes to Year 3 (2014/15) of the Long Term Plan 2012-22.

Project deferrals and removals have been annotated to indicate whether the deferral or removal decision was made by the current Council (#) or by the previous Council (*).

NELSON 2060

In 2013 Nelson City Council adopted the Nelson 2060 Strategy, which sets a vision for a sustainable Nelson. It also identifies ten goals that the Nelson community said were priorities for action to move us towards the vision. Council is now working to ensure that these goals and sustainability principles are integrated into the decisions we make about our activities. For this reason sustainability isn't an activity by itself – our commitment is that sustainability is at the heart of all of our activities.

Council has a fundamental role to play in sustainable development. Over the next few years we will see Council delivering a range of projects across its activity areas to build on the good work that is already taking place.

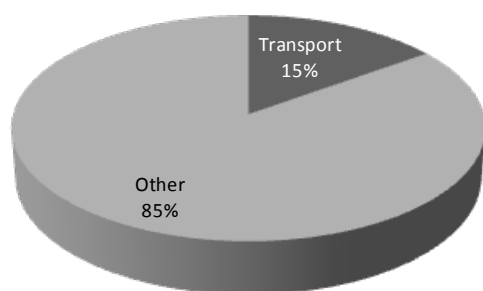
TRANSPORT INCLUDING ROADS AND FOOTPATHS

Council provides transport planning, infrastructure and services to ensure there is safe, convenient, efficient and affordable access and movement of goods for residents, visitors and businesses. Council does this work for a combination of reasons including meeting statutory requirements, delivering on customer expectations and protecting the City's investment in its assets.

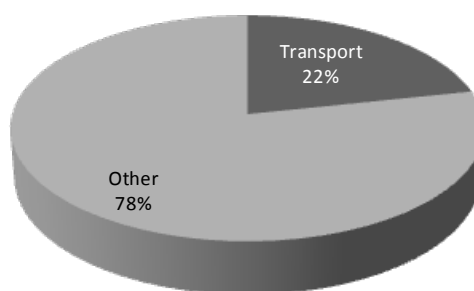
The transport activity of Council covers the provision, operation and maintenance of physical infrastructure and the environment. This includes road reserves for driving, cycling and walking as well as safety, parking control, traffic control and public transport services.

The graphs below show how much of Council's total operational and capital budgets will be spent on the transport activity in 2014/15.

Operational as a % of Total



Capital as a % of Total



This section describes changes to this activity area since the Long Term Plan 2012-22 and the Annual Plan 2013/14 were adopted. All other transport activities are proposed to be delivered as stated in pages 60-72 of the Long Term Plan 2012-22.

Year 3 (2014/15) Project Updates

Bridge Street Enhancement

Work is underway in 2013/14 to make improvements to the look and feel of Bridge Street, between Trafalgar Street and Collingwood Street. Good quality public spaces are important in achieving a vibrant CBD that provides public amenity and safety. Council has included an additional \$200,000 in the draft Annual Plan for 2014/15 to address issues of daytime amenity. This is part of an ongoing effort, in collaboration with the Bridge Street business community, to make a positive change in this part of the city.

Railway Reserve / Princes Drive extension overbridge

A developer led project will construct the Princes Drive / Waimea Road intersection at Station Reserve. In conjunction with this intersection, Council will construct an overbridge over the newly formed Princes Drive to maintain safety for walkers and cyclists on the Railway Reserve. Project funding has been increased from \$400,000 to \$500,000 for the project as a result of the design process identifying a higher construction cost.

Cable Bay

The construction work associated with the December 2011 extreme rainfall event recovery work started in 2013/14 and will continue at a cost of \$2,164,000 in 2014/15. Additionally 900 metres of Cable Bay Road from the intersection of State Highway 6 will be reconstructed at a cost of \$330,000, to minimise ongoing maintenance costs.

Maitai shared path (Collingwood Street to Nile Street)

This project is to widen the Maitai riverside path from Collingwood Street to Nile Street to a shared path standard. It will be a minimum of 2.5 metres wide with wider sections in busy areas. Funding has been increased from \$450,000 to \$625,000 as a result of the design process identifying a higher construction cost.

Rocks Road walk/cycle project (previously known as Rocks Road 4 metre shared path)

Council is working with NZTA on this project to deliver a solution that will increase the number of pedestrians and cyclists using the waterfront, be safer than the current arrangement and improve the attractiveness of the area.

Preliminary investigation findings have been considered by Council. The findings identified that more work is required before suggested configuration options can be consulted on with the public.

The steering group guiding the project is considering these key principles as the options are developed:

- Maintain residential and space amenity along the route
- Incorporate green space
- Consider all potential users, such as pedestrians, recreation users (e.g. swimming and fishing), commuter cyclists, recreational cyclists and young or vulnerable cyclists.
- Include parking provision
- Consider the heritage aspects especially retaining the chain and stanchion fence
- Consider tourism opportunities – city to sea link
- Consider pedestrian crossing points
- Consider the connections to existing pedestrian and cycle networks

Figures to date indicate that the original budget of \$5.6m will be insufficient.

Timing of this project has been extended to reflect the expected complexity in obtaining resource consents. Resource consents will be applied for in 2014/15 with detailed design to be undertaken in 2015/16 and construction to begin in 2016/17. This has resulted in a reduction in the budget from \$2.5 million to \$200,000 in 2014/15.

Todd Bush Road

This project to provide a footpath along Todd Bush Road was deferred in the 2013/14 Annual Plan. The detailed design of the footpath will go ahead in 2014/15 with a budget of \$60,000. Construction is planned for 2015/16.

Maitai Walkway connection across Trafalgar Street

The detailed design for this project, which will enhance safety at the Trafalgar Street crossing for the Maitai walkway, has resulted in savings of \$46,000 over the Long Term Plan estimate of \$172,000.

Tasman St upgrade (Nile to Bronte)

The upgrade of Tasman Street, between Nile Street and Bronte Street, was deferred from 2013/14 to 2014/15 to better align the works with the Brook Area Walking and Cycling Improvements project. The design is currently being undertaken, with construction scheduled for 2014/15 at a cost of \$657,000.

Bishopdale to The Ridgeway shared path

The project involves the extension of shared path facilities from the southern end of the Railway Reserve path to the Beatson Rd roundabout and over to the Ridgeway. Construction funding of \$330,000 was carried forward from the 2012/13 year and scheduled for 2014/15. The design undertaken in 2013/14 has also resulted in an increased construction estimate of \$515,000 as significant earthworks need to be undertaken in order to make a well graded path through the undulating terrain.

The Brook area walking and cycling improvements

The project has been the subject of extensive community consultation in 2013/14. The project concept has been approved by Council and will be constructed at a cost of \$465,000 in conjunction with the Tasman Street upgrade in 2014/15.

Sundry land purchases

New funding of \$150,000 has been included in 2014/15 for land purchase opportunities as and when they arise, where they will enable road safety or capacity improvements to be made or provide future proofing for the transport activity. There was no budget provided in the LTP.

Footpath renewals

Council will be working collaboratively with the companies undertaking the roll out of Ultra Fast Broadband, and where possible it will be cost sharing the reinstatement of footpaths so that savings can be made. As a result, the budget for footpath renewals has been reduced from \$590,000 to \$500,000.

2014/15 Projects Extended into 2015/16

Some work on the following projects will be rescheduled and shifted from 2014/15 to 2015/16:

Waimea Road/The Ridgeway intersection upgrade

Officers advise that a year will be needed to design and obtain resource consents for the improvements at this intersection, and a further year to construct them. The original programme had construction scheduled for 2014/15.

Walking Cycle School package

Projects to link up existing footpaths and other facilities as part of this project, which is co-funded by the New Zealand Transport Agency, will continue into 2015/16. Specifically, in 2015/16 the intersections of Collingwood and Brougham Streets and Trafalgar and Brougham Streets will be modified to improve pedestrian and cycle connections.

2014/15 Projects Deferred

These are projects that were scheduled to begin in 2014/15 but have been deferred for consideration in the Long Term Plan 2015-25. The deferral of these projects will not impact on Levels of Service within the transport activity.

Waimea Road/Market Road intersection upgrade*

It was proposed that changes would be made to this intersection to make it easier to turn onto Waimea Road. Initial investigations have shown that there is not enough turning demand to warrant a change given other priorities for the transport and roading activity.

Waimea Road widening/Snows Hill#

It was proposed to widen Waimea Road and the adjacent footpaths at Snows Hill (near Rutherford Street). Initial investigations have shown that there are other transport and roading activities that are a higher priority to fund at this time.

Halifax Street/Shakespeare Walk#

This project has been deferred for consideration in the next Long Term Plan 2015-25 so that it can be aligned and completed at the same time as stormwater protection works planned for the area.

2014/15 Projects Removed

These are projects that were scheduled to begin in 2014/15 but have been removed from the Long Term Plan.

Church Street#

This project with \$268,000 funding in 2014/15 was to provide a better pedestrian connection between the upper end of the Central Business District into Montgomery Square. This project originated from the Heart of Nelson Strategy and was intended to improve links to the proposed Performing Arts Centre site next to the Rutherford Hotel. Given the change in context for this project it has been removed from the Long Term Plan.

Halifax Street cycle lane#

This project has been removed from the Long Term Plan as there are other cycle projects that will better improve connections to the Central Business District and are also more likely to attract a New Zealand Transport Agency subsidy. A project that will achieve a better link between St Vincent Street and the Central Business District is under development and will be progressed during 2014/15.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: Comments in italics provide a recent update

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Walking and cycling are easy and attractive transport choices	Percentage of the community that travels to work by walking or cycling, based on Annual Survey of Residents and/or national census	17%	Achieved In the 2013 Residents' Survey, 9% travelled to work by walking and 9% by cycling	18% <i>On track</i>	20%
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	Average peak hour travel time delays are no greater than 5 minutes above uncongested travel times	Achieved Travel time delays on Rocks Road in 2012/13 were 58 seconds in the morning peak and 2 minutes and 28 seconds in the evening peak. Delays on Waimea Road were 2 minutes and 6 seconds in the morning and 1 minute and 29 seconds in the evening.	As for Year 1	As for Year 1
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 Nelson's worst 10 intersections	The annual total social cost is below the previous five year average	Not achieved The social cost for Nelson's worst 10 intersections was \$6.7 million in 2012 compared with an average of \$4.4 million for the previous five years	As for Year 1	As for Year 1
Public transport services that meet the transport needs of the community with an equitable sharing of costs	The fare recovery ratio	30-35%	Achieved The fare recovery ratio in 2012/13 was 63 percent	As for Year 1	As for Year 1
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	<95%	Achieved Dec 2012 – 81%	As for Year 1	As for Year 1
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 20 minute walk of the central city, excluding CBD long stay spaces	No target set in the Long Term Plan 2012-2022	Long stay spaces within a 20 minute walk of the central city was not measured, however a survey of long stay parking spaces in the city fringe, typically within a 5 minute walk of the central city, showed 31% availability on average between peak travel times	As for Year 1 <i>Recent surveys of the CBD and city fringe show that, during peak times, about 30% of the total numbers of long stay parks are not occupied</i>	As for Year 1

TRANSPORT FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties Targeted rates (other than a targeted rate for water supply)	8,104	8,729	8,313	(416)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	2,138	1,797	1,949	152
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	225	503	211	(292)
	3,042	3,888	3,056	(832)
Total Operating Funding	13,509	14,917	13,529	(1,388)
Applications of operating funding				
Payments to staff and suppliers	9,121	9,117	8,570	(547)
Finance costs	141	171	171	0
Internal charges and overheads applied *	1,075	1,800	1,531	(269)
Other operating funding applications	0	0	0	0
Total applications of operating funding	10,337	11,088	10,272	(816)
Surplus (Deficit) of operating funding	3,172	3,829	3,257	(572)
Sources of capital funding				
Subsidies and grants for capital	4,104	4,625	4,397	(228)
Development and financial contributions	184	189	189	0
Increase (decrease) in debt	5,853	1,545	1,840	295
Gross proceeds from sale of assets	20	21	22	1
Lump sum contributions	0	0	0	0
Total sources of capital funding	10,161	6,380	6,448	68
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,450	2,384	1,554	(830)
- to improve level of service	8,558	4,783	4,686	(97)
- to replace existing assets	5,001	3,042	4,896	1,854
Increase (decrease) in reserves	(1,677)	0	(1,431)	(1,431)
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	13,333	10,209	9,705	(504)
Surplus (Deficit) of capital funding	(3,172)	(3,829)	(3,257)	572
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

Car parking revenue has decreased \$536k, better aligning with current actual revenue. Carpark revenue transferred to Public transport has reduced \$291k.

There is a \$250k reduction in the cost of providing public transport relating to the operation of the service contract. An extra \$250k is required to complete work resulting from the 2011 emergency event. A \$450k reduction in operating costs for Subsidised Roading is due to an over-estimation in the LTP.

Changes to the capital programme are listed at the end of the Financials section of this document.

TRANSPORT COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	8,104	8,729	8,313	(416)
Operating Income	5,405	5,685	5,005	(680)
Capital Income	4,288	4,814	4,586	(228)
Total Income	17,797	19,228	17,904	(1,324)
Expenses				
Payments to staff and suppliers	9,346	9,117	8,653	(464)
Finance costs	991	1,468	1,408	(60)
Depreciation	5,005	5,386	5,256	(130)
Total Expenses	15,342	15,971	15,317	(654)
Net Surplus (Deficit)	2,455	3,257	2,587	(670)
Sources of funds				
Net Surplus (Deficit)	2,455	3,257	2,587	(670)
Non cash expenditure	5,005	5,386	5,256	(130)
Increase (decrease) in debt	5,852	1,545	1,841	296
Gross proceeds from sale of assets	20	21	21	0
Total Sources of funds	13,332	10,209	9,705	(504)
Applications of funds				
Capital Expenditure				
- to meet additional demand	1,450	2,384	1,555	(829)
- to improve level of service	8,558	4,783	4,686	(97)
- to replace existing assets	5,001	3,042	4,896	1,854
Increase (decrease) in reserves	(1,677)	0	(1,432)	(1,432)
Increase (decrease) in investments	0	0	0	0
Total applications of funds	13,332	10,209	9,705	(504)
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

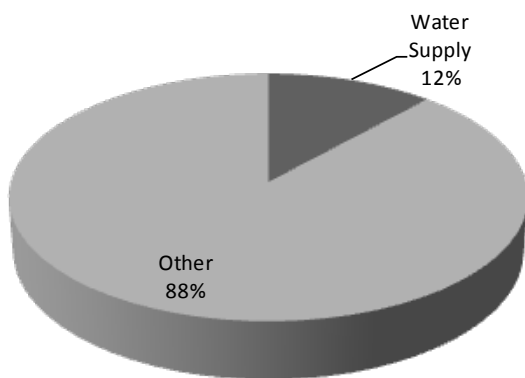
	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,172	3,829	3,257	(572)
Subsidies and grants for capital expenditure	4,104	4,625	4,397	(228)
Development and financial contributions	184	189	189	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(5,005)	(5,386)	(5,256)	130
Net Surplus (Deficit) before taxation in Cost of Service Statement	2,455	3,257	2,587	(670)

WATER SUPPLY

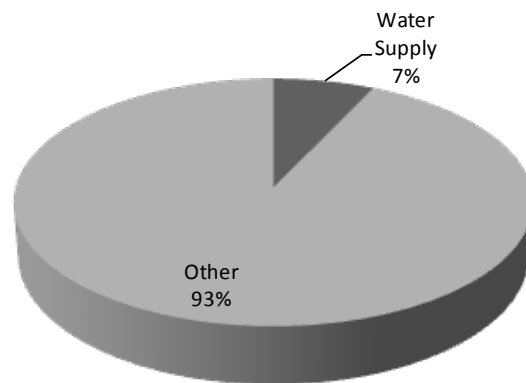
Providing safe water for the city is a major part of Council's core business. A good quality, reliable water supply is essential for community and environmental wellbeing. Human health, tourism and industry rely on having a safe water supply, which is reflected in the duty under the Local Government Act 2002 that councils provide water services. Council has invested a considerable amount in developing water supply assets to ensure that it has the capacity to deliver safe water for residents and businesses.

This activity ensures the supply of high quality water to Nelson households and businesses through a piped network. This requires maintaining water pump stations, a water treatment plant, dams, reservoirs and the reticulated network. The graphs below show how much of Council's operational and capital budgets will be spent on the water supply activity in 2014/15.

Operational as a % of Total



Capital as a % of Total



This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were 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 3 (2014/15) Project Updates

New membrane assembly

After nearly ten years of service, the ultra-filtration membranes at the water treatment plant filtering Roding and Maitai water for the City are performing well and are expected to exceed their design life of ten years. When the water treatment plant was built, Council made provision to future proof the facility adding a spare membrane assembly. It would increase the output capacity of the plant as-and-when demand increased. This added capacity is not required for many years to come. However, the filtration membranes were due to be renewed over several years starting in 2014/15. Because the membranes are performing so well, the Council proposes to embark on a strategy that will potentially extend their life even further, rather than replace them. This strategy includes bringing the spare membrane assembly online earlier with one new set of the latest membranes. The cost of this work, at \$1.2 million, will also allow Council contractors greater flexibility in their day-to-day operations.

Residential meters

The water meters have exceeded their expected lives and are still performing well. The replacement of the meters scheduled to begin in 2014/15 is being delayed and a pilot study on automated meters will be undertaken in 2014/15 at a cost of \$50,000. This technology could potentially reduce operational costs and water losses in future.

Pressure reduction - General Budget

The original budget of \$268,000 has been reduced to \$50,000, to return the emphasis to minor projects. Separate budgets have now been allocated for specific larger pressure reduction projects as they have been identified and assessed. The \$50,000 budget in 2014/15 will be used to complete minor works as they arise.

System improvements

This budget is in place to deal with minor system improvements and repairs as they arise. With inflation this budget has become larger than it needs to be, so has been reduced from the Long Term Plan 2012-22 estimate of \$132,000 to \$60,000. The remaining budget will be redirected towards emergency works as a result of the 2011 and 2013 extreme rainfall events.

Maitai Pipeline

A project to carry out a condition assessment of the water supply pipeline from the water treatment plant to Westbrook Terrace in 2014/15 has been changed to begin the design for the replacement pipeline. This section of pipeline was damaged in the storms of 2008 and Council considered the duplication to be a priority project, following on from the duplication of the pipe from the dam to the treatment plant. The design component of the replacement, with a budget of \$100,000, has been brought forward to 2014/15. Council is concerned that the timing of construction, currently scheduled for 2020/21, is too far away and expects this will be reviewed through the Long Term Plan 2015-25.

Seismic review of the Maitai dam and storage reservoirs

The Council is reviewing the design and construction details of the water reservoirs and some vulnerable sections of the water supply main from the Maitai Dam to the treatment plant, at a cost of \$80,000. The project involves checking the design and construction details of seismic valves, pipework and reservoir construction to ensure these sections of the network will continue to work after an earthquake. Any remedial works required will be carried out over the first three years of the Long Term Plan 2015-25.

Water bylaws

Council's water bylaws are due for review. The Council has decided to let the current Stormwater Bylaw lapse as it duplicates provisions in the Nelson Resource Management Plan. Instead additional resourcing for the monitoring and enforcement of the provisions of the Nelson Resource Management Plan is proposed. The Water Bylaw will be reviewed and the Tradewaste Bylaw is proposed to be revoked and replaced by an expanded Wastewater Bylaw, incorporating provisions for both domestic wastewater and tradewaste discharges. Public submissions on the proposed new Water Bylaw and Wastewater Bylaw will be sought in 2014/15.

Backflow Prevention

Backflow preventers are to be installed to commercial and industrial properties over the next eleven years to help keep the water network secure from accidental contamination. All new buildings and activities will be required to install approved devices at the time of construction and Council will retrofit preventers to existing buildings and activities on a risk-based priority. The cost of retrofitting devices will be recovered from everyone connected to the network as part of the water charges.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: Comments in italics provide a recent update

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Good quality water	Grading under Drinking Water Standards for NZ 2005/08 sampling and test standards	Maintain Ab grading	Achieved	As for Year 1 <i>On track</i>	As for Year 1
A reliable supply of water	Day to day continuity of supply	1 in 60 year drought security for at least the next 50 years	Achieved	As for Year 1	As for Year 1
Acceptable water pressure	Percentage of customers with acceptable pressure, defined as minimum 30m head, max 90m head and maximum fluctuation <35%	82%	Achieved	84%	87%
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	99.1%	Achieved	99.3%	99.5%
A prompt emergency response	Meet response times for emergencies identified in external works contract	Maximum 24 hour outage (all) Supply 99.6% available at any property	Achieved	As for Year 1	As for Year 1
A network that protects the natural environment	Level of compliance with resource consents	100% compliance	Not achieved The computerised monitoring system failed to record flow and temperature data on 0.4% of occasions Temperature conditions were breached on ten occasions during 2012/13	As for Year 1	As for Year 1

WATER FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	10	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	11,263	11,926	11,897	(29)
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	100	181	24	(157)
Total Operating Funding	11,373	12,117	11,931	(186)
Applications of operating funding				
Payments to staff and suppliers	5,939	6,064	5,742	(322)
Finance costs	0	0	0	0
Internal charges and overheads applied *	1,283	1,747	1,862	115
Other operating funding applications	0	0	0	0
Total applications of operating funding	7,222	7,811	7,604	(207)
Surplus (Deficit) of operating funding	4,151	4,306	4,327	21
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	626	640	280	(360)
Increase (decrease) in debt	2,307	(96)	(956)	(860)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	2,933	544	(676)	(1,220)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,007	178	1,443	1,265
- to improve level of service	5,048	939	729	(210)
- to replace existing assets	1,029	3,733	1,479	(2,254)
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	7,084	4,850	3,651	(1,199)
Surplus (Deficit) of capital funding	(4,151)	(4,306)	(4,327)	(21)
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

Income of \$157k for backflow protection has been removed as the result of a change in policy.

Maintenance costs have reduced \$112k mainly in unprogrammed maintenance. \$106k allocated in the LTP for a water grading demerit investigation has been removed as the work has been addressed through other budgets.

The budget for development and financial contributions has been reduced to bring it in line with current contribution levels, and required debt has decreased as a result of capital expenditure reductions.

Changes to the capital programme are listed at the end of the Financials section of this document.

WATER COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	0	0	0	0
Operating Income	11,373	12,117	11,931	(186)
Capital Income	626	640	280	(360)
Total Income	11,999	12,757	12,211	(546)
Expenses				
Payments to staff and suppliers	5,939	6,064	5,953	(111)
Finance costs	1,283	1,747	1,651	(96)
Depreciation	4,146	4,306	4,327	21
Total Expenses	11,368	12,117	11,931	(186)
Net Surplus (Deficit)	631	640	280	(360)
Sources of funds				
Net Surplus (Deficit)	631	640	280	(360)
Non cash expenditure	4,146	4,306	4,327	21
Increase (decrease) in debt	2,307	(96)	(956)	(860)
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	7,084	4,850	3,651	(1,199)
Applications of funds				
Capital Expenditure				
- to meet additional demand	1,007	178	1,443	1,265
- to improve level of service	5,048	939	729	(210)
- to replace existing assets	1,029	3,733	1,479	(2,254)
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of funds	7,084	4,850	3,651	(1,199)
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

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	4,151	4,306	4,327	21
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	626	640	280	(360)
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(4,146)	(4,306)	(4,327)	(21)
Net Surplus (Deficit) before taxation in Cost of Service Statement	631	640	280	(360)

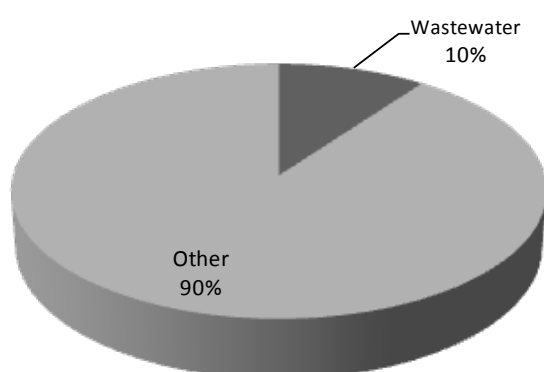
WASTEWATER

Council provides a wastewater system for the collection, treatment and disposal of wastewater discharged into Nelson's sewers in order to prevent harm to people, protect the environment and contribute to community wellbeing.

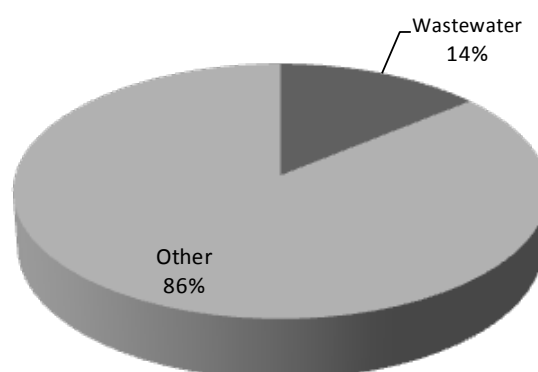
Council's wastewater system is intended to protect people from harm caused by insanitary conditions or disease. The provision of a piped network and treatment and safe disposal of waste products allows people and businesses to carry out their day to day lives with minimal disruption or adverse health effects. Collection, treatment and safe disposal of wastewater ensures that both the built and natural environments do not become exposed to dangerous levels of pathogens. Large communities function more effectively and economically when the health and safety of residents can be relied on. Business, tourism and industry benefit from a healthy workforce and environment.

The graphs below show how much of Council's operational and capital budgets will be spent on the wastewater activity in 2014/15.

Operational as a % of Total



Capital as a % of Total



This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were adopted. All other wastewater activities are proposed to be delivered as stated in pages 85-95 of the Long Term Plan 2012-22.

Year 3 (2014/15) Project Updates

Ngawhatu Valley trunk main

This project is to provide for new residential development in the Ngawhatu area. Revised estimates as a result of detailed design in 2013/14 require an increase to \$500,000 from the estimate of \$376,000 in the Long Term Plan. The project will continue into 2015/16.

Corder Park pump station

The scope of this project has increased to include replacement of a short section of the Atawhai rising main as one contract. Funding from the rising main renewals budget of \$746,000 has been reallocated to the Corder Park pump station project. The construction will take place over 2014/15 and 2015/16. The transfer of budget will not impact levels of service.

Pump station renewals

Proactive maintenance regimes have extended the life of pump assets and have resulted in savings of \$100,000 over what was estimated in the Long Term Plan 2012-22.

Beatson Road sewer renewal

The Beatson Road sewer is the construction phase of the sewer renewal that is being designed in 2013/14. The work replaces a section of old sewer that is the source of maintenance issues and overflow problems in wet weather. \$325,000 is allocated to this project in 2014/15

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: Comments in italics provide a recent update

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
A fully operational wastewater treatment plant	Level of compliance of treatment plant with resource consent conditions	100% compliance	Not achieved Odour problems and one high biochemical oxygen demand (BOD) reading were recorded during the year	As for Year 1	As for Year 1
Emergency response	Time taken to respond and investigate emergencies	Respond and investigate emergency works within 30 minutes and repairs within eight hours	Not achieved Two categories failed to meet the requirement: for overflowing manholes two of the 66 events did not meet the standard required; and for sewer main breaks one of the five events took longer than anticipated	As for Year 1	As for Year 1
Environmental protection	Level of compliance with resource consent conditions for accidental discharges from the network	100% compliance	Not achieved Consent was granted in 2011/12 for accidental discharges from the wastewater network, and during the 2012/13 year the timeframe for initiating sampling of background water environment was not met in one instance	As for Year 1	As for Year 1
Environmental protection	Number of confirmed odour complaints per annum associated with a pump station	No more than three confirmed odour complaints a year associated with a pump station	Achieved	As for Year 1	As for Year 1

WASTEWATER FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$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)	6,800	6,954	7,015	61
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	3,583	4,114	3,050	(1,064)
Total Operating Funding	10,383	11,068	10,065	(1,003)
Applications of operating funding				
Payments to staff and suppliers	9,166	6,050	5,580	(470)
Finance costs	454	522	412	(110)
Internal charges and overheads applied *	23	246	208	(38)
Other operating funding applications	0	0	0	0
Total applications of operating funding	9,643	6,818	6,200	(618)
Surplus (Deficit) of operating funding	740	4,250	3,865	(385)
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	553	566	470	(96)
Increase (decrease) in debt	1,293	1,161	(441)	(1,602)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	1,846	1,727	29	(1,698)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,655	372	519	147
- to improve level of service	2,683	3,876	5,572	1,696
- to replace existing assets	821	1,729	1,111	(618)
Increase (decrease) in reserves	(2,573)	0	(3,308)	(3,308)
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	2,586	5,977	3,894	(2,083)
Surplus (Deficit) of capital funding	(740)	(4,250)	(3,865)	385
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

The reduction in non-rate income is driven by lower operational costs in the Nelson Regional Sewerage Business Unit (NRSBU), and reduced return from assets employed also in the NRSBU.

Lower costs in the NRSBU are largely due to a reduction in the treatment plant maintenance costs, after a new contract was negotiated in 2013.

Required debt has decreased as a result of the increase in funding from reserves.

Changes to the capital programme are listed at the end of the Financials section of this document.

WASTEWATER COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	6,800	6,954	7,015	61
Operating Income	3,583	4,114	3,050	(1,064)
Capital Income	553	566	470	(96)
Total Income	10,936	11,634	10,535	(1,099)
Expenses				
Payments to staff and suppliers	9,166	6,050	5,686	(364)
Finance costs	477	768	514	(254)
Depreciation	4,034	4,147	4,051	(96)
Total Expenses	13,677	10,965	10,251	(714)
Net Surplus (Deficit)	(2,741)	669	284	(385)
Sources of funds				
Net Surplus (Deficit)	(2,741)	669	284	(385)
Non cash expenditure	4,034	4,147	4,051	(96)
Increase (decrease) in debt	1,293	1,161	(441)	(1,602)
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	2,586	5,977	3,894	(2,083)
Applications of funds				
Capital Expenditure				
- to meet additional demand	1,655	372	519	147
- to improve level of service	2,683	3,876	5,572	1,696
- to replace existing assets	821	1,729	1,111	(618)
Increase (decrease) in reserves	(2,573)	0	(3,308)	(3,308)
Increase (decrease) in investments	0	0	0	0
Total applications of funds	2,586	5,977	3,894	(2,083)
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

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	740	4,250	3,865	(385)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	553	566	470	(96)
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(4,034)	(4,147)	(4,051)	96
Net Surplus (Deficit) before taxation in Cost of Service Statement	(2,741)	669	284	(385)

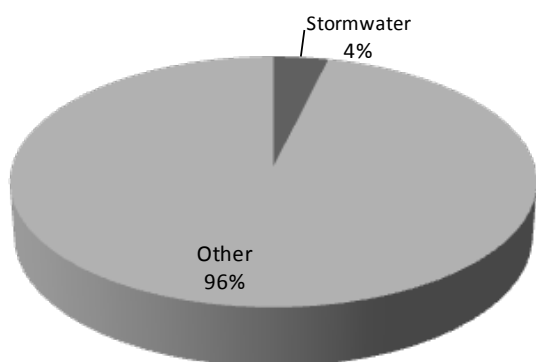
STORMWATER

The provision of a robust stormwater system allows people to carry out their day to day lives with minimal disruption or adverse health effects from rainfall events. 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 reticulation system of pump stations and outfalls to rivers, streams or the sea. The natural stormwater system comprises vegetation and ground soakage with overflow to rivers and streams in high rainfall events. Rivers and streams sustain aquatic ecosystems and are increasingly linked to human activity. For example, streams and rivers may border private properties, and also provide recreation amenities for both residents and visitors.

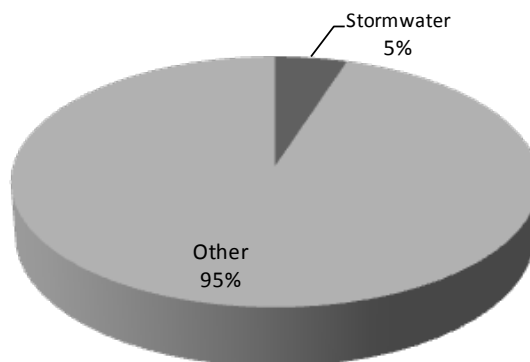
Nelson needs a resilient and effective stormwater system to cope with changing climatic conditions. Council's stormwater provision will continue to be a core activity which puts the safety of the community and protection of the natural environment at the forefront of its planning. Council shares the concerns of residents who see stormwater systems as a priority. Council will continue its programme to improve the network, with highest priority areas addressed first.

The graphs below show how much of Council's operational and capital budgets will be spent on the stormwater activity in 2014/15.

Operational as a % of Total



Capital as a % of Total



This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were adopted. All other stormwater activities are proposed to be delivered as stated in pages 96-106 of the Long Term Plan 2012-22.

The major emergency rainfall events Nelson experienced in December 2011 and April 2013 continue to impact on the stormwater activity work programmed in the Long Term Plan 2012-22.

Year 3 (2014/15) Project Updates

Tasman Street - Bronte Street/Nile Street/Manuka Street

This project to upgrade the stormwater network was originally in the Long Term Plan for 2013/14, but will now be constructed over the 2014/15 year to align with the roading programme.

Saltwater Creek/Haven Road culvert

Detailed design in 2013/14 has resulted in an \$113,000 increase to the construction estimate for this project, bringing the total to \$850,000.

Nile Street East

This is a new project to upgrade stormwater assets at a cost of \$50,000 to increase the network's capacity to cope with higher rainfall events.

2014/15 Projects Deferred

These are projects that were scheduled to begin in 2014/15 but have been deferred for consideration in the Long Term Plan 2015-25. The deferral of these projects will not impact on Levels of Service within the stormwater activity.

Shelbourne Street[#]

The planned stormwater upgrade of Shelbourne Street has been deferred to align with roading funding so that both stormwater and roading works can be completed at the same time.

Halifax Street[#]

A new stormwater line planned for Halifax Street from Tasman Street to Milton Street has been deferred in order to redirect funding to emergency work identified in the December 2011 and April 2013 extreme rain events.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: *Comments in italics provide a recent update*

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Environmental Protection For the built and natural environment from flooding and stormwater discharges	Level of compliance with resource consent conditions	100% compliance	Achieved	As for Year 1	As for Year 1
	Ensure appropriate stormwater disposal options are available throughout the city	Planned work programme completed to improve network, targeting highest risk areas	Not achieved The planned work programme was not completed this year. A number of projects were deferred to allow resources to be committed to storm recovery works	As for Year 1	As for Year 1
Reliability An operational stormwater network	Number of blockages per 100 km of pipes on an annual basis	Less than 25 blockages per 100km of pipes on an annual basis	Achieved	As for Year 1	As for Year 1
Emergency response Provide a prompt, reliable and timely response to service requests and system failures	Time that contractors take to respond to emergencies	Contractors respond to emergencies within 30 minutes	Not achieved Response times for flooding and blocked inlets met the requirement. Other associated requests were met 98% of the time	As for Year 1	As for Year 1

STORMWATER FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$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)	3,499	4,149	3,853	(296)
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	3,499	4,149	3,853	(296)
Applications of operating funding				
Payments to staff and suppliers	1,226	985	994	9
Finance costs	0	0	0	0
Internal charges and overheads applied *	777	1,023	1,114	91
Other operating funding applications	0	0	0	0
Total applications of operating funding	2,003	2,008	2,108	100
Surplus (Deficit) of operating funding	1,496	2,141	1,745	(396)
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	612	627	470	(157)
Increase (decrease) in debt	649	(512)	347	859
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	1,261	115	817	702
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	2,911	2,130	2,490	360
- to replace existing assets	100	126	72	(54)
Increase (decrease) in reserves	(254)	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	2,757	2,256	2,562	306
Surplus (Deficit) of capital funding	(1,496)	(2,141)	(1,745)	396
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

The surplus/deficit of operating funding is equal to depreciation, which has reduced by \$397k in line with changes to the capital programme over years one to three of the LTP.

Required debt in 2014/15 has increased as a result of reduced surplus and financial contributions and increased capital expenditure.

Changes to the capital programme are listed at the end of the Financials section of this document.

STORMWATER COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	3,499	4,149	3,853	(296)
Operating Income	0	0	0	0
Capital Income	612	627	470	(157)
Total Income	4,111	4,776	4,323	(453)
Expenses				
Payments to staff and suppliers	1,226	985	1,133	148
Finance costs	777	1,023	975	(48)
Depreciation	1,750	2,141	1,744	(397)
Total Expenses	3,753	4,149	3,852	(297)
Net Surplus (Deficit)	358	627	471	(156)
Sources of funds				
Net Surplus (Deficit)	358	627	471	(156)
Non cash expenditure	1,750	2,141	1,744	(397)
Increase (decrease) in debt	649	(512)	347	859
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	2,757	2,256	2,562	306
Applications of funds				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	2,911	2,130	2,490	360
- to replace existing assets	100	126	72	(54)
Increase (decrease) in reserves	(254)	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of funds	2,757	2,256	2,562	306
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

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,496	2,141	1,745	(396)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	612	627	470	(157)
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,750)	(2,141)	(1,744)	397
Net Surplus (Deficit) before taxation in Cost of Service Statement	358	627	471	(156)

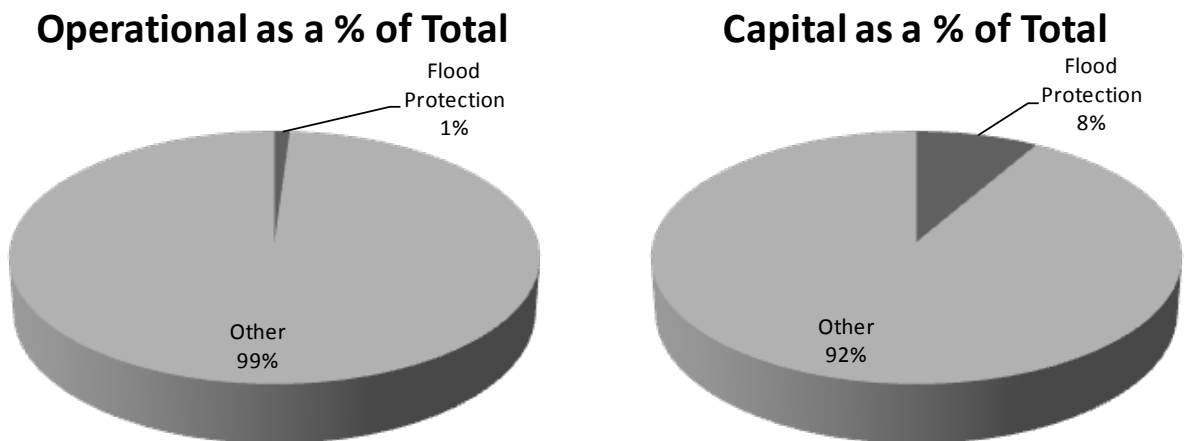
FLOOD PROTECTION

The provision of a flood protection system allows people to carry out their day to day lives with minimal disruption or adverse health effects from flooding. Council's flood protection assets include river and stream bank protection, stormwater 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.

Nelson's rivers and streams play an important role in the support of aquatic ecosystems, provide areas for recreation and public use and channel stormwater flows when it rains heavily. Floods can cause significant damage to properties within the flood path if the flow escapes the channel. Rivers and streams are designed to cater for a flood event that might occur, on average, once in 50 years. As the development of the City encroaches onto flood plains, the multiple demands on the available river and stream areas need to be balanced to ensure the long term best possible outcome for the City. Control of the rivers and streams by Council, on behalf of the community, allows the various demands on the network to be balanced to best effect.

Recent extreme rain events have been responsible for substantial damage to the Stoke/Richmond areas. With the likelihood of more extreme events in the future being signalled by the scientific community, the Nelson City Council and Tasman District Councils are proposing to amend the design standards for stream and river upgrading works to ensure channels can cater for a 1 in 100 year event. Council is also considering changes to the design standards for the stormwater pipework installed in the City's streets to allow for greater capacity.

The graphs below show how much of Council's operational and capital budgets will be spent on the flood protection activity in 2014/15.



This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were adopted. All other flood protection activities are proposed to be delivered as stated in pages 107-116 of the Long Term Plan 2012-22.

The extreme rainfall events Nelson experienced in December 2011 and April 2013 continue to impact on the flood projection activity work programmed in the Long Term Plan 2012-22. As a result a number of projects scheduled for 2014/15 have been changed or deferred as outlined on the following pages.

Year 3 (2014/15) Project Updates

Tod Valley Stream

This project is to provide adequate flood protection in the Tod Valley. The project will begin with upgrading of the culvert at the State Highway. As this work involves the New Zealand Transport Agency, Council is working closely with that organisation to explore cost sharing arrangements. Preliminary design will take place in 2014/15 at a cost of \$100,000, with construction planned to start in 2018/20. Upgrading of the main channel will be identified in the upcoming Long Term Plan.

York Stream catchment evaluation

As the city begins to redevelop the western fringe of the central business district the impact of extreme rain events and flooding on this area is being investigated. The current project is reviewing the capacity of stormwater culverts in the area and looking at where any overland flood water from York Stream is expected to flow. A slower staged approach to this project is now planned over a longer time frame, to allow more comprehensive modelling to be completed for the St Vincent /Vanguard catchment. The budget for 2014/15 has been reduced from \$263,000 to \$150,000 reflecting this approach. Additional works will be detailed in the Long Term Plan 2015/25. This work is part of the wider central business district flooding strategy that began with the development of a computer model of the Maitai River and the installation of flow monitoring equipment in the Brook Stream in 2001-13. Council is expecting this work to take a number of years and be the first stage in developing a comprehensive stormwater and flooding strategy for the city, looking out to 2100. The catchment evaluation and strategy has been transferred from stormwater to flood protection, with a consequent transferral of budget.

Maitai River upgrade and enhancement

This project was delayed so that funding could be redirected to emergency works as a result of the 2011 and 2013 extreme rainfall events. The Maitai flood model has now been completed and work in 2014/15, starting with community engagement, will be to improve the flood capacity of the river. This project will be run in conjunction with a new project proposed in this draft Annual Plan 2014/15, to take immediate steps to address factors impacting on the water quality of the river (see Key Issues & New Projects section of this document for further information on this project).

Brook Stream catchment strategy

This project to review flood capacity and options for improving the Brook Stream channel was deferred from 2012/13 and will now be carried out in 2014/15.

Hampden Street East – Little Go Stream

This project is to improve the flood capacity of Little Go Stream. An increase of \$147,000 is required to address issues found in preliminary investigations. The work will proceed as planned with funding of \$200,000 in 2014/15.

Flood mitigation – various sites

This project was added in the 2013/14 Annual Plan as a direct result of the April 2013 extreme rainfall event. An additional \$350,000 is required in 2014/15 to complete new gravel traps and intake structures

Orphanage Stream upgrade

Additional funding of \$500,000 has been included in 2014/15 to develop a range of works in Saxton Field adjacent to Orphanage Stream and to progress design work on bridges and culverts crossing Orphanage Stream from Suffolk Road to Main Road Stoke. The works are required as a result of flooding to the lower Stoke area and the Wakatu Industrial Estate following the April 2013 extreme rainfall event. To provide interim protection to properties Council is investigating the feasibility of extending the existing bunds on Saxton Field in order to create a detention pond for extreme rain events. This would provide a measure of protection to properties while design work on the bridges and culverts that cross Orphanage Stream is underway.

Stormwater Recovery Programme

Additional funding of \$500,000 has been included in 2014/15 to complete works that have been underway since December 2011 to repair damage from that storm event. This includes gravel removal, rock protection and rebuilding damaged banks of streams and rivers throughout the city.

April 2013 Heavy Rain Emergency Event

New funding of \$100,000 has been included in 2014/15 to complete works that have been underway since April 2013 to repair damage to streams from that extreme storm event. The focus is to complete rock protection and rebuilding damaged banks of streams impacted by the event, particularly Orphanage Stream.

Saxton Creek upgrade

This new project, with a budget of \$2.5 million, is included to increase the flood capacity of Saxton Creek following the extreme rain event in April 2013. Construction is planned to take place over two years – 2014/15 and 2015/16.

2014/15 Projects Deferred

These are projects that were scheduled to begin in 2014/15 but have been deferred for consideration in the Long Term Plan 2015-25. The deferral of these projects will not impact on Levels of Service within the flood protection activity.

York Stream channel upgrade[#]

Stage 1 of work to improve the flood capacity of York Stream in the upper section to cope with a 1 in 100 year event was completed in 2013/14. Once complete the works will provide better protection to properties in this section from extreme rain events. Remaining stages of the upgrade of York Stream, from the Bishopdale Reserve to Kawai Street work, will be considered in the upcoming Long Term Plan 2015-25.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: *Comments in italics provide a recent update*

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Protection for the urban built and natural environment from Q50 floods	Damage to urban property from stream flooding is minimised	Begin review of three urban streams for Q50 capacity	Achieved Saxton Creek capacity report commissioned, Brook Street flow monitoring equipment installed and upper York Stream capacity upgrade started	Begin design works of three urban streams for Q50 capacity	Begin design works of three urban streams for Q50 capacity
	Damage to urban property from Maitai River flooding is minimised	Begin review of Maitai River Q50 capacity	On track Draft report completed in 2012/13 for peer review in 2013/14	Complete review of Maitai River Q50 capacity	Begin design works for Maitai River Q50 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	Begin review of fish passage to Brook St channel, catchment management plan for the Maitai River and fresh water quality improvement initiatives	Not achieved Fish passage in Brook Stream and fresh water quality improvement deferred due to resources being required for storm events. Data gathering for Catchment Management Plan underway	Complete catchment management plan for the Maitai River, design fresh water quality improvement initiative(s)	Begin construction of fresh water quality improvements to one urban stream channel and start catchment management plan for one urban stream

FLOOD PROTECTION FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$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)	390	268	464	196
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	390	268	464	196
Applications of operating funding				
Payments to staff and suppliers	758	144	801	657
Finance costs	0	0	0	0
Internal charges and overheads applied *	15	124	126	2
Other operating funding applications	0	0	0	0
Total applications of operating funding	773	268	927	659
Surplus (Deficit) of operating funding	(383)	0	(463)	(463)
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	829	3,060	4,189	1,129
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	829	3,060	4,189	1,129
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	962	3,060	4,326	1,266
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(516)	0	(600)	(600)
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	446	3,060	3,726	666
Surplus (Deficit) of capital funding	383	0	463	463
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

Expenditure for recovery from the 2011 and 2013 emergency events is \$600k more than budgeted in the LTP. Disaster recovery work is funded from reserves, resulting in an operating deficit.

The \$1.2m increase in the capital programme is funded by increased debt.

Changes to the capital programme are listed at the end of the Financials section of this document.

FLOOD PROTECTION COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	390	268	464	196
Operating Income	0	0	0	0
Capital Income	0	0	0	0
Total Income	390	268	464	196
Expenses				
Payments to staff and suppliers	758	144	812	668
Finance costs	15	124	115	(9)
Depreciation	134	0	138	138
Total Expenses	907	268	1,065	797
Net Surplus (Deficit)	(517)	0	(601)	(601)
Sources of funds				
Net Surplus (Deficit)	(517)	0	(601)	(601)
Non cash expenditure	134	0	138	138
Increase (decrease) in debt	829	3,060	4,189	1,129
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	446	3,060	3,726	666
Applications of funds				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	962	3,060	4,326	1,266
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(516)	0	(600)	(600)
Increase (decrease) in investments	0	0	0	0
Total applications of funds	446	3,060	3,726	666
Funding balance	0	0	0	0

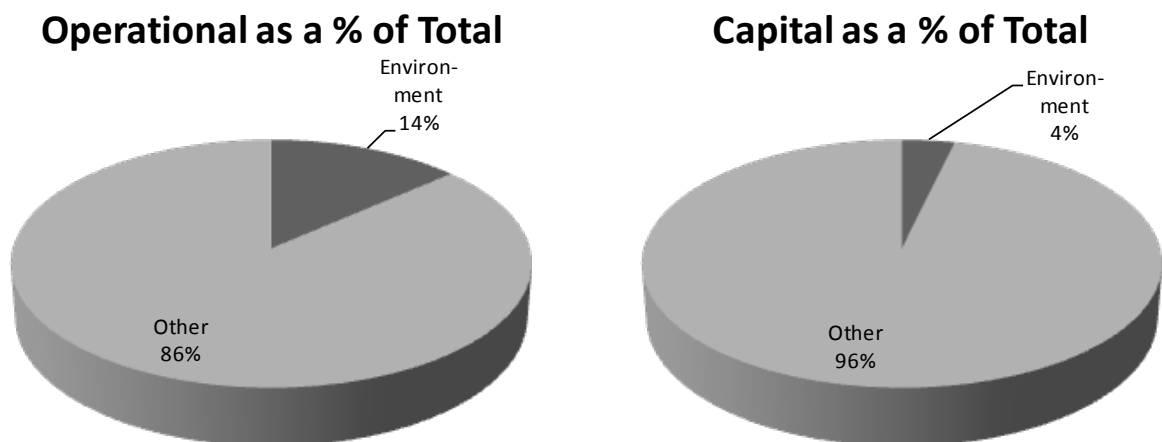
Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from				
Funding Impact Statement	(383)	0	(463)	(463)
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	(134)	0	(138)	(138)
Net Surplus (Deficit) before taxation in Cost of Service Statement	(517)	0	(601)	(601)

ENVIRONMENT

Council undertakes environmental management responsibilities to protect and enhance the quality of Nelson’s natural and built environment, promote community wellbeing and to fulfil its statutory duties. Nelson City Council has a wider span of environmental management responsibilities than most other councils because it is a unitary authority and has to manage both territorial authority and regional functions. Nelson City Council’s environmental functions include resource management planning, resource and building consents, environmental advice to landowners and residents, monitoring, education, waste management and minimisation, advocacy as well as enforcement - which covers a range of work such as liquor licensing and dog control. Understanding the impacts of human activity on Nelson’s air, land, waters and coastal areas helps ensure our efforts are focused in the right areas to achieve good environmental outcomes.

The graphs below show how much of Council’s operational and capital budgets will be spent on the environment activity in 2014/15.



This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were adopted. All other environment activities are proposed to be delivered as stated in pages 117-131 of the Long Term Plan 2012-22.

Year 3 (2014/15) Project Updates

Landfill road extension

This is a new project to construct the access road for the next stage of the landfill at a cost of \$1,545,000 and includes the new weighbridge which is being brought forward from 2015/16 as it is more cost effective to combine as one project.

Resource management planning – Nelson Plan

An assessment of Council’s resource management functions occurred in 2013 and Council has resolved to undertake a combined review of the Nelson Regional Policy Statement (review was due in 2007) and Nelson Resource Management Plan (review largely due in 2014), rather than an issue based, rolling review as programmed in the 2012-2022 Long Term Plan. The Council also resolved that, where a specific resource management issue arises, a targeted Plan Change may occur separate to the full review. Consequently, work done to inform the resource management planning programme, including research for the Nelson Development Strategy, has been halted and collated to develop issues and options papers for a full plan review. The full plan review will provide an integrated planning approach and combine the Regional Policy Statement and the Nelson Resource Management Plan as the Nelson Plan.

Air quality

Concerns have been raised about the impact of the Nelson Air Quality Plan on woodburner use. While there have been great gains made in Nelson's air quality over the last decade, through significant investment by Council and the community, it is timely to review the current approach to woodburners. Council is working with the Ministry for the Environment and gathering information through modelling. This work will be reported back to Council as soon as possible. The Resource Management Act 1991 places considerable restrictions on how we can make changes to the rules and the modelling work is an important step in progressing change.

Freshwater management

Central Government has proposed amendments to the National Policy Statement for Freshwater Management (NPSFW). The purpose of the amendments is to achieve improved and more consistent management of freshwater around New Zealand. The changes to the national framework will support Council's intention to improve water quality where it is degraded.

Council will consider how it gives effect to the NPSFW as part of the Nelson Plan review. In the short term Council intends to undertake a range of non regulatory responses including the following: catchment management planning (see the following page regarding the Maitai catchment), working with community stream care and monitoring groups, riparian planting and fencing, monitoring and investigating water quality issues, working with iwi and with landowners, and ensuring our infrastructure works achieve our environmental objectives. Changes will also be needed to how Council monitors our freshwater quality to align with the NPSFW.

Maitai River

The Maitai River is a significant natural feature of the City and is highly valued by the Nelson community. Council recognises the importance of improving the river's water quality and is proposing \$400,000 be set aside in 2014/15, for projects to improve the river's health, \$200,000 of which is new capital funding and \$200,000 operating funding transferred from other budgets. This is an investment in some immediate steps to restore natural values and function in the Maitai River.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: *Comments in italics provide a recent update*

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Cleaner water	Health of Nelson’s freshwater environments measured by water body classification	Maintain Class A and B water bodies in current state. Decrease number of water bodies classified as D or E by Year 3	Not Achieved Five A class water bodies in 2012 compared to nine in 2011. Eleven sites worse than grade C in 2012 compared to nine sites in 2011. The degraded urban streams are recovering from the December 2011 rainfall event and subsequent gravel extraction. The Stoke Stream Rescue Project has developed four catchment plans that target actions for improvements in water quality	As for Year 1 <i>Reporting of 2013 water quality classifications is due in April 2014.</i> <i>Overall water classifications are expected to fall due to natural causes (periods of low flow and flooding) and land use impacts (instream works for stormwater upgrades, faecal contamination from various sources and forestry harvesting)</i>	As for Year 1
Cleaner water	Level of compliance with swimming water quality standards	Increase the number of monitored swimming areas that meet the swimming water quality standards	Not Achieved Wakapuaka River at Paremata Reserve and Maitai River at Collingwood Street continue to not meet national standards, as in 2011/12. Working with landowners to fence and prevent livestock from accessing waterways used for domestic puposes and contact recreation. Investigations of stormwater and sewer pipes to fix damaged services	As for Year 1 <i>Reporting of 2013/14 national swimming water standards is due in April 2013/14.</i> <i>Monitoring to date indicates that faecal contamination is still present in the lower Maitai and Wakapuaka River. Health warnings remain in place at these recreation sites</i>	As for Year 1

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Cleaner air	Level of compliance with national standard for air quality	Continue to comply with the national standard in Airshed B and C Airshed A breaches will decline from prior year	Airshed C complies with the national standard. Monitoring to date for 2013/14 indicates 1 breach in Airshed B - there must be no more than 1 per year after September 2016. In Airshed A there have been 3 breaches to date – this is less than 7 from the prior year but there may be more before the end of June 2014	As for Year 1	As for Year 1
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	Complete existing plan changes and respond to national policy change	Achieved Plan Change A2 was completed which aligned the Nelson Air Quality Plan with the National Environment Standard on Air Quality. Plan Change 14 (Residential Subdivision, Land Development Manual and Comprehensive Housing) became operative in part and progress was well underway into resolving the appeal. Research was commissioned to inform Council's response to the National Policy Statement (NPS) for Renewable Electricity Generation; and the Nelson Resource Management Plan was considered to already give effect to the NPS for Electricity Transmission. A programme was adopted to implement the NPS Freshwater, and hazards research was undertaken. A review of the efficiency and effectiveness of Nelson's resource management plans was adopted	As for Year 1 <i>Inner City Noise Plan Change notified and proceeding to hearing in May 2014.</i> <i>Research for plan changes on the previous work programme will be developed into issues and options papers for the Nelson Plan development</i>	As for Year 1

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Reduced waste to landfill	The amount (in tonnes) of waste per resident disposed of at landfill	Continue each year to decrease the per capita amount of waste from the NCC area disposed of at landfill, in tonnes	Achieved The amount of waste to landfill has decreased for the eighth year in a row and is now estimated at 0.62 tonne per person. This is a decrease of 2% from last year, when the corresponding target was also achieved	As for Year 1 <i>On track</i> <i>The amount of waste to landfill is now estimated at 0.611 tonnes per person. This is a decrease of 1.5% from last year, when the corresponding target was also achieved</i>	As for Year 1
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	New EOC operational	Not Achieved Agreement signed and new facility due for completion in Dec 2013	From Year 2 Effective EOC is operating for Nelson Tasman <i>Achieved - New EOC operational from Jan 2014</i>	As for Year 2
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	100% of building consents and Code Compliance Certificates issued within 20 working days	Not Achieved 89% of building consents were completed on time compared to 93% in 2011/12. The time for code compliance certificates was unable to be recorded this year due to an internal computer issue (99% were issued on time in 2011/12)	As for Year 1 <i>Building consents since September 2013 have been issued within 20 working days</i> <i>The Code Compliance Certificates have no 20 day time limit breaches since September 2013</i>	As for Year 1
	Implementation of the Earthquake-prone and Dangerous Building Policy	Review and implementation of the Earthquake prone and Dangerous Building Policy meets deadlines specified in the policy	Generally on track for Priority 1 and 2 buildings by December 2014; all remaining by 2015 Priority 1 is tracking well. Priority 2 will need some close monitoring to meet this deadline. All remaining will also need close monitoring due to the volume of work	As for Year 1 <i>Changes to the Building Act 2004 in relation to earthquake prone buildings will impact on Council's policy.</i> <i>Tracking against the current policy deadlines is about 2 years off, though 95% of Priority 1 Importance Level 4 buildings have been identified, Priority 2 Importance level 3 tracking at 48% identified. All priority 3 Heritage buildings have been identified</i> <i>Approximately 25% of all other priority 4 and remainder buildings have been identified.</i> <i>Policy is still to be reviewed - date to be set</i>	As for Year 1

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
	Level of customer satisfaction as measured by a survey of building and resource consent customers	60% of customers satisfied or very satisfied with the building resource and consent services	Not Achieved 72% of resource consent customers were satisfied with services (surveys were sent to parties of all consent applications at the end of each quarter). Building consent customer satisfaction was not measured due to the increased focus on recruiting the new Building Manager as well as the IANZ accreditation	As for Year 1 <i>Now measured through the residents' survey</i>	As for Year 1
Resource consents processing service	Level of compliance with statutory timeframes for processing resource consents	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)	Not Achieved 86% of non-notified resource consents were processed on time and 67% of notified or limited notified were on time. Staff numbers fell by a quarter in line with a lower number of applications received last year. When application numbers increased the staff recruitment lag contributed to slower processing times. This is expected to be resolved early in the 2013/14 year. This result compares to 100% for notified or limited notified and 87% for non-notified consents on time in 2011/12	As for Year 1 <i>As at 31 Dec 2013: 98% non-notified consents processed on time 100% notified/limited notified processed on time</i>	As for Year 1

ENVIRONMENTAL MANAGEMENT FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	5,287	6,156	6,468	312
Targeted rates (other than a targeted rate for water supply)	582	608	33	(575)
Subsidies and grants for operating purposes	185	194	162	(32)
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	2,467	2,210	2,173	(37)
Local authorities fuel tax, fines, infringement fees, and other receipts	6,654	7,944	7,036	(908)
Total Operating Funding	15,175	17,112	15,872	(1,240)
Applications of operating funding				
Payments to staff and suppliers	11,592	13,810	12,771	(1,039)
Finance costs	0	0	8	8
Internal charges and overheads applied *	2,680	2,412	2,753	341
Other operating funding applications	0	0	0	0
Total applications of operating funding	14,272	16,222	15,532	(690)
Surplus (Deficit) of operating funding	903	890	340	(550)
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	12	13	5	(8)
Increase (decrease) in debt	(251)	(622)	(591)	31
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	(239)	(609)	(586)	23
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	36	1,564	1,528
- to improve level of service	23	0	230	230
- to replace existing assets	78	173	101	(72)
Increase (decrease) in reserves	277	87	(1,448)	(1,535)
Increase (decrease) in investments	286	(15)	(693)	(678)
Total applications of capital funding	664	281	(246)	(527)
Surplus (Deficit) of capital funding	(903)	(890)	(340)	550
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

An decrease in revenue of \$1.2m is anticipated in the solid waste group of activities. Building consents income has been reduced by \$457k in line with current activity. Targeted rates show a reduction of \$575k as a result of reclassifying the repayments of the capital portion of Solar Saver and Clean Heat Warm Homes schemes to decrease in investments.

There is a decrease in expenditure of \$1m in this activity. There is a \$664k saving in respect of ETS levies in Landfill - both volume and price have contributed to this. There are increased costs relating to leaky home claims of \$279k , and \$200k has been earmarked for work on the health of the Maitai River .

The decrease in reserves is a result of funding solid waste capital projects.

Changes to the capital programme are listed at the end of the Financials section of this document.

ENVIRONMENTAL MANAGEMENT COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	5,922	6,819	6,556	(263)
Rates remissions	(53)	(55)	(55)	0
Operating Income	9,306	10,348	7,128	(3,220)
Capital Income	12	13	5	(8)
Total Income	15,187	17,125	13,634	(3,491)
Expenses				
Payments to staff and suppliers	14,059	16,020	12,900	(3,120)
Finance costs	213	202	389	187
Depreciation	422	374	479	105
Total Expenses	14,694	16,596	13,768	(2,828)
Net Surplus (Deficit)	493	529	(134)	(663)
Sources of funds				
Net Surplus (Deficit)	493	529	(134)	(663)
Non cash expenditure	422	374	479	105
Increase (decrease) in debt	(251)	(622)	(591)	31
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	664	281	(246)	(527)
Applications of funds				
Capital Expenditure				
- to meet additional demand	0	36	1,564	1,528
- to improve level of service	23	0	230	230
- to replace existing assets	78	173	101	(72)
Increase (decrease) in reserves	277	87	(1,448)	(1,535)
Increase (decrease) in investments	286	(15)	(693)	(678)
Total applications of funds	664	281	(246)	(527)
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

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from				
Funding Impact Statement	903	890	340	(550)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	12	13	5	(8)
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(422)	(374)	(479)	(105)
Net Surplus (Deficit) before taxation in Cost of Service Statement	493	529	(134)	(663)

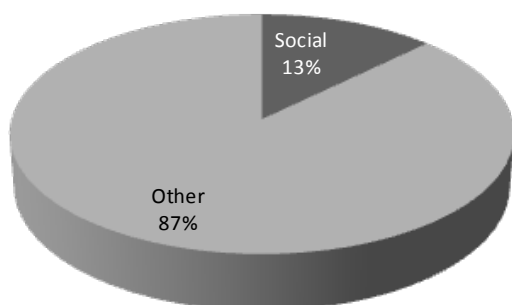
SOCIAL INCLUDING ARTS AND HERITAGE

Investment in the heritage, arts and social activities of Nelson makes the city an attractive place to live as well as bringing economic benefits through tourism and a strong business community. 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, community assistance, a museum, festivals and public libraries, amongst many others.

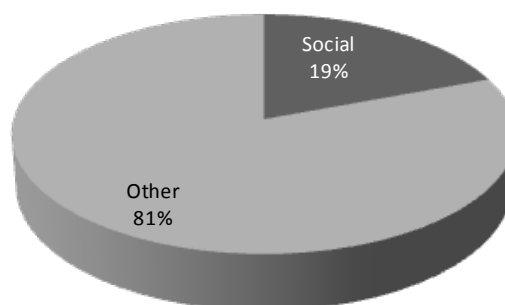
Collectively, Nelson residents can afford facilities like the public library, giving access to books and resources they could not afford individually. Collective provision of facilities like community housing for the elderly meets a need where there is a shortage of such facilities.

The graphs below show how much of Council's operational and capital budgets will be spent on the social activity in 2014/15.

Operational as a % of Total



Capital as a % of Total



This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were adopted. All other social activities are proposed to be delivered as stated in pages 132-146 of the Long Term Plan 2012-22.

Year 3 (2014/15) Project Updates

WWI Centenary Memorial

Council will provide funding of \$10,000 to support World War I Centenary commemorations and \$15,000 towards a WWI memorial at Marsden Valley Cemetery in 2014/15. This is the first of four years that commemorations will occur and further consideration of Council's support for WWI commemorations will occur during the development of the Long Term Plan 2015-25.

Crematorium

Recent investigations of the cremators has identified that one of the cremators needs relining. Increased usage of cremation services requires both cremators to be in use. Not progressing with this could result in closure of one of the cremators. The relining will take place in 2014/15 and is estimated to cost \$85,000.

Riverside murals

This project to provide murals along the Maitai River was added in the 2013/14 Annual Plan. Work started last year and three murals have already been completed. Funding of \$31,000 continues in 2014/15 for the remaining two murals.

Nelson School of Music

The Nelson School of Music requires both earthquake strengthening and refurbishment. We are committed to providing support to this special Nelson institution and its nationally acclaimed auditorium. We will be working closely with the School to progress development plans and funding of \$150,000 has been allocated for the next financial year.

Funding of \$1,431,000 to support earthquake strengthening and refurbishment works will be deferred to 2015/16 while the School of Music works on plans for its redevelopment project. The planned transfer of the School of Music land and building to Council has not occurred due to delays in the project.

Theatre Royal

The legal issues that have prevented the transfer of the Theatre Royal assets to Council are still before the High Court. The Theatre Royal continues to experience financial difficulties despite high community use and commercial bookings. After being advised in December 2013 that the ongoing viability of the Theatre was in jeopardy, Council undertook a detailed review of the Theatre Royal's financial position. The initial budgets produced by the Trust have proven to be unrealistic. Council is of the view that the Theatre Royal is a key community asset and makes a valuable contribution that is worthy of council funding. For this reason Council is proposing to increase the operational grant to the Theatre in 2014/2015 by \$115,000 to a total of \$220,000.

Arts projects

In order to deliver an achievable work programme in 2013/14, the funding for arts projects was unspent. Council is committed to arts projects being delivered in the 2014/15 year and has allocated \$125,000 in this draft Annual Plan 2014/15.

Events Strategy review

The Events Strategy provides funding to stimulate new spending by bringing visitors to Nelson for distinct events in the shoulder and off season. A review of the criteria for the Events Strategy will be undertaken in 2014/15.

Social wellbeing, accessibility and housing

Council's Social Wellbeing Policy will be updated during 2014/15 to include policies on accessibility and to develop an action plan on social wellbeing. Work is also planned on housing – to look at community housing, affordable housing, working with community providers and a range of other factors impacting on residents' satisfaction with Nelson's housing.

Local Alcohol Policy

Work on developing a Local Alcohol Policy for Nelson will continue in 2014/15. The Sale and Supply of Alcohol Act 2012 allows councils to make local policies that set conditions for the licensing of premises for the sale of alcohol across the city. Council has developed a draft policy on which it consulted the Nelson community in 2013/14. The policy is expected to be finalised in 2014/15.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: Comments in italics provide a recent update

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
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 include building condition assessments and delivery of community outcomes	Transfer ownership of the Theatre Royal and Nelson School of Music land and assets to Council. Establish joint governance model. Agree leases and contracts for community outcomes	Not Achieved Legal issues relating to the ownership	Plans for earthquake strengthening of Nelson School of Music agreed and work commenced	Earthquake strengthening work on Nelson School of Music continuing
Libraries that are well used, welcoming and safe environments	The level of satisfaction with the libraries as determined by residents' survey	Maintain at least 80% of customers satisfied or very satisfied with libraries and that 75% of the population are library members	Achieved 94% of library customers rated the service as 7 or more out of 10 in a customer satisfaction survey in June 2013. This is an increase from 85% in May 2011. 79% of the population are library members compared to 78.2% in 2011/12	As for Year 1	As for Year 1
	Trends in membership, door counts	Door counts continue to increase each year	Not achieved Door counts trended down 3.25% compared to the 2011/12 year, however membership increased 7.4%. The lower door counts are attributed to the July 2012 renovations and the boost in the previous two years from Rugby World Cup visitors. 2012/13 compares well to earlier years	As for Year 1	As for Year 1
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	80% of users satisfied or very satisfied with the Suter Art Gallery	This survey was last carried out in September 2011 (where 76% of users were satisfied or very satisfied). The survey will be undertaken during 2013/14	As for Year 1	As for Year 1

SOCIAL FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	10,540	11,033	9,959	(1,074)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	378	349	349	0
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	165	0	5	5
Local authorities fuel tax, fines, infringement fees, and other receipts	2,508	2,535	2,460	(75)
Total Operating Funding	13,591	13,917	12,773	(1,144)
Applications of operating funding				
Payments to staff and suppliers	12,106	11,930	11,101	(829)
Finance costs	0	0	0	0
Internal charges and overheads applied *	353	667	577	(90)
Other operating funding applications	0	0	0	0
Total applications of operating funding	12,459	12,597	11,678	(919)
Surplus (Deficit) of operating funding	1,132	1,320	1,095	(225)
Sources of capital funding				
Subsidies and grants for capital	6,766	0	6,486	6,486
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	1,034	6,095	5,364	(731)
Gross proceeds from sale of assets	1	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	7,801	6,095	11,850	5,755
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	504	617	541	(76)
- to improve level of service	9,553	1,707	9,044	7,337
- to replace existing assets	297	344	338	(6)
Increase (decrease) in reserves	92	303	203	(100)
Increase (decrease) in investments	(1,513)	4,444	2,819	(1,625)
Total applications of capital funding	8,933	7,415	12,945	5,530
Surplus (Deficit) of capital funding	(1,132)	(1,320)	(1,095)	225
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

Savings in staff costs in this activity total \$313k. Opera in the Park will not be held in this year, saving \$252k. \$154k that was budgeted in the LTP will not be required in the community liaison and the community physical activity fund.

The increase in subsidies and grants for capital reflect the delay in the gifting of the assets of the Nelson School of Music and the Theatre Royal. There is an offset to this in capital expenditure.

A reduction in investments of \$1.5m will occur on the gifting of the Theatre Royal assets.

Changes to the capital programme are listed at the end of the Financials section of this document.

SOCIAL COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	10,680	11,114	10,101	(1,013)
Rates Remissions	(140)	(81)	(142)	(61)
Operating Income	3,051	2,884	2,819	(65)
Capital Income	6,766	0	6,486	6,486
Total Income	20,357	13,917	19,264	5,347
Expenses				
Payments to staff and suppliers	12,106	11,930	11,262	(668)
Finance costs	353	667	421	(246)
Depreciation	1,291	1,314	1,236	(78)
Total Expenses	13,750	13,911	12,919	(992)
Net Surplus (Deficit)	6,607	6	6,345	6,339
Sources of funds				
Net Surplus (Deficit)	6,607	6	6,345	6,339
Non cash expenditure	1,291	1,314	1,236	(78)
Increase (decrease) in debt	1,035	6,095	5,364	(731)
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	8,933	7,415	12,945	5,530
Applications of funds				
Capital Expenditure				
- to meet additional demand	504	617	541	(76)
- to improve level of service	9,553	1,707	9,044	7,337
- to replace existing assets	297	344	338	(6)
Increase (decrease) in reserves	92	303	203	(100)
Increase (decrease) in investments	(1,513)	4,444	2,819	(1,625)
Total applications of funds	8,933	7,415	12,945	5,530
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

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from				
Funding Impact Statement	1,132	1,320	1,095	(225)
Subsidies and grants for capital expenditure	6,766	0	6,486	6,486
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,291)	(1,314)	(1,236)	78
Revaluation Gains (Losses)	0	0	0	0
Net Surplus (Deficit) before taxation in				
Cost of Service Statement	6,607	6	6,345	6,339

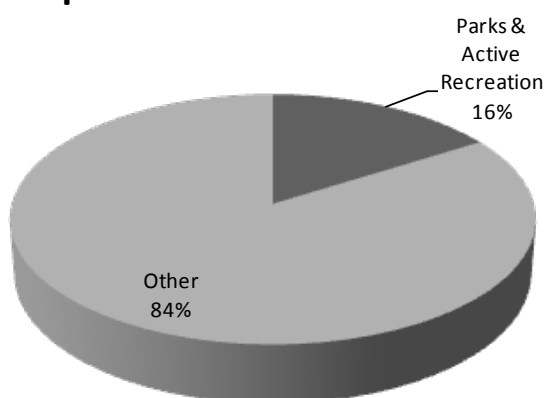
PARKS AND ACTIVE RECREATION

The parks and active recreation activity contributes to the health and wellbeing of Nelson's residents and communities by providing spaces for organised sport, informal recreation and areas for people to interact. Nelson's parks are an important part of the city's character and identity and the environmental benefits include protection of biodiversity, controlling and storing groundwater, carbon storage, improving air and water quality and reducing noise pollution.

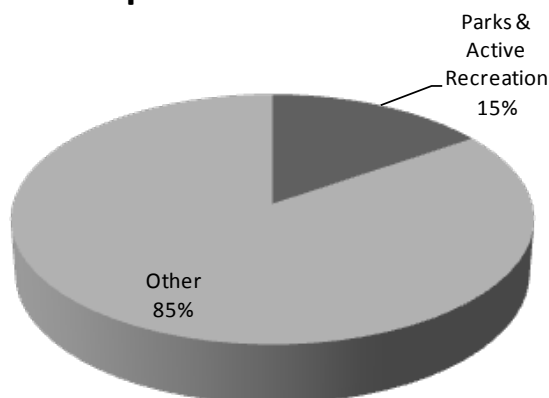
The parks and active recreation activity of Council manages a range of parks and open spaces to help protect Nelson's biodiversity, heritage, rivers and coast. It provides active recreation opportunities through its provision of infrastructure such as walkways and cycle ways, expanding cycle trails,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

The graphs below show how much of Council's operational and capital budgets will be spent on the parks and active recreation activity in 2014/15.

Operational as a % of Total



Capital as a % of Total



This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were 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 3 (2014/15) Project Updates

Modeller's Pond

Council has considered a number of approaches to find a solution to the invasive weed and algae problem at the Modellers Pond at Tahunanui Reserve. Two viable options are: filling in the pond at a cost of \$260,000 or upgrading the pond using fish as a means of controlling the weed and algae. Provision has been made in 2014/15 to retain the pond using fish to control the weed and algae at a cost of \$500,000 and to also include an ongoing operational budget of \$93,000 per year (including depreciation and interest).

Marina Hardstand

The creation of a hardstand at the Marina was scheduled for completion in 2013/14. Progress to complete this was delayed, so \$50,000 is included in 2014/15. This money will be used to meet resource consent conditions and to do fencing and minor works.

Brook Waimarama Sanctuary Trust Fence

Council has provided funding of \$1 million over two financial years (2013/14 and 2014/15) as a contribution to the proposed predator fence for the Brook Waimarama Sanctuary. Council approved the Trust's business plan in 2013 and release of any Council funding is contingent on the Trust raising its funding for the fence. This fundraising is ongoing by the Trust. Council officers are also working with the Trust on lease agreements for the land, which also need to be finalised before release of Council funding. Both parties are working together to move this project forward.

Stoke/Greenmeadows Community and Sports Facility

During the development of the Long Term Plan 2012-22, Council considered the building of shared community and sports facilities at Greenmeadows, Stoke, for \$2 million. Funding was not included in the Long Term Plan, but Council did agree in principle to make land available for the development. It is important that our suburban communities are revitalised. Work has started in 2013/14 to identify the current and future needs of residents in Stoke. This will ensure that the development is what the people of Stoke want. The Council has set aside \$200,000 in 2014/15 to fund further investigation and design for a community and sports facility with construction planned for the following year.

Saxton Stadium

This is a new project as a result of the April 2013 extreme rain event. This involves changing the kerbs to deflect stormwater away from the stadium, at a cost of \$80,000.

Conservation Reserves

This year renews funding of \$53,000 will be used to replace the Brook Waimarama Sanctuary railway iron bridge, owned by Council, which needs to be upgraded to cater for a growing number of recreational users.

Tahuna Back Beach

Community concern over the ongoing erosion of the Tahuna Back Beach has prompted the Council to set aside \$60,000 in 2014/15 to gather expert information to enable review of its current policy.

Trafalgar Centre

The Trafalgar Centre has been identified as an earthquake prone building and was closed in December 2013 to manage the risk to public safety. Strengthening options are still being assessed and reviewed. Council has set aside a provision of \$3m (\$2.25m of which is carried forward from 2013/14) to address issues as required over the next 12 months. Considerable effort has been put in since 2013 by Council to address the current closure and review a number of options to relocate those events previously booked at the Trafalgar Centre to other venues, including Saxton Stadium.

User Pays Study

Council's funding policies set the level of revenue that is appropriate for users to contribute for Council services. Council has signalled that it wishes to do further work to ensure those levels are set equitably. This work will be carried out in 2014/15 to inform fees and charges to be included in the Long Term Plan 2015/25.

2014/15 Projects Deferred

These are projects which were scheduled to begin in 2014/15 but are now being deferred for consideration in the Long Term Plan 2015-25. The deferral of these projects will not impact on Levels of Service within the parks and active recreation activity.

Stoke Youth Park[#]

Consideration of youth facilities will form part of the investigation and design of the community and sports facility at Greenmeadows mentioned on the previous page. Any development beyond this (i.e. within a wider Stoke Centre development) will be considered through the Long Term Plan 2015-25.

Tahunanui Reserve Management Plan implementation^{*}

This project to continue work on plantings and paths at the Tahunanui Reserve, at a cost of \$128,000 in 2014/15, has been deferred and will be reconsidered in the upcoming Long Term Plan 2015-25.

Destination Playground for Rutherford Park^{*}

This is a Heart of Nelson Strategy project and was deferred through the Annual Plan 2013/14, to be reconsidered in the next Long Term Plan. On this basis the funding of \$676,000 in 2014/15 for this project will also be deferred.

Tasman Heights#

This project is to provide a walkway link between Tasman Heights through to Douglas Road. The linkage between Maire Street to Heemskerk Place was scheduled to be constructed but engineering complexities with the location means the work will now be reconsidered through the Long Term Plan 2015-25.

Trafalgar Centre renewals programme#

Works programmed for 2014/15, including landscaping and parking improvements, has now been removed pending decisions about the future of the Trafalgar Centre.

Wakapuaka Sandflats environmental enhancement*

Funding for environment enhancement activities at Wakapuaka Sandflats has been deferred so that Council resources can be directed to higher priority work in 2014/15. This project will be reconsidered in the Long Term Plan 2015-25 with a view to making resources available to undertake strategic planning for the area in collaboration with relevant stakeholders and to develop a more accurate flood model.

Renewals and development programmes#

Aspects of the following projects scheduled for 2014/15 have been deferred to allow higher priority work to be completed:

- Horticulture Parks upgrade programme
- Sports Parks minor development programme
- Parks walkway surfaces upgrades

Reserve management plans#

The development of reserve management plans for neighbourhood and horticultural parks and sportsfields has been delayed so that Council resources can be directed to higher priority work. This work will be reconsidered in the Long Term Plan 2015-25.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: *Comments in italics provide a recent update*

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
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	Maintain current levels of parks and reserves provision, at least 245 hectares per 1000 residents, which is not to be reduced except where divestment offers clear net benefits to the community	Not Achieved The area of parks and reserves per 1,000 residents dropped from 245ha in 2011-12 to 239ha in 2012-13. This was most likely due to a population increase over the period (based on estimates). This information will be considered through the asset management planning process	As for Year 1	As for Year 1
	Level of resident satisfaction	Maintain at least 80% levels of resident satisfaction	Resident satisfaction was not measured during the 2012/13 year, however the May 2012 residents' survey showed that 83% of respondents were satisfied with parks and open spaces	As for Year 1	As for Year 1

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Sustainably managed parks and reserves	Level of improvement in key species and habitats in priority reserve areas	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	Achieved Vegetation monitoring and base line data has been established. Further measurements will be required to demonstrate improvement	As for Year 1 On track <i>Goat browse plots and transects established in August 2013 along the Maitai Ultramafic zone.</i> <i>Goat culling programme concentrating efforts on the Maitai Ultramafic Zone undertaken in October 2013.</i> <i>Ongoing weed spraying and mapping and wilding pine poisoning undertaken in key areas of the catchments</i>	As for Year 1
	Level of use of electricity, diesel/oil, water and toxic substances per hectare across parks and reserves	Current use of electricity, diesel/oil, water and toxic substances reduced by 5% per hectare by 2015	Not measured This target relates to a reduction in resource use by 2015. An interim measure is expected in the 2013/14 year	As for Year 1	As for Year 1
Neighbourhood parks within walking distance of all homes, providing play opportunities, open space and amenity values	Level of neighbourhood park distribution	One neighbourhood park within reasonable walking distance (500m radius or 10 minute walk) of urban residential properties, easily accessible, ideally from more than one road frontage	Not Achieved 99% of dwellings are within 500m of a neighbourhood park. This measure was also not achieved in 2011/12, due to no suitable land being available in the Wood area (in 2011/12 the measure related to a neighbourhood park being within 400m of homes)	As for Year 1	As for Year 1

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Maximised use of the Trafalgar Centre across a range of users	Number of people using the Trafalgar Centre and total hours used	At least maintain annual number of users Annual use hours exceeds 2500/year	Not Achieved Number of users increased from 78,969 in 2011/12 to 79,590 in 2012/13. However, number of hours used decreased from 3,530 in 2011/12 to 2,146 in 2012/13	As for Year 1 <i>Not achieved due to closure of the building for earthquake prone reasons</i>	As for Year 1
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	Provision of a swimming pool that is within 10 kilometres driving/cycling distance of 80% of the Nelson City population	Achieved	As for Year 1	As for Year 1
	Annual user satisfaction surveys	60% of customers satisfied or very satisfied with the swimming pools	Not measured in 2013	As for Year 1	As for Year 1
	Yardstick benchmarking comparison	Admission per m2 per annum above average of peer group as measured by Yardstick	Achieved for Riverside Not achieved for Nayland Average for full-year pools' peer group was 109 admissions m2 per annum and Riverside Pool was 134. Average for seasonal pools' peer group was 28 admissions m2 per annum, and Nayland Pool was 25	As for Year 1	As for Year 1
Financially sustainable marina facility	Level of self funding of the marina	No cost to rates to operate the marina Fees and charges cover the maintenance and renewal of marina facilities	Achieved There was no cost to rates to operate the marina. All maintenance was funded from a closed account that made a surplus generated from fees	As for Year 1	As for Year 1

PARKS FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	11,306	13,755	12,132	(1,623)
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	4,448	2,971	3,033	62
Total Operating Funding	15,754	16,726	15,165	(1,561)
Applications of operating funding				
Payments to staff and suppliers	11,850	10,152	10,667	515
Finance costs	0	0	0	0
Internal charges and overheads applied *	2,205	3,628	2,831	(797)
Other operating funding applications	0	0	0	0
Total applications of operating funding	14,055	13,780	13,498	(282)
Surplus (Deficit) of operating funding	1,699	2,946	1,667	(1,279)
Sources of capital funding				
Subsidies and grants for capital	27	65	28	(37)
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	6,939	5,679	5,338	(341)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	6,966	5,744	5,366	(378)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	3,370	3,320	2,406	(914)
- to improve level of service	4,372	5,071	3,343	(1,728)
- to replace existing assets	1,641	1,880	2,176	296
Increase (decrease) in reserves	(718)	(1,581)	(892)	689
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	8,665	8,690	7,033	(1,657)
Surplus (Deficit) of capital funding	(1,699)	(2,946)	(1,667)	1,279
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

The proposed cycle track at Saxton field which is budgeted in the 2013/14 Annual Plan is now expected to be constructed in 2014/15 (\$790k). Staff savings in this activity total \$429k.

The reduction in debt required is a combined effect of the reduced operating surplus, reduced capital expenditure, and less funding from reserves.

The reduced decrease in reserves is offset in debt.

PARKS COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	11,306	13,755	12,132	(1,623)
Operating Income	4,448	2,971	3,033	62
Capital Income	27	65	28	(37)
Total Income	15,781	16,791	15,193	(1,598)
Expenses				
Payments to staff and suppliers	11,850	10,152	10,711	559
Finance costs	2,205	3,628	2,787	(841)
Depreciation	2,728	3,611	2,822	(789)
Total Expenses	16,783	17,391	16,320	(1,071)
Net Surplus (Deficit)	(1,002)	(600)	(1,127)	(527)
Sources of funds				
Net Surplus (Deficit)	(1,002)	(600)	(1,127)	(527)
Non cash expenditure	2,728	3,611	2,822	(789)
Increase (decrease) in debt	6,939	5,679	5,338	(341)
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	8,665	8,690	7,033	(1,657)
Applications of funds				
Capital Expenditure				
- to meet additional demand	3,370	3,320	2,406	(914)
- to improve level of service	4,372	5,071	3,343	(1,728)
- to replace existing assets	1,641	1,880	2,176	296
Increase (decrease) in reserves	(718)	(1,581)	(892)	689
Increase (decrease) in investments	0	0	0	0
Total applications of funds	8,665	8,690	7,033	(1,657)
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

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,699	2,946	1,667	(1,279)
Subsidies and grants for capital expenditure	27	65	28	(37)
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(2,728)	(3,611)	(2,822)	789
Net Surplus (Deficit) before taxation in Cost of Service Statement	(1,002)	(600)	(1,127)	(527)

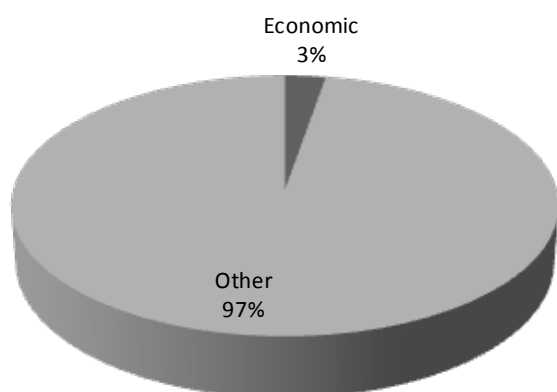
ECONOMIC

Council has a role to create a successful, sustainable city and achieves this largely through providing the underlying city infrastructure, and by fostering economic development through the work of the Nelson Regional Economic Development Agency and Nelson Tasman Tourism. The strategic priorities focus on activities where increased effort is likely to be most positive for the city, but all of Council's work aims to underpin sustainable economic development.

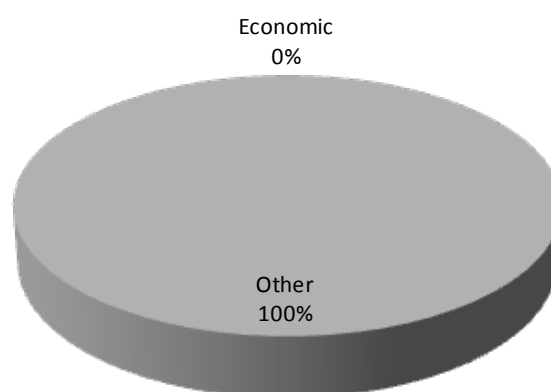
The graphs below show how much of Council's operational and capital budgets will be spent on the economic activity in 2014/15.

This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were adopted. All other economic activities are proposed to be delivered as stated in pages 160-167 of the Long Term Plan 2012-22.

Operational as a % of Total



Capital as a % of Total



Year 3 (2014/15) - Project Updates

Cricket World Cup

In the 2013/14 Annual Plan a new project to host the Cricket World Cup was approved. Funding of \$585,166 continues in 2014/15.

FIFA Under 20's World Cup

The Long Term Plan 2012-22 included funding to host the FIFA Under 20's Football World Cup in 2015. The Council formally withdrew its bid to be a host city and funding of \$478,193 for 2014/15 has been removed.

Free WiFi for the City Centre

Council invested in free WiFi for the city centre in 2013/14, extending free WiFi access to all network users. This has benefits for visitors to the city by keeping them connected while in Nelson, giving easy access to information on shopping and other attractions in the city, and helping them to navigate around town. Ongoing management of the WiFi network will be provided through Uniquely Nelson at an annual cost of up to \$7,000 starting in 2014/15.

Nelson Tasman Tourism

The Council is aware of Tasman District Council's proposal to cease funding tourism at the end of 2014/15. The Council remains committed to promoting Nelson as a tourism destination and will continue to fund Nelson Tasman Tourism in 2014/15 as agreed through the Long Term Plan 2012-2022

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: Comments in italics provide a recent update

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
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 present net value (\$)	Total value of Council's network assets is maintained or increased	The present net value calculation included in the performance measure has not been done, however the value of network assets recognised in the financial statements has increased by \$9.4 million (1%)	As for Year 1	As for Year 1
	Value of capital projects completed each year	Total value of capital projects is maintained or increased compared to previous year	Achieved Value of capital projects increased from \$20.5m to \$22.1m	As for Year 1	As for Year 1
Facilitate economic development for the benefit of the community	Amount of government business support funding accessed for the region	Government business support funding is maintained or increased and budgeted grants for research and development and capability development are fully allocated to businesses	Achieved Council accessed \$550,928 of government funding for the region compared to \$464,742 in 2011/12. All funds allocated were spent	As for Year 1	As for Year 1
Promotion of Nelson to increase the economic value of tourism	Number of tourism guest nights annually	Increase the number of tourism guest nights annually	Not achieved The total number of guest nights decreased by 5.1% from 594,121 in 2011/12 to 563,940 in 2012/13	As for Year 1	As for Year 1
	Number of tourism guest nights in the off-peak months	Increase the number of tourism guest nights in the off-peak months	Not achieved The number of tourism guest nights in the offpeak season decreased from 310,969 in 2011/12 to 287,314 in 2012/13, a change of 7.6%	As for Year 1	As for Year 1

ECONOMIC FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	1,468	2,061	2,160	99
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	591	591
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	1,468	2,061	2,751	690
Applications of operating funding				
Payments to staff and suppliers	1,292	2,048	2,735	687
Finance costs	0	0	0	0
Internal charges and overheads applied *	176	13	16	3
Other operating funding applications	0	0	0	0
Total applications of operating funding	1,468	2,061	2,751	690
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.

2014/15 Annual Plan Variances against Long Term Plan

The variances in both income and expenditure in this activity are essentially as a result of not participating in the FIFA under 20 World Cup, and being named as a host city for the 2015 Cricket World Cup.

ECONOMIC COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	1,468	2,061	2,160	99
Operating Income	0	0	591	591
Capital Income	0	0	0	0
Total Income	1,468	2,061	2,751	690
Expenses				
Payments to staff and suppliers	1,457	2,048	2,738	690
Finance costs	11	13	13	0
Depreciation	0	0	0	0
Total Expenses	1,468	2,061	2,751	690
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

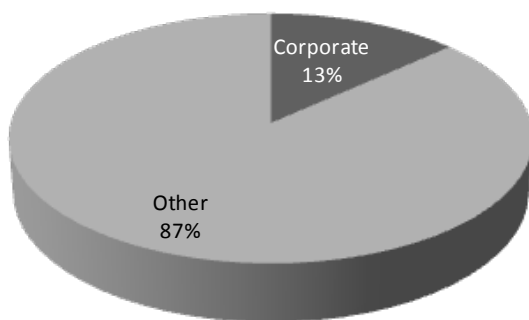
	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	0	0	0	0
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	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.

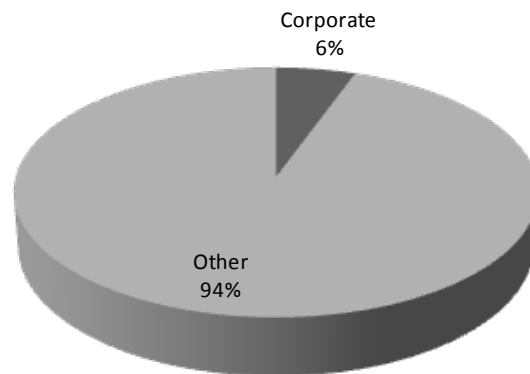
The majority of corporate work is a core task of all councils. Running local authority elections to provide democratic representation in the Council Chamber is a fundamental function of local government. Legislation charges councils with providing for 'democratic and effective local government that recognises the diversity of New Zealand communities'. It also aims to provide accountability to its community. Under the Local Government Act 2002, Council has to include the community in its decision making in the best interests of the community as a whole and be accountable to that community. Consultation opportunities for participation by Māori, communication and annual reports are the main ways Council achieves participative decision making, transparency and accountability. Council corporate services are there to ensure elected representatives and staff have the capacity, support systems and procedures to enable sound democratic decision making.

The graphs below show how much of Council's operational and capital budgets will be spent on the corporate activity in 2014/15.

Operational as a % of Total



Capital as a % of Total



This section describes changes to this activity area since the Long Term Plan 2012-22 and Annual Plan 2013/14 were adopted. All other corporate activities are proposed to be delivered as stated in pages 168-176 of the Long Term Plan 2012-22.

Year 3 (2014/15) Project Updates

Civic House

Additional funding of \$730,000 is required to make more effective use of work space in Civic House and replace the veranda fronting Halifax and Trafalgar Streets, which is leaking. The estimated cost of the veranda replacement is \$350,000.

Earthquake prone buildings

Funding of \$360,000 is set aside in the 2014/15 Annual Plan for detailed seismic assessment of Council owned assets. An additional \$539,000 is being set aside in 2014/15 for potential capital remediation work resulting from assessments.

Bank Lane Canopy replacement

Bank Lane is a Council owned lane that runs between Trafalgar Street and Montgomery Square. The canopy above the lane is deteriorating and can no longer be economically maintained. The canopy has been identified in the Heart of Nelson Strategy as a key component of the lane. A suitable replacement has been priced at \$120,000 and Council has set aside \$60,000 toward the replacement with the remainder to be funded by the lane lease holder.

Hunter Furniture building roof replacement

This is a new project to replace the roof of the Council-owned Hunters Furniture Building in Wakatu Square, as it leaks and is causing damage to the tenant's property. The estimated cost of this replacement is \$200,000.

Condition assessment of Council assets

Council will continue the condition assessments of Council properties and buildings it started in 2013/14 at a cost of \$100,000. This will enable a better understanding of Council buildings and structural assets and will provide important information for the Property Assets Review (see below). It will also guide the Property and Facilities Asset Management Plan and the Long Term Plan 2015-25.

Delivery of Capital Programme

An allocation of \$120,000 has been provided in 2014/15, and \$240,000 annually thereafter, to provide increased resource for delivering an additional capital works programme each year. This is to help the Council get back on track with its planned capital works programme following resources being directed to recovery works after the emergency rainfall events in 2011 and 2013.

Property Assets Review

Council has set aside \$100,000 in 2014/15 for a comprehensive review of the wide range of Council-owned properties to gain a better understanding of why they are being held, and to inform strategic decision making on land use in the future. The value of Council-owned property in this category (i.e. not including core infrastructure assets) is approximately \$77 million (excluding road reserve). This is a substantial group of assets that needs more oversight and planning.

Rating Review

Council has commenced consideration of a Rating Review. This is a complex and significant project which looks at how the Council collects rates. Some of the work will be used to inform the Long Term Plan. However a start on adjustments to rates has been made in this Annual Plan, with changes to the charges for 'Separately Used or Inhabited Parts' of a rating unit (SUIPs) being proposed. There is concern that the level of charges for SUIPs is causing hardship to building owners and tenants, particularly smaller commercial operations. Therefore the additional SUIPs charges for commercial properties, for wastewater is proposed to be reduced by 75% in this draft Annual Plan 2014/15.

Representation Review

A review of representation arrangements will be undertaken in 2014/15. It will look at how councillors are elected, the number of councillors and whether community boards are required. Councils are required by law to complete a representation review every six years. Nelson's last review was in 2009 and another must be completed in time for the 2016 local body elections.

Policy Work

Council has identified a number of priority areas where policy work is needed to inform the Long Term Plan 2015-25 and additional resourcing of \$55,000 has been set aside in 2014/15 to progress work on these. This includes a review of the criteria in Council's Events Strategy, work on Nelson's heritage priorities, planning for its festivals, considering the future development of Tahunanui, possible bylaw consolidation and updating the Community Assistance Policy.

SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS FOR 2014/15

NOTE: Comments in italics provide a recent update

What Council Will Provide	Performance Measures	Year 1 Targets (2012/13)	Performance as at 30 June 2013	Year 2 Targets (2013/14)	Year 3 Targets (2014/15)
Effective and impartial election administration service that meets or exceeds legislative requirements	Completion of election processes in 2013, 2016 and 2019	N/A – not an election year	Achieved	Elections assuming amalgamation does not proceed, on time, within budget, no upheld complaints <i>Achieved</i>	N/A – not an election year
Effective engagement and consultation	Proportion of residents satisfied with opportunities to take part and amount of information provided by Council – measured every three years	Maintain or improve on 2011 results: 52% satisfied with opportunities to take part 69% thought amount of information was 'about right'	Achieved The May 2012 Residents Survey showed that 61% were satisfied or very satisfied with the opportunities that are available to provide feedback and take part in Council's decision making, compared with 52% in 2011	Maintain or improve on 2011 results	At least 70% satisfied with opportunities to take part At least 70% 'about right' amount of information
Opportunities for participation in Council decisions – a Council organisation that listens and understands	Evaluation by participants taking part in a range of processes – documented evaluation across focus groups, web-based consultation, workshops and other techniques	At least 50% satisfied or better	Not measured This measure was introduced in the Long Term Plan 2012-22 and no consistent organisational data has been recorded to date, largely due to there not having been enough broad based consultation for an evaluation. This will be explored further in the 2013/14 year	At least 55% satisfied or better	At least 60% satisfied or better
Participation of Māori in decision making	Level of iwi/Māori representatives' satisfaction with participation opportunities	At least 75% satisfied or very satisfied	Not measured Data for this measure was not collected during 2012/13 but a survey will be established in 2013/14 to assess satisfaction	At least 80% satisfied or very satisfied	At least 90% 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	Council satisfied with attainment of six monthly SOI targets for all	Achieved Council satisfied with attainment of six monthly SOI targets for all	As for Year 1	As for Year 1

CORPORATE FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	810	863	68	(795)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	2	2	2	0
Fees, charges, and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	7,095	10,916	9,837	(1,079)
Local authorities fuel tax, fines, infringement fees, and other receipts	4,414	4,010	3,798	(212)
Total Operating Funding	12,321	15,791	13,705	(2,086)
Applications of operating funding				
Payments to staff and suppliers	7,565	6,841	6,176	(665)
Finance costs	3,476	5,685	4,642	(1,043)
Internal charges and overheads applied *	1,362	1,261	1,406	145
Other operating funding applications	0	0	0	0
Total applications of operating funding	12,403	13,787	12,224	(1,563)
Surplus (Deficit) of operating funding	(82)	2,004	1,481	(523)
Sources of capital funding				
Subsidies and grants for capital	650	1,573	800	(773)
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	28,448	16,846	20,057	3,211
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	29,098	18,419	20,857	2,438
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	582	133	566	433
- to improve level of service	3,387	138	811	673
- to replace existing assets	1,150	850	1,464	614
Increase (decrease) in reserves	(23)	1,641	1,697	56
Increase (decrease) in investments	23,920	17,661	17,800	139
Total applications of capital funding	29,016	20,423	22,338	1,915
Surplus (Deficit) of capital funding	82	(2,004)	(1,481)	523
Funding balance	0	0	0	0

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

2014/15 Annual Plan Variances against Long Term Plan

Income from internal charges has reduced mainly because changes in the capital programme over the preceding two years have resulted in reduced internal interest received. Reductions in other (non-rate) income are in relation to rental properties.

Staff costs in this activity have been decreased by \$750k, particularly in respect of supporting the Democracy, Council Publicity, and Admin and Meetings sub-activities.

Funding has been proposed for property condition assessments, earthquake prone buildings detailed assessments, and non infrastructure asset planning (total \$560k) that was not included in the LTP. This is offset by a \$320k savings in other strategy work.

Finance costs are predicted to be less than calculated in the LTP due to changes in the capital programme over the whole of Council.

The reduction in subsidies and grants for capital relates to subdivision contributions, now more in line with recent actual contributions.

The increase in debt in this activity is related to the increase in the capital programme, the decrease in operating surplus, and the decrease in capital subsidies and grants.

Changes to the capital programme are listed at the end of the Financials section of this document.

CORPORATE COST OF SERVICE STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Income				
Rating Income	704	756	(32)	(788)
Rates Remissions	(73)	(72)	(84)	(12)
Operating Income	11,690	15,107	13,771	(1,336)
Capital Income	3,650	9,707	3,800	(5,907)
Total Income	15,971	25,498	17,455	(8,043)
Expenses				
Payments to staff and suppliers	8,144	6,841	6,436	(405)
Finance costs	4,259	6,946	5,738	(1,208)
Depreciation	1,519	1,327	1,383	56
Total Expenses	13,922	15,114	13,557	(1,557)
Net Surplus (Deficit)	2,049	10,384	3,898	(6,486)
Sources of funds				
Net Surplus (Deficit)	2,049	10,384	3,898	(6,486)
Non cash expenditure	1,519	1,327	1,383	56
Increase (decrease) in debt	28,448	16,846	20,057	3,211
Gross proceeds from sale of assets	0	0	0	0
Total Sources of funds	32,016	28,557	25,338	(3,219)
Applications of funds				
Capital Expenditure				
- to meet additional demand	3,582	8,267	3,566	(4,701)
- to improve level of service	3,387	138	811	673
- to replace existing assets	1,150	850	1,464	614
Increase (decrease) in reserves	(23)	1,641	1,697	56
Increase (decrease) in investments	23,920	17,661	17,800	139
Total applications of funds	32,016	28,557	25,338	(3,219)
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

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from				
Funding Impact Statement	(82)	2,004	1,481	(523)
Subsidies and grants for capital expenditure	650	1,573	800	(773)
Development and financial contributions	0	0	0	0
Vested Assets	3,000	8,134	3,000	(5,134)
Gains on sale	0	0	0	0
Depreciation	(1,519)	(1,327)	(1,383)	(56)
Net Surplus (Deficit) before taxation in Cost of Service Statement	2,049	10,384	3,898	(6,486)

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
- Wastewater charge or commercial wastewater charge for sewage disposal
- Water charge

If part of scheme:

- Clean Heat Warm Home targeted rate
- Solar hot water targeted rate
- Postponement application charge
- Postponement interest

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

This policy, and the application of the policy, has not changed from the Long Term Plan 2012-22 but the wording has changed to provide more clarity.

Council will charge multiple uniform charges and rates against a rating unit for each separately used or inhabited part of the unit. A 'unit of occupancy' is defined as being separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. The following are considered to be separately used and inhabited parts of a rating unit:

- Flats or apartments
- Flats that share kitchen or bathroom facilities
- Separately leased commercial areas of a rating unit 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 Proposed Rates for 2014/15

To further clarify the rates changes from 2013/14 to those for the 2014/15 rating year a selection of properties has been shown to provide a guide. The following table is GST inclusive. The table covers general rates and targeted rates as shown in the table. Council intends to use these randomly selected properties in future years for consistency.

Summary of Rates Increases for representative properties within the City	Land Value (2012)	2013/14 Rates	2014/15 Rates	% Increase on 2013/14	\$ Increase on 2013/14
Residential - Including average water rates of \$540 in the 2014/15 year	\$85,000	\$2,002	\$2,095	4.63	\$93
	\$105,000	\$2,124	\$2,221	4.54	\$96
	\$118,000	\$2,204	\$2,302	4.48	\$99
	\$136,000	\$2,313	\$2,416	4.42	\$102
	\$185,000	\$2,612	\$2,724	4.27	\$112
	\$200,000	\$2,704	\$2,818	4.23	\$114
	\$215,000	\$2,795	\$2,913	4.20	\$117
	\$285,000	\$3,223	\$3,353	4.05	\$131
	\$315,000	\$3,406	\$3,542	4.01	\$136
	\$335,000	\$3,528	\$3,668	3.97	\$140
	\$420,000	\$4,046	\$4,203	3.86	\$156
	\$580,000	\$5,023	\$5,210	3.72	\$187
Multi Residential (Two flats - Two UAGC & Wastewater Charges as per Council policy)	\$220,000	\$4,224	\$4,400	4.15	\$176
	\$800,000	\$8,117	\$8,414	3.66	\$297
Empty Residential Section (No Wastewater and water charge included)	\$77,000	\$1,061	\$1,114	4.98	\$53
	\$225,000	\$1,965	\$2,046	4.13	\$81
	\$405,000	\$3,063	\$3,178	3.77	\$115
Small Holding (No Wastewater and water charge included)	\$280,000	\$2,129	\$2,216	4.05	\$86
	\$385,000	\$2,706	\$2,810	3.85	\$104
Rural (No Wastewater, Stormwater/Flood Protection and water charge included)	\$790,000	\$3,506	\$3,618	3.22	\$113
	\$2,125,000	\$8,801	\$9,079	3.16	\$278
Commercial - Outside Inner City (No water charges included) - 1 Unit	\$365,000	\$6,312	\$6,624	4.94	\$312
Commercial - Outside Inner City (No water charges included) - 1 Unit	\$405,000	\$6,898	\$7,238	4.93	\$340
Commercial - Outside Inner City (No water charges included) - 2 Units	\$335,000	\$6,620	\$6,648	0.43	\$28
Commercial - Inner City (No water charges included) - 1 Unit	\$35,000	\$1,650	\$1,747	5.86	\$97
Commercial - Inner City (No water charges included) - 1 Unit	\$320,000	\$7,215	\$7,665	6.23	\$450
Commercial - Inner City (No water charges included) - 2 Units	\$290,000	\$7,376	\$7,526	2.03	\$150
Commercial - Inner City (No water charges included) - 2 Units	\$330,000	\$8,157	\$8,357	2.45	\$200
Commercial - Inner City (No water charges included) - 1 Unit	\$1,150,000	\$23,423	\$24,900	6.31	\$1,477

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 0.62926 cents in the land value dollar (including GST) for the 2014/15 rating year. This compares to the previous year's rate of 0.61023 cents in the land value dollar in 2013/14.

Uniform Annual General Charge (UAGC)

A uniform annual general charge (UAGC) is set under section 15 of the Local Government (Rating) Act 2002 per separately used or inhabited portion of a rating unit (excluding properties that are subject to statutory declarations for unoccupied or second residential units not being used as separate units). 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 \$387.10 including GST per separately used or inhabited portion of a rating unit for the 2014/15 rating year. The 2014/15 charge is \$15.00 higher than the charge of \$372.10 for 2013/14.

The rates revenue sought from the uniform annual general charge and targeted rates set on a uniform basis is 19.06% 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 \$242.70 for 2014/15. 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, small holding category and residential properties east of Gentle Annie saddle and Saxton's Island. This year's charge is \$23.30 higher than the previous year's charge of \$219.40.

Targeted rates for Clean Heat Warm Homes

The Clean Heat Warm Homes (CHWH) rates are targeted rates under Section 16 of the Local Government (Rating) Act 2002 and are collected for each separately used or inhabited portion of a rating unit 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.

The table below details the loan assistance bands:

Loan Assistance Range	Installation completed after 30 September 2010	Installation completed prior to 30 September 2010
\$1,400 to \$1,599	\$140.00	\$143.11
\$1,600 to \$1,799	\$160.00	\$163.56
\$1,800 to \$1,999	\$180.00	\$184.00
\$2,000 to \$2,199	\$200.00	\$204.44
\$2,200 to \$2,399	\$220.00	\$224.89
\$2,400 to \$2,599	\$240.00	\$245.34
\$2,600 to \$2,799	\$260.00	\$265.78
\$2,800 to \$2,999	\$280.00	\$286.22
\$3,000 to \$3,199	\$300.00	\$306.67
\$3,200 to \$3,399	\$320.00	\$327.11
\$3,400 to \$3,599	\$340.00	\$347.56
\$3,600 to \$3,799	\$360.00	\$368.00
\$3,800 to \$3,999	\$380.00	\$388.44
\$4,000 to \$4,199	\$400.00	\$408.89
\$4,200 to \$4,399	\$420.00	\$429.34
\$4,400 to \$4,599	\$440.00	\$449.78
\$4,600 to \$4,799	\$460.00	\$470.22
\$4,800 to \$4,999	\$480.00	\$490.67

Targeted rate for solar hot water systems

The Solar Saver charge is a targeted rate collected under Section 16 of the Local Government (Rating) Act 2002 for each separately used or inhabited 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.

Calculation factors:

- 0.14964 (including GST) for agreements entered into prior to 1 July 2011, multiplied by the Net Cost of the Work adjusted for any increased GST
- 0.13847 (including GST) for agreements entered into after 1 July 2011 multiplied by the Net Cost of the Work.

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 \$390.00 per separately used or inhabited portion of a rating unit (excluding properties subject to statutory declarations for unoccupied or second residential units not being used as separate units) including GST for the 2014/15 rating year compared to the previous year's rate of \$374.90.

The wastewater charge for commercial properties is calculated on one full targeted rate for the first separately used or inhabited portion of the rating unit and then quarter of the targeted rate for the remaining separately used or inhabited portions of the rating unit. 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.

Total trade waste revenue for 2014/15 is estimated to be \$1,050,000.

Rates and charges

For 2014/15, the GST inclusive trade waste charges are:

- Trade waste A conveying charge \$471.10 per litre per minute
- Trade waste A treatment charge \$1,070.69 per kg BOD * per day
- Trade waste B combined charge \$1.54 per m³
- Wastewater charge \$390.00 per year.

**BOD is the biochemical oxygen demand, or effluent strength*

For the previous year, 2013/14, the equivalent GST inclusive charges were:

- 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 of \$374.90 per year.

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

- The conveying and combined charges have decreased due to higher volumes. The treatment charge has increased due to reduced BOD levels.
- The wastewater charge has increased largely due to the financing costs of the desludging of the treatment plant ponds.

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.

The 2014/15 charges compared with the previous year's charges are:

CONVEYING (\$/ANNUM/LITRE/MINUTE), INCLUDING GST

Year	Total Cost (\$)	Average Flow Rate (litres/min)	Cost/Litre/Min (\$)
2013/14	5,294,654	10,997	481.47
2014/15	5,385,193	11,431	471.10

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

Year	Total Cost (\$)	Average BOD loading (kg/day)	Cost/kg BOD/day (\$)
2013/14	3,721,401	3,880	959.17
2014/15	3,889,657	3,633	1070.69

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 2014/15 charges compared with the previous year's charges are:

CONVEYING AND TREATMENT, INCLUDING GST

Year	Total Cost (\$)	Total effluent volume (m3)	Cost/m3 (\$)
2013/14	9,016,055	5,779,926	1.56
2014/15	9,274,850	6,008,174	1.54

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 2014/15 including GST are a minimum annual charge of \$201.69 which is charged at a daily rate of \$0.5526 per day with no free allowance compared with \$191.42 in the previous year.

The cost per cubic metre is:

WATER CHARGES – RESIDENTIAL, COMMERCIAL AND INDUSTRIAL INCLUDING GST

Amount/type	Cost (\$ per m3) 2013/14	Cost (\$ per m3) 2014/15
All users 0-10,000m3 per year	1.968	2.082
Bulk		
Summer irrigation over 10,000m3 per year	1.736	1.815
Bulk 10,001-100,000m3 per year	1.504	1.549
Bulk over 100,000m3 per year	1.188	1.222

The water charges represent an average increase of 4.6% for the 2014/15 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 (excluding water 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 last date for payment. Previous year's rates that remain unpaid will have a further 10% penalty added on 30 June and 31 December. The penalty dates are 2 September 2014, 3 December 2014, 4 March 2015 and 2 June 2015.

Penalty on unpaid water rates

In accordance with Sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 10% is added to each water account or part thereof that is unpaid after the last date for payment.

Penalty remission on full payment of yearly rates

The total annual rates may be paid in one lump sum by 27 November 2014 and any first instalment penalty already incurred will be remitted. If the annual rates are not paid in full by 27 November 2014, 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 2014.

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 2014/15, is as in the table below.

CATEGORIES OF DIFFERENTIALS BASED ON LAND USE

Category	Description	Total amount (\$)
Residential	single unit, residential rating units	\$39,866,738
Multi-residential	rating units containing more than one residential unit	\$2,666,069
Commercial	rating units used for commercial purposes	\$14,552,598
Rural	rating units defined in the Rating Information Database as rural with a land area greater than 15Ha	\$411,095
Small holding	rating units defined in the Rating Information Database as a small holding with a land area greater than 0.5 ha	\$1,367,214

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 2014/15	Differential %	Cents in the dollar
Residential – single unit	0	0.62926
Residential empty section	0	0.62926
Single residential unit forming part of a parent valuation, the remainder of which is non-rateable	10	0.69218
Multi Residential	10	0.69218
Rural	-35	0.40902
Small holding	-10	0.56633
Commercial – excluding inner city and Stoke commercial		
100% commercial and industrial (occupied and empty)	145	1.53539
25% residential/75% commercial	108	1.30886
50% residential/50% commercial	72	1.08232
75% residential/25% commercial	36	0.85579
Commercial – inner city and Stoke commercial		
100% commercial and industrial (occupied and empty)	230	2.07655
25% residential/75% commercial	172.5	1.71473
50% residential/50% commercial	115	1.35291
75% residential/25% commercial	57.5	0.99108

Council has adopted a policy that commercial rates are set to collect 25% of the total rates excluding water, tradewaste, Clean Heat Warm Homes and Solar Saver charges. 30% of this is funded from inner city and Stoke commercial properties while 70% is funded from commercial excluding inner city and Stoke commercial properties. This would result in commercial properties paying a total of \$14,552,598 in rates for the 2014/15 rating year compared to \$13,924,767 the previous year.

SUMMARY OF RATES AND CHARGES

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
General Rates:				
Uniform Annual General Charge	7,244	8,099	7,591	(508)
Cents in dollar	30,189	34,522	31,426	(3,096)
	37,432	42,621	39,017	(3,604)
Waste water charge	6,856	6,954	7,196	242
Stormwater & flood protection separate general rate	4,002	4,417	4,317	(100)
Water charge	11,263	11,926	11,897	(29)
Solar Saver	46	129	33	(96)
Solar Saver Capital Rate			78	78
Clean Heat Warm Homes Capital Rate	538	480	451	(29)
Total Rates	60,137	66,527	62,989	(3,538)
Estimated natural increment	(601)	(665)	(630)	35
	59,536	65,862	62,359	(3,503)
% Increase in rates and charges	2.0%	5.1%	3.7%	(1.4)%
Rates remissions	(266)	(210)	(280)	(70)
Other fees and charges	22,775	25,746	19,396	(6,350)
Operating grants and subsidies	2,703	2,341	3,053	712
Interest and dividends received	2,701	2,852	2,828	(24)
Capital Contributions:				
Capital rates	(538)	(480)	(529)	(49)
Development/financial contributions	1,987	2,034	1,414	(620)
Vested assets	3,000	8,134	3,000	(5,134)
Capital Grants and subsidies	11,546	4,691	11,712	7,021
Total Comprehensive Revenue	104,045	111,635	103,583	(8,052)

PROPOSED RESOURCE CONSENT FEES AND CHARGES

This section sets out the proposed Resource Consent Fees set under section 36 of the Resource Management Act 1991 and Resource Management Planning Documents Fees.

The proposed changes from the current fees and charges schedule are:

- the hourly rate increases by the percentage increase in staff wages costs from \$140 to \$145 per hour. This new rate is comparable to Tasman and Marlborough District Council rates;
- add a simple consent process in the \$500 initial charge category; and
- increase the fixed charge for transfers of consent applications from \$75 to \$150 to better reflect the actual time to process these.

Resource Consent Processing and Monitoring, Designations, Plan Changes and all other activity under the Resource Management Act 1991 (RMA) will attract an initial charge (deposit) payable at the time of lodging an application as per Section 1 below. Where the cost of processing the consent is not fully covered by the initial charge, additional charges will be applied (under Section 36 of the RMA). Section 2 below lists the various costs that may be charged to a consent.

NOTE: Amended charges are shown as **bold**.

All charges listed in this Schedule are GST inclusive

1. Initial Charges (Deposit)

	Activity	Current Initial Charge	Proposed Initial Charge
1.1	All activities (other than listed below)	\$1,300	\$1,300
1.2	Subdivision 1-3 lots Subdivision 4 plus lots	\$1,300 \$2,000	\$1,300 \$2,000
1.3	Bore permits; Certificate of Compliance; Change of consent conditions or consent notice; Culverts, weirs and other minor structures on the bed of watercourses; Existing Use Certificate; Extension of lapsing period; Fences; Flats Plan update and check; Gravel extraction; Outline Plan approvals; Relocate building; Removal of trees listed in the Nelson Resource Management Plan; Replacement Permits; Right of Way approval; Signs; Simple consent process (new category) Transfer/part transfer of Permits	\$500	\$500
1.4	NOTIFIED APPLICATIONS: Additional charges for applications requiring notification/ limited notification. (This charge must be paid prior to notifying the application and is in addition to the initial charge paid when the application is lodged).	\$7,000	\$7,000

	Activity	Current Initial Charge	Proposed Initial Charge
1.5	Removal of trees listed in the Nelson Resource Management Plan that are confirmed in writing by a qualified arborist as diseased or a threat to public safety.	No charge	No charge
1.6	Heritage Buildings: Non-notified application to conserve and restore heritage building, place or object listed in the Nelson Resource Management Plan.	No Charge	No Charge
1.7	Private Plan changes (Note: Council's policy is to recover 95% of the costs involved for the whole process from the applicant).	\$10,000	\$10,000
1.8	Heritage Orders	\$3,500	\$3,500

1.9 Where an application involves multiple consents the initial charge is payable at the higher rate plus \$250.00 for each accompanying application.

1.10 Where all or part of any initial charge (deposit) is not paid at application time, the Council reserves the right to not process that application.

2. Costs Charged to a Consent

	Details	Current Actual Charge	Proposed Actual Charge
2.1	Council Staff – all staff time inclusive of overhead component associated with processing and assessing applications.	\$140 per hour	\$145 per hour
2.2	Hearings Panel Charges:		
	- per Councillor as Commissioner (rate set by Remuneration Authority)	\$80 per hour	\$80 per hour
	- Councillor as Chairperson (rate set by Remuneration Authority)	\$100 per hour	\$100 per hour
	- Independent Commissioner (requested by applicant)	Cost	Cost
	- Independent Commissioner (requested by submitter)	Cost less Councillor rate (applicant pays the Councillor rate)	Cost less Councillor rate (applicant pays the Councillor rate)
	- Independent Commissioner(s) required for expertise or due to conflict of interest issues	Cost	Cost
2.3	Legal advisors and consultants engaged by Council, or reports commissioned, after discussion with the applicant, to provide expertise not available in-house under s.92(2) RMA.	Cost plus administration charges	Cost plus administration charges
2.4	Experts and consultants engaged by Council to undertake assessment of an application where the complexity of the application necessitates external expertise, or where resource consent processing is required to be outsourced due to conflict of interest issues (this is not a s92(2) RMA commissioning).	Cost plus administration charges	Cost plus administration charges

	Details	Current Actual Charge	Proposed Actual Charge
2.5	All disbursements, such as telephone calls, courier delivery services, all public notification costs, postage for notified applications and document copying charges.	Cost plus administration charges	Cost plus administration charges
2.6	Consultants engaged by the Council where skills are normally able to be provided by in-house staff or when Council staff workloads are unusually high.	\$140 per hour	\$145 per hour
2.7	Urban Design Panel reviews a proposal before a resource consent application is lodged	No charge	No charge
2.8	The applicant agrees (as per 2.3 above) to the Urban Design Panel reviewing the proposal after a resource consent application is lodged	Cost plus administration charges	Cost plus administration charges

2.9 Photocopying Charges

A4 \$0.20 per page;

A3 \$0.50 per page;

Large copies \$3.00 per page or actual cost from Copy Service plus staff time.

2.10 Monitoring Charges

2.10.1 If monitoring is required, a one-off charge of \$100.00 will be invoiced as part of the consent cost. Any extra work that is required to monitor compliance with the consent conditions will be charged at the appropriate hourly rate for Council staff and separately invoiced.

2.10.2 Monitoring charges associated with review of information required to be provided by a condition of resource consent will be charged for at the appropriate hourly rate for Council staff or actual cost for specialist consultant.

2.10.3 Where the applicant is required or authorised to monitor the activity, the Council's costs in receiving and assessing the monitoring information will be charged directly to the consent holder at the appropriate hourly rate for Council staff or actual cost of the specialist involved.

2.11 Administration Charges

	Item/Details	Current Charge	Proposed Charge
2.11.1	Insurance levy – for each resource consent.	\$30	\$30
2.11.2	Street naming and numbering (costs of reporting to Hearings Panel and advising all statutory agencies).	Council staff hourly rate in 2.1 above	Council staff hourly rate in 2.1 above
2.11.3	Street numbering – application for alteration.	\$125	\$125
2.11.4	Documents for execution – removal of building line restrictions; easement documents, caveats, covenants and other documents to be registered with LINZ presented after subdivision processed or where not associated with a subdivision application.	\$175 for each document	\$175 for each document
2.11.5	Certificate under Overseas Investment Act.	\$385	\$385
2.11.6	Confirmation of compliance with the Nelson Resource Management Plan for NZ Qualifications Authority.	\$385	\$385
2.11.7	Confirmation of compliance with the Nelson Resource Management Plan for liquor licence applications.	\$70	\$70
2.11.8	Section 357 Administration charge.	\$255	\$255
2.11.9	Private right-of-way – review against existing names and advising all statutory agencies where appropriate.	\$225	\$225

	Item/Details	Current Charge	Proposed Charge
2.11.10	Authentication report for small-scale solid-fuel burning appliance or open fire.	\$70	\$70
2.11.11	Removal of designation.	\$305	\$305
2.11.12	Swing Mooring annual charge (monitoring costs are additional, refer 2.10.3 above).	\$75	\$75
2.11.13	Transfer of Consents to new owner (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) Resource Management Act)	\$75	\$150
2.11.14	Claiming a swing mooring the Council removed from the Coastal Marine Area that did not have a coastal permit	\$300	\$300
2.11.15	Claiming a vessel that was towed and hauled out of the Coastal Marine Area as it was tied to a non consented mooring that was uplifted	Cost for tow and haul out	Cost for tow and haul out

2.12 Discount for Late Consents

- 2.12.1 Where statutory processing timeframes have not been met and this is the fault of the Council, a discount of 1% of the total processing costs per each day the consent is late, up to a maximum of 50%, will be credited.

3. Invoicing

- 3.1 Where processing costs exceed the level of the initial charge (deposit), monthly invoices for any additional charges may be sent to the applicant.
- 3.2 Annual swing mooring charges shall be due on 1 December. The initial payment is due within 30 days of the mooring being installed. Moorings installed 1 December to 1 June will incur the full annual charge. Moorings installed from 1 June to 30 November will be charged half of the annual charge. The Council reserves the right to agree to other arrangements in writing.
- 3.3 The Council has no obligation to perform any action on any application until the charges for the action have been paid in full; such payment will be required by the 20th of the month following invoice.
- 3.4 Where any interim invoice is disputed, work on processing the application will be stopped until the matter is resolved at the discretion of the Manager Resource Consents.
- 3.5 The option of monthly invoices only, in lieu of initial charges, may be available on strict credit conditions as follows:
- The consent process, or Council involvement in the project, is likely to extend over a period in excess of 6 months; and
 - The total amount for invoices is likely to exceed \$5,000; and
 - The applicant is in good financial standing with a satisfactory credit record and agrees to abide by the Council's usual credit terms or
 - The applicant is a regular customer of the Council's Resource Consents Business Unit, is in good financial standing with no record of unpaid invoices, who agrees to pay each and every invoiced charge by the 20th of the month following the date of issue of the invoice.

Any disputes relating to an invoiced charge must be resolved after the invoice has been paid. Failure to meet these criteria will result in the option of monthly invoices, in lieu of initial charges plus monthly invoices being withdrawn.

The decision on whether to waive the required charge and institute a system of monthly invoicing shall be made by the Manager Consents and Compliance or Group Manager Strategy and Environment, having regard to the above criteria.

4. Pre-Application Charges

Detail	Charge
Pre-application discussion with staff on feasibility of a proposal that may not proceed to resource consent.	First half hour – no charge. Additional time charged on an hourly basis at the Council staff charge out rate as per 2.1.

5. Resource Management Planning Documents

Copies of Plans	Current Cost	Proposed Cost
Nelson Resource Management Plan - Text (hard copy)	\$150	\$150
Nelson Resource Management Plan - Maps (hard copy)	\$150	\$150
CD ROM – combined Nelson Resource Management Plan and Nelson Air Quality Plan – updated annually in Spring	\$15 annually	\$15 annually
Nelson Resource Management Plan - hard copy updates issued as required	\$25 annually for text \$25 annually for maps	\$25 annually for text \$25 annually for maps
Nelson Air Quality Plan	\$50	\$50
Land Development Manual	\$100	\$100

BUILDING CONSENT FEES AND CHARGES

The Building Act 2004 and Fencing of Swimming Pools Act 1987 authorise Territorial Authorities to set charges for the costs of processing building consents and other functions or services under those Acts.

The Fees and Charges for 2014/15 financial year have been reviewed and the fees for plan checking, inspections, administration and code compliance certificate are going to become a fixed fee, per consent, to cover these functions. The level of fixed fee per consent will be based on the value and type of work proposed. The full new fees and charges document can be found on the Nelson City Council Website, <http://nelson.govt.nz/building-and-property/building-consents-2/building-consent-fees>.

The intended benefit for the customers of these new banded fixed fees are a level of costs certainty, (for the plan checking and inspection functions), when entering into a project and better proportionate fees when undertaking low value residential and commercial adaptation/alteration works.

ACCOUNTING POLICIES

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. With the exception of the Funding Impact Statements this forecast information has also been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS), 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 Revenue and Expense 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 2015. The forecast information was authorised for issue by Council on 27 March 2014.

This prospective financial information is based upon the financial statements as published in the June 2013 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. Long Term Plan 2014/15 year three, Annual Plan 2013/14 and opening balance sheet have been restated in accordance with the adoption of PBE IPSAS. 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.

Exchange and non-exchange transactions

An exchange transaction is one in which the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Non-exchange transactions are where the Council receives value from another entity without giving approximately equal value in exchange.

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. Rates are non-exchange transactions.

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. Water rates are exchange transactions.

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. Government grants are generally non-exchange transactions.

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. The provision of services are generally exchange transactions.

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. Vested assets is non-exchange revenue.

Sales of goods

Revenue from sales of goods is recognised when a product is sold to a customer. Sales of good are exchange transactions.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued. This income is non-exchange revenue.

Interest and dividends

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established. Interest and dividends are considered income from exchange transactions.

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. Development contributions are non-exchange transactions.

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 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) is reviewed annually and valued at fair value every five years or if there is a material movement. Land was last valued by Quotable Value NZ as at 30 June 2010.
- 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 are valued internally at depreciated replacement cost by Council engineers annually. The last valuation is as at 30 June 2013 and the valuation methodology has been peer reviewed by Opus International Consultants Ltd.
- Specialist infrastructure assets – include dams, water reservoirs and wastewater treatment plants. These assets are valued at depreciated replacement cost every two years by an independent registered valuer and by Council engineers in the intervening year. The last valuation is as at 30 June 2013 by Council engineers.
- Nelson Regional Sewerage Business Unit – land is reviewed annually and valued at fair value every five years or if there is a material movement. Land was last valued by Quotable Value NZ as at 30 June 2009. Infrastructure assets are valued at depreciated replacement cost with assets optimised using least cost alternative by Council engineers. The latest valuation was conducted as at 30 June 2013 and peer reviewed by MWH New Zealand Ltd.

- 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

ASSET	DEPRECIABLE LIFE (YEARS)
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 Revenue and Expense.

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 Revenue and Expense. 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 Revenue and Expense, 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. When it is intended at the inception of the contract that contract costs are to be fully recovered from the parties to that contract, 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 Revenue and Expense.

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 Revenue and Expense.

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 Revenue and Expense 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 Revenue and Expense.

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 Revenue and Expense. 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

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 PBE IPSAS 19 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 Revenue and Expense, 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 Revenue and Expense. To the extent that increases in value offset previous decreases debited to the Statement of Comprehensive Revenue and Expense, the increase is credited to the Statement of Comprehensive Revenue and Expense.

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

The adoption of PBE IPSAS for these prospective financial statements have resulted in some minor changes to accounting policies, mainly in relation to classification of income and expenditure.

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

With the adoption of Public Benefit Entity International Public Sector accounting standards, there are no standards, amendments, and interpretations that are not yet effective and have not been early adopted that are relevant to the Council and group.

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 Revenue and Expense. 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 2014 to 30 June 2015. It incorporates operating and capital expenditure for the period for the core Council entity – consolidated statements have not been prepared to include subsidiaries.

These prospective financial statements are the first to be prepared under Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). Nelson city council is a Tier 1 organisation under these standards. This has required re-statement of 2014/15 Long Term Plan and 2013/14 Annual Plan financial information, along with the 2013/14 opening balance sheet in order to address categorisation and disclosure changes. There are also terminology changes throughout the financial statements.

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 of \$51 million which is \$11 million higher than was planned in the Long Term Plan 2012-22. This includes the gift of the Theatre Royal and Nelson School of Music Assets of \$9 million.
- Forecast net debt at 30 June 2015 of \$110 million
- An increase in the total rates requirement for 2014/15 of 3.7%, after allowing 1% growth in the rating base.

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	Draft Annual Plan 2014/15	Limit
Increase in total rate requirement	3.7%	4.5%*
Net debt as a % of equity	9.1%	<20%
Net debt as a % of total revenue	111.9%	<150%
Net interest as a % of total revenue	5.2%	<15%
Net interest as a % of rates revenue	8.3%	<20%

*Based on September 2013 BERL Local Government cost indicator of 2.5% 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 REVENUE AND EXPENSE

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Revenue				
Rates other than targeted rates for water supply	48,874	54,601	50,563	(4,038)
Rates remissions	(266)	(210)	(280)	(70)
Transfers from other government entities	6,593	6,744	6,630	(114)
Other operating grants, donations and subsidies	214	223	821	598
Other capital grants, donations and subsidies	7,442	66	7,314	7,248
Vested assets	3,000	8,134	3,000	(5,134)
Development contributions	1,987	2,034	1,414	(620)
Revenue from exchange transactions	25,530	26,109	27,592	1,483
Other Revenue	7,970	11,082	3,701	(7,381)
Interest received	28	115	52	(63)
Dividend received	2,673	2,737	2,776	39
Total Revenue	104,045	111,635	103,583	(8,052)
Expenses				
Staff expenditure	18,151	18,535	16,926	(1,609)
Grants and other transfer payments	3,324	2,384	3,209	825
Finance costs	4,068	6,378	5,244	(1,134)
Depreciation and amortisation	21,028	22,607	21,435	(1,172)
Other expenses	48,873	46,218	44,760	(1,458)
Total Expenses	95,710	96,122	91,574	(4,548)
Net Surplus/(Deficit) before Taxation	8,335	15,513	12,009	(3,504)
Taxation	86	0	86	86
Net Surplus/(Deficit)	8,249	15,513	11,923	(3,590)
Increase in asset revaluation reserves	20,553	25,800	17,557	(8,243)
Revaluation of investments	0	0	24	24
Total Other Comprehensive Revenue and Expense	20,553	25,800	17,581	(8,219)
Total Comprehensive Revenue and Expense	28,802	41,313	29,504	(11,809)

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Equity at beginning of year	1,195,319	1,284,563	1,194,574	(89,989)
Total comprehensive revenue and expense	28,802	41,313	29,504	(11,809)
Equity at end of year	1,224,121	1,325,876	1,224,078	(101,798)

The 2014/15 Annual Plan equity at the beginning of the year is based on 2012/13 Annual Report closing balance plus a forecast for 2013/14, and therefore is not equal to 2013/14 Annual Plan equity at end of year.

STATEMENT OF FINANCIAL POSITION

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Current Assets				
Cash and cash equivalents	0	98	408	310
Inventories	78	0	40	40
Recoverables from exchange transactions	4,662	6,649	6,997	348
Receivables from non-exchange transactions	4,303	6,138	5,271	(867)
Prepayments			0	0
Other financial assets	306	1,142	0	(1,142)
Taxation	76	0	33	33
Total Current Assets	9,425	14,027	12,749	(1,278)
Non Current Assets				
Recoverables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	7,127	6,831	5,470	(1,361)
Investments in council-controlled organisations	22,383	26,766	26,839	73
Investment properties	883	926	988	62
Other financial assets	140	140	1,100	960
Intangible assets	1,350	1,249	1,652	403
Biological assets	4,692	4,815	5,546	731
Property, plant, and equipment*	1,300,731	1,419,339	1,300,143	(119,196)
Total Non Current Assets	1,337,306	1,460,066	1,341,738	(118,328)
Total Assets	1,346,731	1,474,093	1,354,487	(119,606)
Current Liabilities				
Bank overdraft	3,279	1,707	0	(1,707)
Payables under exchange transactions	10,070	12,323	11,162	(1,161)
Other payables	3,008	3,681	3,356	(325)
Employee benefit liabilities	1,544	1,449	1,810	361
Taxation payable	0	0	0	0
Current portion of borrowings	39,717	16,954	39,518	22,564
Derivative financial instruments	16	0	20	20
Total Current Liabilities	57,634	36,114	55,866	19,752
Non Current Liabilities				
Provisions	992	628	1,030	402
Employee benefit liabilities	352	341	370	29
Derivative financial instruments	3,885	1,147	1,291	144
Non-current portion of borrowings	59,747	109,987	71,852	(38,135)
Total Non-Current Liabilities	64,976	112,103	74,543	(37,560)
Total Liabilities	122,610	148,217	130,409	(17,808)
Net Assets	1,224,121	1,325,876	1,224,078	(101,798)
Ratepayer's Equity				
Accumulated comprehensive revenue and expense	346,614	402,624	360,228	(42,396)
Other reserves	877,507	923,252	863,850	(59,402)
Total Ratepayer's Equity	1,224,121	1,325,876	1,224,078	(101,798)

Opening balances for 2014/15 Annual Plan have been derived from 2012/13 Annual Report closing balances plus a forecast for 2013/14, as this represents a more recent and accurate assessment than the 2013/14 Annual Plan closing balances.

* There is a difference of \$119m against LTP in Property, Plant, and Equipment. A difference of \$13m in the opening balance at 01 July 2012, along with a projected reduction in vested assets of \$14.4m and changes to the capital programme over the three years to 30 June 2015 of 17.8m have had a direct effect on the closing position. The reduction in the asset base results in reduced depreciation by \$2.9m over the three years. Changes in revaluation indices along with the reduced asset base have resulted in a reduction of \$77m against LTP for asset revaluation.

Reductions in asset revaluation and vested assets have reduced equity balances, and the reduction in the capital programme has resulted in a reduced net requirement for borrowings.

CASH FLOW STATEMENT

	Annual Plan 2013/14 (\$'000)	Long-term Plan 2014/15 (\$'000)	Draft Annual Plan 2014/15 (\$'000)	Difference to LTP 2014/15 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from Ratepayers	47,531	54,795	50,476	(4,319)
Receipts from grants, donations, and subsidies	10,025	8,605	8,295	(310)
Receipts of other fees, charges, and rentals	33,615	34,504	30,742	(3,762)
Development Contributions	1,940	2,034	1,414	(620)
Interest Received	36	115	52	(63)
Dividends Received	2,610	2,737	2,776	39
	95,757	102,790	93,755	(9,035)
Cash was disbursed to:				
Payments to suppliers	52,563	48,332	48,030	(302)
Payments to employees	17,442	18,484	16,872	(1,612)
Interest Paid	4,099	6,378	5,244	(1,134)
Tax Paid/(refund)	84	0	86	86
	74,188	73,194	70,232	(2,962)
Net Cash Flows from Operating Activities	21,569	29,596	23,523	(6,073)
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	21	(1)
Repayment of community loans and advances	326	27	1,006	979
	367	49	1,027	978
Cash was disbursed to:				
Investments in council controlled organisations	0	4,456	4,331	(125)
Investments in LGFA* borrower notes	271	488	480	(8)
Community loans advanced	300	0	0	0
Purchase of fixed assets:				0
Renewals	11,609	11,877	11,637	(240)
New works - growth	13,938	7,040	8,593	1,553
New works - Increased level of service	24,619	21,615	23,186	1,571
	50,737	45,476	48,227	2,751
Net Cash Flows from Investing Activities	(50,370)	(45,427)	(47,200)	(1,773)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Proceeds from borrowings	25,793	17,328	24,305	6,977
Cash was applied to:				
Repayment of borrowings	775	1,026	628	(398)
Net Cash Flows from Financing Activities	25,018	16,302	23,677	7,375
Net Increase/(Decrease) in Cash Held	(3,783)	471	0	(471)
Add Opening Cash Balance	794	(2,080)	408	2,488
Closing Balance	(2,989)	(1,609)	408	2,017
Represented by:				
Cash and Cash Equivalents	(2,989)	(1,609)	408	2,017

The opening cash balance for Annual Plan 2014/15 is based on the 2012/13 Annual Report closing balance plus a forecast for 2013/14 and therefore is not equal to the 2013/14 Annual Plan closing balance.

* Local Government Funding Agency

FUNDING IMPACT STATEMENT

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	37,525	42,606	39,111	(3,495)
Targeted rates (other than a targeted rate for water supply)	11,272	11,979	11,365	(614)
Subsidies and grants for operating purposes	2,703	2,341	3,053	712
Fees, charges, and targeted rates for water supply	11,263	11,926	11,897	(29)
Interest and dividends from investments	2,701	2,852	2,828	(24)
Local authorities fuel tax, fines, infringement fees, and other receipts	22,048	23,499	19,203	(4,296)
Total Operating Funding	87,512	95,203	87,457	(7,746)
Applications of operating funding				
Payments to staff and suppliers	70,614	67,137	64,895	(2,242)
Finance costs	4,068	6,378	5,244	(1,134)
Other operating funding applications	0	0	0	0
Total applications of operating funding	74,682	73,515	70,139	(3,376)
Surplus (Deficit) of operating funding	12,830	21,688	17,318	(4,370)
Sources of capital funding				
Subsidies and grants for capital	11,546	6,264	11,712	5,448
Development and financial contributions	1,987	2,034	1,414	(620)
Increase (decrease) in debt	23,295	16,311	17,878	1,567
Gross proceeds from sale of assets	22	22	21	(1)
Lump sum contributions	0	0	0	0
Total sources of capital funding	36,850	24,631	31,025	6,394
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	8,562	7,040	8,593	1,553
- to improve level of service	37,545	21,706	31,231	9,525
- to replace existing assets	10,073	11,877	11,637	(240)
Increase (decrease) in reserves	(5,391)	450	(5,780)	(6,230)
Increase (decrease) in investments	(1,110)	5,246	2,662	(2,584)
Total applications of capital funding	49,679	46,319	48,343	2,024
Surplus (Deficit) of capital funding	(12,829)	(21,688)	(17,318)	4,370
Funding balance	0	0	0	0

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

	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference to LTP 2014/15 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	12,830	21,688	17,318	(4,370)
Subsidies and grants for capital expenditure	11,546	6,264	11,712	5,448
Development and financial contributions	1,987	2,034	1,414	(620)
Vested Assets	3,000	8,134	3,000	(5,134)
Gains on sale	0	0	0	0
Depreciation	(21,028)	(22,607)	(21,435)	1,172
Net Surplus (Deficit) before taxation in Statement of Comprehensive Revenue and Expense	8,335	15,513	12,009	(3,504)

SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000

Project	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference from LTP 2014/15 (\$000)
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Transport

Roads: Subsidised				
Bishopdale to The Ridgeway shared path			515	515
Emergency 2011 Cable Bay Road	1,986		2,164	2,164
Emergency 2011 response	615			
Footpath: walkway connection	100	100		(100)
Integration activities		300	150	(150)
Maitai shared path (Akerston St to Trafalgar St)	1,000	50	50	
Maitai shared path (Collingwood St to Nile St)		450	625	175
Minor improvements programme	269	690	222	(468)
Minor Improvements to retaining walls			468	468
Other walk/cycle projects		450	450	
R Fund: Waimea/Motueka junction	1,237			
Railway Reserve to CBD cycleway	209			
Railway Reserve/Princess Dr extension overbridge	50	400	500	100
Renewal: Cable Bay Rd			330	330
Road renewals: friction course replacement	567	1,441	1,441	
Road renewals: resurfacing	602	602	602	
Road renewals: traffic services	130	130	130	
Road: Waimea/Ridgeway junction	60	850	70	(780)
Rocks Rd 4 metre wide shared path	105	2,500	200	(2,300)
School approach and frontage treatments	3	200	200	
School frontage St Josephs and Central (Willow Walk)	20		100	100
School variable speed signs	335			
Shared path Main Road Stoke	247			
Streetlights	450	250	250	
The Brook shared path	25		465	465
Waimea Rd / Princes Dr intersection	450			
Projects under \$100,000	901	282	108	(174)
Roads: Unsubsidised				
Land purchase - level of service	135			
Renewals: footpaths	515	590	500	(90)

Project	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference from LTP 2014/15 (\$000)
Renewals: streetlights	130	134	134	
Road: Princes Dr	1,046			
Road: Tasman St (Cambria to Grove)	318			
Stock effluent facility	298			
Sundry land purchases - growth			150	150
Tasman St (Nile to Bronte)	15		657	657
Projects under \$100,000	506	282	211	(71)
Inner City Enhancement -Car Parks				
10 Halstead Rd building conversion	300			
Capital : Church St improvements		268		(268)
Bridge St enhancement	218		200	200
Maitai Walkway connection across Trafalgar St		172	126	(46)
Maitai shared path (Akerston St to Trafalgar St)	1,817			
Projects under \$100,000	91	31	29	(2)
Public Transport				
Projects under \$100,000	72	36	36	
Total Mobility				
Projects under \$100,000			53	53
Total Transport	14,822	10,209	11,136	927

Water Supply

Water Supply				
Backflow prevention	100	376	376	
Maitai duplicate pipeline	4,186			
Maitai pipeline (water treatment plant to Westbrook Tce)		54	100	46
New water treatment plant membrane		1,623	1,200	(423)
Nikau Ave Renewal	185			
Observatory Hill reservoir and pump	985			
Palm Ave Renewal	270			
Pressure reduction	50	268	50	(218)
Renewals: commercial meters	151	302	302	
Renewals: misc pipes & fittings	101	65		(65)
Renewals: water pipes	145	852	838	(14)
Renewals: residential meters	46	773	50	(723)
Ridermains	100	160	155	(5)
System improvements		132	60	(72)
Projects under \$100,000	460	245	518	273
Total Water Supply	6,779	4,850	3,650	(1,200)

Project	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference from LTP 2014/15 (\$000)
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Wastewater

Wastewater				
Arapiki/Quarantine trunk main	1,568	1,610	1,554	(56)
Beatson Road renewal	30		325	325
Corder Park pump station	52	1,932	3,600	1,668
Marsden Valley trunk main	1,503			
Neale Park pump station		215	215	
Nelson North wastewater treatment plant	551			
Nelson North wastewater treatment plant trickling filter cover	350			
Ngawhatu Valley trunk main	44	376	500	124
Renewals: pump stations	218	232	130	(102)
Renewals: NRSBU	292	141	0	(141)
Rising/swallows renewals	66	746		(746)
Tasman St renewal (Cambria to Grove)	100			
Wastewater pipe renewals		563	225	(338)
Projects under \$100,000	400	163	294	131
Total Wastewater	5,175	5,977	6,843	866

Stormwater

Stormwater				
Chamberlain St	100		65	65
Fountain Place	100			
Halifax St (Tasman to Milton)		215		(215)
Montcalm/Arrow/Washington Valley/Hastings	65	266	266	
North Esk/Beccles	273		80	80
Oldham Creek upgrade	25	107	36	(71)
Piping ditches	262	122	112	(10)
Public/private drains	153	213	210	(3)
Railway Reserve/ Newall/ Bledisloe/Louisson/Main Rd (West)	513			
Salt Water Creek/Haven Rd culvert	77	744	850	106
Seaview Tce	209			
Stanley/Beachville	374			
Stormwater renewals	29	134	62	(72)
Tasman (Cambria to Grove)	206			
Tasman St (Nile to Bronte)	10		330	330
Vanguard Street (Victory to Gloucester)	52	263		(263)
Projects under \$100,000	554	188	552	364
Total Stormwater	3,002	2,256	2,562	306

Project	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference from LTP 2014/15 (\$000)
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Flood Protection

Flood Protection				
Flood mitigation	150		350	350
Hampton St East- Little Go Stream	83	53	200	147
Maitai Upgrade & Enhancement		762	100	(662)
Orphanage Stream upgrade	80		500	500
Saxton Creek upgrade	80		2,500	2,500
Tods Valley Stream	60	903	100	(803)
York catchment strategy			150	150
York Stream channel upgrade	470	1,234		(1,234)
Projects under \$100,000	90	108	426	318
Total Flood Protection	1,012	3,060	4,326	1,266

Environmental Management

Rural Fire Control				
Projects under \$100,000	8			
Monitoring the Environment				
Harbour safety				
Maitai upgrade & enhancement			200	200
Projects under \$100,000		33	33	
Waste Minimisation				
Projects under \$100,000		6		(6)
Transfer Station				
Projects under \$100,000	66	76	62	(15)
York Valley Landfill				
Road extension			1,545	1,545
Projects under \$100,000	47	93	55	(38)
Total Environmental Management	121	210	1,895	1,685

Social

Heritage & Arts Planning				
Art works programme		134	125	(9)
Projects under \$100,000	41	59	46	(13)
Suter Grant				
Projects under \$100,000			12	12
Founders Park				
Projects under \$100,000	16	16	11	(5)
Historic Cemeteries				
Projects under \$100,000	11	32	13	(19)
Nelson School of Music				
Buildings	2,404		1,885	1,885
Refurbishment /seismic strengthening	323	1,581	150	(1,431)
Projects under \$100,000			19	19

Project	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference from LTP 2014/15 (\$000)
Theatre Royal				
Buildings	6,590		6,800	6,800
Projects under \$100,000			7	7
Nelson Library				
Book purchases	390	377	377	
Projects under \$100,000	184	200	136	(64)
Stoke Library				
Projects under \$100,000	31	7	6	(1)
Nightingale Library				
Roof repair	119			
Projects under \$100,000	4	5	4	(1)
Marsden Cemetery				
Projects under \$100,000	36	68	35	(33)
Crematorium				
Projects under \$100,000		32	96	64
Public Toilets, Free				
Cathedral toilets	150			
Projects under \$100,000	122	85	109	24
Community Properties				
Projects under \$100,000		10		(10)
Maitai Camp				
Projects under \$100,000			35	35
Brook Camp				
Projects under \$100,000	12	12	11	(1)
Community Housing				
Projects under \$100,000	35	45	45	
Total Social	10,466	2,668	9,923	7,255

Parks & Active Recreation

Horticulture Parks				
Park upgrades	46	95	100	5
Projects under \$100,000	155	130	119	(11)
Neighbourhood Parks				
Land purchase: general reserve	1,189	537	537	
Reserve development	504	107	107	
Toilet Basin Reserve		177	177	
Projects under \$100,000	224	361	247	(114)
Conservation Reserves				
Projects under \$100,000	50	133	91	(42)
Landscape Reserves				
Fringed Hill revegetation	125	81	81	
Projects under \$100,000	247	264	285	21

Project	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference from LTP 2014/15 (\$000)
Esplanade & Foreshore Reserves				
Acessway/carpark	44	107	107	
Planting	143	148	148	
Tahunanui modellers pond	492		500	500
Tahunanui resource management plan implementation		129		(129)
Projects under \$100,000	136	206	217	11
Walkways				
Walkway lighting		43	120	77
Projects under \$100,000	121	198	75	(123)
Sports Parks				
Greenmeadow redevelopment			200	200
Projects under \$100,000	401	397	252	(145)
Natureland				
Projects under \$100,000	12	1		(1)
Trafalgar Centre				
Landscape and parking		185		(185)
Renewal: replace/renew screens		129		(129)
Replacement of benched seats		215		(215)
Trafalgar Centre north upgrade	3,253	4,562	3,000	(1,562)
Projects under \$100,000	68	62	39	(22)
Golf Course				
Projects under \$100,000	24	31	24	(7)
Pools				
Minor assets	155	59	123	64
Nayland remodelling	52	258	258	
Riverside seismic strengthening	416			
Projects under \$100,000		77	7	(70)
Play Facilities				
Destination playground		676		(676)
Playground development programme	191	161	161	
Projects under \$100,000	96	71	106	35
Marina				
Pontoon renewal programme	134	268	268	
Projects under \$100,000	113	127	178	51
Saxton Field				
General development	50	161	161	
Land purchase (Daelyn)	689			
Walkways/cycleways		107	107	
Relocate overhead power	300			
Projects under \$100,000	104	3	127	124
Regional Community Facilities				
Projects under \$100,000		1		(1)
Total Parks & Active Recreation	9,534	10,271	7,925	(2,346)

Project	Annual Plan 2013/14 (\$000)	Long-term Plan 2014/15 (\$000)	Draft Annual Plan 2014/15 (\$000)	Difference from LTP 2014/15 (\$000)
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Corporate

Council Publicity				
Projects under \$100,000	35			
Civic House				
Air conditioning			150	150
Buildings	350	107		(107)
Earthquake prone buildings	500		539	539
Floor 1 upgrade			450	450
Plant & equipment	213	138	25	(113)
Verandah renewal			350	350
Projects under \$100,000	42	45	103	58
Rental Properties				
Hunter Furniture roof renewal			200	200
Strategic building purchases	2,397			
Projects under \$100,000	21			
Administration				
Hardware/desktops	1,478	751	944	192
Motor Vehicles	151	81	81	
Total Corporate	5,187	1,122	2,841	1,719

TOTAL CAPITAL EXPENDITURE	56,098	40,623	51,100	10,477
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FINANCIAL RESERVES ESTIMATES

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

Name	Activity	Purpose	Balance July 2014	Deposits	Withdrawals	Balance June 2015
Nelson Institute Funds	Nelson Library	Bequest to Nelson Institute	7,907	423	304	8,026
L C Voller Bequest (ETL)	Nelson Library	Youth Section of Elma Turner Library	18,890	1,011	-	19,901
Nellie Nightingale Bequest	Tahuna Library	Maintenance and upkeep Library & restroom	128,012	6,849	1,000	133,861
Subdivisions Reserve	Reserve Contributions	Financial Contributions for Reserves	-	800,000	800,000	-
Nelson 2000 Trust	Esplanade Reserves	Wakefield Quay Development	190,275	-	-	190,275
Insurance Reserve	Investment Management	To fund Insurance claim excess	670,915	35,894	20,000	686,809
Health & Safety Reserve	Admin and Meeting Support	OSH Compliance	24,291	1,300	-	25,591
Parking Reserve	Car parks	Self funded activity balance	-	302,179	284,179	18,000
Saxton/Suffolk Stormwater	Stormwater	Financial Contribution for capital works	98,908	5,292	-	104,200
Wastney Tce Stormwater Reserve	Stormwater	Financial Contribution for capital works	56,275	3,011	-	59,286
Roading Contributions	Roading	Financial Contribution for capital works	86,581	-	-	86,581
Dog Control Reserve	Dog Control	Self funded activity balance	172,372	-	19,809	152,563
Pensioner Housing Reserve	Community Housing	Self funded activity balance	230,981	8,347	-	239,328
Founders Park Reserve	Founders	Founders development	118,145	92,000	87,349	122,796
Unused Depreciation Reserve	Various Activities	Special Reserve to track unused depreciation	5,637,696	581,949	5,007,410	1,212,235

HAVE YOUR SAY

CONTACT US

Council Customer Service Centre

Civic House, corner Halifax and Trafalgar Streets

Open from 8.30am to 5.00pm weekdays (from 9.00am Thursdays)

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.

Submission form

There is a loose leaf submission form with this document and more are available at the Council Customer Service Centre or can be downloaded from our website.



Online

Online at
www.nelsoncitycouncil.co.nz



By post

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Nelson 7010



Drop off

Drop into Civic House,
110 Trafalgar Street

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