

Volume 1

Nelson Community Plan 2009 – 2019

Nelson Long-term Council Community Plan (LTCCP)
including updated Development Contributions Policy 2010

How to find your way around this document

Two volumes and a summary

This Community Plan includes two volumes.

Volume 1 (this document) includes information on Community Outcomes – the community’s goals – and Council activities, which detail Council’s work for the next decade. Volume 1 is where you will find how much Council proposes to spend on its works or services, organised by types of work such as Water Supply.

Volume 2 contains all the background policies that relate to Council finances, including:

- A statement of assumptions that affect Council’s financial position
- Rates Remission Policy
- Development Contributions Policy
- Investment Policy
- Other policies and statements, such as the Funding Impact Statement that sets out information on the rating system
- Significance Policy, which explains how Council will consult on major issues or spending
- A summary of Council’s Water and Sanitary Services Assessment.

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He Mihi

He Mihi

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

*This karakia originates from the people of Tainui and Taranaki.
By kind permission of Tangata Whenua Ō Whakatū (the iwi of Nelson).*



**Statement to the readers of
Nelson City Council
Long-Term Council Community Plan,
as amended on 2 June 2010,
for the ten years commencing 1 July 2009**

Purpose of Statement

The primary purpose of this statement is to inform readers that we have no role to report, and do not give an opinion, on Nelson City Council's (the City Council) adopted amendment or its Long-Term Council Community Plan (LTCCP), as amended.

This statement informs readers about the City Council's process of amending its LTCCP for the ten years commencing 1 July 2009 and the extent, and limit, of our involvement in that process.

The City Council's process of amending its LTCCP commencing 1 July 2009 and our involvement

The City Council adopted its LTCCP for the ten years commencing 1 July 2009 on 25 June 2009. The Auditor-General appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to report on his behalf on the LTCCP adopted on that date.

We expressed an unqualified opinion on the City Council's LTCCP for the ten years commencing 1 July 2009 in our report dated 25 June 2009. We considered that the LTCCP adopted on 25 June 2009 provided a reasonable basis for long term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council.

In forming our overall opinion, we reported on specific matters required by section 94(1) of the Local Government Act 2002 (the Act).

In a Statement of Proposal dated 23 March 2010 the City Council proposed an amendment to its LTCCP for the ten years commencing 1 July 2009 to amend its development contributions policy included in the LTCCP.

We expressed an unqualified opinion on this Statement of Proposal in our audit report dated 23 March 2010.

We considered that the information within the Statement of Proposal, about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that would be required if it was amended in the manner proposed, was fairly presented, and that the City Council had complied with the applicable requirements of the Act in preparing the Statement of Proposal.

In forming our overall opinion, we reported on specific matters required by section 84(4) of the Act.

On 2 June 2010 the City Council adopted the proposed amendment to its LTCCP for the ten years commencing 1 July 2009 as described in the Statement of Proposal mentioned above. The City Council has prepared the LTCCP, as amended to reflect the amendments adopted by the City Council on 2 June 2010, and any consequential amendments.

We do not give an opinion on the City Council's adopted amendment or its LTCCP, as amended. There is no legislative requirement for us to report on the adopted amendment or the LTCCP, as amended by City Council on 2 June 2010 and we have not performed an audit of either the adopted amendment or the LTCCP as amended. Consequently we have not updated our audit report that was attached to the LTCCP adopted on 25 June 2009.



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Audit Report

Report to the readers of Nelson City Council's Long-Term Council Community Plan for the ten years commencing 1 July 2009

The Auditor-General is the auditor of Nelson City Council (the City Council). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

Opinion

Overall Opinion

In our opinion the LTCCP of the City Council incorporating volumes 1 to 2 dated 25 June 2009 provides a reasonable basis for long-term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view :

- **the City Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;**
- **the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the**

actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 25 June 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the City Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the City Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the City Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the City Council and provide a reasonable and supportable basis for the preparation of the forecast information;

- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the City Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The City Council is responsible for preparing an LTCCP under the Act, by applying the City Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The City Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

Independence

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the City Council.



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Executive Summary

When the draft plan was prepared at the beginning of 2009 the effects of the recession were just beginning to be felt. It is a careful balancing act between keeping average rates and charges rise relatively small while also not slashing capital spending that would take money out of the local economy. Council is a significant influence on the local economy, particularly through its maintenance budget and capital expenditure programme.

At a glance – rates and charges this year for 2009/10

Rate or charge	Amount
Average increase in rates and charges	3.17%
Rate increase excluding water charges	6.58%
Decrease in water charges	-6.04%
Stormwater charge	\$220.40
The minimum annual water charges (incl GST)	\$173.46 (\$0.4752/day)
Wastewater charge	\$326.50
Trade Waste charges (incl GST):	
Trade Waste A Conveying Charge	\$371.25/litre/minute
Trade Waste A Treatment Charge	\$897.75/kg BOD/day
Trade Waste B Combined Charge	\$1.26 per m ³

Rates and Loan Repayments

A key consideration for this Community Plan is the current economic environment. For 2009/10 average rates and charges are proposed to increase by 3.17%, which is less than the rate of inflation of 3.4% for the year ending December 2008. The estimated average rates rises for the following three years would be 8.7%, 8.8% and 9.6%, respectively, dropping to between 1% and 5% after that for the next six years. It is very difficult to make accurate estimates beyond the first three years of the plan. Council would therefore re-consider each of these increases in the relevant annual plan or community plan.

One of the options Council considered was to significantly reduce its spending during the economic downturn, however, when Central and Local Government stop spending this deepens and lengthens any economic downturn. Therefore Council has decided to reduce the annual amount of loan repayments over the next five years. It proposes that no loan principal repayments would be made in 2009/10 and 2010/11, and that 25% of the usual loan repayments would be made in 2011/12, rising by 25% per annum, so that by 2014 Council would again repay the full amount of loan principal repayments.

Council's financial position would still be very strong as it has assets worth over \$1 billion. Debt servicing at this level is considered manageable and would be in line with similar-sized Councils.

Rates and Charges

This summarises what rates are, why we collect them and the amount that is proposed to be collected. See Volume 2 for the full description and further information.

For 2009/10, average rates and charges are a weighted average that includes an increase of 6.58% in rates excluding water charges, and a decrease in water charges of -6.04%.

The actual increase for an individual property depends on its land value. Higher value properties would increase by more than the average of 6.58% excluding water charges, and lower value properties by less than this average amount.

General Rates

The small general rates increase reflects the increases in Council costs including finance costs and some improved services.

Estimated average interest rates are assumed to be 6% in 2009/10, 5.5% in 2010/11, and 5.5% in 2011/12.

The majority of Council loans are for infrastructure assets and therefore the general rate does not significantly benefit from the proposal to not repay loans. Because of the proposals to put on hold debt repayments, the wastewater charge is proposed to be \$326.50, down from \$345.80 in 2008/09. The stormwater charge would be a flat rate of \$220.40. It was \$267.00 in 2008/09.

Water Charges

Water charges will decrease by 6.04%. The minimum annual charge for water is proposed to be \$173.46 including GST (\$188.18 in 2008/09) charged as a daily rate of 0.4752 cents. The cost per cubic metre is proposed to be:

Amount	Cost per cubic metre
0-10,000 m ³ per year	\$ 1.745 per m ³
10,001 – 100,000 m ³ per year	\$ 1.683 per m ³
Over 100,000 m ³ per year	\$ 1.621 per m ³
Summer irrigation	\$ 1.279 per m ³

Nelson City Council's overall rating level is close to the average in dollar terms compared with other councils.

Why do we need rates?

Money collected through rates is approximately 50% of Council's overall revenue. Council also receives money from fees and charges, central government subsidies, income from its investments and dividends from Council-owned companies.

Rates need to be collected to keep Nelson running smoothly and to provide essential public services like water supplies, sewerage systems, roads, footpaths, the protection of the environment and community facilities. It is through collecting and spending rates that Council delivers the services the community wants, as expressed through the six 'Community Outcomes'. Refer to Appendix 3 for more detail on what these goals are and how they were identified.

How Council collects rates

Council collects rates in two ways, through general and targeted rates. The general rate is based on the land value of landowners' properties. Broadly, the more your property is worth, the more you pay; differentials modify this where appropriate. General rates cover the cost of activities like roads, libraries and civil defence that we all benefit from having, even though we might not use all of them all of the time.

Targeted rates are used to fund specific services like stormwater. Water charges are a distinct form of targeted rates. They are user-funded based on the amount used, and encourage water conservation through their effect on demand for water.

Financial summary

Actual results achieved for the period covered by the plan are likely to vary from the information presented and the variations may be significant.

The fold out map shows some of the capital expenditure on major projects planned by Council.

After receiving almost 1300 submissions and hearing over 170 submitters, Council spent four days deciding what to leave in or take out of the Nelson Community Plan.

As well as decisions on recycling, community housing and a Performing Arts and Conference Centre, Council opted for a raft of other measures, in addition to those included in the draft Nelson Community Plan, while still keeping rates and charges at the level signalled in the draft Plan. These include:

- A reduction in loan interest costs of approximately \$600,000 per annum as interest rates have reduced since the draft Plan was prepared
- Funding lights for the Rutherford tennis courts 2010/11 \$60,000
- An increase in the funding for changing rooms/toilets/maintenance building at Saxton Field of \$240,000 to bring the total up to \$990,000
- Funding drainage at Saxton Field \$90,000
- Contributing towards toilets at Avery Field at Saxton Field \$144,000 (NCC share of \$240,000, the remainder from TDC)
- Funding an additional \$470,000 for improvements to the Trafalgar Centre, including toilets and changing facilities at the western side
- Funding to provide free entry to Founders Heritage Park for Nelson residents \$10,000 per annum
- Providing support for the Theatre Royal by underwriting a \$1.2m loan
- Funding a \$90,000 suspensory loan to Rainbow Ski Field to be matched by the Tasman and Marlborough District Councils
- Funding for further closed circuit television units for the inner city of \$20,000 plus \$5,000 in 2010/11

Help with your rates bill – rates postponement and rebates

Council recognises that people on lower incomes find their rates difficult to pay. To assist ratepayers who are retired or on lower or fixed incomes, Council offers two options – rates postponement and rates rebates.

RATES POSTPONEMENT is aimed at older residents to provide them with more options and flexibility. It may give them the opportunity to stay in their homes for longer if they choose to do so. It allows a proportion of each year's rates payment to be deferred until the sale of the family home or death of the ratepayer.

The conditions and criteria for rates postponement include: age (over 65 or 60 on a benefit); there is no income testing; applicants must have independent advice; all or part of rates may be postponed; there is an application fee of \$400 with interest charges at Council's marginal rate plus 1.25%; debt cannot increase to over 80% of the capital value of the property; the property must be insured; and the property must be the primary residence of the ratepayer and owner occupied. Repayment would occur on the earlier of the property being sold or on the ratepayer (or surviving ratepayer's) death.

RATES REBATES are available to those on low incomes. The rebates are funded by central government and administered by Nelson City Council.

The new postponement and rebate options are different from **RATES REMISSIONS**, which are mainly for community or sporting groups to support the provision of non-commercial community services. These will continue, and are paid for by Council's community assistance fund. Talk to Council for more details about these options.

- Funding for the Nelson School of Music once the current funding agreement finishes in 09/10 of \$50,000 per annum
- Increasing funding to the Brook Waimarama Sanctuary by \$10,000 per annum
- Additional funding for the Nelson Richmond commuter bus service \$37,000

The overall rates and charges increase is 3.17%.

An important point for ratepayers to note is that the general rate will increase by more than 3.17% but that wastewater, stormwater and water charges will decrease.

Council has always expressed the change in costs to ratepayers as an overall change in rates and charges, including changes in water charges.

Council rejects proposed additional rent increase

After discussions on the submissions to the draft Nelson Community Plan, Nelson City Council decided to hold community housing rents at the current level for the next year at least.

Council had notified residents in April of a proposed rent increase and feedback was sought on the proposed increase through the draft Nelson Community Plan consultation process.

Many of Council's community housing tenants and supporters placed submissions on the proposed rent increase and presented their concerns to Council at the Community Plan hearings.

After considering feedback and submissions, and the impact on ratepayers generally, Council resolved not to proceed with the proposal. This means there will now be no additional increase in the percentage of rent in the 2009/10 financial year, as had been proposed. Council's proposal would have seen an additional rise in rents from 25% to 30% of superannuation, on top of the Consumer Price Index increase.

Council will however, review the wider issues of its involvement in and management of community housing later this year.

Performing arts and conference centre one step closer

The Council confirmed that the proposed Performing Arts and Conference Centre would remain in the Nelson Community Plan.

Looking at the key strategic decisions on the third day of Plan deliberations, Council decided the project would now move ahead to explore ways to deliver a \$28 million Performing Arts and Conference Centre on the Rutherford Street/Selwyn Place site. The cost of the land is \$4.4 million, which brings the total cost to \$32.4 million.

Project managers BECA will be tasked with developing a design brief and the resulting design proposals and economic benefit study will be the subject of a special consultation with the community by the end of the year.

It was decided Council would not seek a public/private partnership, but additional funding sources would be strongly pursued later in the project.

Recycling service to stay and improve

Recycling services are set to improve in Nelson, rather than reduce, as proposed in the draft Nelson Community Plan.

Markets for paper, plastic, steel, aluminium and cardboard have improved since the drafting of the Community Plan.

Submissions to the draft Plan showed a great reluctance to let go of the excellent progress the city has made with recycling. The decision means that recycling will continue as is, and in fact there is further improvement with plastics 3 to 7 also now to be included in the scheme.”

It is hoped that collection of the new types of plastics could begin in July this year, but at time of printing this plan the exact time had not been confirmed.

The cost for continuing with recycling as well as extending this to collecting plastics 3 to 7 will be around \$730,000 annually. There will be no cost to the ratepayer as this is recovered from landfill charges.

The impact of continuing with recycling will increase landfill charges from \$65 per tonne to \$89 per tonne which includes the \$10 per tonne Central Government levy due to begin in July. The only possible cost increase may be in the price of rubbish bags, but Nelmac has indicated it will hold the cost of the blue bags at current levels for the next year. Following that, a minimal increase of around five cents a bag is anticipated.

Financial assumptions

Council bases its financial calculations on a series of assumptions that are explained in full in Volume 2 of this Community Plan. These need to be included so the basis for Council's calculations is made clear. Council can be judged on whether those assumptions are reasonable, as part of its accountability to the community. The three key assumptions relate to population growth, inflation and interest rates.

POPULATION PLANNING in this document is based on a population of 44,300 as at the 2006 Census. It is estimated that the Nelson population will have increased to around 45,210 by June 2009. With an average increase of about 300 people each year, it is assumed Nelson's population will be around 48,221 in 2019 at the end of the term of this plan. That means Council needs to provide for 3,011 additional residents over the next ten years.

INFLATION/PRICE changes are based on nationally-derived assumptions. Adjustments for the next ten years have been derived from those recommended to local government by Business and Economic Research Limited (BERL). The adjustments are assumed to be 2.95% in 2010/11 and 2011/12, and 2.75% in 2012/13 and the following years. These figures are averages of those provided by BERL.

Higher or lower inflation rates than forecast will affect the financial results of Council. No economic forecast going out ten years can be precise. Uncertainty increases the further out you predict, so it's likely that the inflation rate will vary from the figures above over the ten-year period. Council can do little about this. Because a new Community Plan is required every three years, Council will be able to provide updated forecasts when the next Community Plan is prepared.

INTEREST RATES in this plan are assumed to average 6.0% in 2009/10 for new or rolled over loans. Interest rates are assumed to range between 5.5%-6.75% for the following nine financial years of this Community Plan. Council considers this to be appropriate based on recent past and current interest rates. Council uses both surplus internal funds and external borrowing to fund its work programme. The projected statements of financial position include external loans only. If interest rates are higher than forecast then Council may reconsider the timing of projects. Because many Council projects depend on a number of factors, such as scheduling projects to fit in with other organisations like the New Zealand Transport Agency, lower interest rates might not necessarily result in projects being brought forward.

Introduction

Welcome to the Nelson City Council's Long-term Council Community Plan (LTCCP) 2009-2019. This is a cumbersome term, so from now on we will call it the 'Nelson Community Plan'.

This is our third Community Plan. It builds on the transitional 2004-14 Plan and first full 2006-16 Plan. We've added several new features this time that will make it easier for you to understand the work that Council undertakes.

This introduction is to help you to find the information you need more quickly.

We have done our best to keep jargon and abbreviations to a minimum, but there are some words that have been used because of legislation or the specialised activities that Council carries out. 'Community outcomes' and 'community wellbeing' come from the Local Government Act, for example. The glossary at the end of this volume explains these and other unfamiliar words and phrases we've used.

The full Community Plan can be downloaded from our website www.nelsoncitycouncil.co.nz or obtained on disk.

Key issues

Given the number of Council services and facilities and their importance for ratepayers, residents and visitors, some of the considerations that shaped the proposals in this Community Plan include:

- Balancing the need to keep rates low while avoiding negative economic and social impacts of cutting back on Council activities too much. Balancing costs is to be achieved, in part, by making no loan repayments during 2009/10 and 2010/11, which is a change from how we have managed loan repayments in the past. Debt would increase from \$59 million to a peak of \$170 million in 2013/14, but is projected to reduce to \$117 million by 2018/19.
- As part of this change Council has amended its borrowing policy in Volume 2 within the Liability Management Policy. Changes include increasing the debt level per resident and interest costs as a percentage of rates. Council also reviewed its Development Contributions Policy and calculations have been updated for infrastructure projects linked to growth.
- Council's top priorities for the next ten years, include a new Performing Arts and Conference Centre, improvements to the Central City, maintaining the City's infrastructure – particularly the Maitai water supply pipeline, the wastewater pipeline to Bells Island, recycling, and an improved transport system – and increasing Nelson's sustainability. More on these priorities is included on pages 25-41.

What this plan is about

What is a Community Plan?

The Nelson Community Plan is a document put together by Council and the community to set the strategic direction for the city over the next ten years. The major components of the Community Plan are:

- the links between the Community Outcomes (our community's goals for Nelson City) and Council's activities.
- the Council's strategies that guide our plans to reach these goals
- a work plan, in partnership with the community to deliver services and projects.

The goals set by the community in 2005 identify how the city should grow socially, culturally, economically and environmentally. The end result is a Community Plan that outlines the community's expectations and shows how Council, working with the community and other organisations, will achieve what Nelson residents want for their city.

Why we need a Community Plan

The Community Plan encourages consistency in Council's approach and gives certainty for the community. It enables integrated decision-making, land use planning, infrastructure and facilities development, environmental protection, outlines how Council will provide services as the population increases and summarises Council's financial allocation and prioritisation process. It also explains how Council will assess its performance.

The Draft Community Plan received almost 1300 submissions on a wide range of topics. Council made a number of changes to the plan following consideration of these submission. See page 11 for details.

When we produce the Community Plan

Under the Local Government Act 2002, Nelson City Council has to produce, once every three years, a Community Plan covering the following ten years. Its first Community Plan was produced in 2004, and the next in 2006. Council updates the second and third year of its Community Plan in each Annual Plan. The Community Plan must be reviewed and evaluated once every three years, and the Community Outcomes have to be reviewed and evaluated at least every six years, to ensure that Council stays on track to meet the community's long-term goals.

The Community Plan is not something Council makes up on its own. It comes from many organisations, groups, residents and ratepayers talking with Council about what they want for the city now and in the future.

Annual Reports

Following the end of each financial year on 30 June, Council prepares an Annual Report around October saying whether Council's plans went ahead as expected over the previous financial year. The Annual Report also explains any major differences from what was planned.

If you have any questions about the Plan or how to find specific information please contact Mark Tregurtha, Manager Strategy and Planning, 546 0364.

What's not in this Community Plan

Just like any household, Council needs to prioritise its spending and balance this with its income. Inevitably this means Council can't do everything at once. Council has put a lot of careful thought into what to put on hold for later and where it can make savings.

As a result, in the draft plan, Council deferred a number of projects in order to keep the rates increase as low as possible. It is important to note that these delayed projects won't significantly reduce service levels for the public in the medium term. Projects that have been deferred include:

- The upgrade to the northern end of the Trafalgar Centre, which will now take place in 2013/14.
- Improved public transport between Richmond and Nelson will begin later, in 2012/13. It had originally planned been proposed for a 2010 start. The delay is partly to allow enough time for the supporting infrastructure to be developed and the tendering process to take place. In the meantime, Council proposes to provide a higher level of public transport services within Nelson City.

Introducing your Councillors



Mayor Kerry Marshall



Cr Ian Barker



Cr Ali Boswijk



Cr Gail Collingwood



Cr Mike Cotton



Cr Denise Henigan



Cr Mark Holmes



Cr Alison McAlpine



Cr Aldo Miccio



Cr Pete Rainey



Cr Rachel Reese (Deputy Mayor)



Cr Derek Shaw



Cr Graeme Thomas

A message from the Mayor

We live in difficult economic times. Difficult as they test us today and doubly difficult as tomorrow's tests remain unknown. Even so, we do know this much. Nelsonians think our city and region is an extraordinary place and we want others to know it. We love our city's vibrancy and we want it to thrive. We know that we must maintain our essential infrastructure – our roads, stormwater, wastewater and water systems. We know as guardians we must protect our environment.



Kerry Marshall, Mayor

And we also know the city's budget is limited and difficult decisions are needed to ensure we keep the balance right. In the present climate, our community is concerned about increasing costs. In order to achieve this balance, tough decisions are called for to reduce costs while essential facilities and services are sustained. The currents of change have never been stronger and our response has to be smart and resilient.

So, what can you expect from this Plan? We want to achieve strategic long-term progress, tempered with the prudence I have already mentioned. Priorities need to be set and this is where our community plays a vital part – contributing to the conversation to help us find the right balance. To that end, partnerships are a foundation of this plan – with local Iwi, our close neighbours in Tasman, government agencies

and the community at large.

While the Local Government Act requires Council to coordinate the development of this Plan, government agencies and key community organisations have leading roles to play in achieving the community's goals. Strong alliances will be the key.

Council has worked hard to reach priorities that are included here. Make no mistake, the Nelson Community Plan is all about clarifying community priorities and taking action. These are some of the key themes:

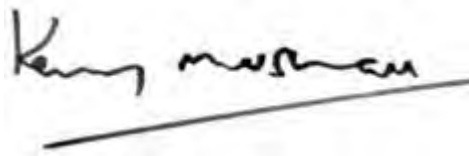
- Living responsibly – with sustainability at the heart of everything we do
- Strengthening Nelson's identity
- Future-proofing our community through good infrastructure and facilities
- Solid and sustainable economic development.

Sustainability is a pervasive theme throughout Council's activities; the exciting Solar City initiative has the potential to benefit everyone. I believe making the most of our natural resources is simple and smart.

I am also excited by a trio of projects that spearhead our plans to strengthen Nelson's identity. The Performing Arts and Conference Centre, the Rugby World Cup and the Events Strategy have underpinning economic gains. They will benefit the region in the short and long term, swell community pride and raise our profile.

And while new facilities attract plenty of attention, two major infrastructure projects – the Bells Island regional sewage pipeline and the duplicate Maitai water supply pipeline – are still where much of the money will be spent. Essential infrastructure is a high priority for this Council.

I want to end by discussing solid economic development because it comes back to my introductory comments where I spoke of the challenges the present economic climate brings. This Plan shows Council has worked hard to deliver affordable progress to the community. The rates and charges rise in 2009/10 is a very cautious 3.17%, yet you will see that what we propose to deliver is anything but conservative. In developing the final plan Council considered almost 1300 submissions from the public and heard over 170 submitters who presented their submissions. I'd like to thank all those residents and businesses who made submissions to the plan.

A handwritten signature in black ink, reading "Kerry Marshall", written over a horizontal line.

Kerry Marshall, MBE JP
MAYOR OF NELSON

A message from the Chief Executive



Keith Marshall, Chief Executive

Follow my logic. People all over the world share a common desire to live in a “great place”. And the Nelson community certainly wants Nelson to be a “great place”. Councillors and council staff are committed to helping Nelson be that “great place”. We have a handy guide on what a “great place” should look like. It was revised in 2005 when the community collectively described its vision for Nelson as part of the Community Outcome process. We, the community and Council, want:

- Healthy land, sea, air and water
- A people-friendly place
- A strong economy
- Kind, healthy people
- A fun, creative culture and
- Good leadership

Yet it’s no secret some Nelsonians think Council could do a better job delivering this. The few choice quotes shown here indicate how Council is seen by

some in the community.

So, what needs to be done differently for more people to be happy with Council’s performance? Nelson’s Mayor and Councillors have come up with a set of tactics to deliver this vision of a “great place”. Taking an approach that looks at “how we get there” as much as “what we do”, Council will focus on strategic long-term progress, partnerships, listening, prudence, setting priorities and ensuring that things happen. Council knows the community wants results.

My role is also to ensure Council staff take the same approach as the Council, keeping a sharp focus on “how we get there”. While this Community Plan is strong on describing the “what” of Council’s performance – the pipes, parks, projects and plans – we will work as a single organisation to deliver customer satisfaction through three platforms: stakeholder engagement, customer service excellence and precision delivery.

This all sounds like I am diving into management rhetoric, so let me paint a picture of what this will mean for you as a resident, ratepayer or business in Nelson. Picture a council committed to more than just meeting legislative requirements, one that’s open-minded and knows its customers. Recognising who the customers actually are is a good place to launch relationships that are based on open and ongoing communication. The acid test will be your feeling that the Council is fair, behaves with integrity, and you should ultimately believe you have a chance of influencing decisions.

For this to happen, each of my staff will be personally responsible for your Council experience. You will feel happy and confident about that encounter, if not about the outcome – we can’t change some things. And you should know we care because of the way we respond to you.

A submitter on the Trafalgar Park Consultation: “The ratepayers have had enough of this Council not listening to the people on the issues”

On involvement in the Rugby World Cup: “Both social agendas need accurate analysis done rather than being bombarded with the usual Nelson City Council propaganda”

And on festivals expenditure: “The Council had better get back to its core functions ... the reaction to councils like Nelson that waste considerable sums every year on frivolous expenditure ...”

Improving on and building new systems and skills will ensure staff are empowered with the information and knowledge to deliver a service that meets these requirements. Here are a few examples of the areas we will look at:

- a database that allows most staff to respond to most questions
- systems to track your contacts with Council running across all services
- improving the building consents process so it meets the new Building Consent Authority standards

These systems will help us learn, and also act on what we learn. But even with improved systems and learning, the puzzle of balance remains. What amount of effort should be put where? Council is always going to cop the “evil council” label. We’ll attract criticism simply because, while trying to deliver services, the tough balance of satisfying individual and group needs means that there will be people in the community who get disappointed. That’s why we have to be so precise about doing the right things right.

I need to be clear: there has always been huge effort put in to making Nelson a “great place” but I am signalling a change in approach. This is about moving forward and putting in systems and processes to make Council services even better.

I opened with some negative quotes on Council performance, but there is also a stream of positive feedback. I want that stream to become a river.

To achieve these improvements I’m taking this opportunity to provide the public with information on the areas that Council and I have agreed that I and Council staff should focus on. These are organisational improvement, enhanced community engagement, customer service excellence and polished delivery of services, and are explained in more detail on page 211. Naturally the whole organisation will work with me on achieving these objectives.

And although Council undertakes a significant number of projects each year I will be particularly focused on the Performing Arts and Conference Centre, working with the community, enhancing the central city and bringing together and promoting the wide range of community facilities of the city. As part of my accountability to both the Council and to the community I will report on my progress towards achieving these objectives each year in the Council’s Annual Report and Live Nelson.



Keith Marshall
CHIEF EXECUTIVE

“I think the Council needs to be congratulated for actually trying to get some infrastructure off the ground.”

On the Trafalgar Park redevelopment, “I don’t mind rate increases if projects like this actually get done.”

A letter to the editor on the Council website, “...submission forms are easily found on the Nelson City Council websiteyour site is really easy to use”.

Community Outcomes – Nelson’s Goals

In 2005 the people of Nelson got together with Council and created a vision for our future. These six community outcomes sum up that vision and guide our work. Progress towards the outcomes will be reported every three years, and they will be completely reviewed every six years, with the next review due by 2011. More on how we identified them, why we have them and how we will monitor and report on our progress is included with the full outcomes statements in Appendix 3.

In short, we have these six inter-related goals to guide Nelson City Council and other organisations’ decisions, plan and policies, including this Community Plan. The aim is to have everyone heading in the same direction, working together towards these goals.

These outcomes come from the whole community, not Council, so they belong to the whole community. They drive what Council does, just as they guide and coordinate other groups and organisations working to improve community wellbeing in Nelson. The Nelson Community Plan is part of Council’s blueprint to improve overall community wellbeing, but it can’t deliver everything on its own. It takes the whole community working together to achieve these goals.

**Nāu te rourou,
nāku te rourou,
ka ora ngā tāngata**

Through our joint contributions
the people will thrive

HEALTHY LAND, SEA AIR AND WATER

We protect the environment

PEOPLE-FRIENDLY PLACES

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

A STRONG ECONOMY

We all benefit from a sustainable, innovative and diversified economy

KIND, HEALTHY PEOPLE

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

A FUN, CREATIVE CULTURE

We are proud of our creative local culture and regional identity

GOOD LEADERSHIP

Our leaders are proactive, innovative and inclusive

Council's contribution to achieving Community Outcomes

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

Council priorities

Council listens to what residents want through submissions, letters, meetings, surveys, consultation processes and regular feedback. In considering how it will achieve the Community Outcomes, so it can deliver what the community wants, Council has set the following priorities based on this input:

1. Putting Nelson's regional identity on the radar
2. Sustainability, particularly environmental sustainability
3. Sustainable economic development
4. Nelson as a centre for arts creativity
5. Building and maintaining strong relationships with iwi/Māori
6. Safeguarding and promoting our heritage
7. Regional programmes, working co-operatively with Tasman District Council
8. Development of community facilities and infrastructure

Council's priority work programme and infrastructure

To achieve these priorities, Council's proposed work programme includes some major initiatives that are described on the next few pages.

There is no reduction in Council's commitment to funding essential services including infrastructure. Nelson City's infrastructure is overall in good condition and there are no major infrastructure issues for resolution during the term of this Community Plan. Council will fund two major projects as part of maintaining Nelson's good quality infrastructure: the duplicate Maitai water supply pipeline, costing \$12 million with physical works scheduled to begin in 2011/12 and to be completed by 2013/14, and the Bells Island wastewater plant pipeline. This plan includes \$20 million for the Bells Island project. Work is expected to begin in 2010 but the completion date would depend on the option pursued.

Bells Island pipeline

The most significant infrastructure project is Council's share of this Bells Island pipeline upgrade. Waste water is treated and discharged into one of the main channels of the Waimea Estuary on the outgoing tide. In recent months, the Nelson Regional Sewerage Business Unit (NRSBU) has identified a critical issue with the pipe to this treatment plant.

The NRSBU strategy for the regional pipeline upgrade is driven by two key concerns:

1. The risk of a pipeline failure in the estuary between Monaco and Bells Island – identified as an extreme risk – that would necessitate repairs that could take a significant time to complete should it fail.
2. The present pipeline to the Bells Island Wastewater Treatment Plant cannot handle present flows, let alone future higher flows. It is likely there would be an increasing frequency of overflow discharges to the Waimea Inlet during extreme wet weather unless the pipeline capacity was increased.

The NRSBU began consultation in 2008 on the options for this project and will consider these before reporting back to Nelson City and Tasman District Councils on a preferred option. This Community Plan assumes Council's share of this project is for the lowest cost option.

Putting Nelson's regional identity on the radar

Council wants to showcase Nelson's identity and heritage. The 'Heart of Nelson' Central City Strategy aims to make Nelson a higher profile and distinctive destination and is discussed in more detail in the economic development section.

Performing Arts and Conference Centre

One of the main facilities that our region is missing is a Performing Arts and Conference Centre (PACC). The need for a PACC has been discussed for many years and Council believes that a PACC is an important facility to enhance Nelson's economic and cultural wellbeing. Nelson City Council proposes to build a PACC (including purchase of land), with an estimated cost of up to \$32.4 million. As part of the consideration of the final Community Plan Council has decided that it would not seek a private/public partnership, but additional funding sources would be sought as the project develops.

Council has provided \$5 million in the 2009/10 budget to cover the following work:

- Purchase of site
- Project management
- Beginning the preparation of detailed design work and costings

A further \$6.2 million is proposed for 2010/11 to call for tenders and start physical works and \$21.2 million in 2011/12 for the building and fit out. Council has also provided \$400,000 per annum from 2012/13 towards the operation of the facility and \$700,000 per annum for depreciation.

The project is still in the early stages of development and project managers BECA are developing a design brief with the resulting design proposals and the supporting economic benefit study subject to a special consultation process with the Nelson community by the end of 2009.

Victory Urban Village

The success of the continuing development of the Victory Urban Community programme is a model that other councils have looked at to adapt for other parts of the country. Projects like this, where Council and the Victory Community have worked together with outstanding results, help Nelson to be seen as an innovative city.

High Profile Events and Facilities

Council looks to support nationally and internationally-recognised events like the Adam Chamber Music Festival and the Rugby World Cup, where they can help Nelson to become a better-known and popular destination.

Another Council strategy to highlight Nelson's regional identity is to provide high quality facilities. Developments at the Saxton Field sports complex are outlined under Community Facilities, in the following pages.

Sustainability

The Council adopted a sustainability policy in June 2008. It includes the following statement:

“Sustainability is a Council value. It is a process of ensuring the wise use and management of all resources within a framework in which environmental, social, cultural and economic wellbeing are integrated and balanced. It means meeting the needs of today without adversely impacting on the needs of future generations.”

Sustainability is about recognising the relationships between prosperity, people, and the planet. The focus of Council’s sustainability policy on environmental wellbeing recognises the underlying importance of the environment in sustaining all life.

Sustainability Action Plan

A sustainability action plan has since been developed, to support the implementation of the policy. It establishes a process for staff to apply sustainability principles to their work. It also includes a sustainability checklist for all new projects, and a procurement policy. The new actions include: improved data collection and reporting, solar initiatives, establishment of a Sustainability Forum, setting up an eco building adviser, more waste minimisation programmes, support for the Carbon Reduction Reward Scheme and a sustainable business adviser to provide free practical advice to the community.

Biodiversity

Council and other partners involved in biodiversity work completed the Nelson Biodiversity Strategy in 2007. The Strategy and its implementation is a good example of how Council works with iwi, landowners, other agencies and community groups to achieve Nelson’s Community Outcomes. In contributing its part to implementing the Strategy, Council recognises many of its reserves have high ecological values with a significant management effort required to protect and enhance these values. This plan includes an extra \$200,000 per annum to carry out additional weed and pest control and native planting on Council land. Council has also provided for a \$1 million contribution towards the Brook Sanctuary fence over the next two years. To assist private land owners and community projects Council has a sustainable land management adviser to provide advice and funding to assist with fencing, planting and pest control for valuable biodiversity sites. A cross-Council approach to improve biodiversity values is proposed, with future works in rivers and streams aiming to maintain and enhance biodiversity. For instance, \$100,000 is included for improving fish passage in the Brook stream. Pests are the greatest threat to our biodiversity and Council contributes \$20,000 to a Marine Biosecurity Advocate for the Top of the South Island to ensure we minimise pest incursions and have effective responses to any new pests that become established here. Council will also continue to facilitate the Nelson Biodiversity Forum to coordinate actions and to get the greatest benefit possible from the limited resource available.

Communities for climate protection

Council considers climate change a significant threat to the wellbeing of the region and joined the Government-funded Communities for Climate Protection programme in 2007. Since then we have prepared an inventory of emissions, set targets, and developed an action plan setting out what we will do to work towards those targets. Measuring the Council's greenhouse gas emissions can be done by collecting and analysing data on fuel and electricity use, and waste generation. This can also be done for the wider community, and Cawthron Institute is advising the Council on what process it can take to efficiently collect and analyse this data. Council also takes into account the impact of climate change as part of its long-term planning for infrastructure services.

Sustainability in Council projects

Sustainability projects include initiatives such as a project to reduce the cost and electricity use associated with Tantragee water treatment plant by harnessing the energy of the water delivered to the plant. Council captures methane from the York Valley landfill to be used in Nelson Hospital furnaces, reducing its use of coal by 25% and earning Council carbon credits. Ways to increase the capture of methane will also be investigated.

Solar City Initiatives

The Solar City initiative is a high profile priority for Council, following a feasibility study of how to use Nelson's abundant solar energy to power the city into the future and protect residents from the increasing costs of energy. The study looked at how to:

- Establish Nelson as New Zealand's first Solar City to increase the region's energy security and drive local investment in renewable energy technologies and applications.
- Demonstrate the economic and environmental impacts of integrating cost-reflective pricing with the concentrated uptake of energy efficiency, solar and smart metering technologies.
- Identify and implement options for addressing barriers to distributed solar generation, energy efficiency and electricity demand for grid connected areas.

This Community Plan includes Council assistance to encourage more households to install solar hot water systems. The majority of costs would be covered by those residents who choose Council-assisted options. For more detail on these options, see the Environmental Management section in this volume, and subsequent changes to the rating system detailed in Volume 2.

Under its Solar City initiatives, Council plans to look at installing solar water heating on Council facilities over the next few years, including the Montgomery Superloo and Riverside Pool Showers, Maitai Camp shower block, Riverside spa and small pool, and for Civic House linked to renovations.

Eco building advice and education

The Council has an Eco Building Adviser to provide free advice on energy, water and material-related matters. This service is for building professionals and homeowners working on home building projects as well as commercial and industrial building projects. Other Council environmental education projects are being established to support gardening and composting in homes and pre-schools.

Sustainability Forum

Council works with the recently-established Sustainability Forum of organisations to co-ordinate sustainability actions in the region. The Forum has the following vision: “The Nelson-Tasman region is a national leader in the sustainable development of communities and businesses. Sustainable development means development that is good for people, the planet and prosperity, now and into the future.”

The Forum considers the following priorities for action for Nelson to become more sustainable:

- Build resources for community groups
- Engagement, leadership, awareness
- Solar City
- Climate change
- Preparing for peak oil
- Run good practice projects

Recycling and Waste Management

As has been reported extensively in both the local and national media, the worldwide commodity markets for recyclable materials (i.e. the prices being paid for paper, cardboard, plastics and metals) fell dramatically in late 2008 placing the future of recycling in question. As part of the draft plan Council proposed to reduce recycling to glass only. However since the draft plan was prepared markets have improved and as part of the submissions process a large number of residents supported continued recycling. New markets have been found and Council is pleased to confirm that not only will recycling continue, but it will be extended to include plastics 3-7.

Council’s waste account is self-funding, with recycling and waste minimisation initiatives funded from refuse disposal charges at both the York Valley landfill and Pascoe Street transfer station.

In addition to the change in recyclable markets, the Waste Minimisation Act 2008 imposes a \$10/tonne levy on all waste disposed to landfill. Under this Act all cover material is also defined as waste, so the net effect on Nelson City Council is an automatic increase in landfill charges of \$15/tonne. The result of all these changes is that the landfill price will increase from the current charge of \$65/tonne to \$89/tonne. However Nelmac has confirmed that the cost of blue rubbish bags will remain at current levels until end of June 2010 and then are likely to only increase by 5 cents the following year.

Working with the Community

Council is supported in its sustainability work by the many people in the community who contribute through community planting programmes and providing information and advice to residents.



Sustainable economic development

Key Council programmes to support sustainable economic development include implementing the Regional Events Strategy, the Performing Arts and Conference Centre, enhancing the central city and improving the transport system.

Central City Development

A sustainable economic development priority for Council is to make progress on enhancing Central Nelson, recognising that our community's wellbeing is strongly linked to the economic benefits of having a vibrant town centre. The future direction of the central city (the CBD and surrounding area) over the life of the Community Plan and beyond will be guided by the 'Heart of Nelson' Central City Strategy that was initiated in 2008 to guide these developments. The Strategy is a framework of 89 large and small initiatives to ensure Nelson's central city remains a vibrant cultural and economic focal point for locals and visitors, and for businesses to locate in.

Few would disagree that the changes made to the City Centre in the late 1980s enhanced the area considerably and made it a much more pleasant place. The Strategy aims to build on those good bones to future proof the Central City and ensure it can respond to threats and opportunities.

The Strategy involves much more than beautification. It includes a mix of projects to stimulate economic activity and employment in the central city, particularly in the fringe area outside the CBD. It also focuses on events, activities or items of interest that can encourage visitors to stay longer in the central city and Nelson. As well, the Strategy ties together a lot of smaller actions to enhance Nelson's special identity to ensure it does not become 'Any Town NZ'. These include better heritage protection, "telling of our story" past and present, design of inner city buildings and public places, use of local art to help define our identity and provide a point of difference from other centres, and simple but effective things like better signs to help people get around the inner city and to interpret what they see.

More and better public places are proposed. These include small areas to sit and rest, to a new 'pocket park' at the eastern end of Montgomery Square linked to an upgrade of the Bank Lane link to Trafalgar Street and a new riverside area in Rutherford Park.

More trees and landscaping particularly around the fringe of the central city, is planned to enhance areas as the central city area expands and to improve major walking, cycling and road connections to the central city. Some improvements in the city centre are programmed, including more shade trees in the existing parking squares. There are many initiatives to make the central city more pleasant for walkers and cyclists while ensuring the central business district remains convenient to get to by vehicle, remembering that once they arrive, motorists becomes pedestrians.

Improved transport system

To improve the transport system, following from the Regional Land Transport Strategy process, Council proposes to introduce an enhanced bus service between Nelson and Richmond in 2012. The delay from that flagged in the draft Regional Land Transport Strategy is to allow time to liaise further with Tasman District Council, consider the optimum way to provide the buses and then tender for the increased service. Until then, Council will fund an increased local passenger transport service compared with the current service levels, but on a smaller scale than the proposed enhanced services. Council has asked the Regional Transport Committee to recommend the optimum service the funding can provide.

A separate consultation process is to focus on the Land Transport Programme, which covers the major road projects.

Arterial traffic study

Council has also advised the Regional Transport Committee, through the Regional Land Transport Strategy process, that it intends to commission a study into the effects of the arterial traffic flows in Nelson. Such a study would look at the socio-economic and environmental costs and benefits of arterial routes. It would investigate alternative routes, modelling to determine effects on the central City, waterfront, Port Nelson, Waimea Rd and surrounding areas, intersection treatment options, mitigation methods, cost estimate and any other relevant factors. It would also assess the socio-economic and environmental costs and benefits for the Waimea Rd, Tahunanui and Victory communities. A comparison between these assessments would inform any subsequent decisions by Council.

The full cost of such a study is estimated to be \$355,000, 75% of which is to be externally funded and 25% council funded. It is planned to be completed in 2009/10 to enable a Council decision on the preferred route to take place in 2010.

Nelson as a centre for arts creativity

Council recognises the sense of pride residents have that Nelson is well known for its arts and crafts. It will continue to support this sector, and enhance investment in it through adoption and implementation of the Regional Arts Strategy. Following the regional strategy, Council plans to develop a Nelson Arts Policy, under which \$50,000 is proposed to be spent on community art works each year, including sculpture, from 2010/11. Five gateway projects are also planned from 2011/12, ranging in estimated cost from \$75,000 to \$100,000 each. These would recognise and celebrate Nelson's unique identity at the entrances to the city and central business area.

A recent addition to Council's responsibilities was the establishment of The Suter Art Gallery as a Council-controlled organisation in 2008/09. Council plans a review of how it manages all its community facilities, with the objective of increasing public use of this important arts facility.

Council's implementation of the Central City Strategy includes a range of arts projects. It also aims to promote the inclusion of art works when any infrastructure projects are developed, following the model of the recently-replaced Aratuna Normanby Bridge on Bridge St.

Building and maintaining strong relationships with iwi/Māori

Nelson City Council has a genuine commitment as well as legal obligations to consult and involve Māori in its decision making. This partnership is based on many aspects, including recognition of the common ground and interests shared with Tāngata Whenua o Whakatū, Council's responsibilities under the Treaty of Waitangi, and its legislative responsibilities under the Local Government Act 2002 and other legislation.

Treaty claims settlement

Council's commitment to building its relationship with iwi/Māori will be of particular importance in the next few years as Treaty of Waitangi claims are settled between the Crown and Te Tau Ihu iwi in the Top of the South. Council will continue to work closely with Tāngata Whenua o Whakatū for the benefit of the region as the settlement process moves forward.

A highlight for Council was the 2005 signing of a Memorandum of Understanding (MOU) with Tāngata Whenua o Whakatū. Subsequently an action plan was agreed in 2007 to implement the MOU. Councillors and iwi leaders meet regularly at Kotahitanga Hui to address issues of mutual interest, advise Council on consultation processes and to monitor the achievement of the MOU action plan.

Iwi priorities

Iwi leaders were involved early in the process to prepare the Community Plan, with a hui in September 2008 setting up working groups to provide input on the following iwi priorities, which align strongly with Council's eight priorities. Iwi priorities are:

EDUCATION AND INFORMATION on te ao Māori (all things Māori) through a collaborative approach between Council and iwi leaders.

TE REO AND TIKANGA, including development and implementation of a Māori Language Policy for Council and strategies to support correct spelling and pronunciation.

LONG TERM PLANNING AND VISION to bring economic development but in balance with looking after the environment.

ARTS AND HERITAGE VISIBILITY to increase the presence and information about Māori heritage and arts as an integral part of Whakatū/Nelson's identity.

YOUTH (RANGATAHI), and the development of strategies to promote Nelson as a great place for youth to live, learn and work.

LTCCP 2006, carrying over issues from iwi submissions on the draft 2006 Community Plan that are yet to be fully or partly addressed.

Council working with Māori

The two distinct types of relationship between Council and Māori are partnership with the local iwi and democratic consultation with all Māori in Nelson.

Partnership with local iwi and involvement in decision making processes is primarily achieved through a 2005 Memorandum of Understanding, the 2007 MOU action plan and regular Kotahitanga (unity, together) Hui, which brings Councillors, senior staff and local iwi leaders together to discuss issues of concern and interest. Every staff report to Council has to

consider and summarise consultation with iwi/Māori.

For individual Māori, or māta waka, from elsewhere in the country, Council's 2005 consultation process to draft the Community Outcomes is an example of how involvement took place. Council aimed its consultation methods to reach Māori as a group among 15 other target groups that included youth and the business community. This was to ensure that a representative range of Nelson residents had the opportunity to contribute to this process. Organisations and individuals who work predominantly with Māori clients were consulted. Networking with key individuals and community leaders also ensured the involvement of Māori in other forums, including consultation with the business community.



Archdeacon Andy Joseph

Recently an organisation has been established representing all urban Māori in Nelson, Māta Waka ki te Tai Aorere. This will assist Council to consult with the Māori community. Council will continue to work with and consult groups and individuals including Te Tau Ihu Māori wardens and Whakatū Marae.

In addition, Council supports area-based projects that target those with the greatest need to improve their environment and support systems. These include Stoke and the Victory area project to enhance the community for all who live there. These areas include higher than the average proportion of Māori residents.

Developing relationships with Māori

To build on Council's relationship with iwi/Māori as we move into the post-settlement phase of Māori development, Council has established a new position to work with Māori and provide advice and policy support to Council. Council is also supported through the appointment by iwi of Archdeacon Andy Joseph as Council kaumatua.

More information

Other parts of this Community Plan include relevant information for those interested in Council's partnerships with Māori, or in issues of interest to Māori generally. These include the Environmental Management and Democracy and Administration sections. Anyone interested in a full and inclusive history of

Nelson/Whakatū should visit the Nelson Provincial Museum on the corner of Trafalgar and Hardy streets in Nelson. There is a significant collection of books and records relating on Te Ao Māori in Nelson Public Libraries. Recently published volumes on the history of the top of the south, by Hilary and John Mitchell, are also available in Nelson Public Libraries.

Safeguarding and promoting Nelson's heritage

Council proposes to continue to fund the Nelson Provincial Museum at the current level plus inflation. The Memorandum of Understanding with Tasman District Council, co-owners with the Nelson City Council of the Tasman Bay Heritage Trust that runs the museum, is due for re-negotiation by end of June 2009.

Heritage strategy implementation

Council completed its Heritage Strategy in 2006 and has been implementing it since then, with \$50,000 proposed to be spent over the next three years. The main features of this are the Heritage Project Fund, which was set up to assist owners of heritage buildings to maintain them in the public interest, and the Heritage Inventory project. The inventory is to update listed heritage sites in the Nelson Resource Management Plan to ensure their protection. This work will result in a plan change advertised in late 2010 to update the Resource Management Plan.

These projects also address another of Council's priorities to build and maintain strong relationships with iwi/Māori in Nelson. Local iwi leaders are involved in providing and checking the Heritage Inventory information on sites of significance to Māori to ensure it is as accurate and complete as possible.

Other projects proposed to safeguard and promote Nelson's heritage include:

- Work on the Cawthron Steps at Piki Mai (Church Hill), which is estimated to cost \$60,000 in 2009/10
- Maintenance of heritage sites, assets and interpretation panels
- Work with the community through a Trust on development of Wakefield Quay
- Maintenance of heritage trees
- Community grants for community heritage protection projects.

Regional programmes, working co-operatively with Tasman District Council

Council delivers a range of joint projects and programmes with other councils across the Top of the South (Te Tau Ihu o te Waka a Maui). These include the Top of the South wellbeing indicators project, which involves Nelson City Council, Tasman and Marlborough District Councils with key government agencies, including the Ministry of Social Development and the Nelson Marlborough District Health Board.

And while amalgamation is not likely to happen in the foreseeable future, Nelson City Council and Tasman District Council already have a range of shared projects, programmes and services. We all know that it works best when we work together as a region. Many residents might not realise the extent to which both councils already work together to the benefit of the wider Nelson/Tasman region.

Regional interests

Both councils recognise that the interests of the region as a whole are often best served through a cooperative approach. By combining services such as wastewater treatment or libraries, we reduce overall costs to the users and ratepayers, too. Other programmes are led by one council because it has particular expertise in that field, so that specialist skills don't have to be duplicated. Regional pest control is a good example of such a programme, which is led by the Tasman District Council.

Examples of joint Nelson/Tasman projects, programmes and services are grouped under broad operational headings. This is an indicative list and does not include every area of shared work or services. Staff and elected representatives from both councils are in regular contact so new initiatives are likely to be developed or extended throughout the period of this Community Plan.

Engineering/Infrastructure

Interconnected water supply services provide enhanced security of supply for both councils, especially during an emergency event. See the case study below on the aftermath of the July 2008 windstorm. Nelson City Council also provides some of Tasman's water supply needs from the Roding Dam.

Nelson Regional Sewerage Business Unit (NRSBU), 50/50 ownership, which includes the facilities at Bells Island. Management is overseen by Tasman District Council and Nelson City Council elected representatives, and the facility is located in Waimea estuary, which is bounded by both councils.

Port Nelson Limited (50/50 ownership) is managed to ensure the company benefits the wider region. The majority of the cargo exiting through the Port is sourced from Tasman District, so both councils have a strong interest in its successful operation.

Nelson Airport Limited (50/50 ownership) also serves the wider region, bringing economic benefit to both council areas. As with the Port Company, both councils oversee its performance and jointly appoint directors.

Civil Defence and Emergency Management services and training (50/50 ownership) managed out of Nelson covers the whole Nelson Tasman region.

Road Safety and cycle promotion programmes run every year to prevent accidents, and celebrate and increase the already growing numbers of Nelson and Tasman residents who choose to use active transport.

Cycleways developed between Richmond and Stoke involved the two councils working together at the design stage.

The introduction of consistent engineering standards across both councils makes it easier for developers and contractors to follow one set of rules wherever the project is located.

Both councils coordinate bylaws where the issues span the council boundaries, for example the latest Tradewaste Bylaw.

The Total Mobility programme is supported by both councils to manage the Total Mobility scheme funds which support subsidised transport.

Regional transport planning continues to involve both councils, although they are not currently both involved in a single Regional Transport Committee.

A joint Nelson Tasman working party was established to look at coordinating recycling and solid waste management issues.

Community Services

Reciprocal library borrowing has recently been established across Nelson and Tasman, and other shared library services are being investigated where they can reduce overall costs for the region's ratepayers and residents, for example a possible combined Library Management Software service.

Both councils are involved in funding the further development of recreation facilities at Saxton Field, a jointly-owned and funded regional facility benefiting Tasman and Nelson residents. It also benefits the wider region by attracting national level sporting events. Tasman District Council proposes to commit around \$6.2 million to Saxton Field developments over the next ten years, while Nelson City Council proposes around \$8.3 million.

At present, the joint council Regional Facilities Plan and Regional Funding Forum sets funding levels for major regional recreational and community facilities like the Trafalgar Centre and the Theatre Royal, which are funded by both councils.

The Settlement Support service for refugees and migrants, funded by the Department of Labour, is based at Nelson City Council but covers the wider Nelson Tasman region and includes the development of a new regional website.

Nelson Tasman Tourism, trading as Tourism Nelson Tasman Ltd, is co-owned by the two councils and provides tourism services to promote the wider region, enhancing the economic wellbeing of all Nelson Tasman communities.

Tasman Bays Heritage Trust, which runs the Nelson Provincial Museum, is co-owned by the two councils.

A friend in need...

The July 2008 storm event provides an example of the close emergency response relationship between the two councils. After the Nelson water supply pipeline was broken near the Tantragee water treatment plant, Tasman District Council staff re-directed part of their water supply to Nelson, supplying up to one third of the city's needs over the several days it took to repair the damaged pipes.

Growing regional economic wellbeing

The Regional Economic Development Agency (EDA) and implementation of the Nelson Tasman Regional Economic Development Strategy are jointly funded by both councils. The strategy liaison group has two Councillor representatives from each council, who meet with the EDA to assist prioritisation of how the recommendations are to be carried out. There is a wide range of economic development initiatives that involve both councils, including the Nelson Marlborough inforegion (NMI) project, which also includes Marlborough District Council. Planning is under way to promote the wider region in the international employment and recruitment market. Education enterprise alliance management committee membership has representation from both councils at the political level. Both Mayors have re-committed to the Mayors' Taskforce for Jobs programme, and both councils are involved in supporting an EDA application for a Nelson Tasman sustainable business adviser position, which would be supported by both councils. The workforce strategy advisory group also involves representatives from both councils, as workforce issues span the wider region.

Regional policy development involves the input of both councils, including positive ageing, the regional physical activity plan, and regional arts strategy.

The events database, community services database, regional festivals and events are all coordinated across both council areas.

The Treasured Pathway project involves all three Te Tau Ihu councils and other Top of the South organisations and agencies.

Environment/planning

Regional pest management operations under the Biosecurity Act are funded by both councils, and the Tasman District Council is contracted to provide Nelson's pest management work as it has more expertise in this area, and a larger land area to manage. There is a single Regional Pest Management Strategy covering both councils.

Joint studies continue to be carried out by or for both councils, including on industrial land needs, air quality management, bathing water monitoring, river hydrology monitoring and flood warning systems, regional urban growth studies, including Nelson South/Richmond East, intensification.

Coastal oil spill contingency planning and management is coordinated across the two council areas.

Staff and Councillors from both councils take part in best practice and specialist guest speaker workshops, for example on the Building Act, active transport and urban design.

Ecofest and environmental education involves staff of both councils working together on campaigns and the development and management of environmental education initiatives.

Democracy and administration

Development and monitoring of Community Outcomes and wellbeing indicators involves staff from both councils to ensure indicators are relevant and meaningful across all Top of the South communities.

Iwi liaison information, support and advice is shared between staff of both councils to ensure a coordinated approach to meeting Local Government Act obligations. There is potential for an enhanced level of joint involvement with Māori by both councils over the ten years of this plan.

The writing, cross-referencing and consistent layout of both Tasman District Council and Nelson City Council's Community Plans was managed by staff of both councils working together closely to make it easier for residents to compare and understand both documents.

Nelson City Council works with many other councils around the country, although primarily with its adjacent Top of the South councils in Marlborough and Tasman. These links are particularly strong because all three are unitary councils, where most others are city/district or regional councils. Unitary councils have both local and regional roles. Links to other councils include information sharing to enhance the use of best current practice.

Development of community facilities and infrastructure

While Nelson already has some excellent community facilities, there are still some obvious gaps in our community infrastructure and Council seeks to ensure these are addressed. We won't be able to catch up overnight, but by taking a long-term planned approach, Council will work towards a full suite of community facilities that are comparable to similar-size communities.

The highest priority for Council is the Performing Arts and Conference Centre, with an expected completion date at the end of 2012.

Other community facilities that will see development over the next ten years include Trafalgar Centre (north end) and expansion of Nelson's main public library in 2015/16. The expanding regional sports complex at Saxton Field will include these new facilities over the next decade:

- A cricket and athletics pavilion
- A hockey and softball pavilion
- A cycling track
- A softball all-weather diamond
- Additional toilet and amenity facilities.

“Overall a tricky job done well. Clear on process and the ever increasing complexity and expansive process that this requires”

*Kindra Douglas, Centre Manager,
Victory Village Community Centre*

“As a stakeholder my Association was pleased to participate in this stage of the Community Plan and will be making a formal submission in due course. The format of the document prescribed by the Local Government Act 2002 buries much important detail in unnecessary repetition of objectives and the “hows” telling how they will be achieved. We look forward to seeing the next version with the exclamation marks replaced by dollar numbers to show what value the rate-payers can expect for their bucks.”

*Ken Meredith, Secretary,
Nelson Residents' Association Inc.*

My comment pertains to the section on Social Development. I applaud the statement that Nelson City Council ‘has a role to play in the local co-ordination of this work (i.e. social development). Council’s programmes particularly target those who struggle to receive basic standards of living – primarily those on low incomes.’

*Evey McAuliffe, Coordinator,
Nelson Multi Ethnic Council*

Working with the community

How Council works with others to implement community goals

It takes the combined effort of the whole community to make the community’s outcomes or goals happen. The voluntary sector, community organisations, Māori, central government, the private sector and individuals are already working on community goals and have always done so. The Victory Urban Community is a well-known example of the benefits that flow from everyone working together towards community goals. The recent development at Victory Square, the Victory Community Gardens and Community Centre have all involved Council, locals and agencies. Now there are better local venues for everything from community sports events to markets.

Good working relationships are the key to all these joint programmes and projects that implement Community Outcomes. Council plans to put particular emphasis on good relationship management by investing in relevant staff skills. Community engagement and consultation on this Community Plan is one example of how Council works with Nelson residents towards shared goals.

Community Groups

Council has strong links with a wide range of community and voluntary groups that work to improve community wellbeing. Their efforts are recognised by the community and Council as being essential to making Nelson a better place to live. Council’s role in relation to these groups varies from acting as a facilitator, to funding, advocacy or service delivery. Council sometimes helps link up groups that need to work together. In other situations, Council identifies gaps in essential services and then finds groups able to meet those needs, or establishes a service itself if practical. Council also coordinates funding from central government for community groups or other organisations to deliver services.

Partnerships

An example of a joint programme is the regional Positive Ageing Forum, which combines a range of voluntary groups working with the aged, as well as the Nelson and Tasman Councils and government departments. The focus of the Forum’s work is programmes that support the aged or issues that might affect them. These partnerships with the Councils contribute to achieving the community’s goals by supporting the development of a sharing and healthy community.

The development and implementation of Council and community policies and strategies also involves partnerships. For example the development of the Biodiversity and Sustainability forums which include a diverse group of organisations.

Central Government

Council works with a wide range of central government organisations on many programmes and projects. These include: ACC, MAF, Alcohol Advisory Council NZ, Dept of Building and Housing, Child Youth and Family, Ministry of Civil Defence and Emergency Management, Department of Conservation, Customs, Ministry of Economic Development, Ministry of Education, Ministry for the Environment, Foundation for Research Science & Technology, Ministry of Health, Housing NZ, Department of Internal Affairs, Department of Labour, NZ Transport Agency, NZ Trade and Enterprise, Occupational Safety & Health, Police, Ministry of Social Development, Sport & Recreation NZ, Statistics NZ, and the Ministry of Youth Development.

Examples of Council's joint projects and programmes include:

- Settlement Support programmes with the Department of Labour to facilitate effective agency relationships who provide services to newcomers;
- A range of projects with the Ministry of Social Development, for example 'Connections', which links school leavers into work or training, and 'Youth Shadow', which provides mentoring support;
- Council staff work with the Police on a range of community safety programmes; and
- Council's environmental planning staff work with the Department of Conservation on biodiversity, coastal, fresh water and heritage issues.

"The Ministry of Social Development values the relationship with Council, and recognises the affinities between the community outcomes and the Ministry's purpose, which is to lead social development to achieve a better future for all New Zealanders. We look forward to working with Council, and with Nelson communities, to achieve this. We hope especially to be able to contribute to the planned review of Council's Social Wellbeing Policy."

*Janine Dowding,
Nelson Regional Commissioner,
Ministry of Social Development*

"The next few years will bring many challenges stemming from the global economic situation. But there are also many opportunities to build on all the things that are good about Nelson and its people. We endorse the broad strategic direction and priorities set out in the Nelson Community Plan. We look forward to continuing to work alongside the Council and staff to help make Nelson a safe and healthy community for all its citizens and visitors."

*Brian McGurk, Inspector,
Area Commander: Nelson Bays,
New Zealand Police*

“The Nelson Tasman Chamber of Commerce recognises the Community Plan as a key document shaping the future of the Nelson region. It provides the opportunity for a clear vision and the framework within which specific strategies can be developed and implemented. The Chamber encourages everyone to provide feedback on the priorities identified in the Plan and we will be actively consulting with our business members on what we believe is essential for the development of the City’s infrastructure and facilities over the next 10 years. We look forward to the results of this consultative process and to the Council addressing the issues businesses and the wider community identifies as priorities.”

*Nelson Tasman
Chamber of Commerce*

Business and economic wellbeing

Council recognises it has an inter-dependent role with the business sector. Council and the private sector have a shared interest in the economic wellbeing of Nelson, as well as other aspects of community wellbeing. Council provides the infrastructure and much of the business environment on which business depends. The private sector contributes to the community in many ways, including provision of employment and income.

A key principle of Council is that it generally provides services and facilities that are not affordable for the private sector to provide. These are often ‘public goods’ that give collective benefits, and are usually best provided collectively through local government.

Council supports and works with the private sector on the following initiatives:

- Funding for the Economic Development Agency to foster economic development. This is a good example of the leverage to be gained by delegating Council’s economic development role. Council funds the EDA’s operating costs so it can then gain funding from outside the region (usually central government funding) for projects and research;
- Council seeks private sector sponsorship for tourism, arts events and festivals; and
- Joint Council ownership of Port Nelson Ltd and Nelson Airport Ltd supports businesses and tourism.

Council also works closely with organisations like Nelson Tasman Chamber of Commerce, the Nelson Enterprise Loan Trust and Nelson Tasman Business Trust.

Council activities: What Council proposes for the next ten years

The following sections cover the full range of Council's activities. As Nelson City Council is a unitary council, these include both regional and local authority functions.

Council delivers its services and provides facilities for the community through these activities. They are grouped below under their primary community outcome – the goal they mainly contribute to – but they also contribute towards meeting other community goals, as explained in Appendix 3.

HEALTHY LAND, SEA, AIR AND WATER

Water supply – page 47

Wastewater – page 57

Stormwater – page 67

Solid waste management – page 79

Environmental management – page 89

PEOPLE-FRIENDLY PLACES

Transport – page 103

Regulatory compliance

(consents, licences and monitoring) – page 119

Parks and open space – page 130

Recreation and leisure – page 143

Community facilities – page 152

A STRONG ECONOMY

Economic and tourism support – page 169

KIND, HEALTHY PEOPLE

Emergency management – page 177

Social development – page 187

FUN, CREATIVE CULTURE

Culture, heritage and the arts – page 195

GOOD LEADERSHIP

Democracy and administration – page 203

Financial reserves – page 213

Central city strategy – page 214

Council 'activities' are the services, projects or goods produced by Council. Money is budgeted for projects under these 17 activity headings. This is to ensure accountability and transparency in how Council funds its work and monitors how well it is doing. So if you are interested in finding out more about specific issues and what Council proposes, these sections are a good place to start.

Most Council 'activities' include 'sub-activities'. For example, transport includes roads, footpaths and cycleways.

Each section covers an introduction to that aspect of Council's work and includes the following information:

- why Council does this particular activity;
- how it contributes to achieving Community Outcomes;
- major issues and priorities for that activity;
- any relevant Council strategies, policies and plans;
- assumptions specific to that activity where they affect Council spending;
- any negative effects of that activity;
- assets needed for that activity; and
- how much is proposed to be spent – in total and on major projects. These figures are inflation adjusted. Refer to Volume 2 for an explanation of how Council incorporates inflation into this plan.

This information is intended to enable the community to assess whether Council has proposed a reasonable mix of services and projects to meet the community's needs over the next ten years. So have a good read and let us know what you think.

Measuring performance

Performance measures are included for each activity. Council has proposed service levels, or what it proposes to provide – for example, how many kilometres of new footpath will be laid each year – that reflect current Council policy. For the majority of assets and services Council intends to maintain current service levels. Those activities for which higher service levels are proposed are set out in the service level tables, for example, water quality on page 52 includes improvement in the water quality from Ab to Aa in 2013/14.

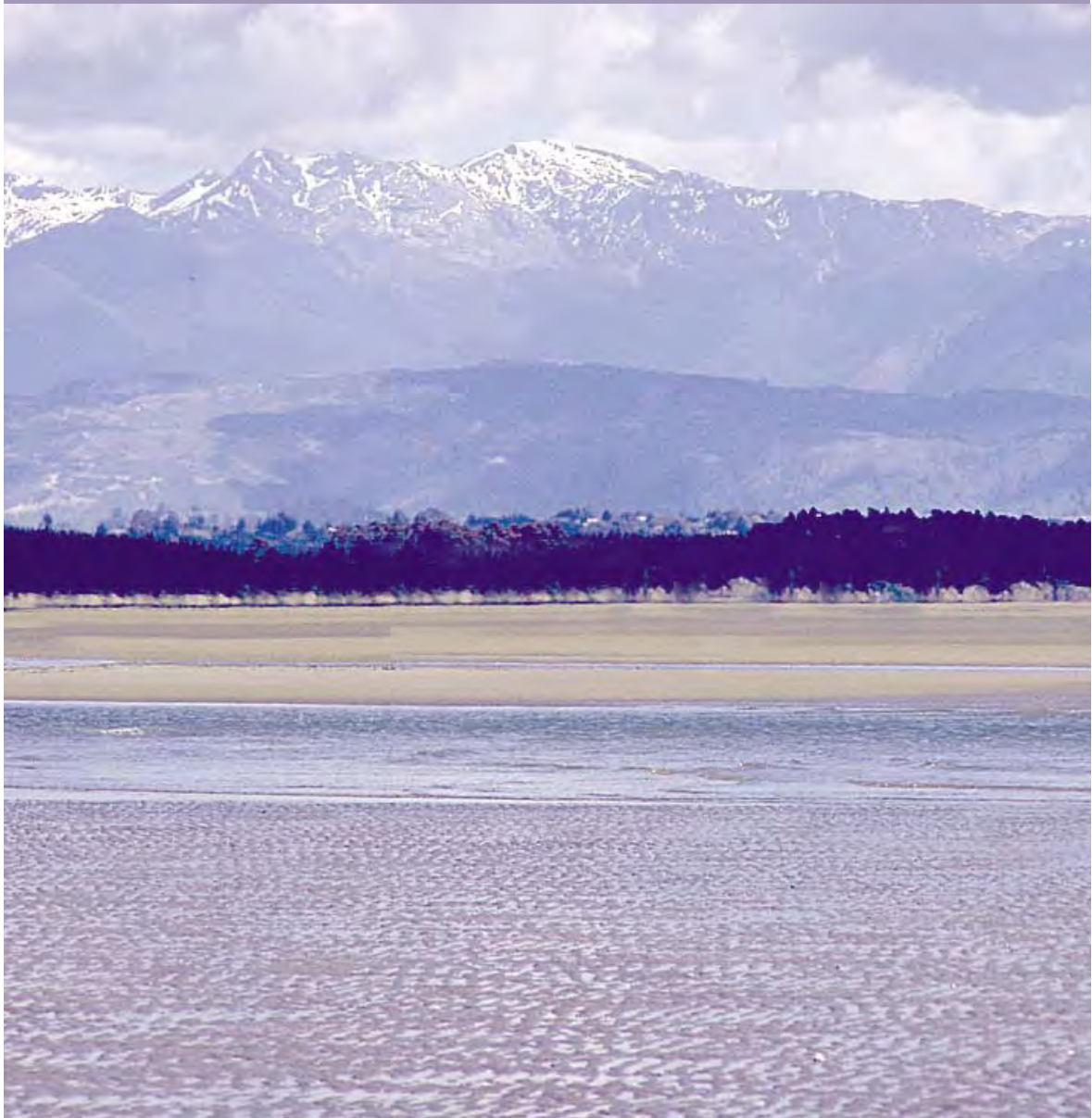
Council already meets most of these service level measures. Where there is a shortfall, Council aims to keep improving and reach them all within ten years.

Funding and spending

Finally, each section covers estimated spending and financial information, including how Council plans to fund that activity. This information is required by the Local Government Act to ensure transparency and accountability to the community.

Further information on how Council funds each activity is in Volume 2 of the Nelson Community Plan in the Financing and Revenue section.

*Healthy Land, Sea,
Air and Water*



We protect the natural environment.

Water supply

Council supplies high quality water to most Nelson households and businesses through a piped system. Some rural properties provide their own water. The Nelson City area is served by the following mix of water supply systems:

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

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

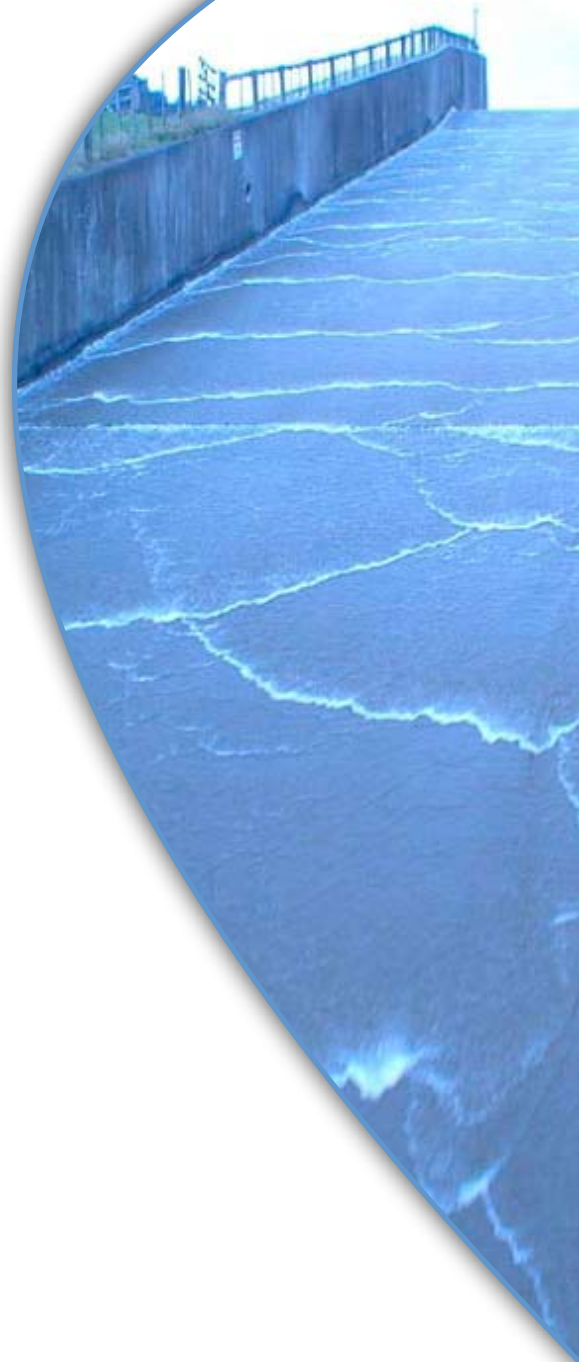
Metering – the fair way to go

Nelson City Council is well known in the sector for its best practice in water supply management. Nelson is one of 11 councils that meter water. In 1999, it was one of the first councils to introduce water metering to reduce summer time peak demand and therefore reduce overall costs for the City. This is because it reduces the need for 100% additional capacity to cover peak summertime demand.

Water is metered so it is used efficiently and so the costs of its supply are fair to all users. Those who use less are charged less. Without metering there is no incentive to conserve water. Water conservation resulting from the introduction of metering has benefited the environment and the Nelson community as a whole. Another benefit of water metering is that it has reduced the volume of wastewater requiring treatment, which reduces costs and environmental risk.

Good water and getting better

Since the water treatment plant was opened, Nelson has achieved an excellent Ministry of Health grading of Ab - 'A' at source and 'b' at the point of distribution. Because of a series of measures that will be introduced to protect the water supply from contamination, the City is on track to achieve the highest grading possible: Aa. These include a Public Health Risk Management Plan, increased storage capacity and backflow prevention measures.



Council aims to deliver water at a suitable pressure and flow rate. Generally Council meets these targets, although water pressure and flow are unsatisfactory in a small number of areas in central Nelson and at Monaco. Council is addressing this through its replacement and upgrading programme. Since the water treatment plant began operating in August 2004, 80% of Nelson residents now approve of the water quality, compared with only 48% approval in 1998.

Not all the water provided by Council can be charged for. Non-chargeable water includes legitimate uses such as fire fighting and water for flushing out mains pipes or reservoirs. Some water is lost because of leaking pipes, and these losses are being addressed through the maintenance and renewals programme. A comparison of the amount of water supplied, less the authorized losses and volumes charged, suggests that there is a significant volume of water lost through unauthorized use. The new water treatment plant allows for more accurate metering of water at source and Council aims to limit unauthorized loss of water, although to reduce the increase in rates in 2009/10 some of this work has been deferred.

Future-proofing our supply

Council has a water supply and conservation strategy that sets out staged and increasing restrictions that are triggered in times of drought. A resource consent issued in 1997 allows Council to take water from the Roding River. The conditions on this consent require more water to be left in the river from October 2001 onwards, with a second staged increase in the amount left in the river from 2008. These changes are incorporated into Council's water planning.

There is sufficient water available to supply Nelson's needs for at least the next thirty years, taking into account current use rates and growth projections. The water treatment plant has enabled water to be taken from a wider range of depths in the Maitai Dam, increasing the volume of water that is available if needed.

Despite the volume of available water, there is not enough capacity beyond 2025 for carrying water from the Maitai Dam to the treatment plant. Because it is above the ground, the existing pipeline is vulnerable to earthquake or storm damage, as happened during the June, 2008 storm. A duplicate Maitai pipeline is being designed during 2008/09 and 2009/10 and will be built over 2011/14 to address the shortfall in the security and capacity of pipes into the water treatment plant. Council's strategy is to aim to cap the maximum capacity at 50,000m³ a day following the pipeline duplication, which would be achieved by reducing losses and managing demand. In 2008, the peak daily demand was 35,000m³, while the maximum capacity was 42,000m³ a day.

Backflow prevention is needed to meet Ministry of Health risk management requirements and drinking water regulations. Council has to ensure there are adequate safeguards in place to prevent contaminated water from being drawn back into the

water mains when pressure changes. This includes backflow devices that are provided on residential meters. Commercial and industrial properties might in the future be required by the water bylaw to include backflow devices.

Council’s water supply activity includes:

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

- planning the sustainable management of Nelson’s water supply;
- operating and maintaining the water supply pumping and storage system, the reticulation/distribution system, and treatment facility; and
- Council taking steps to prevent backflow into the reticulation system.

Why Council provides a water supply system

Council has a legal duty to provide water services, so the provision of water is a major part of its 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.

Council supplying safe water to Nelson residents and businesses contributes to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>A city-wide water system ensures that water resources are well managed and reduces the human impact on the environment.</p>	<p>Council complies with water consent conditions to protect the environment.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>High quality water encourages businesses to move to Nelson. It also supports economic growth.</p>	<p>Council measures progress towards addressing risk, quality and sustainability, including increasing storage capacity.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Clean drinking water prevents diseases, which makes for healthier people.</p>	<p>Water grading results are updated regularly.</p>

Because a reliable water supply is an essential ‘lifeline’ utility, Council has established procedures to ensure continuity of supply, or a rapid return of service, in the event of a civil emergency such as an earthquake. These provisions include locating a generator at the water treatment plant to provide an energy source should there be an interruption to electricity supplies.

Relevant Council strategies, policies and plans

The following policies assist Council to implement its water supply goals:

- Water supply asset management plan 2009-19
- Water supply conservation strategy 2003
- Freshwater Plan 2006, which is part of the Nelson Resource Management Plan
- Proposed Conservation and Landscape Reserves Management Plan, which includes the Maitai and Roding catchments
- Nelson Urban Growth Strategy 2005
- Development Contributions Policy 2009
- Sustainability Policy.

Assumptions underlying Council’s approach to supplying water

Council has based its strategies and financial planning on a set of assumptions. General assumptions that relate to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- Nelson’s climate will remain substantially unchanged for the next decade, with enough rain to meet our water needs. Longer term impacts of climate change are provided for through the long-term, 50 years plus, planning for infrastructure.

Managing negative effects of the water supply system

Reduced flow rates occur in the Maitai and Roding rivers below the water supply intakes. The amount of this reduction is controlled and monitored through adherence to Council’s resource consents to extract water.

Water supply catchment controls, to ensure there is a safe supply of water, necessarily constrain the range of recreational activities provided in the Maitai and Roding valleys. For example, no swimming is allowed in the Maitai Dam. The commissioning of the water treatment plant allowed the slight relaxing of some restrictions, but most are necessary to meet Ministry of Health water quality grading requirements.

Water supply assets and management

Council's water supply assets are managed according to the Water Supply Asset Management Plan 2009-19.

The total water supply asset replacement value is \$204 million, excluding GST, as at June 2008. They were valued at \$142 million in 2004. This total includes replacement values of \$25 million for the water treatment plant, the Maitai Dam at \$18 million and pipes at \$105.5 million. The stated replacement value of the pipes was \$32 million in the 2006 Community Plan, but was the depreciated value, not the replacement value.

The current asset management plan shows that most of Nelson's water supply assets are in good condition and are well maintained. Some further work is needed, however, to improve water pressure, flow and reliability in specific areas.

The main capacity and security of supply issues relate to the volume of water reaching the Tanager treatment plant through the Maitai pipeline. This is addressed under new assets, below.

Over the next ten years the following new assets are required to provide for population growth.

New water supply assets (inflation adjusted)

Asset	Year	Amount
Stoke high level reservoir	2009/10-2010/11	\$1.3 million
Stoke trunk main	2010/11	\$0.7 million
Maitai second pipeline	Design 2008/10	\$0.4 million
	Construct 2010-2013	\$13.4 million
	Total	\$13.8 million
Atawhai reservoir No. 2	2014/15	\$1.5 million
Observatory Hill reservoir	2014/15	\$0.2 million
Atawhai trunk main	2014/15	\$3.9 million
Atawhai reservoir	2016/17	\$0.2 million

Water supply is funded from water charges and, consistent with Council's financial policies, most of this expenditure will be borrowed. Council proposes to collect \$3.4 million from development and financial contributions over the next ten years to fund the increased provision of water supply due to population growth.

The demand for water is primarily managed through Council's water charging system.

Council manages maintenance, renewal and water supply asset replacement through its internal business unit and hires specialist consultants and contractors as required. The work is contracted out through a competitive pricing procedure and is funded from water charges and according to the terms of Council's financial policies.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Deliver good quality water at the right pressure and flow rate sustainably with a reliable, secure supply

What Council will provide	Measures	Target(s)	Current status	How we will do this
A good quality water supply that meets or exceeds national standards	Water grading	2009/10 Ab 2010/11 Ab 2011/12 Ab 2012/13 Ab 2013/14-2018/19 Aa	Ab 2008	<p>Council will address risk, quality and sustainability issues by implementing:</p> <ul style="list-style-type: none"> • Backflow prevention • Public Health Risk Management Plan • Increased storage • Find and fix water losses <p>This would also result in the highest water quality grade Aa ('A' at source and 'a' at the point of delivery) and would cost \$7.2 million over 10 years.</p>
A reliable water supply for residents and commercial use	Drought security and provision of water services	1:60 year drought security Max 24 hr outage (all) Supply 99.6% available any property	Achieved 2008 Achieved 2008 Achieved 2008	Continue at current level for next 10 years, which has no capital cost.
A secure water supply		Redundancy (duplication) is provided for all key pipe work	Achieved, except for Maitai pipeline which is vulnerable to breakage	<p>The Maitai pipeline needs to be replaced mainly to ensure a secure supply, but to some extent to increase capacity due to population increase.</p> <p>The pipeline replacement would cost \$12.8 million over 5 years.</p>

What Council will provide	Measures	Target(s)	Current status	How we will do this
A sustainable water supply	Peak demand for water	Capping total demand to less than 50,000m ³ a day (the treatment plant capacity)	Achieved. 2008 peak daily demand is less than 35,000m ³ /day	Council plans to reduce water losses and demand so we don't need to find new water sources. This also means pumping and treatment costs (including electricity) are not increased over time. Water restrictions are implemented during drought to ensure minimum water flows are maintained.
	Compliance with resource consents	Council complies with all resource consents	Two consents held, Maitai and Roding Rivers and resource consent conditions are met for both.	
A water supply that meets residents' needs	Water pressure Council expects that all properties will have: Min working pressure >30m head Max working pressure <90 head	Acceptable pressure 2010/11 – 79% 2011/12 – 79% 2012/13 – 85% and by 2018/19 – 100%	2009/10 – 79% 281 properties have less than 30m head 3812 properties receive over 90m head	Through system improvements and renewals, and replacement of pipes and fittings as required. System improvements will cost \$1.1 million over the next ten years. In 2013 1168 properties in the Port Hills area will be corrected, and Council intends that all properties will have acceptable pressure by the end of the term of the plan.
	Water flow	Acceptable water flow for fire fighting purposes – 25 litres per second 2009/10 – 99.4% 2010/11 – 99.9% and by 2018/19 – 100%	2009/10 – 99.3% 135 properties do not have the target water flow 10 in Citrus Lane 122 in Monaco 3 in Isel Park	Work in 2009/10 will correct those in Citrus Lane 2010/11 for Monaco and Isel Place by the end of the term of this plan.

Review of service levels

Improved residents' satisfaction levels measured through annual residents' surveys, plus the asset management plan assessment, indicate that current service levels are appropriate. The main areas for improvement relate to inadequate water pressure and flow in specific locations. These targets are achievable given ongoing improvements in the system, and, once met, will ensure an adequate level of service across the system.

Financial information on the water supply system

Refer to the separate Estimates book, which is available at Civic House and at the libraries, for more detail on the individual projects and figures making up this financial summary.

Water

	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue										
Water charges	(10,109)	(10,320)	(11,053)	(11,995)	(12,732)	(13,317)	(13,938)	(14,184)	(14,271)	(14,295)
Develop/Financial contributions	(300)	(309)	(318)	(327)	(336)	(345)	(354)	(364)	(374)	(384)
Other revenue	(416)	(428)	(441)	(453)	(465)	(478)	(492)	(505)	(519)	(533)
Total Income	(10,825)	(11,058)	(11,812)	(12,775)	(13,533)	(14,140)	(14,784)	(15,053)	(15,164)	(15,212)
Expenses										
Operating and maintenance	4,874	5,174	5,326	5,471	5,621	5,774	5,933	6,096	6,264	6,437
Interest on loans	1,727	1,497	1,492	1,627	1,747	1,937	2,032	1,914	1,620	1,252
Depreciation	3,564	3,708	3,833	4,032	4,207	4,361	4,553	4,685	4,822	4,960
Total operating expenses	10,164	10,379	10,651	11,130	11,575	12,072	12,519	12,695	12,706	12,649
Operating (Surplus)/Deficit	(661)	(679)	(1,161)	(1,644)	(1,958)	(2,068)	(2,265)	(2,358)	(2,457)	(2,563)

Statement of funding requirement

Funds required:

Capital expenditure	2,695	2,728	6,397	6,562	6,880	9,470	4,322	3,704	1,921	1,974
Repayment of loan principal	1,529	1,659	493	959	1,253	1,343	2,496	3,339	5,358	5,549
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	0	0	0	0	0	0	0	0	0	0
Total Funds required	4,224	4,387	6,891	7,521	8,133	10,813	6,818	7,043	7,279	7,523

Source of funds:

Net surplus/deficit	660	679	1,161	1,644	1,958	2,068	2,265	2,358	2,457	2,563
New loans raised	0	0	1,896	1,845	1,968	4,384	0	0	0	0
Transfer from reserve funds	0	0	0	0	0	0	0	0	0	0
Non cash expenditure	3,564	3,708	3,833	4,032	4,207	4,361	4,553	4,685	4,822	4,960
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	4,224	4,387	6,891	7,521	8,133	10,813	6,818	7,043	7,279	7,523

Water supply

Capital expenditure on the water supply system

Water

	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Renewals: Miscellaneous	55	57	58	60	62	63	65	67	69	70
Pipes and Fittings	654	673	693	712	732	752	773	794	816	838
Renewals: 50 & 100 AC	30	15	0	0	0	1,512	1,553	1,596	0	0
Renewals: Headworks	265	273	281	289	860	884	908	322	331	340
Renewals: Meters	101	104	107	110	113	116	119	123	126	129
Capital: System Improvement	0	705	0	0	0	0	0	0	0	0
Capital: Stoke Trunk Main	0	0	0	0	0	0	0	239	0	0
Capital: Atawhai Reservoir and Pump	115	0	4,350	4,469	4,592	0	0	0	0	0
Capital: Maitai Pipeline Duplication	135	139	143	147	151	155	159	164	168	173
Capital: Rider mains	0	0	0	0	0	1,477	0	0	0	0
Capital: Atawhai No.2 Reservoir	0	0	0	0	0	3,903	0	0	0	0
Capital: Atawhai Trunkmain	0	0	0	0	0	226	0	0	0	0
Capital: Observatory Hill	1,000	309	0	0	0	0	0	0	0	0
Capital: Stoke High Level Reservoir	10	10	11	0	0	0	0	0	0	0
Capital: Maitai Planting	330	340	350	359	369	379	390	401	412	423
Capital: Backflow Prevention	0	103	405	416	0	0	0	0	0	0
Capital: Pipe Improvements	0	0	0	0	0	0	354	0	0	0
Capital: Resource Consents										
Total Capital Expenditure	2,695	2,728	6,397	6,562	6,879	9,469	4,323	3,705	1,921	1,974

Wastewater

Nelson's wastewater system

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

Council manages 366km of wastewater pipes, 25 pump stations and the Nelson North wastewater treatment plant, which serve the northern residential area of the city from Bishopdale, the Port Hills and the central city to Atawhai. Nelson City Council is also a 50% owner, with Tasman District Council, of the treatment facility at Bells Island. This is managed by the Nelson Regional Sewerage Business Unit (NRSBU) and serves the Stoke and Tahunanui areas, several large industrial premises, urban Richmond, the Waimea plains and Mapua/Ruby Bay.

Nelson produces about 15 million litres of wastewater a day, with the Nelson North system treating around 10 million litres of this total. The Bells Island treatment plant takes on average 5 million litres of wastewater daily from the southern part of the Nelson city area as well as wastewater from Richmond.

Definitions

Sewerage	=	the pipes and system pumps
Sewage	=	what flows through the pipes, the waste water

Achievements and challenges

Overflows, stormwater inflows/infiltration, blockages and odours are the main challenges for managing the wastewater system. Failure to achieve consent conditions for the Nelson North treatment plant has been considered to be a risk, but to date all conditions have been met. Because of health and environmental effects, it is critical that any overflows are stopped quickly when they occur and that risks are managed to avoid overflows. The system is constantly maintained and improved in order to minimise the risk of blockages, odours and overflows.

Public health a top concern

The wider context of wastewater disposal includes meeting strict environmental standards and expectations of residents and visitors. Ministry of Health requirements are the predominant national drivers for improved standards. Nelson residents and iwi representatives have consistently stated that protecting water quality is a high priority, including limiting sewage overflows into rivers and the sea.



Quality is improving

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

Work ahead

As part of the resource consent for the Nelson North water treatment facility, Council and iwi, with community support, proposed the development of a wetland area. This commenced 2008/09, one year ahead of schedule.

Work on installing state-of-the-art control technology at the pump stations was completed in 2007 to help reduce the risk of overflows. Structural and capacity upgrades are planned over the next decade and further improvement to pump stations technology will be considered as technology advances during that time.

Funding methods

Wastewater disposal is funded by charging households a flat annual rate. Commercial and industrial trade waste charges are based on the amount of water used, with a specific formula for the two largest businesses that produce the most trade waste. The quality of the large-trade wastewater streams also differs from domestic inputs. Refer to Volume 2 for a full description of the commercial trade waste charging system.

Council’s wastewater activity includes:

1. Collecting, treating and disposing of wastewater – Nelson City Council system.
2. Collecting, treating and disposing of wastewater – Regional Scheme (Bells Island) – 50% NCC ownership.

Why Council provides a wastewater system

Council has a legal duty to provide wastewater services to protect public health. Adequate treatment of wastewater is essential for community wellbeing. Human health, the environment, tourism and industry, in particular, rely on the reliable provision of this service.

Council supplying wastewater treatment and disposal in Nelson contributes to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>Through treatment and disposal of wastewater to reduce the impact on the environment.</p>	<p>When consent conditions to protect the environment are met.</p>
<p>People-friendly places We build healthy accessible and attractive places and live in a sustainable region.</p>	<p>Through treatment and disposal of wastewater to reduce harmful effects on the landscape and built environment.</p>	<p>When ongoing maintenance and upgrading of the wastewater treatment plant and wetlands is complete. Completion of pump station upgrades. When ongoing maintenance and upgrading of the sewer network is complete, to reduce infiltration and blockages that lead to overflows. Monitoring of maintenance/response contract shows compliance.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through treatment of industrial waste allowing businesses to operate in Nelson, and protecting tourism.</p>	<p>Monitoring the trade waste system shows compliance.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>By minimising disease and health problems.</p>	<p>Health monitoring statistics show healthy residents with no outbreaks of waterborne disease.</p>

Because a reliable wastewater system is an essential ‘lifeline’ utility, Council has established procedures to ensure continuity of supply, or a rapid return of service, in the event of a civil emergency such as an earthquake.

Relevant strategies, policies and plans

- Current Wastewater Asset Management Plan
- Water and Sanitary Services Assessment 2005 – the summary is in Volume 2
- The Nelson Freshwater Plan 2006, which is part of the Nelson Resource Management Plan
- Nelson Urban Growth Strategy 2005
- Nga Taonga Tuku Iho ki Whakatū – Iwi Environmental Management Plan 2004
- Current Nelson City Council Engineering Standards
- Current Trade waste Bylaw 214, which came into effect 1 October 2007
- Development Contributions Policy
- Sustainability Policy.

Assumptions underlying Council’s approach to providing a wastewater system

Council has based its strategies and financial planning on a set of assumptions. General assumptions that relate to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- The most efficient, safe and cost-effective means of disposing of wastewater is to have a Council-provided piped system for the Nelson urban area, with treatment facilities to the north and west of the City.

Managing the negative effects of the wastewater system

- Occasional odours from pump stations and treatment plants have been addressed by installing improved technology, maintenance and monitoring.
- The risk of wastewater overflows into waterways or onto land that could pose a hazard to the environment or public health is managed by upgrading pump stations and emergency plans, and the reduction of inflow and infiltration. The maintenance and response contract is monitored for compliance to ensure any problems are addressed promptly.
- Some minor restriction of recreational activity and shellfish gathering is necessary in the immediate area of the outfall mixing zones. Improved discharge quality from the upgrade reduces negative impacts on surrounding area.

Wastewater assets and management

Council's wastewater assets are managed according to the Wastewater Asset Management Plan 2009.

The total wastewater assets have a replacement value of \$144 million, as at June 2008. This total includes 366 km of wastewater pipes, 25 pump stations and the Nelson North wastewater treatment plant, as well as Nelson City Council's 50% ownership, with Tasman District Council, of the regional treatment facility at Bells Island.

New wastewater assets

Bells Island

The most significant project is Council's share of the Bells Island pipeline upgrade. Sewage from the service area is treated at the Nelson Regional Sewerage Business Unit's (NRSBU) Bells Island Treatment Plant and discharged into one of the main channels of the Waimea Estuary on the outgoing tide. In recent months the NRSBU has identified a critical issue with the sewer pipe for this treatment plant.

Two key concerns

NRSBU's strategy for the regional pipeline upgrade is driven by two key concerns:

The risk of a pipeline failure in the estuary between Monaco and Bells Island – identified as an extreme risk – that would necessitate repairs that could take a significant time to complete.

The present pipeline to the Bells Island Wastewater Treatment Plant cannot handle present flows, let alone future higher flows. It is likely there will be an increasing frequency of overflow discharges to the Waimea Inlet during extreme wet weather.

Options considered

The Business Unit has separately consulted on the options for this project and will consider these before reporting back to the two Councils on a preferred option. This plan provides for \$10 million as Council's share of this project. If a higher cost option is selected then this would be included in the 2010/11 Annual Plan.

Significant Projects

Other significant expenditure includes a new Atawhai rising main at \$2.8 million and \$2.5 million for other pump stations.

Funding and staffing

The wastewater system is funded from residential wastewater charges and commercial trade waste charges. In line with Council's financial policies, most of this expenditure will be borrowed. Council proposes to fund \$2.8 million from development and financial contributions over the next ten years.

Council staff manage the wastewater system, with the use of consultants as required. All work projects are contracted out through a competitive pricing procedure.

Demand management

Demand for wastewater services is assessed according to population growth models used throughout Council. The methods used to manage demand are outlined in the asset management plan and include:

1. Door-to-door inspections to eliminate stormwater inflows to the wastewater system.
2. Development and use of a network model to optimize wastewater work.
3. Monitoring of trade waste.
4. Metering of the water supply, which limits the amount of wastewater produced.
5. Provision of stormwater systems to reduce inflows.
6. Public education and information.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Provide a safe and effective wastewater disposal service

What Council will provide	Measures	Target(s)	Current status	How we will do this
<p>A fully operational wastewater treatment plants and network reticulation/pipes</p>	<p>Number of complaints for odour and number of dry weather overflows</p> <p>Response time to emergencies</p> <p>Compliance with resource consent conditions</p>	<p>Less than three odour events for the Nelson North Waste Water plant and only one dry weather overflow per annum.</p> <p>Provide a prompt and reliable response to service requests and system failures.</p> <p>Respond and investigate emergency works within 30 minutes and undertake repairs within eight hours.</p> <p>All resource consent conditions are complied with</p>	<p>There was one odour complaint and no dry weather overflow events in 2007/08</p> <p>A satisfactory 24/7 response is provided by contractors with 100% compliance with response within 30 minutes and 97% of repairs completed within eight hours.</p> <p>New resource consent conditions come into effect 1 July 2008 and will be reported on in the 2008/09 Annual Report.</p>	<p>Through scheduled maintenance and renewals.</p> <p>Through provision of a 24 hour phone service and contractors on call out.</p> <p>Upgrade pump stations and implement emergency generator response plan.</p> <p>Continue inflow and infiltration monitoring and target critical areas.</p> <p>Stage 2 wetlands are under construction. Network reticulation upgrades and renewals ongoing.</p> <p>Complete construction of wetlands in 2009/10, which will cost a total of \$2.5 million.</p>

Review of service levels

Council's annual residents' surveys show more residents approve of Council's wastewater management performance. Analysis for the asset management plan review indicated that current service levels are appropriate and are widely supported. The main area for improvement is the need to reduce rainwater infiltration into the wastewater system during storms, which can result in overflows.

Council provides an ongoing budget for the renewal of older pipelines. This will progressively reduce infiltration of rainwater into the network. Funding for stormwater services in areas that do not yet have it is also budgeted. This initiative reduces groundwater infiltration and addresses inappropriate connections of residential stormwater to the public wastewater network by providing the necessary infrastructure.

Where possible, additional storage capacity is being considered for pump stations, and emergency generators can be deployed when power is cut to pump stations.

Council's targets are achievable, given the improvements to the wastewater system that have already been completed. Once all programmed work is completed and targets are met, Council will be able to maintain acceptable service levels across the system.

Financial information on the wastewater system

Refer to the separate Estimates book, which is available at Civic House and at the libraries, for more detail on the individual projects and figures making up this financial summary.

Waste Water

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
Waste Water Rate	(5,650)	(6,283)	(7,176)	(7,554)	(7,884)	(8,207)	(9,142)	(9,454)	(9,771)	(10,052)
Develop/Financial contributions	(250)	(257)	(265)	(272)	(280)	(287)	(295)	(303)	(312)	(320)
Other revenue	(3,104)	(3,340)	(3,817)	(4,917)	(5,056)	(5,139)	(4,945)	(6,034)	(6,437)	(6,765)
Total Income	(9,004)	(9,881)	(11,259)	(12,743)	(13,220)	(13,633)	(14,383)	(15,791)	(16,520)	(17,137)
Expenses										
Operating and maintenance	4,824	5,310	5,876	5,924	5,996	6,062	7,043	7,090	7,412	7,568
Interest on loans	768	1,096	1,284	1,298	1,179	1,154	1,152	1,088	808	437
Depreciation	2,803	3,078	3,435	3,630	3,838	4,058	4,413	4,765	5,036	5,325
Total operating expenses	8,395	9,484	10,595	10,851	11,012	11,274	12,608	12,944	13,257	13,330
Operating (Surplus)/Deficit	(609)	(397)	(664)	(1,892)	(2,208)	(2,360)	(1,775)	(2,848)	(3,263)	(3,807)
Statement of funding requirement										
Funds required:										
Capital expenditure	7,860	12,280	3,712	3,501	3,952	6,325	5,731	5,825	1,799	2,582
Repayment of loan principal	996	712	1,114	2,460	2,516	3,343	2,956	1,788	6,500	4,495
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	0	0	0	0	0	0	0	0	0	0
Total Funds required	8,856	12,992	4,827	5,961	6,467	9,668	8,687	7,613	8,299	9,132
Source of funds:										
Net surplus/deficit	609	397	664	1,892	2,208	2,360	1,774	2,848	3,263	3,807
New loans raised	5,444	9,517	728	439	422	3,250	2,500	0	0	0
Transfer from reserve funds	0	0	0	0	0	0	0	0	0	0
Non cash expenditure	2,803	3,078	3,435	3,630	3,838	4,058	4,413	4,765	5,036	5,325
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	8,856	12,992	4,827	5,961	6,467	9,668	8,687	7,613	8,299	9,132

Capital expenditure on the wastewater system

Wastewater

	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Sewers: Pipe Renewals	496	726	506	547	623	711	552	624	903	1,101
Sewer: Renewal Rising/Swallows	100	396	387	247	260	316	507	479	501	548
Renewals: Pump Stations	131	191	208	212	223	126	113	115	162	161
Renewals: Nelson North Wastewater Treatment Plant	0	0	0	54	56	57	59	61	62	64
Renewals: Flow Meters	20	21	21	22	22	23	24	24	25	26
Capital: Nelson North Wastewater Treatment Plant	2,460	0	0	0	0	0	0	0	0	0
Capital: Stoke/Tahuna Awatea Rising Main	0	54	0	637	0	0	0	0	0	0
Capital: Atawhai Rising Main Stage II	0	0	0	109	112	172	1,181	1,214	0	0
Capital: Awatea Place Pump Station	0	463	477	0	0	0	0	0	0	0
Capital: Neale Park Pump Station	100	103	53	0	951	0	0	0	0	0
Capital: Atawhai Pump Station: New Pumps	0	51	53	54	0	0	0	0	0	0
Capital: Pump Station Storage	25	0	0	0	0	115	118	121	0	0
Capital: Marsden Valley Trunk Main	50	515	530	327	0	0	0	0	0	0
Capital: Ngawhātu Valley Trunk Main	50	0	530	218	0	0	0	0	0	0
Capital: Enner Glynn Trunk Main	0	0	0	0	0	57	0	607	0	0
Capital: Quarantine/Songer Trunk Main	0	129	0	926	951	977	0	0	0	0
Capital: Parkers/Awatea Trunk Main	0	29	599	0	0	0	0	0	0	0
Capital: Atawhai Trunk Main	0	0	53	0	0	0	0	0	0	0
Capital: Portable Generators	0	0	42	0	0	0	0	0	0	0
Capital: Maitai Trunk Main	0	0	0	0	0	0	59	0	0	0
Capital: Marsden Valley New Trunk Sewer	400	0	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	3,832	2,678	3,458	3,353	3,198	2,556	2,613	3,246	1,654	1,901

Regional Scheme (50%)

Subtotal Capital Expenditure	4,029	9,602	254	148	754	3,769	3,118	2,579	145	682
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Total Capital Expenditure

	7,861	12,280	3,713	3,501	3,952	6,325	5,731	5,825	1,799	2,582
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Stormwater and flood protection

Nelson's stormwater and flood protection system

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

The Nelson stormwater system is in two parts – the natural waterways and a constructed stormwater system. The natural rivers and streams play an important role in the support of aquatic ecosystems, provide areas for recreation and public use and channel stormwater flows when it rains heavily. The high levels of energy during floods can cause significant damage to property within the flood path, should the flow escape the channel.

The constructed stormwater network provides channels to drain stormwater and flows from roads and properties in the built-up areas. The network includes pipes, channels, and overland flow paths that carry stormwater to waterways and the sea. The stormwater system also includes pump stations and debris filters. In large parts of the city a fully-piped system is not provided. On many properties stormwater soaks into the ground or flows into the road channel, the primary drainage system.

Achievements and challenges

Preventing harm to people and property

Council's stormwater system is intended to protect people and property from harm caused by excess water from rain events while minimizing negative impacts of the system and floods on the environment.

Council will continue to focus on enhancing rivers and streams, installing appropriate stormwater disposal systems in areas lacking adequate protection, and monitoring the quality of stormwater that discharges into freshwater and coastal marine environments.

Growth issues

Significant building has occurred on flood plains as the City has grown. Areas once open to floodwater flows are now occupied by buildings. The need to provide for stormwater flows, aquatic ecosystems and community recreation in constrained channels is a result of this growth.

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



during the 2008 floods. Preparation of a separate management plan for any upgrade or modification to the Maitai River is being considered as an option. Council also needs to consider and consult with the public on the environment impact of any proposed changes.

Identifying priorities

Large parts of Nelson still don't have a piped stormwater system. For areas developed on a good gravel base, on-site soakage has not caused any particular problems over the years. Where stormwater flows onto clay-based sites soakage is very limited; during heavy rainfall overland flooding into open ditches quickly results. Land stability, cross-boundary relationships, insect breeding and public health problems arising from water ponding, together with the aesthetic, safety and economic costs of maintaining open ditches have led Council to establish a programme to fully-pipe the stormwater network in the city. Areas with poor soakage, inundation and land stability issues are the priority.

Residents highly satisfied with stormwater system

According to Council's residents' surveys, the Nelson community is highly satisfied with the city's stormwater system. This might be related to the fact that there have been no major flooding events in the city in the last decade, although there were localized floods in 2008.

Stormwater Asset Management plan priorities and actions

Council's 2009 Stormwater Asset Management Plan sets out the following priorities for action:

- Reduce the adverse effects of flooding on people and property;
- Prevent any acceleration of the natural rate of erosion both on land and in stream channels;
- Manage existing stormwater infrastructure with due regard to asset management strategies and cultural, environmental and ecological objectives;
- Reduce the adverse effects of point source (for example pipes) and non-point source contamination (such as vehicle tyre residues);
- The development of catchment management plans for all catchments according to a priority-based method over the next five years;
- Additional effort to prevent stormwater flowing into the wastewater system, to reduce sewer overflows and pumping costs;
- More detailed monitoring of stormwater quality to minimise negative impacts on the environment;
- Recognize and support the use of low impact designs where terrain and ground conditions are appropriate.
- Focus on monitoring of streams and rivers during storm events to evaluate the environmental impact of stormwater run-off;

- Invest in new technologies to upgrade existing pipes, where appropriate, rather than dig up and replace old pipes;
- Focus on sustainable approaches throughout the stormwater activity.

Council's stormwater and flood protection activity

There are no financial 'sub-activities' in stormwater and flood protection. It is managed as a single financial activity.

Why Council provides a stormwater and flood protection system

Council has a legal duty to provide stormwater services, recognizing the requirement for a sustainable development approach that takes into account:

- the protection of property; and
- the social, economic and cultural wellbeing of people and communities; and
- the need to maintain and enhance the quality to the environment; and
- the reasonably foreseeable needs of future generations.

Council recognizes that adequate provision for stormwater flows and protection from flooding is essential for community wellbeing, with the costs of providing this service, as well as the benefits, spread across the whole community.

Council providing stormwater management and flood protection for Nelson contributes to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>Through reducing the effects of floods on the environment.</p>	<p>Monitoring the implementation of Freshwater Plan, including pollution prevention plans. Water quality monitoring programme showing no deterioration, or improved water quality. All works take into account natural and recreational needs.</p>
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through reducing the likelihood of floods damaging homes, businesses or essential infrastructure.</p>	<p>River/stream upgrading programme milestones. Progress on Maitai flood protection improvements. Secondary flow path inspection programme implemented. Monitoring of maintenance/response contract shows compliance.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through removing restrictions on developing land when adequate drainage is provided.</p>	<p>Council's stormwater requirements implemented throughout the city, including new developments.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Through reducing the likelihood of people being affected by a flood.</p>	<p>Monitoring of maintenance/response contract shows compliance. Emergency management systems in place.</p>

Relevant Council strategies, policies and plans

- Current Stormwater Asset Management Plan 2009
- Freshwater Plan 2006, which is part of the Nelson Resource Management Plan
- Nelson Urban Growth Strategy 2005
- Ngā Tuku Iho ki Whakatū iwi environmental management plan 2004
- Drainage Ownership Policy
- Coastal section of the Nelson Resource Management Plan
- Stormwater Bylaw No. 212, 2008 amendment
- Development Contributions Policy
- Sustainability Policy

Assumptions underlying Council's approach to providing a stormwater system

Council has based its strategies and financial planning on a set of assumptions. General assumptions that relate to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- The most efficient, equitable, safe and cost-effective means of disposing of stormwater and providing flood protection is a Council-provided system for the Nelson urban area.
- A storm event with more than Q_{50} rainfall would be very likely to cause major flood damage, which would have to be managed by Civil Defence Emergency Management systems.
- That no new environmental legislation will be imposed during the next decade that would require a higher level of stormwater and flood protection works.
- That no significant effects on stormwater structures are expected within the next ten years from climate change-induced sea level rise; however, such effects may arise in the longer term.

Managing the negative effects of the stormwater and flood protection system

- Stormwater can become contaminated by substances on the land over which it flows. Industrial waste, tyre residues on roads and sediment are examples of contaminants that subsequently end up in waterways. These effects are to some extent reduced by the Council's initiatives under the Freshwater Plan, and are programmed for implementation over the next ten years.
- Improvements in stormwater quality depend to a large extent on the behaviours and decisions of residents and business operators, especially where they discharge any substance into the stormwater system. These effects are lessened by Council providing information, incentives, monitoring and controls to encourage the protection of environmental quality. Ultimately,

however, the co-operation of residents and businesses is essential to achieving improved environmental outcomes.

- Enforcement powers, when required to prevent or respond to pollution, are available to Council through the Resource Management Act 1991 and the Stormwater Bylaw.

Stormwater assets and management

Council's stormwater and flood protection assets are managed according to the Stormwater Asset Management Plan and include:

- 175km of stormwater pipes
- 23km of river and stream bank protection
- two pump stations
- six water detention dams
- Secondary flow paths
- Minor assets including channels, culverts, tide gates, access points, intakes, outfalls, manholes, sumps, and swales.

The replacement value of the stormwater assets was \$133 million in June 2008.

New assets required

Over the next ten years approximately \$30 million of capital expenditure is required for the stormwater activity. The majority of this investment is for work associated with streams and rivers and addressing areas lacking adequate stormwater disposal.

Demand management

Demand for stormwater and flood protection facilities varies due to weather patterns, sea level changes, the introduction of water quality standards like those in Council's Freshwater Plan, water use and storage, and building developments. These changes are assessed in the current Stormwater Asset Management Plan in order to set service levels. Council has adopted the Q_{50} , Q_{15} and sea level standards. These are reviewed every three years as part of the asset management plan review.

The methods used to manage demand are outlined in the asset management plan and include conditions against certificates of title where city stormwater services are not provided. This means that if there is insufficient downstream stormwater capacity, additional development that would increase stormwater flows is not allowed upstream unless the effects of these flows are mitigated.

Funding

Capital expenditure on the stormwater system is funded through the stormwater rate, explained further in Volume 2. Council proposes to collect \$2.5 million from development and financial contributions over the next ten years.

The stormwater asset management plan provides further detail on the funds required to maintain, renew and replace assets to meet required standards.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Protect the built and natural environment from damage while providing for recreation and ecological needs in and around rivers and streams.

What Council will provide	Measures	Target(s)	Current status	How we will do this
<p>Protection for the built and natural environment from flooding and stormwater discharges</p>	<p>The quality of stormwater discharged into the environment Compliance with resource consent</p> <p>The number of flood events and extent of flooding</p>	<p>All resource conditions are met</p> <p>A significant flood event no more than once every 15 years. Property damage as a result of flooding no higher than \$1 million for any one flood event.</p>	<p>River and stream monitoring shows degradation of habitats Stormwater to freshwater consent was granted February 2009</p> <p>Some properties near rivers and streams are at risk of flooding, e.g. Avon Terrace beside the Maitai River</p> <p>Some properties do not have appropriate stormwater disposal systems</p> <p>Most secondary flow paths are identified, which are critical for stormwater disposal during storm events</p>	<p>Continue water quality monitoring programme as required by the resource consent. Emphasise ecological values in designs for river/stream works. Expand pollution prevention initiatives through Pollution Prevention Plans. Prepare Catchment Management Plans and investigate possible stormwater quality improvement.</p> <p>Continue with river/stream upgrading works to Q50 standard (able to cope with 1:50 year flood events) including Maitai River.</p> <p>Continue construction of piped stormwater network to Q15 standard. Continue evaluation of low-impact stormwater design and disposal where appropriate. Identify and inspect secondary flow paths to maintain their integrity.</p>

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

Review of service levels

Generally, the stormwater and flood protection system meets most flood protection standards, and this is reflected in residents' satisfaction with the service. In terms of water quality, considerable challenges remain to protecting and improving freshwater quality from stormwater-borne effects.

Financial information on the stormwater and flood protection system

Refer to the separate Estimates book, which is available at Civic House and at the libraries, for more detail on the individual projects and figures making up this financial summary.

Stormwater

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
Stormwater Rate	(3,778)	(3,888)	(4,266)	(4,826)	(5,358)	(5,885)	(6,153)	(6,300)	(6,509)	(6,719)
Develop/Financial contributions	(220)	(226)	(233)	(239)	(246)	(253)	(260)	(267)	(274)	(282)
Other revenue	0	0	0	0	0	0	0	0	0	0
Total Income	(3,998)	(4,114)	(4,499)	(5,065)	(5,605)	(6,138)	(6,413)	(6,567)	(6,783)	(7,001)
Expenses										
Operating and maintenance	976	989	986	1,073	1,068	1,098	1,176	1,172	1,216	1,288
Interest on loans	1,170	1,167	1,256	1,399	1,552	1,655	1,672	1,672	1,647	1,579
Depreciation	1,632	1,731	1,847	1,984	2,141	2,290	2,443	2,594	2,772	2,965
Total operating expenses	3,778	3,888	4,089	4,456	4,761	5,043	5,291	5,438	5,635	5,832
Operating (Surplus)/Deficit	(220)	(226)	(410)	(610)	(843)	(1,095)	(1,122)	(1,129)	(1,148)	(1,169)

Statement of funding requirement

Funds required:

Capital expenditure	3,251	4,016	3,406	4,431	4,231	3,353	2,097	3,286	3,623	2,414
Repayment of loan principal	0	0	177	370	597	842	1,468	862	873	1,721
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	0	0	0	0	0	0	0	0	0	0
Total Funds required	3,251	4,016	3,583	4,801	4,828	4,195	3,565	4,148	4,496	4,134

Source of funds:

Net surplus/deficit	220	226	410	610	843	1,095	1,122	1,129	1,148	1,169
New loans raised	1,399	2,059	1,326	2,207	1,844	810	0	425	576	0
Transfer from reserve funds	0	0	0	0	0	0	0	0	0	0
Non cash expenditure	1,632	1,731	1,847	1,984	2,141	2,290	2,443	2,594	2,772	2,965
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	3,251	4,016	3,583	4,801	4,828	4,195	3,565	4,148	4,496	4,134

Capital expenditure on the stormwater and flood protection system

Stormwater

	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Renewals	371	240	132	130	112	139	145	147	173	137
Capital: New Pumps	0	144	155	0	0	0	0	0	0	0
Capital: Arapiki Stream	291	381	0	0	0	0	0	0	0	0
Capital: York Stream Channel	0	51	127	147	25	1,322	0	0	0	0
Capital: Private Drains	108	111	114	118	121	124	128	131	135	138
Capital: Piping Ditches	108	111	114	118	121	124	128	131	135	138
Capital: Queens Road	0	0	389	211	0	0	0	0	0	0
Capital: Marlowe Street	25	0	318	0	0	0	0	0	0	0
Capital: Nayland Road /Saxton Road	1,112	0	0	0	0	0	0	0	0	0
Capital: Endeavour Street /Hampden Street	0	0	0	0	0	0	0	728	0	0
Capital: Mount Street /Konini Street	0	0	0	545	0	0	0	0	0	0
Capital: Todds Valley Stream	0	0	65	0	951	0	795	0	0	0
Capital: Maitai	50	51	0	773	794	816	0	0	0	0
Capital: Iwa Road	0	257	0	0	0	0	0	0	0	0
Capital: Halifax Street: Tasman Street to Milton Street	0	24	0	204	0	0	0	0	0	0
Capital: Orphanage Creek	400	463	0	0	0	0	0	0	0	0
Capital: Sussex Street/ Nile Street	0	0	0	223	0	0	0	0	0	0
Capital: Golf Road /Parkers Road	0	33	0	414	0	0	0	0	0	0
Capital Vanguard Street	0	29	340	0	0	0	0	0	0	0
Capital: Newmans Link	0	0	0	108	0	0	0	0	0	0
Capital: Marie Stream	15	772	0	0	0	0	0	0	0	0
Capital: Atawhai Drive (through Founders)	213	0	0	0	0	0	0	0	0	0
Capital: Rangiora Terrace	15	96	0	0	0	0	0	0	0	0
Capital: Montcalm Street	0	0	19	0	171	0	0	0	0	0
Capital: Airlie Street	0	0	265	0	0	0	0	0	0	0
Capital: Hampden Street /Wigzell	0	0	0	0	314	0	0	0	0	0
Capital: Atawhai Drive	200	0	0	0	0	0	0	0	0	0
Capital: Weka Street: Collingwood	43	552	0	0	0	0	0	0	0	0
Capital: Tasman Street (Halifax Street to Grove Street)	0	36	371	0	0	0	0	0	0	0
Capital: Tasman Street (Grove Street to Cambria Street)	0	0	16	0	157	0	0	0	0	0
Capital: Milton Street (Grove Street to Cambria Street)	0	0	0	21	0	166	0	0	0	0

Stormwater continued

	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Tipahi Street /Eckington Terrace	0	0	216	0	0	0	0	0	0	0
Capital: Freshwater Improvements	50	257	265	272	280	0	0	0	0	0
Capital: Stanley Crescent /Beachville Crescent	225	0	25	0	252	0	0	0	0	0
Capital: Shelbourne Street	0	0	106	0	0	0	0	0	0	0
Capital: Arrow Street	0	0	0	27	0	172	0	0	0	0
Capital: View Mount /The Ridgeway	0	0	0	27	0	172	0	0	0	0
Capital: Sadlier Street /Hobhouse Street /Mules Street /Suter Street	0	0	0	0	50	0	473	0	0	0
Capital: Orsman Crescent	0	0	0	0	21	0	429	0	0	0
Capital: Tasman Street (Bronte Street to Nile Street)	0	0	0	33	0	316	0	0	0	0
Capital: St. Vincent Street /Jenner Road	0	257	0	0	0	0	0	0	0	0
Capital: Seymour Avenue	0	124	0	0	0	0	0	0	0	0
Capital: Alfred Street	0	0	335	0	0	0	0	0	0	0
Catchment Management Plans	25	26	26	27	28	0	0	0	0	0
Capital: Fish Passage Brook Street	0	0	0	109	0	0	0	0	0	0
Capital: Karaka Street	0	0	0	0	0	0	0	310	0	0
Capital: Main Road Stoke (Hays Corner to Louisson Avenue)	0	0	0	381	0	0	0	0	0	0
Capital: Main Road Stoke (Louisson Avenue to Marsden Road)	0	0	0	0	727	0	0	0	0	0
Capital: Ngaio Street /Maitland Avenue	0	0	0	0	0	0	0	200	0	0
Capital: Railway Reserve (to Saxton Road)	0	0	0	0	0	0	0	1,275	0	0
Capital: Seaton Street /Allisdair Street	0	0	0	0	0	0	0	146	0	0
Capital: Bledisloe Avenue /Louisson Avenue /Jellicoe Avenue	0	0	0	545	0	0	0	0	0	0
Capital: Collingwood Street	0	0	0	0	0	0	0	0	0	1,346
Capital: Jenkins Stream	0	0	0	0	0	0	0	0	1,310	0
Capital: Kauri Street /Matai Street /Titoki Street /Ranui Road	0	0	0	0	0	0	0	0	0	192
Capital: Manson Avenue	0	0	0	0	0	0	0	0	0	192
Capital: Neale Avenue /Kea Street /Kaka Street	0	0	0	0	0	0	0	0	0	269
Capital: Oldham Creek	0	0	0	0	0	0	0	0	1,871	0
Capital: Marybank Road	0	0	0	0	0	0	0	182	0	0
Capital: Poynters Crescent	0	0	6	0	43	0	0	0	0	0
Capital: Arapiki Road	0	0	0	0	64	0	0	0	0	0
Capital: Martin Street	0	0	0	0	0	0	0	36	0	0
Total Capital Expenditure	3,251	4,016	3,406	4,431	4,231	3,353	2,097	3,286	3,623	2,413

Solid waste management

Nelson's solid waste management system

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

Landfill capacity

The landfill received around 36,000 tonnes in 2007/08, which was a decrease from 46,000 tonnes in 2005/06. Most of this decrease was due to lower transfer station prices in Richmond, but it also coincided with the introduction of green waste diversion and kerbside collection of recyclables. The amount of green waste received at the transfer station has reduced to around 1,500 tonnes per annum recently, which reflects recent increases in the cost of disposal. Council now has a new green waste disposal contract so it is anticipated that the amount will start to increase again as charges are reduced. The landfill has around 25 years' capacity remaining at current rates; three adjacent gullies have potential to provide capacity for decades beyond, subject to gaining resource consents.

Zero rate of increase goal

Council aims to reduce the rate of increase to zero, although the total population of Nelson continues to increase. The landfill fee includes a waste minimisation levy which is used to pay for recycling and waste minimisation initiatives, and this levy isn't charged for green waste. Refer to the updated Waste Management and Minimisation Plan summary at the end of Volume 2 for more information, including Council's response to the Waste Minimisation Act 2008.

Some landfill gas (mostly methane, a greenhouse gas) is collected and sold to provide water heating for Nelson Hospital.



Achievements and challenges

Significant issues that affect Council's waste management decisions include:

- **THE WASTE MANAGEMENT ACT 2008**, and responding to its implications.
- **WASTE MINIMISATION AND RECYCLING**, including the recent collapse of recycled material prices on the international market (see section below for details).
- **LANDFILL MANAGEMENT**, including assessing the potential cost savings from rationalizing the operations of two regional landfills that are relatively close to each other – Nelson City Council's York Valley landfill and Tasman District Council's Eves Valley facility – and two transfer facilities. The aim would be to benefit from economies of scale by having one waste management system, reducing costs for Nelson and Tasman ratepayers.
- **GREEN WASTE**, and the alternatives to disposing of it at the landfill, or if there is a better way to collect green waste and convert it for use as an energy source.
- **ABANDONED CARS** and effective ways to stop this occurring. This has not been a serious issue recently, but might become so again.
- **CHALLENGING ISSUES** that are not yet adequately provided for, including how to manage hard fill, construction, demolition and e-waste e.g. computers and printers.

Recycling commodity market drop

As has been reported extensively in both the local and national media over recent months, the worldwide commodity markets for recyclable materials (i.e. the prices being paid for the likes of paper, cardboard, plastics and metals) have fallen dramatically, placing the future of recycling in question.

This drop in commodity prices is a worldwide phenomenon and has impacted on all local authorities nationally. Nelson, due to its size and isolation is particularly affected. It is expected that the commodity prices will not, in the foreseeable future, reach those attained before the recent global price collapse.

Changes come with a cost

The implication of this global market downturn has necessitated changes in the way Nelson deals with its recyclable materials and, since November 2008, Council has been stockpiling plastics, as these markets have dried up, at the Pascoe Street recycling centre. This was done as an interim measure to allow Council to evaluate the recycling scheme and assess the commodity markets. Importantly, no recyclables have been sent to Council's York Valley landfill, but the downside of this has been the cost to Council. The very low commodity prices along with no markets for plastics, resulting in stockpiling, has resulted in an additional cost of around \$22,750 per month, taking the potential total cost of recycling to \$840,000 annually.

Opportunity for review

The collapse in the global recyclable markets has however provided Council with the opportunity to review recycling services from a broader sustainability perspective, from both an economical and environmental standpoint. Recyclables throughout the western world are transported offshore to the likes of India and China and, while this may be viewed as ‘real’ recycling by some, it can be argued that this does not contribute towards the higher priorities encompassing the reduce and re-use aspects of waste minimisation. Council considers it appropriate to place greater emphasis on local and national reduce and reuse objectives, especially through producer responsibility, known as stewardship. For recycling to be ‘sustainable’, it should in the first instance be viable in local, regional, national and international terms rather than through convenient off-shore and uncontrollable global markets.

To place this in perspective, Council collects around 3,000 tonnes of recyclables per year, compared with an average total volume of 40,000 per year of rubbish, comprising:

- Glass – 1,400 tonnes/year. All glass collected is used by a local contractor who crushes the glass and combines this with construction aggregate for road and trenching backfill material
- Paper and cardboard – 1,400 tonnes/year
- Aluminum, cans and plastics – 200 tonnes/year

Waste disposal prices

Council’s waste account is self-funding, with recycling and waste minimisation initiatives all paid for from refuse disposal charges at both the York Valley landfill and Pascoe Street transfer station. There is no component in rates for recycling and this follows the adopted philosophy set in the last Waste Management plan undertaken in 2005, where an additional charge was placed on landfill disposal to fund recycling and waste minimisation initiatives.

In addition to this, central government’s Waste Minimisation Act 2008 imposes a \$10/tonne levy on all waste disposed to landfill. In this matter, all cover material is also classified as waste by central government, so the net effect to Nelson is an automatic increase in landfill charges of \$15/tonne. Since the draft plan was prepared market prices have improved. Council and Nelmac Ltd have also investigated new markets for recyclable products. Accordingly Council is pleased to include in this plan continuation of full recycling and extending the plastics to include those classified 3-7.

Waste minimisation

Council will continue to provide information and promote the reduction and re-use of waste. This includes supporting waste minimisation programmes such as home composting of green waste and working with schools and businesses to limit their waste. Council will also continue to promote low waste events where participants are encouraged to take responsibility for their waste by choosing re-usable packaging or taking it home rather than dumping it at event venues.

Council's solid waste management activity

Council's solid waste management activity includes the following financial 'sub-activities':

- Landfill
- Transfer station
- Recycling
- Green waste
- Waste minimisation and environmental education

Why Council provides a solid waste management system

Effective management of solid waste is essential to protect the health of the community, the local economy and the environment. The Local Government Act requires councils to plan for the effective and efficient implementation of waste activities. Council therefore adopted a Waste Management Plan in April 2005, which will be updated to become the Waste Management and Minimisation Plan, providing for the collection and reduction, reuse, recycling, recovery, treatment, or disposal of waste.

Council’s solid waste management activities contribute primarily towards achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know when we are making progress towards our goals
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>Through providing a waste management system that minimizes waste being inappropriately disposed of and encourages reduction, reuse and recycling.</p>	<p>Amounts received at landfill continue to be steady or decline and increased recycling and green waste diversion.</p> <p>Facilities are managed according to best practice and to meet resource consent conditions.</p> <p>Monitoring shows effective environmental education campaigns.</p>
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through reducing the dumping of waste around the city and in parks and forests and protecting public health.</p>	<p>Contractors are engaged to respond to dumping and adequate bins are provided and emptied.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through providing a cost-effective waste disposal service to residents and businesses.</p>	<p>Monitoring shows collection service is efficient and cost effective for users.</p> <p>Resident surveys indicate approval of service.</p>

Relevant strategies, policies and plans

- Current Waste Management Plan
- Current Solid Waste Asset Management Plan
- Nga Tuku Iho ki Whakatū iwi environmental management plan 2004
- Sustainability Policy 2008

Assumptions underlying Council's approach to providing a solid waste management system

Council has based its strategies and financial planning on a set of assumptions. General assumptions that relate to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- Without intervention, the amount of waste going to the landfill would increase at 3-5% per annum to 2019.
- Tasman District Council's waste charges will not differ significantly from Nelson's during the next decade.
- The Waste Minimisation Act 2008 will not be significantly changed by Central Government. Any changes to this Act will be incorporated into future Annual Plans or Community Plans.

Managing the negative effects of the solid waste management system

Potential negative effects on the social, environmental, economic, or cultural wellbeing of Nelson include:

- Potential pollution of the air, soil and ground water from the landfill, which is limited through using best practice to meet resource consent conditions.
- Odour and greenhouse gas emissions from the landfill are reduced through capping the site with soil and extracting methane for sale, which is subsequently burnt.
- Increased landfill charges can lead to an increase in the uncontrolled dumping of rubbish, which can negatively affect the environment, residents' health, and tourism. This type of activity is limited through ensuring enforcement of controls and prosecution when necessary. Contractors promptly deal with illegally dumped materials.
- Trucking solid waste from the transfer station to the landfill creates additional heavy traffic movements in some areas, with noise and risks to road users and residents.
- Kerbside recycling and collection can affect traffic flows, create roadside litter, adversely affect the appearance of residential areas and constrain the use of footpaths. It also requires the use of heavy vehicles in local streets. Council and residents accept that some limited negative effects are to be expected, even with a well-run collection service.

Solid waste assets and management

The total replacement value of Council's solid waste assets is \$7.09 million plus land values totalling \$1.422 million.

This comprises the landfill assets and improvements of \$4.31 million and land value of \$633,000, and the transfer station improvements of \$2.78 million, with a land value of \$759,000. Detail on the maintenance, renewal and replacement of the solid waste assets, which is funded through user charges, can be found in the Solid Waste Asset Management Plan.

Additional landfill infrastructure such as leachate containment, stormwater, gas collection and access roads will be needed as the landfill fills.

Council manages demand for waste disposal services by carrying out regular analysis of the waste stream composition and measuring all transfer station, landfill, recycling and green waste tonnages. This information is used to monitor Nelson's waste streams, which assists in establishing strategies to achieve waste management targets and goals.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

That the whole community works towards waste minimisation.

What Council will provide	Measures	Target(s)	Current status	How we will do this
Measures to encourage the community to reduce waste to landfill	Rate of increase of waste going landfill	Reduce the rate of increase to landfill to 0%. The change in recycling is likely to result in higher volumes into landfills but Council will encourage reduction in waste through 'reduce, reuse' programmes	Reductions achieved over last three years: 2005/06 -4% 2006/07 -16% 2007/08 -7%	As part of the environmental community and commercial programmes run each year. Combined Waste Management Plan proposed for development in 2009 providing Council with the opportunity to reassess their strategies
Provide facilities for the separation and diversion of greenwaste from landfill (provided costs are no greater than equivalent landfill disposal costs)	Amount of greenfill diverted from the landfill	Divert additional tonnages of greenwaste from landfill each year 2009/10 2000t then from 2010/11 2500t p.a.	Tonnages of greenwaste diverted over last three years:- 2005/06 2,019tonnes 2006/07 1,805tonnes 2007/08 1,491tonnes	Ensure costs at transfer station reflect greenwaste disposal costs
Solid waste activity uses sustainable practices	Compliance with resource consents	All resource consent conditions are met	One resource consent is held, for the York Valley and conditions are met	Ensure that residents and businesses continue to have access to safe disposal of waste.
Recycling services	Fortnightly kerbside collection of glass	100% of urban households provided with kerbside glass collection.	Council currently provides fortnightly collection of glass and on the alternative week collection of plastics, tin and paper.	This plan proposes to reduce the recycling service to fortnightly for glass only. Refer page 80 for details.

Review of service levels

Detailed service levels are set out in the Solid Waste Asset Management Plan and are updated when it is reviewed.

Financial information on solid waste management

Refer to the separate Estimates book, which is available at Civic House and at the libraries, for more detail on the individual projects and figures making up this financial summary.

Managing Solid Waste

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(0)	(0)	0	(0)	(0)	0	(0)	(0)	(0)	(0)
Development/Financial contributions	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Other revenue	(3,435)	(3,426)	(5,152)	(4,216)	(4,359)	(4,494)	(4,534)	(4,636)	(4,758)	(4,884)
Total Income	(3,447)	(3,438)	(5,164)	(4,228)	(4,371)	(4,506)	(4,546)	(4,648)	(4,770)	(4,896)
Expenses										
Operating and maintenance	3,147	3,132	3,239	3,814	3,921	4,025	4,132	4,242	4,353	4,467
Interest on loans	22	19	17	15	9	4	1	0	0	0
Depreciation	279	287	296	347	360	370	380	391	401	413
Total operating expenses	3,447	3,438	3,551	4,176	4,290	4,399	4,512	4,633	4,754	4,879
Operating (Surplus)/Deficit	0	0	(1,613)	(52)	(80)	(108)	(33)	(16)	(16)	(16)
Statement of funding requirement										
Funds required:										
Capital expenditure	125	51	2,291	285	323	115	47	79	49	138
Repayment of loan principal	1	42	23	96	174	157	84	68	70	71
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	154	194	131	138	1	217	282	260	298	220
Total Funds required	279	287	2,445	519	498	489	413	407	417	429
Source of funds:										
Net surplus/deficit	0	0	1,613	52	80	108	33	16	16	16
New loans raised	0	0	536	120	0	11	0	0	0	0
Transfer from reserve funds	0	0	0	0	57	0	0	0	0	0
Non cash expenditure	279	287	296	347	360	370	380	391	401	413
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	279	287	2,445	519	498	489	413	407	417	429

Capital expenditure on the solid waste management system

Managing Solid Waste

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Renewals: Plant and Equipment	32	0	0	0	0	0	0	0	0	0
Land Maintenance: Pavements	0	0	0	0	56	0	0	0	0	64
Transfer Station Recycling Building	3	0	0	0	0	0	0	0	0	0
Fire Sprinkler Installation	0	0	69	0	0	0	0	0	0	0
Upgrade Re-use Shop	0	0	0	68	0	0	0	0	0	0
New Amenity Building	0	0	0	0	211	0	0	0	0	0
Leachate Control	0	10	0	11	0	11	0	12	0	13
Stormwater Control	0	36	90	38	39	80	41	42	44	45
Road Extension	90	0	0	0	0	0	0	0	0	0
Front Face Planting	0	0	0	0	0	0	0	12	0	0
New Rubbish Bins	0	5	5	5	6	6	6	6	6	6
Renewals: Barrier Arm	0	0	7	0	0	0	0	0	0	9
Weighbridge Improvements	0	0	0	0	0	17	0	6	0	0
Greenwaste Processing	0	0	2,120	163	0	0	0	0	0	0
Total Capital Expenditure	125	51	2,291	285	323	115	47	79	50	137

Environmental management

Nelson environmental management and planning services

As one of the country's five unitary authorities, Nelson City Council has to manage both local authority functions like subdivisions and land use, and regional functions like air quality, fresh water, coastal management and biosecurity. The wide range of Council's environmental functions includes planning advice, policy development and implementation, monitoring and education. While most of Nelson's residents live in the urban area, resource management plans also apply to rural and coastal areas.

Achievements and challenges

Commitment to sustainability

Council has increased its consideration of sustainability over the last two years. Recent initiatives in Council's environmental management work that show the increased prominence of sustainability principles include:

- Establishment of an eco-design adviser position
- Partnerships with District Health Board including urban garden mentoring to increase the number of home gardens
- Support for the Carbon Reduction Reward Scheme
- Sustainability checklist applied to all new significant Council projects.

Recent environmental policy developments include the Sustainability Policy and Central City Strategy. Both these will have a key role in guiding the city's activities and development across all of Council's work over the next ten years.

It is particularly important that planning documents promote sustainable development that is supported by the community. A fundamental principle of the Resource Management Act (RMA) is that those living now are the stewards of the land, water, air and coast, and that they should manage the use, development and protection of those resources in a way that enables the community to provide for its present and foreseeable needs. Therefore Council looks at least ten years into the future when establishing environmental policies, and many are aimed to provide direction for decades.

Effects of population growth

A significant issue for environmental management in Nelson is managing the effects on the environment caused by an increasing population. The 2006 Census found Nelson's population was 44,300. The rate of population growth in Nelson is modest and estimates suggest the population of Nelson might increase by around 2,900 people to 47,200 by 2016. Council's Nelson Urban Growth Strategy (NUGS) investigated the best ways to manage the effects of the increase in population.



Fostering change through non-regulatory means

Environmental advocacy, education and behaviour change programmes are a key part of non-regulatory methods to achieve environmental goals. Council works with other organisations and community groups to achieve good environmental outcomes in the community. Some key initiatives include:

- Ecofest, with Tasman District Council
- Air quality improvement campaigns
- Water and land care programmes

Rural issues

Council also works with rural land owners on environmental issues such as pest management, biodiversity, native plant protection and revegetation.

Monitoring and reporting

Monitoring is essential to ensure good environmental management. This includes checking that plans are implemented as intended, and that Nelson's air, land, waters and coastal areas are in good health. Council's State of the Environment reports provide baseline information to monitor environmental wellbeing.

Council's environmental management activity

The range of Council environmental management work includes:

- Monitoring the state of the environment
- Pest management, contracted to Tasman District Council
- Environmental advocacy and policy advice
- Statutory planning – Resource management plans, Regional Policy Statement and plan changes
- Non-statutory planning – strategic land use planning such as the Nelson Urban Growth Strategy, Central City Strategy, and Tahunanui Structure Plan
- Non-regulatory assistance e.g. 'Clean Heat-Warm Homes' scheme to assist with the replacement of solid fuel fires; assistance with fencing costs to protect rural ecosystems.

Note: the Clean Heat Warm Homes programme project ends during the term of this plan.

Why Council provides environmental management and planning services

Council provides environmental management services to enable the sustainable use of the city’s resources. This promotes quality urban and rural environments that meet the present and future needs of the community.

Council’s environmental management activities contribute to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>Through providing information on good environmental practices, undertaking pest management, developing environmental plans, and monitoring the environment</p>	<p>Pest management and environmental monitoring indicates improvement in environmental quality.</p>
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through provision of land use and subdivision planning and reducing pollution through programmes such as ‘Clean Heat-Warm Homes’</p>	<p>Environmental monitoring indicates improvement environmental quality, including air quality. Customer monitoring indicates uptake of programmes such as ‘Clean Heat-Warm Homes’. Resident surveys indicate increasing approval of Council’s performance.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through providing an environment that supports sustainable business practices.</p>	<p>Feedback from businesses indicates increasing approval of Council environmental management performance.</p>

Note: Improvements in the quality of Nelson’s environment are also dependent on factors outside of Council’s control, for example, air quality is influenced by how windy the weather is in winter.

Relevant strategies, policies and plans

- Sustainability Policy
- Regional Policy Statement
- Nelson Resource Management Plan, including Freshwater Plan
- Nelson Air Quality Plan
- Nelson-Tasman Regional Pest Management Strategy
- Whakatū Nelson Heritage Strategy
- Central City Strategy (Heart of Nelson)
- Nelson Urban Growth Strategy
- Regional Land Transport Strategy
- Structure Plans, including Tahunanui Structure Plan

Assumptions under lying Council's approach to environmental management

Council has based its strategies and financial planning on a set of assumptions. General assumptions that relate to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- There is a high level of uncertainty relating to the direction for environmental management from government requirements and regulations or Council's responsibilities over the next ten years.
- The weather patterns will remain relatively similar over the next ten years, compared with the previous ten years. This assumption supports objective of improving Nelson's air quality and fresh water quality.
- The population of Nelson will continue to increase over the next decade in the mid-range of current projections.
- Pest management is most efficiently managed regionally with Tasman District Council carrying out the implementation of the Regional Pest Management Strategy. It is expected there will be limited incursions of new pest organisms that would need an immediate response to eliminate them.

Managing the negative effects of providing environment management services

- Individual property rights need to be balanced against the need to protect the environment, which leads to some restrictions on activities allowed on some properties, for example, Council controls on the site coverage of dwellings on residential sections. These restrictions may be reduced following analysis by Councillors and staff of their likely effects and impacts.
- Transaction and implementation costs may occur for individuals and businesses as a result of some environmental policy choices. It is accepted that such costs may be necessary to achieve environmental goals.

Environmental management assets

Assets that Council needs to maintain to carry out its environmental management work are limited to water and air monitoring equipment. No further assets are expected to be needed within the next ten years.

Demand management

The demand for Council's environmental management services is largely set by its legal requirements, with some discretion over non-statutory processes. Central Government requirements can have a significant impact on services and costs.

Private Plan Changes

The Council anticipates that there will be some requests for private plan changes to the Nelson Resource Management Plan for site-specific zoning matters where present zoning does not provide appropriately for landowners' needs. The Resource Management Act provides a screening mechanism for such requests.

Joint Land Use Planning

Joint strategic land use planning projects are facilitated by Nelson City Council and Tasman District Council staff working parties, which recommend work priorities to their respective Councils for approval.

Solar City

Nelson City Council is keen to make the most of Nelson's abundant sunshine and promote the uptake of solar energy to address rising energy prices, uncertainty over supply, and to help reduce greenhouse gas emissions. By world standards, Nelson has a world-class solar resource and is well positioned to become a centre of excellence for solar technology in New Zealand.

This plan contains Council support for the public to install solar hot water heating systems. This is part of Council's commitment to sustainability. Council commissioned a feasibility study on the reasons why residents do not install solar water heating systems. 55% of respondents said cost and payback and lack of subsidies were the biggest barrier, with 13% citing independent comparison of products (market 'noise') being a problem.

Following the recommendation of the feasibility study the Council has decided to provide loans to ratepayers to assist them to install solar hot water systems on their property. The loans would be repaid over ten years through the rates systems by way of a targeted rate on the property, similar to the Clean Heat Warm Homes scheme.

The Council expects to provide loans up to \$9.01 million to assist with 1,700 solar hot water installations over the next four years. The scheme would be reviewed in 2012-13 to assess the level of participation, whether it should continue and at what level of debt. Interest will be charged on the loans.

One risk is that limited uptake of the scheme could mean that Council is left to fund the project management cost. If there is very low demand then rates funding might be required to fund up to an additional \$60,000 in 2009/10.

The Council also waives building consent fees for installing solar hot water systems.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Sustainable environmental management.

What Council will provide	Measures	Target(s)	Current status	How we will do this
Cleaner air	Quality of air in Nelson	Meet or exceed current national air quality targets. Clean Heat Warm Homes installations planned are: 2009/10 580 2010/11 560 2011/12 370 2012/13 281	On target 2008	Old enclosed burner phase out with financial assistance to property owners through 'Pay as you Heat' scheme at a cost of \$3.3 million to Council over 15 years. Note: The installations cease in 2012/13 but the repayments continue until 2022/23.

What Council will provide	Measures	Target(s)	Current status	How we will do this
<p>Well-planned city that meets the community's needs</p>	<p>Projects included in the LTCCP are implemented on time and within budget</p>	<p>Implement current programme of plan changes</p>	<p>Currently behind in plan change programme due to staff shortages</p>	<p>Staff to be employed to fill any vacancies that arise. Will investigate one regional plan (TDC/NCC/MDC) within ten years. The annual programme for plan changes will be set each year, 2009/10 work includes: Port Noise Variation to be operative Review of Areas of Significant Conservation Value plan provisions completed Review of heritage plan provisions completed Notify residential subdivision and comprehensive housing plan change Notify plan change reviewing the zoning of the area from Marsden Valley to the Brook Notify plan change reviewing the zoning of Nelson South (Champion Road and Hill Street area) Notify Central City Strategy related plan changes Air Plan fumigation and wood pellet review completed by 30 June 2010 Central City Strategy plan changes are a priority to achieve better urban design and economic benefits.</p>
<p>Residents' satisfaction with the Nelson's environment.</p>	<p>75% of residents rate their satisfaction with Nelson's environmental management as "fairly satisfied" or better</p>	<p>In 2008 only 61% of residents rate their satisfaction with Nelson's environmental management as "fairly satisfied" or better</p>	<p>Resident satisfaction with the Nelson's environment.</p>	<p>Central City Strategy plan changes are a priority to achieve better urban design and economic benefits.</p>

What Council will provide	Measures	Target(s)	Current status	How we will do this
Cleaner water	Quality of Nelson's coastal and freshwater	<p>Meet swimming water quality standards</p> <p>Stream health: maintain class A and B waterbodies in current state and improve class C to B, and have no waterbodies worse than class C</p>	<p>Bathing water results for 2008 showed only exceedance swimming standards in Lower Maitai and Wakapuaka River</p> <p>2007 report found 9 stretches of river to be worse than class C</p>	<p>Researching causes of lower Maitai and Wakapuaka River pollution. Assistance fund of \$30,000 p.a. provided for stream edge fencing and planting.</p> <p>Ability to clean up limited by urban and rural activities.</p> <p>Pollution prevention plans required by businesses.</p> <p>Continuation of environmental programs.</p>
Protect and restore native biodiversity	<p>Biodiversity in the Nelson area</p> <p>Results from the Land Cover Database produced by the Ministry for the Environment five yearly</p>	<p>Implementation of Council actions in Nelson biodiversity action plans</p> <p>Area of Nelson covered in native vegetation remains the same or increases between 2005 and 2010</p>	<p>Council has drafted with the community biodiversity plans for land, freshwater and coastal environments</p> <p>Area of Nelson covered in native vegetation has remained the same since 2000</p>	<p>Includes spending \$2 million p.a. in 2009/10 and 2010/11 across Council to protect and restore biodiversity. The majority of this spending is within the Parks and Open Space activity and includes \$1 million over two years on Brook Sanctuary Fence and \$1 million on pest control and new plantings p.a.</p> <p>Other activities also include support for biodiversity for example stormwater expenditure of \$100,000 on improving the Brook stream fish passage.</p>

What Council will provide	Measures	Target(s)	Current status	How we will do this
Identify, promote, and protect Nelson's heritage	Support of the Nelson Heritage Strategy	Implement Council actions in Nelson Heritage Strategy 90% of residents rate their satisfaction with heritage management as "fairly satisfied" or better	Rates remission incentive fund for heritage buildings and zero resource consent fees established, heritage inventory and Central City Strategy underway. Heritage promotion actions still to occur.	Includes spending \$1 million in 2009/10 across Council to protect our heritage. Includes \$600,000 upgrade of Church steps, \$100,000 on heritage inventory and plan changes, \$11,000 to maintain Rocks Rd chain, \$30,000 on information panels, Heritage Week etc, \$12,500 on iwi heritage panels.
Sustainability advocacy	Council and community greenhouse gas emissions	Stabilise the Council and community's greenhouse gas emissions by 2012 and reduce by 40% in 2020 compared with 2001	Large reduction in Council and community emissions are required to meet target.	Implementation of the Climate Change and Sustainability Policies.
		Implement Climate Change and Sustainability action plans	Action plans finalised 2008. Refer to Councils	Includes Eco Building Design Advisor (\$30,000), solar hot water installations on a number of Council facilities, Solar City loan scheme (\$50,000), Sustainability Business Advisor (\$10,000 contribution), Carbon reduction reward scheme (\$10,000), Environmental Awards (\$10,000), expanded EnviroSchools and EcoFest (\$10,000)

Review of service levels

Section 35 of the Resource Management Act requires monitoring of statutory resource management functions. Non-statutory functions are assessed by including a monitoring stage in the process. All monitoring is recorded and the results are reported through the State of the Environment reports. Changes arising from monitoring are implemented as required. Local Government best practice is often used as a benchmark to assess performance.

The use of National Policy Statements and National Environment Standards by Government increasingly dictates service levels and standards in policy instruments and plans.

Changes to targets and to overall services will be reviewed periodically to reflect any changes to the environment or community expectations. Council also intends to develop detailed biodiversity and pest management control targets.

Council currently meets its statutory requirements for environment management. The Council's capacity to respond in a timely fashion to growth and development pressures, and the changing expectations or values of its community require ongoing monitoring of the effectiveness of policy instruments and plans. The Resource Management Act Amendment Act (2004) requirement for decisions on plans and policy documents within two years of public notification significantly changed the service levels for policy/plan development.

Financial information on environmental management

Refer to the separate Estimates book, which is available at Civic House and at the libraries, for more detail on the individual projects and figures making up this financial summary.

Environmental Management

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(2,648)	(2,720)	(2,850)	(2,842)	(2,804)	(2,873)	(2,962)	(3,087)	(3,134)	(3,183)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(1,220)	(1,733)	(1,904)	(2,187)	(1,054)	(988)	(894)	(789)	(674)	(548)
Total Income	(3,867)	(4,453)	(4,754)	(5,028)	(3,857)	(3,862)	(3,856)	(3,876)	(3,807)	(3,731)
Expenses										
Operating and maintenance	3,521	4,039	4,104	3,959	3,161	2,909	2,989	3,096	3,155	3,239
Interest on loans	200	379	583	771	820	733	636	529	398	267
Depreciation	16	16	16	16	16	16	16	16	16	16
Total operating expenses	3,737	4,433	4,703	4,746	3,997	3,658	3,641	3,641	3,569	3,522
Operating (Surplus)/Deficit	(131)	(19)	(52)	(283)	140	(203)	(215)	(235)	(238)	(209)
Statement of funding requirement										
Funds required:										
Capital expenditure	0	0	0	0	0	0	0	0	0	0
Repayment of loan principal	221	565	1,079	1,526	1,946	1,946	1,946	1,946	1,946	1,926
Purchase of investment	3,448	5,136	4,470	4,202	0	0	0	0	0	0
Non cash - invest write up	99	193	305	391	438	404	365	320	268	209
Transfer to Reserves	294	211	159	129	45	40	25	16	16	16
Total Funds required	4,062	6,106	6,013	6,249	2,429	2,390	2,337	2,282	2,230	2,151
Source of funds:										
Net surplus/deficit	131	19	52	282	(140)	203	215	235	238	209
New loans raised	3,114	4,793	4,251	3,995	0	0	0	0	0	0
Transfer from other reserve funds	0	0	0	0	277	225	160	85	30	0
Non cash - invest write down	580	712	616	429	330	0	0	0	0	0
Non cash expenditure	16	16	16	16	16	16	16	16	16	16
Sale of investment	221	565	1,079	1,526	1,946	1,946	1,946	1,946	1,946	1,926
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	4,062	6,106	6,013	6,249	2,429	2,390	2,337	2,282	2,230	2,151

People-friendly Places



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

Transport

Nelson's transport network

Network under pressure

The efficient and safe movement of people and goods through our region is important for community wellbeing. As a result of the increasing regional population the transport network is under pressure, especially the key arterial routes of Rocks and Waimea roads.

Separate roles

Nelson City, as a unitary authority, does the transport planning for Nelson and is responsible for maintenance, construction and renewal of all roads and other parts of the transport network such as cycleways, but not State Highways. The State Highway network is managed separately by the NZ Transport Agency, which replaced Transit NZ, and is 100% funded by central government.

The road system

Council maintains: 248 km of roads, of which 232 km are sealed and 16km are unsealed, 102 bridges, 16 km of off-road cycle lanes, 871 carparks in the central city and 237 carparks in Stoke as at 1 July 2006.

Bus services planned

Following from the Regional Land Transport Strategy process, Council proposes an enhanced bus service between Nelson and Richmond from 2012. It will take until then to determine the bus routes, prepare terms of reference, tender for the increased service and purchase the buses necessary to provide the service. Tasman District Council has included \$400,000 towards the enhanced service beginning 2012. Until then, Council will consider an increased local service by The Bus.

Achievements and challenges

The overarching strategy for the transport network is the Regional Land Transport Strategy (RLTS), which covers how to provide for, and integrate, the different transport modes: motor vehicles, walking, cycling and public transport. It aims to meet the current and future needs of the Nelson community and the wider region.

The Regional Transport Committee (RTC) released a draft RLTS in 2008. Following the submissions process the Regional Transport Committee made some minor changes and forwarded the RLTS to Council for consideration. Nelson City Council did not adopt the RLTS, but referred it back to the RTC for more consideration. The RLTS signals a move towards a more sustainable transport network for Nelson, which puts a greater emphasis on public transport and active modes such as cycling and walking. It also introduces the concept of travel demand management to reduce the number of single-occupant vehicle trips to maximize the efficiency of the transport network at minimal cost.



The Regional Land Transport Programme (RLTP)

The Regional Transport Committee develops the RLT programme to enable funding to be obtained from the National Transport Fund. The programme identifies and prioritizes major transport projects over a ten-year period. This programme is consulted on separately, and concurrently, with this Community Plan, and once finalized by the Committee it will be forwarded to Council for approval.

Regional transport planning

Nelson's transport network is connected to and affected by those provided in surrounding areas. Nelson City Council, Marlborough District Council and Tasman District Council coordinate transport planning across the Top of the South through an informal committee, the Top of the South Land Transport Liaison Forum.

Council reports each year on implementation of the RLTS, which updates key transport statistics as well as progress on key transport initiatives.

Council is proposing to undertake a social, economic and environmental study on the arterial routes in Nelson in 2009/10.

Public transport

Public transport use in Nelson is low. Council consultation has highlighted this as an area where the public would like a greater level of service. Council provides a community bus service, 'The Bus'. The private sector provides public transport services between Nelson and Richmond. The Ministry of Education provides subsidised school bus services. Council, with Tasman District Council, also provides the Total Mobility Scheme, a door-to-door transport service to assist people with impairments who are unable to use public transport.

Council proposes to increase public transport service in the Nelson City area in 2009/10 and work with TDC and private bus companies to improve the Richmond to Nelson route in 2014.

Walking and cycling

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

Road safety

Nelson had an upward trend for reported injury crashes, with annual reported injury crashes increasing in line with population growth over the last five years.

Cycle crashes were over-represented in Nelson at 17% of all reported crashes in 2007 compared with the all-New Zealand rate of 5%, although cycle volumes are higher in Nelson and may account for some of this. Pedestrian crashes have significantly reduced from a high of 14% to 5% in 2007 of all reported crashes compared with the all-New Zealand rate of 7%. Nelson City has undertaken several crash reduction initiatives in order to reduce crashes across the region. These include:

- Four-monthly road safety action plan meetings.
- Crash reduction studies in 2004 and 2008/09.
- The Safer Journeys to School programme
- Increased Minor Safety Works expenditure, now up to \$250,000 annually.
- Continued Community Road Safety Education programme including campaigns for pedestrian safety, cycle safety, older drivers, seat belts, learner drivers and an early intervention programme for those who come before the courts.
- Establishment of 0800 CYCLE CRASH phone line. This has seen a seven-fold increase in reported cycle crashes. This initiative received a National Cycle Award.

Car parking

Car parking demand within the Central Business District (CBD) is high and there is a need to increase the number of short stay parks for shoppers. Parking was one of the issues addressed in the Central City Strategy, which was drafted during 2008. Council supports carpooling by providing free all-day parking to registered carpooling commuters and by hosting links to NZ carpooling websites on the Council site.

Council's transport activities include:

- Provision of a road network (including road safety and street cleaning)
- Footpaths
- Cycleways
- Public transport
- Subsidised public transport including the Total Mobility Scheme (access for disabled)
- Street lighting
- Inner city parking regulation and Central Business District development
- Street gardens/trees
- Management of properties on road reserve.

Why Council provides transport infrastructure and planning

Council provides transport infrastructure to ensure there is safe, convenient, efficient and affordable access for residents, visitors and businesses. It has long been a responsibility of local authorities to provide and develop roads and transport planning in their area.

Council-supplied transport infrastructure and transport planning contributes to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>Through providing a range of transport systems that minimise the impact on the environment.</p>	<p>All contract project work is completed according to resource consent conditions and engineering standards.</p>
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through taking into account the impact on public spaces when providing transport infrastructure.</p>	<p>Residents’ survey results indicate improving satisfaction with transport infrastructure. The Central City Strategy is implemented to improve transport and public spaces.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through providing and effective and efficient transport system that meets the needs of residents and businesses.</p>	<p>Feedback from the business and commercial operators indicates improving satisfaction with the transport network.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Through providing a safe transport network that provides for traffic, cyclists and pedestrians.</p>	<p>Feedback from residents, cyclists and pedestrians indicates improving levels of satisfaction with the transport network. Implementation of the Central City Strategy increases cycling and pedestrian facilities.</p>

Relevant regional strategies, policies and plans

- Current Nelson Regional Land Transport Strategy
- Regional Land Transport Programme 2009
- National Transport Programme, which includes the regional State Highway ten-year construction programme.
- Transport Asset Management Plan
- Cycle Strategy
- Pedestrian Strategy
- Regional Physical Activity Strategy and Physical Activity Plan
- Tahunanui Structure Plan
- Social Wellbeing Strategy and Positive Ageing Policy
- Development Contributions Policy
- Sustainability Policy

Assumptions underlying Council's approach to transport infrastructure and planning

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to these Council activities include:

- That Land Transport New Zealand Central Government financial assistance for provision of transport infrastructure will continue at current levels.
- Updated population growth predictions based on the 2006 Census and 2005 Nelson Urban Growth study will be maintained and therefore additional expenditure on transport will be required to maintain levels of service.
- The number of vehicles and vehicle movements per household will continue at current levels over the period covered by this Community Plan.

Managing the negative effects of transport activities

Negative effects associated with use of Council transport infrastructure include:

- Trauma and costs to the community associated with vehicle, cyclist and pedestrian crashes. Council addresses these negative effects through road safety campaigns and safety improvements.
- Traffic congestion causes travel time delays to users and variable travel times during peak hours creates trip time uncertainty. Council monitors travel times and vehicle counts to develop options through the Regional Land Transport Strategy process to address congestion.
- Noise affects properties adjoining city streets, particularly on main routes. This is difficult for Council to reduce, except through Resource Management Act provisions.
- Pollution is caused by traffic emissions and road stormwater runoff. Council reduces these effects over time through implementation of the Air Quality and Freshwater Plans.

Transport assets and management

Over the next ten years new transport assets are proposed that have at least a component of provision for population growth – although funding is yet to be confirmed for these through the Regional Land Transport Programme process.

The following minor road projects are part of this Community Plan, rather than the Regional Land Transport Programme process; they include provision for population growth:

- Cable Bay Rd
- Marsden Valley Rd upgrade
- Rural roads seal extensions

Demand management

Demand is assessed through regular traffic counts at sites throughout Nelson. The key arterial routes of Waimea Road, Rocks Road SH6, Atawhai Drive SH6, Main Road Stoke and Whakatu Drive SH6 are measured monthly. Regular car parking capacity surveys are also completed. In addition, Nelson has developed a computer traffic model of its transport network to predict the likely impacts of population growth scenarios.

Staff and works

Council staff manage transport assets, engaging consultants as required. The physical works are contracted out through a Competitive Pricing Procedure (CPP) process to comply with NZ Transport Agency policy.

Developers' responsibilities

Developers are responsible for building the road infrastructure within new developments before these are transferred to Council ownership.

Funding from development and financial contributions

Council proposes to collect \$2.5 million from development and financial contributions over the next ten years.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

A land transport system that is safe, efficient, integrated and responsive, and meets the needs of current and future generations in ways that are environmentally, socially and economically sustainable.

What Council will provide	Measures	Targets	Status	How we will do this
Public transport services	Increasing use of public transport	<p>Increase share of weekday journey to work trips by public transport to at least 10% by 2018</p> <p>80% households within 400m (5 minutes' walk) of a bus route by 2014</p>	<p>0.5% of all weekday journey to work trips by public transport (source: 2006 National Census)</p> <p>Household distance from bus routes not yet assessed</p>	<p>Provide additional public transport services in accordance with the Passenger Transport Network Plan.</p> <p>Use parking controls as incentive to encourage public transport use.</p>
Walkways and cycleways that meet residents' needs	Increased walking and cycling	<p>Increase the number of vehicles with more than one occupant in the peak period across the Waimea Rd/Rocks Rd screenline to at least 10% by 2018</p> <p>Increase the share of weekday journey to work trips undertaken by walking and cycling to at least 25% by 2018</p>	<p>4.3% of people travelled to work as passengers in Nelson in 2006</p> <p>13.4% of all weekday journey to work trips by walking and cycling (source: 2006 National Census)</p>	<p>Introduce school and business travel plans, expand car pooling and investigate the application of a regional fuel tax as identified in the Regional Travel Demand Management Plan.</p>

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

Review of service levels

Levels of service for transport are based on national best practice and prescribed legal operational requirements as set out in the Transport Act, Land Transport Management Amendment Act, various national standards and NZ Transport Agency policy documents. These levels of service, when endorsed by the Council or Regional Transport Committee, become part of the Transport Asset Management Plan and Regional Land Transport Strategy. Targets and service levels are reviewed regularly to reflect any changes to the environment or community expectations.

The Regional Land Transport Strategy and the Transport Asset Management Plan, which establishes the current and target levels of service for each asset, were reviewed during 2008/09.



Financial information for transport

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

Transport

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General Rate	(7,181)	(7,627)	(8,162)	(9,689)	(10,598)	(11,076)	(12,000)	(12,664)	(12,854)	(13,166)
Develop/Financial contributions	(250)	(257)	(265)	(272)	(280)	(287)	(295)	(303)	(312)	(320)
Other revenue	(6,272)	(6,754)	(7,315)	(8,439)	(8,481)	(8,714)	(8,330)	(8,560)	(8,795)	(9,037)
Total Income	(13,703)	(14,638)	(15,742)	(18,400)	(19,359)	(20,077)	(20,626)	(21,527)	(21,961)	(22,524)
Expenses										
Operating and maintenance	7,887	8,556	8,365	11,004	11,348	11,561	11,810	12,351	12,482	12,854
Interest on loans	1,068	1,050	1,228	1,517	1,720	1,777	1,809	1,891	1,894	1,806
Depreciation	3,932	4,132	4,370	4,627	4,908	5,134	5,364	5,602	5,864	6,115
Total operating expenses	12,887	13,738	13,963	17,149	17,976	18,472	18,983	19,844	20,240	20,775
Operating (Surplus)/Deficit	(816)	(899)	(1,779)	(1,251)	(1,383)	(1,605)	(1,643)	(1,683)	(1,721)	(1,749)
Statement of funding requirement										
Funds required:										
Capital expenditure	3,899	8,720	9,816	10,398	6,082	5,812	6,087	7,899	6,095	5,581
Repayment of loan principal	824	450	580	574	562	825	888	783	1,339	2,075
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	1,097	601	1,319	1,785	2,281	1,684	1,944	2,140	3,393	3,621
Total Funds required	5,820	9,772	11,715	12,757	8,925	8,320	8,918	10,823	10,827	11,277
Source of funds:										
Net surplus/deficit	816	899	1,779	1,251	1,382	1,605	1,643	1,683	1,722	1,749
New loans raised	487	3,447	4,179	5,260	824	352	481	1,934	367	377
Transfer from reserve funds	485	1,191	1,282	1,510	1,699	1,114	1,312	1,482	2,750	2,908
Non cash expenditure	3,932	4,132	4,370	4,627	4,908	5,134	5,364	5,602	5,864	6,115
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	100	103	106	109	112	115	118	121	125	128
Total source of funds	5,820	9,772	11,715	12,757	8,925	8,320	8,918	10,823	10,827	11,277

Capital expenditure transport

Transport

Subsidised	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Waimea Road / Ridgeway Junction	20	0	318	0	0	0	0	0	0	0
Capital: Waimea Road / Motueka Street Junction	65	772	0	0	0	0	0	0	0	0
Capital: Corridor Study	0	0	0	0	112	0	0	0	0	0
Capital: Waimea Road / Market Road / Boundary Road Intersection	0	0	0	82	0	862	0	0	0	0
Capital: Salisbury Road Two Laning Between Roundabouts	0	0	0	0	90	0	945	0	0	0
Capital: Waimea Road / Van Diemen Street Intersection	0	0	0	0	0	69	0	728	0	0
Renewals: Unsealed Road Metalling	22	23	23	25	26	26	28	29	30	32
Renewals: Sealed Road Resurfacing	690	717	746	770	791	813	835	858	882	906
Renewals: Drainage	230	242	254	267	274	282	289	297	306	314
Renewals: Pavement Rehabilitation	320	335	350	496	375	385	396	407	418	429
Renewals: Traffic Services	0	0	95	98	101	103	106	0	0	0
Renewals: Associated Improvements	215	226	238	250	257	264	272	279	287	295
Renewals: Bridge/Retaining Walls	60	293	74	109	128	126	59	364	0	0
Minor Improvements (8%)	348	368	382	381	392	402	413	425	437	449
Subtotal Capital Expenditure	1,970	2,976	2,481	2,478	2,545	3,334	3,344	3,388	2,359	2,425

Unsubsidised	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Sundry Land Purchases	100	103	106	1,089	112	115	118	121	125	128
Council Share Development										
Contributions	210	216	223	229	235	241	248	255	262	269
Capital: Rangiora Terrace	0	31	0	628	0	0	0	0	0	0
Capital: Scotia Street	0	0	424	0	0	0	0	0	0	0
Capital: Locking Street	0	1,338	0	0	0	0	0	0	0	0
Capital: Iwa Road	0	896	0	0	0	0	0	0	0	0
Capital: Halifax Street: Tasman Street to Milton Street	0	0	0	310	0	0	0	0	0	0
Capital: Shelbourne Street	21	0	377	0	0	0	0	0	0	0
Capital: Alton Street	0	15	0	151	0	0	0	0	0	0
Capital: Brougham Street	0	434	0	0	0	0	0	0	0	0
Capital: Wigzell Area Upgrade	0	0	1,068	0	0	0	0	0	0	0
Capital: Marsden Road	21	0	185	0	0	0	0	0	0	0
Capital: Seymour Avenue	0	276	0	0	0	0	0	0	0	0
Capital: Queens Road	21	0	1,060	545	0	0	0	0	0	0
Capital: Russell Street	0	0	5	0	112	0	0	0	0	0
Capital: Fountain Place	0	0	0	0	50	0	541	0	0	0
Capital: Halifax Street/Shakespeare Walk	0	0	0	662	0	0	0	0	0	0
Capital: Atawhai Drive	330	0	0	0	0	0	0	0	0	0
Capital: Tasman Street (Cambria Street to Grove Street)	0	0	21	0	323	0	0	0	0	0
Capital: Tasman Street (Halifax Street to Grove Street)	20	0	212	0	0	0	0	0	0	0
Capital: Alfred Street /Kawai Street /Hampden Street	0	0	0	0	1,192	0	0	0	0	0
Cable Bay Road (50km zone)	0	0	42	0	224	0	0	0	0	0
Cable Bay (before 50km zone)	0	41	0	543	0	0	0	0	0	0
Capital: Hampden Street cul-de sac	0	0	0	0	0	23	0	551	0	0
Capital: Mount Street	0	0	0	0	0	57	0	607	0	0
Capital: Marsden Valley Road	0	0	0	1,574	0	0	0	0	0	0
Capital: Muritai Street Narrowing	0	0	0	33	0	575	0	0	0	0
Capital: Tahunanui Drive /Parkers Road Intersection	0	0	0	0	56	0	473	0	0	0
Capital: Muritai Street /Parkers Road Intersection	0	0	0	0	0	23	0	121	0	0
Capital: Ross Road	0	0	0	0	0	0	0	728	0	0

Unsubsidised continued	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Todds Valley Road	0	0	0	0	0	0	0	0	1,871	0
Capital: Lud Valley Road	0	0	0	0	0	0	0	0	0	1,282
Capital: Milton Street (Grove Street to Cambria Street)	0	0	0	27	0	345	0	0	0	0
Capital: Nayland Road	238	0	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	961	3,351	3,724	5,791	2,304	1,380	1,380	2,384	2,257	1,679
Footpaths										
Renewals: Footpaths	175	182	189	196	201	207	213	218	225	231
Capital: Other Footpaths Upgrade	0	0	0	0	0	0	532	546	561	577
Capital: Walkway Connection	0	88	55	57	58	60	61	63	65	67
Capital: Lighting	0	0	55	57	58	60	61	63	65	67
St Vincent Street/Jenner Road	0	962	0	0	0	0	0	0	0	0
Pedestrian Facilities to Walkways	20	21	21	0	0	0	0	0	0	0
Nayland Road	140	0	0	0	0	0	0	0	0	0
Airlie Street	20	0	291	0	0	0	0	0	0	0
Locking Strreet	0	155	0	0	0	0	0	0	0	0
Capital: Queens Road	0	0	305	0	0	0	0	0	0	0
Capital: Rangiora Terrace	0	0	0	79	0	0	0	0	0	0
Capital: Princes Drive	0	0	530	545	0	0	0	0	0	0
Capital: Stanley Crescent	0	0	0	218	0	0	0	0	0	0
Capital: Emano Street	0	0	0	0	336	0	0	0	0	0
Capital: Montreal Road	0	0	0	0	0	207	0	0	0	0
Capital: Rainer Street	0	0	0	87	0	0	0	0	0	0
Subtotal Capital Expenditure	355	1,408	1,448	1,238	653	533	867	891	915	941

Cycleway	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Renewals: Cycleways	13	13	13	14	14	14	15	15	16	16
Waimea Road to Beatson Road	30	0	360	0	0	0	0	0	0	0
Trafalgar 200 Connection via	135	0	0	0	0	0	0	0	0	0
Collingwood Street	0	0	53	54	0	0	0	0	0	0
Path Widening at High Use Areas	0	309	0	0	0	0	0	0	0	0
Capital: Saxton Field Underpass	0	0	0	0	0	0	0	0	0	0
Capital: Poormans /Main Road Stoke to Railway Reserve	0	0	53	0	0	0	0	0	0	0
Capital: Cycleway Lighting	0	51	53	54	56	57	59	61	62	64
Capital: Gloucester Street Area	0	62	0	0	0	0	0	0	0	0
Cyclananes and Crossing	0	77	0	0	0	0	0	0	0	0
Capital: Maitai Path Widening	0	51	0	0	0	0	0	0	0	0
St Vincent Street	0	26	0	131	0	0	0	0	0	0
Capital: Halifax Street Cyclelanes	25	26	26	27	28	29	30	30	31	32
Minor Cycleway Improvements	5	0	64	0	0	0	0	0	0	0
Secure Cycle Parking	0	0	11	0	112	0	0	0	0	0
Capital: The Brook to Central City	0	0	0	0	0	0	0	0	0	0
Capital: Jenkins Creek - Quarantine Road to Annesbrook Drive	0	0	0	0	0	0	0	728	0	0
Waimea Road Cycle Lanes	0	0	0	0	0	46	0	0	0	0
Upgrade Cycle Racks	5	0	11	11	0	0	0	0	0	0
Subtotal Capital Expenditure	213	615	644	291	210	147	103	835	109	112
Streetlighting										
Renewals: Street Lights	180	124	128	131	135	139	142	146	150	154
Capital: Poles (Power Underground)	32	32	33	34	35	36	37	38	39	40
Subtotal Capital Expenditure	212	156	161	166	170	175	180	185	190	195
Street Gardens										
Capital: Street Gardens Development	45	37	38	44	45	46	47	49	50	51
Capital: Planting	23	25	26	29	30	31	32	33	34	35
Renewals: Furniture	15	4	5	5	5	5	5	5	6	6
Subtotal Capital Expenditure	83	65	69	78	80	82	84	87	89	92

Street Trees	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/ 000's
Capital: Street Tree Development	30	33	36	39	40	41	43	44	
Subtotal Capital Expenditure	30	33	36	39	40	41	43	44	
Inner City Enhancement - Car Parks									
Purchase 63 Achilles Ave	0	0	0	0	0	0	0	0	0
Renewal: On Street Parking Meters	15	16	16	17	17	18	18	19	19
Capital: Off Street Parking Meters	15	16	16	17	17	18	18	19	19
Capital: CBD Artwork	0	0	33	0	0	37	0	0	0
Capital: CBD Decorative Lighting	11	11	11	11	12	12	12	13	13
Subtotal Capital Expenditure	41	42	76	45	47	85	49	51	
Public Transport									
Nelson /Stoke Interchange	0	15	249	0	0	0	0	0	0
CBD /Rutherford Street Bus	0	0	79	0	0	0	0	0	0
Beatson Road /Waimea Road /Wakatu	0	5	122	0	0	0	0	0	0
Waimea Road Bus Priority	0	15	302	0	0	0	0	0	0
Bus Facilities New (Split)	36	37	424	272	34	34	35	36	36
Subtotal Capital Expenditure	36	73	1,176	272	34	34	35	36	36
Total Capital Expenditure	3,899	8,720	9,816	10,398	6,082	5,812	6,086	7,899	6,086

Regulatory compliance (consents, licences and monitoring)

Nelson's consents, licences and monitoring services

Regulatory compliance is concerned with administering government regulations mainly related to health, safety or wellbeing. Controlling dogs, licensing liquor outlets, ensuring food hygiene and safe navigation, for example, are all linked to social wellbeing. Processing resource consents is also included in this Council activity, which promotes environmental as well as social wellbeing. Council's pollution control, noise monitoring and complaints investigation responsibilities are concerned with protecting both the environment and human health and wellbeing.

Achievements and challenges

Consent processing

With Nelson experiencing population growth, the demand for consent processing increased in recent years, before slowing due to current economic conditions. Consent processing is still anticipated to continue to be a major part of Council's work. Staff shortages nationally in this sector also affect Nelson.

Denser residential development

One of Council's planned responses to population growth in Nelson is to promote more dense residential development. This creates new issues of site-to-site effects, and new impacts of activities with less space to accommodate their effects within a site. Nationally, there is a move to curb anti-social behaviours, and to create safe environments within which people can live, work and play. Regulatory controls will continue to be a key tool in promoting community safety and wellbeing.

Information access and reliability

There is a greater call on records and information held by public agencies to help residents make informed choices about property purchase, land use, and their property rights. Reliable accurate, up-to-date information about land is a core task of the Council.

Council's consents, licensing and monitoring activities include:

- Dog and animal control
- Liquor licensing
- Food premises monitoring
- Storing and providing land information
- Processing and inspection of resource and building consents
- Harbour and coastal safety and navigation
- Pollution management
- Investigating complaints (noise, bylaws, private drains and illegal building works).



Why Council provides regulatory compliance services

Council provides regulatory compliance services to promote healthy and safe environments. Council also implements regulations that seek to protect the wellbeing of the community.

Regulatory compliance contributes towards achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>Through providing a regulatory system that protects the environment.</p>	<p>Auditing of consent systems shows compliance and environmental monitoring shows a trend towards improving quality over time.</p>
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through implementation of policies and bylaws for areas such as dogs, noise and alcohol to protect social wellbeing.</p>	<p>Residents' survey results indicate improving satisfaction with Council performance on dog, noise and alcohol control. Earthquake-prone Building Policy implemented.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through providing regulatory services in an efficient manner and therefore reducing business compliance costs.</p>	<p>Feedback from the business sector indicates increasing approval of Council performance and efficiency.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Through implementation of policies and bylaws for areas such as dogs, noise and alcohol to keep residents and visitors safe.</p>	<p>Monitoring of social indicators indicates trend towards stable or improving perceptions of safety. Premises monitored according to agreed schedules and contract response times met or exceeded.</p>

Relevant strategies, policies and plans

As well as key legislation including the Resource Management Act, Building Act, Dog Control Act, and related legislation, Council's activities in this area are covered by:

- Nelson Resource Management Plan
- Bylaws, including swimming pools, trading in streets, harbour safety, liquor
- Dog Policy 2004 and bylaws
- Alcohol Strategy
- Earthquake Prone, Unsanitary and Unsafe Buildings Policy
- Dangerous Dams Policy

Assumptions underlying Council's approach to its regulatory compliance work

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to these Council activities include:

- The Building Act 2004 will continue to be implemented in a staged fashion until 2012.
- Consent processing activity levels will be stable in the short term despite current economic conditions, partly due to the effect of the Air Quality Plan and National Environmental Standards for air.
- Although central government might delegate further responsibilities to local government, or the basis of existing functions might change, no funding has been included in this Community Plan for such changes.
- Council does not expect to fully recover the costs of central government delegated functions such as liquor licensing from users of the service.

Managing the negative effects of regulatory compliance activities

- Constraints on the actions of individuals are sometimes required to give effect to Council's regulatory compliance responsibilities, and to minimize the more serious negative impacts (for example, dog attacks) if these controls are not in place. Negative effects are caused by individuals with dogs or the misuse of alcohol for example, not the compliance system itself.
- There are costs of compliance for individuals and agencies for approvals, licences and inspections. These economic effects are limited by ensuring best practice is applied in Council management of these activities.

Regulatory compliance assets and management

The dog pound buildings are the only assets associated with Council's regulatory compliance activity. No further regulatory compliance assets are anticipated to be required during the term of this Community Plan apart from the already-planned purchase of a boat for the Harbourmaster.

Council assesses demand for regulatory compliance services through monitoring the number and type of complaints and the number and complexity of building and resource consents. The Ministry for the Environment also monitors Council processing times for consents. Council has a limited ability to manage demand for these services through charging for services such as building and resource consents.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Services that protect public health and safety and ensure good environmental, social and economic outcomes for the community.

What Council will provide	Measures	Targets	Current status	How we will do this
<p>Building Control team to ensure buildings are built to provide a safe and healthy environment for current and future building owners and users</p>	<p>Compliance with Building Act 2004</p> <p>Meet statutory timeframes under the Building Act 2004</p>	<p>100% compliance</p> <p>100% compliance with Building Act requirements</p>	<p>1st July 2007 to 30th June 2008: 1491 building consents granted</p> <p>82% building consents and 96% code compliance certificates issued in 20 working days. 10,789 inspections carried out</p>	<p>Building Control Team to carry out Building Consent Authority (BCA) functions as required by Building Act 2004.</p> <p>Issue building consents, carry out inspections, issues code compliance certificates, compliance schedules and notice to fix.</p> <p>Monitor workloads weekly and run monthly reports and employ additional resources as required.</p>
<p>Building Consent Authority accreditation services & Quality Assurance (QA) accreditation services</p>	<p>Retention of BCA Accreditation</p>	<p>Assessment by IANZ June 2009 and every two years thereafter.</p> <p>Retain Accreditation and obtain Quality Assurance Accreditation</p>	<p>Currently accredited to assess and inspect all building work in Nelson</p>	<p>Ensure adequate staff, resources and training. BCA and Quality Assurance policy, systems & procedures are met by the building control team and audited. Building Consent Authority Regulations 2006.</p> <p>Cost: \$20,000 BCA fees annually. \$210,000 staff training, assessments, audits and implementation.</p>

What Council will provide	Measures	Targets	Current status	How we will do this
<p>Reduce risk and ensure life safety of the public in buildings if an earthquake occurs</p>	<p>Implementation of Earthquake Prone Building Policy</p>	<p>Building owners to be notified by June 2009.</p> <p>Building owners to be notified by December 2009</p> <p>Building owners to be notified by December 2010</p> <p>Building owners to be notified by December 2011</p>	<p>Desktop review of notified buildings almost complete</p>	<p>Buildings with special post-disaster functions, i.e., hospitals, schools, fire and police stations (Importance level 4).</p> <p>Buildings that contain people in crowds, i.e., theatres, stadiums, halls (Importance level 3).</p> <p>Buildings with a heritage classification of A or B under council's register, e.g. Broadgreen has historic & cultural importance to the Nelson community (Heritage Classification A and B).</p> <p>Buildings with a low consequence for loss of life, i.e. houses, garages, commercial & industrial (Importance level less than 3).</p> <p>Employ professional contractor to assess structure against required levels of standard, AS/NZS1170.0:2002.</p>
<p>Resource Consent processing services</p>	<p>Number of consents processed within statutory timeframes</p>	<p>100% of consents processed within statutory timeframes</p>	<p>1 October to 30 November 2008 86% of non-notified and 100% of notified consents are within timeframes</p>	<p>Ensure appropriate staff levels, provide staff training, improve consent processes and utilise consultants when workloads are unusually high. This will cost \$10,000 more in 2009/10 that will partly be recovered by improving the recording of staff time and review fees and charges to reflect the Council's cost recovery policy.</p>

What Council will provide	Measures	Targets	Current status	How we will do this
		The average days to process a non-notified consent is equal to or less than 20 days	1 October to 30 November 2008 the average is 26.8 days	
Public health protection services including food and liquor licensing and inspections	The percentage of premises inspected each year	All premises are inspected at least once per year and any failures re-inspected	Achieved	Ensure appropriate staff levels and provide training to meet new requirements from legislative changes. This will cost \$50,500 more in 2009/10 which will only partly be recovered due to national legislation setting the charges.
Response to Complaints (e.g. pollution response, dogs)	The percent of priority complaints responded to within 30 minutes. High priority complaints are complaints that require immediate response due to a serious imminent threat to the environment or person.	100% of high priority complaints are responded to within 30 minutes. Including dogs attacking or showing aggressive behaviour and pollution complaints.	Up to 30 November 2008 achieving 100% within 30 minutes	Ensure appropriate staff levels and provide training to ensure staff safety when responding. This will cost \$4,000 more in 2009/10 and will only partly be recovered in fines.

What Council will provide	Measures	Targets	Current status	How we will do this
Noise control	The percent of priority complaints responded to within 30 minutes.	80% of high priority complaints are responded to within 30 minutes. High priority complaints are those in the early hours of the morning.	Up to 30 November 2008 achieved 69% within 30 minutes	Ensure appropriate staff levels and provide training to ensure staff safety when responding. Overall noise control will cost \$22,400 more in 2009/10 and will only partly be recovered in fines.

Review of service levels

Council contracts out services such as dog control and food premises inspections. Building and resource consent processing times are set by legislation. Feedback on these levels is established through a variety of means including annual residents' surveys and the annual plan/community plan processes. National standards provide guidance on expected standards, as are standards set by relevant professional bodies, and benchmarking against similar sized councils.

The Council is required to be accredited as a Building Consent Authority, which has set minimum levels for process quality and capability.

Changes to targets and to levels of service are reviewed regularly to reflect any changes to the environment or community expectations.

Service levels for activities such as inspection of food premises, noise control and dog and animal control are considered by Council to be meeting the needs of the community. A shortage of resource and building consent staff over recent years has meant that the levels of service for these areas have not been met. A recent staff recruitment and retention project has been successful in rebuilding consent processing capacity in an environment of increasing demand for services and Council will be working on improving service levels in this area.

Financial information for regulatory compliance

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

Regulatory Compliance

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(1,867)	(1,947)	(1,999)	(2,032)	(2,087)	(2,144)	(2,203)	(2,263)	(2,325)	(2,389)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(3,261)	(3,275)	(3,372)	(3,464)	(3,560)	(3,658)	(3,758)	(3,862)	(3,969)	(4,078)
Total Income	(5,128)	(5,222)	(5,371)	(5,496)	(5,647)	(5,802)	(5,961)	(6,125)	(6,294)	(6,467)
Expenses										
Operating and maintenance	4,999	5,172	5,320	5,444	5,594	5,747	5,906	6,068	6,235	6,407
Interest on loans	0	0	0	0	0	0	0	0	0	0
Depreciation	26	26	27	27	27	28	28	28	29	29
Total operating expenses	5,025	5,198	5,347	5,471	5,621	5,775	5,934	6,096	6,264	6,436
Operating (Surplus)/Deficit	(103)	(24)	(24)	(25)	(26)	(27)	(27)	(29)	(30)	(31)

Statement of funding requirement

Funds required:

Capital expenditure	90	0	0	0	0	0	0	0	0	0
Repayment of loan principal	0	0	0	0	0	0	0	0	0	0
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	39	50	51	52	53	55	56	57	59	60
Total Funds required	129	50	51	52	53	55	56	57	59	60

Source of funds:

Net surplus/deficit	103	24	24	25	26	27	28	29	30	31
New loans raised	0	0	0	0	0	0	0	0	0	0
Transfer from reserve funds	0	0	0	0	0	0	0	0	0	0
Non cash expenditure	26	26	27	27	27	28	28	28	29	29
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	129	50	51	52	53	55	56	57	59	60

Capital expenditure regulatory compliance

Regulatory Compliance

Harbour Safety	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Purchase of Harbourmaster Boat	90	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	90	0	0	0	0	0	0	0	0	0



Parks and open space

Nelson Council's parks and reserves

The natural backdrop to Nelson city is one of its most notable features, and one that is particularly appreciated by residents according to Council's annual residents' surveys. The parks and reserves network enhances the protection of Nelson's biodiversity and protects heritage and coastal areas while providing recreational opportunities. There is considerable overlap between this Council activity with its Community Facilities and Recreation and Leisure activities.

Nelson now manages 11,120 hectares (ha) of parks and reserves. The majority is held in the Brook, Roding and Maitai Conservation Reserves, which together total just over 10,000 ha. Nelson's parks and reserves are strongly linked to the maintenance of Nelson's biodiversity, which is the natural diversity of all life, including diversity in genes, species, populations and ecosystems. Nelson's conservation areas in particular are rich in native species and ecosystems.

Achievements and challenges

Meeting future needs

The main reasons for the increase in the provision of parks and reserves are population growth, changes in recreational uses and environmental protection requirements. Council has a strategic purchase programme in place to secure land to meet future parks and community facility requirements, as opportunities arise.

Based on projected population growth, additional neighbourhood parks are expected to be acquired over the next decade using money received from financial contributions under the Nelson Resource Management Plan.

Changing trends in recreational use

Trends in recreational use of parks and reserves show a significant move towards more informal active recreation, such as mountain biking and walking, and a decline in participation in organised sports, though these are still important recreational activities.

Other issues and challenges in relation to Council's management of parks and reserves include:

- Intensification of residential development and the need to review reserve distribution in light of higher population densities
- Increasing development on hills needing walkway connections between these suburbs and local schools and shops
- The need to provide safe public spaces through sensible design that discourages crime while keeping a high level of comfort (for example, shade trees) and usefulness
- The need to provide rural experiences for an increasingly urban population

- The need to provide improved access for an ageing population
- New recreational activities that need to be provided for and the blurring of seasons for traditional sporting codes

For more information on anticipated trends, see the Parks and Reserves Asset Management Plan, which is available from Civic House.

Community role

The community has an important role in relation to parks and reserves management, including the provision of memorial seats and volunteer work planting native species and controlling weeds.

Council's parks and reserves activities include:

- Horticultural parks
- Neighbourhood parks
- Conservation reserves
- Landscape reserves
- Sportsfield reserves
- Esplanade and foreshore reserves
- Heritage and park trees
- Other walkways that are not in conservation reserves, landscape reserves or esplanade reserves

Broadly, Council's parks and reserves responsibilities are split into planning, acquisitions, development and maintenance. There are other related sections of this Community Plan, including development funding for regional assets, such as Saxton Field, included in the Community Facilities activity.

Why Council provides a network of parks and reserves

Council owns and manages a wide range of reserves and other areas to meet the recreational needs of residents and visitors, while also protecting landscape and natural values. Our parks and reserves assets provide a network of green space that meets social and environmental goals and provides recreational opportunities.

Council parks and reserves contribute to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>Through providing parks and reserves that include a range of environments and biodiversity.</p>	<p>Biodiversity Strategy implemented Environmental monitoring indicates trend towards improvement for key species and habitats</p>
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through providing well planned parks and reserves.</p>	<p>Residents' survey results indicate approval of Council performance in the provision and management of parks and reserves</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through tourism based on attractive surroundings and activities available in Nelson's parks and reserves.</p>	<p>Feedback from tourist sector indicates visitor approval of Council's provision and management of parks and reserves Economic indicators show trend towards increasing overnight stays by domestic and international visitors, although figures may reduce in the 2009/10 year as a result of the economic recession.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Through providing parks and reserves which encourage a range of physical activities.</p>	<p>Residents' and user surveys indicate approval of Council's performance in providing appropriate mix of recreational opportunities Benchmarking against similar councils shows good performance</p>
<p>A fun, creative culture We are proud of our creative local culture and regional identity.</p>	<p>Through providing a range of recreation facilities that everyone can enjoy.</p>	<p>Residents' and user surveys indicate approval of Council's performance in providing appropriate mix of recreational opportunities Benchmarking against similar councils shows good performance</p>

Relevant strategies, policies and plans

- Parks and Reserves Asset Management Plan
- Biodiversity Strategy
- Sustainability Policy
- Nelson Tasman Physical Activity Plan
- Pedestrian and Cycling Strategies
- Tahunanui Reserves Management Plan
- Reserves Management Plans for the Haven Holes, Tahunanui, Saxton Field, Esplanade and Foreshore Reserves. Conservation and Landscape Reserves, Rutherford/Trafalgar Park, neighbourhood parks, sports field reserves and horticultural parks.
- Positive Ageing Policy, part of Social Wellbeing Policy.

Assumptions underlying Council's approach to providing parks and reserves

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- Financial contributions under the Resource Management Act will be received towards this activity over the next ten years. It is difficult to estimate the amount because it varies according to development activity and economic factors that are, to a large extent, outside Council control.

Managing the negative effects of providing a parks and reserves network

- New and increasing uses of reserves can result in conflict between user groups. This is monitored by staff and booking systems; bylaws and booking systems may be adjusted in response.
- Chemicals used for pest control need to be used carefully to avoid contaminating water or affecting parks and reserves users. Council trials organic management to minimise use of chemicals, for example its organic management of Pikimai (Church Hill).
- Trees, vegetation and tree roots can encroach on roads, footpaths and interfere with power or telephone wires. Crime Prevention Through Environmental Design (CPTED) and good practice principles are applied to ensure vegetation planting is carefully planned and managed for safety.
- Leaf fall can block stormwater systems and exacerbate surface flooding, particularly in autumn. Council's maintenance contracts are structured to reduce this risk.

Council limits these potentially negative effects through applying best practices principles to its management of activities in its parks and reserves. For example, Council's contracts with Nelmac specify in detail how weeds are to be controlled or trees pruned.

Parks and reserves assets and management

The total asset value of the Council's parks and reserves is \$51 million – the book value as at 30 June 2008. The total area of land managed by the Community Services Division as parks and reserves has increased significantly, up from 1900 hectares (ha) in the 2005/06 annual plan to over 10,000 ha. This is because the Brook, Maitai and Roding reserves are now managed as conservation reserves, instead of being managed as waterworks reserves. Non-conservation reserves now total 962 ha. Nelson City Council's parks and reserves network now includes 11,120 ha grouped under the following management units, in order of total area:

- 7 conservation reserves, including the Brook (1,013ha), Maitai (4,172ha) and Roding (4,575ha) totalling 10,158ha
- 9 landscape reserves including Botanical Hill (Centre of NZ), Walters Bluff and the Grampians totalling 432ha
- 26 esplanade and foreshore reserves totalling 236ha
- 12 sportsfield reserves totalling 100ha
- 97 neighbourhood parks totalling 83ha
- 82 other walkways that are not in any of above reserves, for example, the Cape View Walkway, totalling 24ha
- 7 horticultural parks totalling 18ha, including Queens Gardens, Anzac Park, Miyazu Gardens, Broadgreen Historic House and Isel Park.

Council reserves contain a range of assets, including buildings, bridges, car parks, roads, paths, tracks, park furniture, fences and retaining walls, and sports and play equipment. For example, Council's parks and reserves contain around 2430 fences, 148 retaining walls and 334 rubbish bins.

Protecting highly-valued features

Other natural, historic and cultural features of reserves are highly valued by the community, so Council intends to manage these sites to protect features such as:

- Natural forested ecosystems and water supply catchments in the Brook, Roding and Maitai Catchments.
- Riparian and foreshore areas such as Tahunanui Beach and esplanade reserves along most urban rivers.
- Historic features such as the argillite quarry in the Maitai Valley, and the remnant mining features in the Roding.

Parks and reserves sufficient for future growth

Generally, Council considers that it has sufficient parks and reserves to more than meet required service levels well into the future. National benchmarking shows that Nelson has higher than average numbers of parks and reserves compared with other communities. Some smaller areas need to be addressed, including the provision of neighbourhood parks for recently subdivided areas and sports field reserves in the Nelson North area.

Demand management

The causes of the demand for parks and reserves are population growth, changes in recreational uses and environmental protection. Council prioritises purchases to meet future parks and sports facility requirements through its asset management system. This includes a consideration of locations where the population is increasing. Demand is assessed and managed through a combination of the following:

- User data to indicate trends, such as data gathered from track counters
- Residents' surveys
- Specific one-off surveys
- Site booking systems
- Sports field booking system
- Bylaws including dog control bylaws and alcohol bans in specified reserves.

Funding

Council's management and maintenance of parks and reserves is mainly funded from general rates and, in accordance with Council's financial policies, the majority of this expenditure is borrowed. Council's policy is that it will not normally accept land as part of financial contributions.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Parks and reserves that provide for the environmental, economic, cultural and social needs of the community.

What Council will provide	Measures	Targets	Current status	What we will do to achieve this
Neighbourhood parks well distributed throughout the city for residents use and enjoyment.	Neighbourhood park distribution.	At least one neighbourhood park within 400m of each home in residential area and within 5km in rural small holdings zone	Target met for all of Nelson except in the Wood where options for acquiring land being considered	Continue current programme of assessing reserve requirements through activity management planning.
Sufficient sportsfield reserves provided to support community's organised sport needs	Area of sportsfield reserves.	Maintain at least 2.5ha of sportsfield reserves per 1000 residents	Target met for all of Nelson	Continue current programme of assessing reserve requirements through activity management planning
Well designed and safe play facilities are located within walking distance of every house in the urban area	Playground location distribution. Internal and independent audits monitor safety and design standards.	Play facilities located within 800m of every house in the urban area. Audits occur according to agreed schedule and recommendations are implemented.	Distribution target met for all of Nelson. Work on audit schedule underway.	Yr 1: establish schedule of internal and independent audits. Yr 2-3: implement new schedule and monitor compliance with audit results.
Threats to significant biodiversity values within Conservation Reserves and Landscape Reserves are actively monitored.	Monitoring system for key species and habitats.	Regular system of monitoring of key species and habitats implemented for Conservation Reserves and Landscape Reserves and findings reported to Council and community.	Introduced species are threatening biodiversity within city's reserves but extent of problem needs to be better researched.	Yr1: Programme of species/habitat monitoring established. Yr 2-3: Monitoring undertaken annually and trends reported to Council and publicised.
City's parks and reserves managed in a sustainable manner.	Key indicators show improvement in sustainability.	Council-wide system for monitoring sustainability indicators established and targets set for key indicators in parks and reserves.	Council developing monitoring system for key indicators.	Yr1: Monitoring system established and targets set for parks and reserves. Yr 2-3: Implement practices to achieve sustainability targets.

Review of service levels

Service levels and standards are set through the asset management process. Statistics from areas with similar-sized populations are used to assess service levels. Feedback on these levels is established through a variety of means including annual residents' surveys and the annual plan/community plan processes.

Feedback from residents and national standards are also considered when setting service levels, as are standards set by relevant professional bodies. Assessments of existing levels of service provided to the community also take into account the role other agencies play such as the availability of school sports grounds and playgrounds to the public or reserves provided by central government agencies such as the Department of Conservation.

For further detail on how service levels are assessed and managed, refer to the Parks and Reserves Asset Management Plan, which is available from Civic House.

Changes to targets and to levels of service overall are reviewed regularly to reflect any changes to the environment or community expectations.

Service levels generally exceed standards

Generally, Council significantly exceeds the service levels and standards set out in the Parks and Reserves Asset Management Plan for the provision of parks and reserves in Nelson.

Neighbourhood parks are under-represented in some parts of town, mostly due to topographical constraints. Most other types of reserves meet or exceed the standard over most of the Council's area, with the exception of a shortage of sports fields reserves for Nelson North. Nelson residents are highly satisfied with the range of high quality horticultural parks according to recent residents' surveys. Service level targets for these have therefore been set to maintain the existing levels of service.

Financial information for parks and open space

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

Parks and Open Spaces

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(5,270)	(6,361)	(7,097)	(7,721)	(7,814)	(8,573)	(8,841)	(9,166)	(9,573)	(9,557)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(390)	(434)	(405)	(417)	(427)	(439)	(452)	(464)	(477)	(490)
Total Income	(5,659)	(6,795)	(7,502)	(8,138)	(8,241)	(9,012)	(9,293)	(9,631)	(10,051)	(10,047)
Expenses										
Operating and maintenance	4,571	4,934	5,248	5,617	5,514	5,835	6,066	6,377	6,766	6,767
Interest on loans	568	834	1,031	1,100	1,150	1,157	1,132	1,106	1,047	977
Depreciation	923	989	1,088	1,124	1,152	1,180	1,208	1,237	1,267	1,298
Total operating expenses	6,062	6,758	7,368	7,841	7,816	8,173	8,406	8,720	9,080	9,041
Operating (Surplus)/Deficit	402	(38)	(134)	(297)	(426)	(839)	(887)	(910)	(970)	(1,006)

Statement of funding requirement

Funds required:

Capital expenditure	6,210	9,764	3,384	2,555	2,558	2,588	2,660	2,733	2,808	2,885
Repayment of loan principal	0	0	520	507	1,052	2,048	2,085	2,118	2,060	2,084
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	0	0	0	0	0	0	0	0	0	0
Total Funds required	6,210	9,764	3,904	3,062	3,609	4,636	4,744	4,851	4,868	4,969

Source of funds:

Net surplus/deficit	(402)	38	134	297	426	840	887	910	970	1,006
New loans raised	4,905	7,287	1,282	862	950	1,030	1,045	1,091	870	890
Transfer from reserve funds	784	1,450	1,401	778	1,082	1,587	1,604	1,614	1,761	1,775
Non cash expenditure	923	989	1,088	1,124	1,152	1,180	1,208	1,237	1,267	1,298
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	6,210	9,764	3,904	3,062	3,609	4,636	4,744	4,851	4,868	4,969

Capital expenditure parks and open space

Parks and Open Spaces

Horticulture Parks	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Accessways / Carparks	25	51	16	27	67	29	30	30	31	32
Capital: Lighting / Signs	3	3	3	3	3	3	3	3	3	3
Capital: Planting	75	15	16	16	17	17	18	18	19	19
Upgrade: Structures	15	21	26	27	28	29	30	30	31	32
Capital: Chinese Garden	0	67	0	0	0	0	0	0	0	0
Capital: Park Upgrades	80	82	159	163	168	172	177	182	187	192
Capital: Queens Gardens Toilets	0	154	0	0	0	0	0	0	0	0
Capital: Church Steps Toilet	0	154	0	0	0	0	0	0	0	0
Capital: IseI Glasshouse	0	0	82	0	0	0	0	0	0	0
Capital: ANZAC Irrigation	25	0	0	0	0	0	0	0	0	0
Renewals: Furniture	11	12	12	12	13	13	13	14	14	14
Renewals: Accessways/Car Parks	25	26	37	38	39	40	41	42	44	45
Renewals: Services	0	26	26	39	40	41	43	44	45	46
Renewals: Structures	12	12	13	13	13	14	14	15	15	15
Renewal : Cawthron Steps	60	0	0	0	0	0	0	0	0	0
Renewal: IseI Irrigation	25	0	0	0	0	0	0	0	0	0
Renewal: Broad/IseI Service Areas	25	0	0	0	0	0	0	0	0	0
Renewal: Broadgreen Nayland Road Entrance	0	0	79	0	0	0	0	0	0	0
Subtotal Capital Expenditure	381	624	470	339	388	358	368	378	389	399

	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Neighbourhood Parks										
Capital: Furniture	15	15	16	16	17	17	18	18	19	19
Capital: Fences & Walls	35	36	37	38	39	40	41	42	44	45
Upgrade: Structures	35	36	37	38	39	40	41	42	44	45
Capital: Planting	45	46	48	49	50	52	53	55	56	58
Land Purchase: General Reserves	1,480	515	530	545	559	575	591	607	624	641
Capital: Reserve Development	32	103	106	109	112	115	118	121	125	128
Capital: Glen Toilet & Development	240	154	0	0	0	0	0	0	0	0
Capital: Branford Park	0	0	106	0	0	0	0	0	0	0
Toilet Basin Reserve	137	0	0	0	0	0	0	0	0	0
Sculpture (Arts Strategy)	40	41	42	44	45	46	47	49	50	51
Renewals: Furniture	12	12	13	13	13	14	14	15	15	15
Renewals: Accessways/Car Parks	15	15	16	16	17	17	18	18	19	19
Subtotal Capital Expenditure	2,086	975	951	868	892	916	942	967	994	1,021
Conservation Reserves										
Capital: Track Improvements	20	21	21	22	22	23	24	24	25	26
Capital: Maitai South Branch Bridge	30	15	16	16	17	17	18	18	19	19
Capital: Planting	10	10	11	11	11	11	12	12	12	13
Capital: Signs/Furniture	20	21	21	22	11	11	12	12	12	13
Capital: Toilets	0	82	85	0	0	0	0	0	0	0
Capital: Titoki Reserve Track/Planting	10	10	0	0	0	0	0	0	0	0
Capital: New Track/Facility										
Development	0	21	32	33	34	34	35	36	37	38
Renewals: Furniture/signs	4	4	4	4	4	4	4	5	5	5
Renewals: Accessways/Carparks	40	41	21	22	22	23	24	24	25	26
Renewals: Fences	5	5	5	5	5	6	6	6	6	6
Renewals: Buildings/Structures	7	7	7	7	7	8	8	8	8	8
Subtotal Capital Expenditure	145	237	223	142	134	138	142	146	150	154

Landscape Reserves	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Upgrade Accessway	35	36	37	38	39	40	41	42	44	45
Capital: Botanical Hill Sealing	35	36	37	0	0	0	0	0	0	0
Upgrade: Structures	15	0	0	0	0	0	0	0	0	0
Capital: Planting	35	36	69	71	73	75	77	79	81	83
Capital: Ridgeways	15	36	37	38	0	0	0	0	0	0
Capital: Tasman Heights	20	21	21	22	22	0	0	0	0	0
Capital: Signs	15	15	16	16	17	17	18	18	19	19
Capital: Grampians	30	0	0	0	0	0	0	0	0	0
Capital: Mountainbike Track	35	36	37	38	39	40	41	42	44	45
Wakatu/Greenhill	35	10	11	0	0	0	0	0	0	0
Renewals: Furniture	10	10	11	11	11	11	12	12	12	13
Renewals: Fences	15	15	16	16	17	17	18	18	19	19
Capital: Future New Assets	0	0	0	65	90	115	118	121	125	128
Subtotal Capital Expenditure	295	252	291	316	308	316	325	334	343	352
Foreshore Reserve										
Capital: Furniture	12	12	0	0	0	0	0	0	0	0
Capital: Accessway / Carpark	304	289	118	121	124	127	131	135	138	142
Upgrade: Structures (Art Works)	70	0	0	0	0	0	0	0	0	0
Capital: Planting	125	129	132	136	140	144	148	152	156	160
Capital: Paramatta Flats	10	10	11	11	11	11	12	12	12	13
Capital: Wakefield Quay	0	618	530	0	0	0	0	0	0	0
Tahuna Erosion	0	3,089	0	0	0	0	0	0	0	0
Capital: Tahuna RMP Implementation	908	206	212	0	0	0	0	0	0	0
Capital: Wakapuaka Sandflat	100	124	0	0	0	0	0	0	0	0
Capital: Oyster Island	20	15	11	0	0	0	0	0	0	0
Capital: Pocket Park Akersten St	0	206	0	0	0	0	0	0	0	0
Capital: Recycling Station	0	10	0	0	0	0	0	0	0	0
Renewals: Furniture	22	22	23	24	24	25	26	26	27	28
Renewals: Accessways/Carparks	32	33	34	35	36	37	38	39	40	41
Reserve Development	0	0	0	0	224	230	236	243	249	256
Subtotal Capital Expenditure	1,603	4,763	1,070	327	559	575	590	607	623	641

Parks & open space

Walkways	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Upgrade: Fences & Walls	2	2	2	2	2	2	2	2	2	2
Capital: Furniture	6	6	6	7	7	7	7	7	7	8
Capital: Upgrade Accessways/ Carparks	65	67	69	71	73	75	77	79	81	83
Capital: Planting	15	15	16	16	17	17	18	18	19	19
Capital: Walkway Development	80	82	85	87	90	92	95	97	100	103
Capital: Walkway Lighting	0	88	0	0	0	0	0	0	0	0
Renewals: Furniture	9	9	9	10	10	10	10	11	11	11
Renewals: Accessways/Carparks	14	15	15	16	16	17	17	18	18	19
Subtotal Capital Expenditure	191	284	202	208	213	219	225	232	238	244
Sports Parks										
Capital: Security Gates/ Bollards	20	21	21	0	0	0	0	0	0	0
Capital: Ruth Park Tennis Courts	0	0	0	218	0	0	0	0	0	0
Capital: Services	180	165	53	76	0	0	0	0	0	0
Capital: Rutherford Park Reserve	473	2,059	0	0	0	0	0	0	0	0
Capital: Victory Square	76	0	0	0	0	0	0	0	0	0
Capital : Southern Neale Park Toilet	150	0	0	0	0	0	0	0	0	0
Capital: Recycling Stations Saxton Field	0	10	0	0	0	0	0	0	0	0
Renewals: Furniture	25	21	21	16	17	17	18	18	19	19
Renewals: Services	42	43	45	46	47	48	50	51	52	54
Renewals: Netball Courts Resurface	20	185	37	0	0	0	0	0	0	0
Renewals: Travelling Irrigators	25	25	0	0	0	0	0	0	0	0
Capital: Tennis Lights	0	100	0	0	0	0	0	0	0	0
Capital: Greenmeadow Redevelopment	497	0	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	1,509	2,629	177	356	64	66	67	69	71	73
Total Capital Expenditure	6,210	9,764	3,384	2,555	2,558	2,589	2,660	2,733	2,808	2,885

Recreation and Leisure

Recreation and leisure in Nelson

With the long-term trend towards increasing inactivity and obesity, councils and other organisations see the many benefits to the community of more active, and therefore healthier, people. Council is involved in providing recreation and leisure opportunities through its provision of infrastructure such as footpaths and cycle ways, parks and open space, information, services, events and programmes. Recreation and leisure are defined broadly to include all passive and active pastimes that “refresh, occupy and entertain”.

Achievements and challenges

Links to other activities

Taking part in physical activities as well as enjoying leisure time is a significant and essential part of Nelson’s culture. Nelson has the highest proportion of residents in the country taking part in sport and recreation. Perhaps related to this, Nelson has the fewest smokers nationwide. Our health as a community is in part shaped by our surrounding environment. A healthy community is also more productive, with fewer people unable to work because of illness.

Council’s recreation and leisure activity therefore has strong links to, and overlaps with, other Council activities particularly:

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

Many community events run by Council, such as Broadgreen Rose Day, now include opportunities to be physically active such as the provision of the Way2Go activities trailer. Another example is the summer festival outdoor movies that have recently trialled providing active games for the crowd before the picture begins. The Lantern Spectacular includes a walk to the top of the Centre of NZ hill, and the Teddy Bears’ Picnic includes sporting activities for children and parents like tug of war and sack races.

Plans, strategies and policies

The range of Council’s recreation and leisure work includes planning, coordination, funding and the provision of facilities.

The Regional Physical Activity Strategy and Nelson Tasman Physical Activity Plan are funded by Sport and Recreation NZ (SPARC), on which this Council works with other interested organisations.

Regional Physical Activity Strategy

The regional strategy covers high level collaboration strategies for Buller, Tasman, Nelson, Marlborough and Kaikoura.



The Nelson Tasman Physical Activity Plan

The Nelson Tasman Physical Activity Plan has a local focus and lists specific goals and initiatives for this area. Council is one of several organisations implementing this plan with others including Public Health, Tasman Regional Sport Trust, SPARC, Tasman District Council, schools and recreation providers. The local plan covers issues such as health, active transport, inclusiveness and access, information sharing, open space, facility planning, education, volunteer support and links to related policies.

For example, the plan includes a goal of safe active transport options in all communities, with coordinated planning to develop a network of cycle and walking routes across Nelson. It includes objectives to establish a connected and effective network, and plan for physical activity opportunities to be embedded within land transport planning processes. Recommended actions include increased understanding of cycling and walking needs and collaboration with other agencies to address their specific needs.

In keeping with the objectives of the Plan, Council has provided the trial Women's Activator programme, the global football festival and support for specific ethnic minority communities.

Nelson City Physical Activity Fund

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

Community Assistance Policy

Council is currently reviewing its Community Assistance Policy, which provides grants and fixed-term contracts to community organisations who provide recreation and leisure services for residents.

Way 2 Go project

Way2Go is a Nelson-Tasman Active Communities project, which aims to increase the physical activity levels of the community – with a focus on those who are aware they should be more active, or want to get active, but currently are not. The overarching aim of the Way2Go programme is to break down barriers to physical activity by providing programmes and information about achievable physical activity and/or active recreation opportunities in local communities.

The Way2Go programme is coordinated through community venues in an effort to maximise the reach of the programme, and in recognition of the size and diversity of the Nelson/Tasman region. At present there are 10 different Way2Go hubs established throughout the region including Victory Community Centre, House44, The New Hub, Tahunanui Community Centre, Whakatu Marae in Nelson and Richmond, Motueka, Moutere Hills, Murchison, and Golden Bay Tasman District.

Way2Go is a collaboration between Nelson City and Tasman District Councils, Nelson Marlborough District Health Board, the Tasman Regional Sports Trust and the Nelson Bays Primary Health.

Community Facilities Plan

The draft Community Facilities Asset Management Plan was completed during 2006, and includes levels of service targets for Nelson's recreation facilities.

Regional funding forum

The Nelson and Tasman Councils also work together through their Regional Funding Forum to coordinate the funding and development of regional community recreation and leisure facilities, including the Theatre Royal and at Saxton Field. These are covered in more detail in the Community Facilities section.

Facilities provided

Nelson's Council-provided leisure and recreation facilities include the Trafalgar Centre, public libraries (covered in the Community Facilities section), the Waahi Taakaro golf course, play facilities and two swimming pools. Nelson opened a new skatepark in Neale Park in late 2008 to address a previous gap in provision of youth facilities. Sports grounds and parks are covered in the Parks and Open Space section.

Trafalgar Centre

The Trafalgar Centre is the region's largest indoor events venue catering for major arts, cultural, sporting and recreation events that attract large numbers of attendees. A \$7.4 million upgrade of the main stadium is scheduled for completion in March 2009, including improved acoustics, insulation and ventilation, new toilets and changing facilities, an increased floor space, flexible seating and stage area and additional storage areas. Further upgrade work is needed in the next five years including work on the west changing facilities, a new combined kitchen, an updated foyer and entranceway totalling approximately \$5.2 million.

Recreation activities supported at local events

Council support for recreation events in conjunction with festivals includes Rose Day, Isel in Bloom, Youth Council events, Bikewise Week, and support for Youth Week in May every year. Summer initiatives include the Summer Passport, provision of recreational activities at the beach and neighbourhood reserves through the Recreation Ambassador and In Your Neighbourhood programme, as well as events for youth for the arts festival and the New Year's Eve concert. Holiday programme support with Tasman District Council includes the Boredom Busters magazine, the children's Big Day Out and holiday workshop programme and funding for holiday programme providers. Council, with partner organisations like TDC and sponsors, also targets older people with the 'Mudcakes and Roses' magazine and dance parties twice a year.

Council’s recreation and leisure activities include:

- Recreation and reserves planning
- Trafalgar Centre
- Golf course (Waahi Taakaro, Maitai)
- Swimming pools (Riverside and Nayland)
- Natureland
- Recreation grants (community assistance funding)
- Coordinating and funding community programmes
- Community liaison – recreation
- Play facilities (playgrounds, youth park, skate park).

Why Council provides recreation and leisure opportunities

Council is involved in providing recreation and leisure opportunities, like other public goods, because the health, economic and community wellbeing benefits of passive and physical activity and leisure are shared by the whole community. Council is well-placed in terms of its expertise and role to coordinate community-wide physical activity initiatives, in collaboration with other organisations.

Council-provided recreation and leisure services for Nelson residents and visitors contribute to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through creating leisure, sports and living environments that provide for residents’ and visitors activities.</p>	<p>Residents’ survey results indicate approval of Council performance in the provision and management of recreation and leisure services.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through recreation activities that draw people to Nelson and provide work and healthy lifestyles.</p>	<p>Residents’ survey results indicate approval of Council performance in the provision and management recreation and leisure services.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Through providing recreation opportunities that maintain or build healthy communities.</p>	<p>Residents’ survey results indicate approval of Council performance in the provision and management of parks and open space.</p>
<p>A fun, creative culture We are proud of our creative local culture and regional identity.</p>	<p>Recreation pursuits are fun and give people a sense of belonging and wellbeing.</p>	<p>Residents’ and user surveys indicate approval of Council’s performance in providing appropriate mix of recreational opportunities Benchmarking against similar councils shows good performance.</p>

Relevant strategies, policies and plans

- Social Wellbeing Policy
- Regional Physical Activity Strategy (Top of the South)
- Nelson –Tasman Physical Activity Plan
- Community Facilities Asset Management Plan
- Community Assistance Policy (through its financial support for community groups including sporting and recreation groups)
- Parks and Reserves Asset Management Plan
- Heritage Strategy
- Positive Ageing Policy
- Sustainability Policy

Assumptions underlying Council's approach to recreation and leisure

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- Recreation and leisure services and facilities such as play facilities are assumed to be best and most efficiently provided collectively through Council rather than by private enterprise, as these are a public good.

Recreation and leisure assets and management

Council assets that provide venues and facilities to meet residents' and visitors' recreation and leisure needs include:

- Trafalgar Centre
- Waahi Taakaro golf course
- Nayland and Riverside pools
- Playgrounds and youth facilities
- Trafalgar and Rutherford parks, and other parks and reserves
- Cycle racks, cycle ways and footpath networks
- Heritage parks and houses, such as Melrose House

The need for additional assets is established through the Community Facilities asset management planning process. The total book value of Council's recreation and leisure assets was \$9.3 million as at 30 June 2008.

If there is a demand for a specific recreation programme, such as school holiday programmes, Council considers facilitating establishment of new programmes by working with existing or potential providers. Feedback through Council's annual residents' surveys provides some indication of demand for current or new events and programmes. Most recreation services are provided through responding to established needs, such as the Found directory (of community organisations including sports groups) that was set up in response to an obvious need.

Most capital expenditure and maintenance for this activity is for playgrounds, youth parks and the skate park, which are funded mainly through general rates. Renewal and replacement of recreation and leisure assets is set out in the Community Facilities Asset Management Plan.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Recreation and leisure facilities and services that meet the community's and visitors' needs.

What Council will provide	Measures	Targets	Current status	What we will do to achieve this
Natureland established as a high quality visitor attraction.	Visitor numbers.	Visitor numbers increase annually.	Visitor numbers static prior to the facility being leased to the Orana Wildlife Trust.	Continue funding in accordance with funding agreement.
Trafalgar Centre as a venue that continues to meet needs of the community and attract visitors.	Bookings.	Bookings increase annually.	Bookings for the newly refurbished Trafalgar Centre are promising.	Continue to promote the Trafalgar Centre as an important regional venue for a wide range of events.

Review of service levels

Service levels for recreation facilities are addressed through the Community Facilities Asset Management Plan process. Changes to targets and to levels of service overall are reviewed regularly to reflect any changes to the environment or community expectations.

In comparison with other communities of similar size, Nelson is providing comparable services.

Financial information for recreation and leisure

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

Recreation and Leisure

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(2,956)	(3,062)	(3,248)	(3,402)	(3,687)	(3,709)	(3,858)	(4,020)	(4,066)	(4,302)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(385)	(430)	(452)	(472)	(484)	(505)	(527)	(560)	(593)	(618)
Total Income	(3,341)	(3,491)	(3,700)	(3,874)	(4,172)	(4,213)	(4,385)	(4,579)	(4,660)	(4,920)
Expenses										
Operating and maintenance	2,332	2,422	2,566	2,625	2,831	2,871	3,022	3,217	3,300	3,464
Interest on loans	426	397	399	437	431	398	386	374	351	448
Depreciation	589	668	686	711	737	744	757	768	782	791
Total operating expenses	3,347	3,486	3,650	3,774	3,999	4,013	4,166	4,360	4,433	4,703
Operating (Surplus)/Deficit	6	(5)	(49)	(100)	(173)	(200)	(219)	(219)	(226)	(217)
Statement of funding requirement										
Funds required:										
Capital expenditure	960	728	1,129	1,453	509	523	549	625	680	4,184
Repayment of loan principal	204	305	393	352	1,393	518	509	498	504	578
Purchase of investment	90	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	5	5	5	5	5	5	5	5	5	5
Total Funds required	1,259	1,038	1,527	1,810	1,906	1,046	1,063	1,127	1,188	4,767
Source of funds:										
Net surplus/deficit	(6)	5	49	101	173	200	219	219	226	217
New loans raised	325	21	753	706	190	89	74	140	180	3,758
Transfer from reserve funds	338	331	25	281	795	0	0	0	0	0
Non cash expenditure	589	668	686	711	737	744	757	768	782	791
Sale of investment	13	13	13	13	13	13	13	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	1,259	1,038	1,527	1,810	1,906	1,046	1,063	1,127	1,188	4,767

Capital expenditure recreation and leisure

Recreation and Leisure

Trafalgar Centre	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Scissor Lift	0	26	0	0	0	0	0	0	0	0
Capital: Floor Scrubber	25	0	0	0	0	0	0	0	0	0
Landscape and Parking Improvements	0	0	0	0	0	172	59	61	62	0
Upgrade Kitchens	200	0	0	0	0	0	0	0	0	0
Upgrade Changing Rooms	50	0	0	0	0	0	0	0	0	0
Capital: Floor Protection Surface	35	36	0	0	0	0	0	0	0	0
Capital: Line Array & FOH Sound System	95	0	0	163	0	0	0	0	0	0
Renewal: Replace/Renew Screens	0	0	0	44	0	0	0	0	0	0
Renewal: Renew Roof	0	0	0	0	0	0	0	0	0	3,845
Subtotal Capital Expenditure	405	62	0	207	0	172	59	61	62	3,845

Golf Course

Capital: Upgrade Accessway	5	5	5	5	6	6	6	6	6	6
Capital: Services	35	36	37	16	17	17	18	30	31	19
Renewals: Furniture	5	5	5	5	6	6	6	6	6	6
Subtotal Capital Expenditure	45	46	48	27	28	29	30	42	44	32

Swimming Pools

	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Renewals: Minor Assets	80	82	85	87	90	92	95	97	100	103
Renewal: Nayland Sparge Pipe	35	0	0	0	0	0	0	0	0	0
Renewal: Nayland Pool Covers	20	0	0	0	0	0	0	0	0	0
Renewal: Landscaping	0	0	21	0	0	0	0	0	0	0
Heating and Ventilation	0	0	0	0	0	0	177	182	0	0
Pool Refurbishment	0	0	0	0	0	0	0	0	249	0
Refurbishment of Spa and Spa										
Room Nayland	0	36	0	0	0	0	0	0	0	0
Kitchen Refurbishment Nayland	0	21	0	0	0	0	0	0	0	0
Lane Ropes	0	12	0	0	0	0	0	0	0	0
Fence Replacement Nayland	0	0	0	0	0	46	0	0	0	0
Parking and Access Riverside	0	0	0	0	0	0	0	0	0	0
Capital: Riverside Signage	12	0	0	163	0	0	0	0	0	0
Capital: Riverside Learner Pool	0	0	191	0	0	0	0	0	0	0
Isolation of Pool Turnover - Nayland	0	0	0	163	168	0	0	0	0	0
Slides and Zero Depth Equipment -										
Nayland	0	0	21	22	22	0	0	0	0	0
Solar Heating for Riverside Showers	15	0	0	0	0	0	0	0	0	0
Solar Heating for Riverside Spa and										
Small Pool	0	10	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	162	162	318	436	280	138	272	279	349	103

Play Facilities

	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19
Capital: Playgrounds	100	99	106	109	112	115	118	121	125	128
Capital: Youth Park	0	206	0	0	0	0	0	0	0	0
Capital: Skatepark	34	0	530	545	0	0	0	0	0	0
Capital: Pump Track	15	0	0	0	0	0	0	0	0	0
Renewals: Play Equipment	200	154	127	131	90	69	71	121	100	77
Subtotal Capital Expenditure	349	459	763	784	201	184	189	243	225	205
Total Capital Expenditure	961	729	1,129	1,454	509	523	549	625	680	4,184



Community facilities

Nelson's community facilities

Community facilities are needed to ensure Nelson has a range of high quality places where services are provided and for a variety of uses by residents and visitors. These range from public toilets and camping grounds to the crematorium. A substantial number of individual facilities are included in this activity, such as the three public libraries and many community properties including local halls. Council's community facilities include:

- Public libraries
- Marsden cemetery and crematorium
- Public toilets
- Marina
- Community properties
- Motor camps (Tahunanui, Brook and Maitai)
- Community housing
- Regional Community Facilities

Achievements and challenges

Meeting a wide range of needs

Council has grouped very different kinds of properties to be managed together under this activity with a total book value of \$25.7 million as at 30 June 2008. What they have in common is that they are all physical properties owned by Council on behalf of the community for community use and the provision of community services in some form. Because public use of these facilities differs so widely, each group of facilities is addressed separately to set service levels and performance measures. Council considers what facilities are required for the whole community and supports projects and facilities provided by other organisations, for example the Victory School facilities, which are a community plus family hub.

Links with other activities

There are strong links between the community facilities activity of Council and recreation and leisure, parks and open space and social development. All these are concerned with enhancing community wellbeing through overlapping social, cultural, economic and environmental initiatives.

Performing Arts and Conference Centre proposed

One of the main facilities that our region is missing is a Performing Arts and Conference Centre (PACC). The need for a PACC has been discussed for many years and Council believes that a PACC is an important facility to enhance Nelson's economic and cultural wellbeing. Nelson Council proposes to build a PACC with an estimated cost of up to \$32.4 million, including \$4.2 million for land.

Council has provided \$5 million in the 2009/10 budget to cover the following work:

- Purchase of site
- Project management
- Beginning the preparation of detailed design work and costings

A further \$6.2 million is proposed for 2010/11 to call for tenders and start physical works and \$21.2 million in 2011/12 for the building and fit out. Council has also provided \$400,000 per annum from 2012/13 towards the operation of the facility and \$700,000 per annum for depreciation.

The project is still in the early stages of development and therefore there is only limited information that is available at this stage, but Council is committed to consult with the public on the project as it progresses.

Community Housing costs

Council owns 142 community housing units providing low cost housing for older persons with limited financial means. Council's policy is that community housing should be self-funding and not subsidised from rates. However for the last four years income from rents has not been enough to cover the running costs. The amount of the shortfall has varied from year to year, depending on maintenance costs.

After discussions on the submissions to the draft Nelson Community Plan, Nelson City Council has decided to hold community housing rents at the current level for the next year at least.

Council had notified residents in April of a proposed rent increase and feedback was sought on the proposed increase through the draft Nelson Community Plan consultation process.

Many of Council's community housing tenants and supporters placed submissions on the proposed rent increase and presented their concerns to Council at the Community Plan hearings last week.

After considering feedback and submissions, and the impact on ratepayers generally, Council resolved not to proceed with the proposal. This means there will now be no additional increase in the percentage of rent in the 2009/10 financial year, as had been proposed. Council's proposal would have seen an additional rise in rents from 25% to 30% of superannuation, on top of the Consumer Price Index increase.

Council will however, review the wider issues of its involvement in and management of community housing later this year.

Funding from central government

Council had applied to Housing New Zealand for funding to assist with redeveloping the Orchard Flats complex. The full amount requested was not granted and if Council were to proceed with the project the cost would have to be financed either through a very large increase in rents or by subsidies from general rates. Councils' preferred option, therefore, is not to proceed with the redevelopment of the Orchard Flats complex.

Why Council provides community facilities

Community facilities such as public libraries, cemeteries and public toilets are provided by councils around the country. Such facilities provide public benefits that need to be provided collectively, by councils on behalf of the community, rather than by private enterprise. Facilities such as the motor camps, marina and community housing are provided to meet a shortfall in services in the community – services that might otherwise not be provided, but that meet needs in the community. Some facilities are managed by Council for historic reasons, in that they were inherited from Council’s predecessors.

Council-provided community facilities for Nelson residents and visitors contribute to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through providing attractive and useful community buildings and places where community services can be delivered and developing partnerships with organisations such as the Victory Complex</p>	<p>Biodiversity Strategy implemented.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through providing venues for the delivery of community services that contribute to the wellbeing of the community, and that provide employment</p>	<p>Residents’ survey results indicate approval of Council performance in the provision and management of community facilities and open space.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Through supporting the community and meeting a wide range of community needs</p>	<p>Feedback from tourist sector indicates visitor approval of Council’s provision and management of community facilities. Economic indicators show trend towards increasing overnight stays by domestic and international visitors, although figures may reduce in the 2009/10 year as a result of the economic recession.</p>
<p>A fun, creative culture We are proud of our creative local culture and regional identity.</p>	<p>Through providing venues that support our local culture and identity</p>	<p>Residents’ and user surveys indicate approval of Council’s performance in providing appropriate mix of recreational opportunities. Benchmarking against similar councils shows good performance.</p>

Relevant strategies, policies and plans

- Nelson Public Libraries' Strategic plan
- Regional Facilities Plan
- Community Housing Policy
- Community Facilities Asset Management Plan
- Community Housing Asset Management Plan
- Positive Ageing Policy
- Sustainability Policy

Assumptions underlying Council's provision of community facilities

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to these Council activities include:

- Community facilities such as libraries, cemeteries, crematoria, public toilets, marinas, some motor camps, community housing and regional facilities are a public good. Therefore they are best and most efficiently provided collectively, through Council, rather than by private enterprise, and that this will continue for at least the next decade.
- That Regional Facilities will be funded in line with the current Regional Funding Forum recommendations. If the non-Nelson City Council component of total estimated funding is not raised, indicated projects might not proceed.
- The estimates for this activity do not provide for running costs or depreciation for new regional community facilities completed after 2012/13, as it is not yet known who will run the assets or who will be responsible for maintaining them.

Managing the negative effects of community facilities

The development and use of major regional community facilities can lead to significant temporary changes in traffic flows during major events, and can negatively impact on adjoining residents. This is managed by requiring traffic management plans for major events and adopting best practice in their management.

Community facility assets and management

The main assets associated with community facilities are outlined for each facility, below.

Council plans to undertake significant development of community facilities over the next ten years, which will be managed according to relevant asset management plans. Additional assets already identified include:

Public libraries

The Stoke Library needs reviewing because of increasing population projections. There is currently inadequate space within the building and an overall lack of room on the current site for future expansion. It has been established that building on top of the existing building is not possible. Elma Turner Library in central Nelson is expected to run out of room soon. This Plan includes \$4.7 million in 2015/16 to extend the Library into the adjacent building.

Regional facilities

Trafalgar Park

Consultation for this regional facility took place in September/October 2008. Council has decided to spend \$5.9 million on this upgrade and is applying to Central government for up to \$1.5 million to undertake additional work.

Brook Sanctuary

Brook Sanctuary Fence contribution of \$150,000 in 2009/10 and \$875,000 in 2010/11.

Saxton Field

Proposed developments over the next ten years include:

TOILET AND MAINTENANCE FACILITIES.

CRICKET/ATHLETICS PAVILION design and planning work in 2009/10 costing \$0.75 million.

THE HOCKEY/SOFTBALL PAVILION in 2009/10 \$2.0 million with \$568,000 contributed by the Tasman District Council and \$450,000 from the users of the facility.

THE CRICKET/ATHLETICS PAVILION to be built in 2010/11 costing \$3.3 million with \$1.056 million contributed by the Tasman District Council and \$660,000 from the users of the facility. This project was originally proposed to be undertaken in 2010/11 but will be brought forward to 2009/10 if funding from the Tasman District Council and users can also be brought forward.

A NEW CYCLING TRACK to replace the one at Trafalgar Park in 2014/15 costing \$1.4 million with \$441,000 by the Tasman District Council and \$276,000 from the users of the facility.

Managing demand for community facilities

Demand for most community facilities comes from increased population, or from changing use patterns in the existing population.

The following methods to manage demand are used for each type of facility:

Public toilets

Demand is assessed based on population size, the rate of population increase, and visitor numbers. Demand is also assessed based on national use-per-capita baselines.

Marina

Demand is assessed and managed through feedback from users, the amount of available space and cost.

Public libraries

Indicators of demand for the libraries include number of items loaned, customer counts and number of pages viewed for electronic media. Nelson Public Libraries collect information on the number of registered library customers as a percentage of the population (currently over approximately 80%).

Marsden cemetery and crematorium

Council has to meet the demand, which is a function of the population size, the rate of population increase and death rates.

Community properties

Demand for community properties for community groups exceeds the supply, so it is managed through waiting lists. Use of halls is managed to some extent by pricing and bookings, which also gives information on demand.

Motor camps

Demand is assessed by camp managers, based on past use and feedback from users and residents' surveys. Demand is managed primarily by pricing.

Community housing

Demand exceeds the available community housing stock, so waiting lists and criteria are used to manage community housing. Pricing is set to cover costs, not including upgrading.

Regional facilities

Demand is assessed based on regional population size, the needs of the community, the rate of population increase, visitor numbers and comparison of statistics from similar regions. Demand is managed through the Regional Funding Forum process and consultation with the public before final decisions are made by Council.

Funding new assets

Council funds its share of new community facilities from general rates and financial contributions. Regional facilities such as the sports stadium at Saxton Field are reviewed by the Regional Funding Forum, that recommends to the two Councils a funding split based on the location of the facility and the potential numbers of users of the facility. Those groups and individuals that use facilities are required to also raise funds to contribute to their provision.

Service levels – what Council proposes to provide, measures, options and costs

Goal

Community facilities that provide venues for the delivery of community services.

What Council will provide	Measures	Targets	Current status	What we will do to achieve this
Well-managed facilities with appropriate services for a variety of uses by the community.	Residents survey.	Minimum of 80% satisfaction with facilities.	Well-patronised range of community facilities.	Continue funding for current facilities and develop new ones e.g. Performing Arts and Conference Centre, as necessary to meet community needs.
Nelson Public Libraries are well used and offer a range of services that satisfy the needs of the community.	Membership figures. Issues per capita compared to national average*. Holdings per capita compared to national average. Residents survey.	Membership as a % of population equals or better the national average. Items per capita and holdings per capita equal or better national average. 85% minimum satisfaction with libraries.	Library membership is 78.5% compared to national average of 54.5%. Issues per capita are 20.75 compared to national average of 13.79. Holdings per capita are 3.52 compared to national average of 3.09. Resident satisfaction 92% (2008).	Implement Nelson Public Libraries Strategic Plan.
Provide low cost, self-funding community housing for older persons.	Condition assessments. Cost to rates.	Community housing maintained to a level 3 (average) standard and at no cost to rates.	Currently community housing rents do not cover maintenance and operations. Some units not at a level 3 standard.	Review the community housing policy and develop an affordable housing policy that provides a better framework in which to operate community housing.

National average figures are for Level 2 library services that are of a comparable size to the Nelson public library service.

Review of service levels

The Community Facilities and Community Housing Asset Management Plans include an assessment of current and future service levels. Future reviews will include discussions with users of the facilities and comparison of services provided by other Councils. Some levels of service are influenced by outside standards, for example the upgrade of Trafalgar Park needs to meet the national New Zealand Rugby Union Premier grade facilities level if premier division games are to be held in Nelson. Changes to targets and to levels of service overall are reviewed regularly to reflect any changes to the environment or community expectations.

Public libraries

Nelson Public Libraries continue to attract a high proportion of users, with approximately 80% of residents registered as library customers in 2008. Council built an extension to the main Elma Turner Library in 2005 to meet the increasing space needed to cater for a greater population and changing customer demands. It is anticipated that this will be sufficient to meet demand in the medium term, but an extension costing \$4.7 million is planned for 2015/16.

New areas for library services include provision for the aged, youth, recreation and audio collections, user education and electronic services.

Cemetery and crematorium

The Marsden Cemetery is Nelson's main cemetery. Some burials still occur at the Wakapuaka, Hira and Seaview Cemeteries.

Public toilets

Council has public toilets in Stoke, Tahunanui and central Nelson. Residents' surveys provide feedback on the adequacy of facilities.

Marina

The Council proposes to develop a large vessel berth at the marina over 2009-2011. This activity is funded from Marina charges and therefore there is no impact on rates.

Community properties

Council provides community halls in Stoke and Wakapuaka. In addition, Council provides accommodation for a number of community organisations in a range of community properties throughout the city. Service levels are reviewed for those with facility users.

Motor camps

The Brook Motor Camp and Tahuna Beach Holiday Park are leased from the Council and run by Tahuna Beach Camp Inc. The Maitai Camp is leased out to other lessees. Every Christmas and New Year the Maitai Camp is operated as a youth camp as part of the Council's Safe Summer initiative. Leases and staff monitor and review service levels.

Financial information on community facilities

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

Community Facilities

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(5,735)	(6,018)	(7,336)	(9,344)	(10,237)	(11,237)	(11,568)	(11,994)	(11,987)	(12,284)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(8,006)	(3,068)	(3,227)	(3,759)	(3,377)	(4,196)	(3,580)	(3,684)	(3,793)	(3,912)
Total Income	(13,741)	(9,087)	(10,563)	(13,103)	(13,614)	(15,433)	(15,148)	(15,678)	(15,780)	(16,197)
Expenses										
Operating and maintenance	5,344	5,979	5,211	6,040	5,940	6,227	6,435	6,515	6,792	6,938
Interest on loans	1,701	2,291	3,044	3,760	4,097	4,384	4,564	4,718	4,549	4,437
Depreciation	1,198	1,304	1,563	2,262	2,304	2,517	2,591	2,639	2,691	2,752
Total operating expenses	8,243	9,574	9,818	12,062	12,341	13,129	13,589	13,872	14,032	14,127
Operating (Surplus)/Deficit	(5,498)	488	(745)	(1,040)	(1,273)	(2,304)	(1,559)	(1,806)	(1,748)	(2,070)
Statement of funding requirement										
Funds required:										
Capital expenditure	21,858	9,497	22,596	3,868	9,189	2,748	6,162	1,662	2,212	3,722
Repayment of loan principal	213	666	1,532	2,378	2,046	2,902	2,973	3,089	2,967	3,583
Purchase of investment	1,200	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	28	102	118	113	109	104	99	93	87	80
Total Funds required	23,299	10,266	24,246	6,359	11,344	5,754	9,234	4,844	5,266	7,385
Source of funds:										
Net surplus/deficit	5,498	(488)	746	1,041	1,272	2,303	1,559	1,806	1,748	2,069
New loans raised	15,915	8,211	21,537	2,654	7,765	931	5,083	398	824	2,562
Transfer from reserve funds	19	179	0	0	0	0	0	0	0	0
Non cash expenditure	1,198	1,304	1,563	2,262	2,304	2,517	2,591	2,639	2,691	2,752
Sale of investment	0	400	400	400	0	0	0	0	0	0
Sales of assets	670	661	2	2	2	2	2	2	2	2
Total source of funds	23,299	10,266	24,246	6,359	11,344	5,754	9,234	4,844	5,266	7,385

Capital expenditure community facilities

The capital expenditure is partly offset by the other revenue, which is mostly contributions from Tasman District Council, sponsors and users of facilities. The New Loans Raised line shows the net new Nelson City Council borrowing for this activity.

Community Facilities

Elma Turner Library	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Library Extension	0	0	0	0	0	0	4,725	0	0	0
Capital: New Plant & Equipment	20	21	21	468	22	23	24	24	25	26
Renewals: Computers	20	170	21	22	22	23	24	24	25	26
Capital: Furniture & Equipment	18	14	15	15	16	16	17	17	17	18
Renewals: Furniture & Fittings	12	18	13	13	13	14	14	15	15	15
Book Purchases	331	329	329	360	370	380	391	402	413	424
Books: Donated	4	4	5	5	5	5	5	5	5	6
Book Purchases: Periodicals	24	25	27	26	26	27	28	29	30	30
Capital: Audio	39	30	31	32	33	34	34	35	36	37
Subtotal Capital Expenditure	468	611	461	941	508	522	5,262	551	566	582

Stoke Library

Library Refurbishment	0	137	0	0	0	0	0	0	0	0
Library Extension	0	0	0	0	0	0	0	0	0	1,769
Purchase Furniture & Fittings	7	4	4	8	8	8	8	8	9	9
Subtotal Capital Expenditure	7	141	4	8	8	8	8	8	9	1,777

Nightingale Library

Library Fitout	0	0	0	169	0	0	0	0	0	0
Capital : Furniture & Fittings	3	3	3	3	3	3	3	3	3	3
Subtotal Capital Expenditure	3	3	3	172	3	3	3	3	3	3

Marsden Cemetery	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Ash Beams/Wall	75	77	21	0	22	0	24	0	25	0
Capital: Burial Plot Beams	38	21	0	22	0	23	0	24	0	3
Capital: Block 25 Parking Area	40	0	0	0	0	0	0	0	0	0
Capital: New Natural Burials Area	20	82	0	0	0	0	0	0	0	0
Capital: Minor Development	5	5	5	5	6	6	6	6	6	6
Renewals: Furniture	3	3	3	3	3	3	3	3	3	3
Renewals: Accessways/Carparks	10	10	11	11	11	11	12	12	12	13
Subtotal Capital Expenditure	191	198	40	41	42	43	44	46	47	25

Crematorium

Capital: Building Upgrade	12	0	0	0	0	0	0	0	0	0
Renewal: Pew Refurbishment	0	15	0	0	0	0	0	0	0	0
Capital: Installation of Sound System	5	0	0	0	0	0	0	0	0	0
Seismic Evaluation/Strengthening	1	0	0	0	0	0	0	0	62	64
Subtotal Capital Expenditure	18	15	0	0	0	0	0	0	62	64

Public Toilets - Free

Refurbishment Buxton Toilet	30	309	0	0	0	0	0	0	0	0
Increase Capacity Millers Acre	0	0	0	131	0	0	0	0	0	0
Toilet Renewals Program	0	41	42	44	45	46	47	49	50	51
Subtotal Capital Expenditure	30	350	42	174	45	46	47	49	50	51

Public Toilets - Charge

Solar heating	7	0	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	7	0	0	0	0	0	0	0	0	0

Community facilities

Marina	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Akersten St Development	401	0	0	0	0	0	0	0	0	0
Capital: Large Berths Design	50	759	0	0	0	0	0	0	0	0
Capital: Large Berths dredging	1,000	0	0	0	0	0	0	0	0	0
Capital: Toilet/Shower Facilities	350	0	0	0	0	0	0	0	0	0
Capital: Minor Development	30	31	32	33	34	34	35	36	37	38
Relocation of Rowing/Scouts	0	0	0	0	2,238	0	0	0	0	0
Maitai Extension - Assessment	0	0	0	0	0	0	0	0	187	0
Foreshore Redevelopment	0	206	0	0	0	0	0	0	0	0
Renewals: Furniture	8	8	8	9	11	11	12	12	12	13
Renewals: Services	20	21	21	22	22	23	24	24	25	26
Public Boat Ramp Jetty Upgrade	40	0	0	0	0	0	0	0	0	0
Torsion Bar Replacement (A & B										
Pontoons)	351	334	172	176	151	166	191	262	269	231
Power Upgrade (Three Phase)	0	41	0	44	0	0	0	0	0	0
Landscape Improvements	20	21	21	0	0	0	0	0	0	0
New Signage System	15	15	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	2,285	1,436	254	283	2,456	235	262	335	531	308

Stoke Hall	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Renewal: Seating and Storage	0	0	21	16	0	0	0	0	0	0
Capital: Security System	5	12	0	0	0	0	0	0	0	0
Capital: Re-landscaping	0	0	0	0	11	0	0	0	0	0
Capital: Seismic Evaluation	0	0	0	0	0	0	0	61	62	64
Subtotal Capital Expenditure	5	12	21	16	11	0	0	61	62	64

Community Properties	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Renewals: The Hub: Seismic	0	0	0	0	0	0	0	0	249	0
Strengthening										
Renewals: 3 Halifax Seismic	0	0	0	0	0	0	0	0	0	256
Strengthening										
Subtotal Capital Expenditure	0	0	0	0	0	0	0	0	249	256

	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Wakapuaka Recreation Centre										
Capital: New Signage	4	0	0	0	0	0	0	0	0	0
Renewal: Seating and Storage	0	0	11	16	0	0	0	0	0	0
Capital: Re-Landscaping	0	0	0	0	28	0	0	0	0	0
Renewal: New Key System	6	0	0	0	0	0	0	0	0	0
Capital: Seismic Strengthening	0	0	0	0	0	0	0	61	62	0
Subtotal Capital Expenditure	10	0	11	16	28	0	0	61	62	0
Maitai Camp										
Solar Heating for Showers	0	11	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	0	11	0	0	0	0	0	0	0	0
Community Housing										
Renewals	78	84	89	96	102	109	117	125	133	142
Subtotal Capital Expenditure	78	84	89	96	102	109	117	125	133	142
Saxton Field Capital Works										
Cricket/Athletics Pavillion	3,300	0	0	0	0	0	0	0	0	0
Cricket Practice Strips	150	0	0	0	0	0	0	0	0	0
Capital: Saxton Aerial Site	0	0	0	1,089	0	0	0	0	0	0
Capital: Saxton Field Development	540	360	371	381	392	402	413	425	437	449
Saxton Field Toilet, Maintenance	990	0	0	0	0	0	0	0	0	0
Shed	0	0	0	0	0	0	0	0	0	0
Cycling Track	50	0	0	0	0	1,380	0	0	0	0
Soccer Fence	0	0	0	0	0	0	0	0	0	0
Walkways/Cycleways	0	100	103	106	0	0	0	0	0	0
Softball All Weather Diamond	350	0	0	0	0	0	0	0	0	0
Hockey/Softball Pavillion	2,000	0	0	0	0	0	0	0	0	0
Contingency for Unspent Capital Expenditure	(2,000)	0	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	5,380	460	474	1,576	392	1,782	413	425	437	449

Community facilities

Regional Community Facilities	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Saxton Field Stadium	507	0	0	0	0	0	0	0	0	0
Performing Arts Centre	5,000	6,177	21,197	0	0	0	0	0	0	0
Capital Traf Centre West Side	470	0	0	0	0	0	0	0	0	0
Capital: Traf Centre North End Plan	0	0	0	545	5,595	0	0	0	0	0
Trafalgar Park	7,400	0	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	13,377	6,177	21,197	545	5,595	0	0	0	0	0
Total Capital Expenditure	21,958	9,497	22,597	3,867	9,189	2,748	6,157	1,663	2,212	3,722

A Strong Economy



We all benefit from a sustainable,
innovative and diversified economy.

Economic and tourism support

Council support for Nelson economic development

Council supports economic development in Nelson by providing the economic environment and infrastructure so businesses can operate effectively. Other Council services include staff advice, information and assistance for elected members and the community. Council coordinates economic development initiatives by funding the activities of Council-controlled agencies such as the Nelson Regional Economic Development Agency and Tourism Nelson Tasman Ltd, which trades as Nelson Tasman Tourism based in the Nelson visitor information centre.

The Nelson Regional Economic Development Agency (EDA)

Council established the EDA in 2004 and provides its base operating funding with Tasman District Council. The EDA Statement of Intent (SOI) sets out its goals and performance measures for the current financial year. The purpose of the EDA includes: “to coordinate, promote, facilitate, investigate, develop, implement, support and fund initiatives relating to economic development, employment growth and improved average incomes within the Nelson region for the benefit of the community”.

Major projects of the EDA include implementing the Work Force Development Strategy. The work of the EDA is an example of Nelson City Council and Tasman District Council working together for the benefit of the wider region.

Nelson Tasman Tourism

Council part-funds Nelson Tasman Tourism, which it jointly owns with Tasman District Council. Its goals and performance measures for the current financial year are set out in its Statement of Intent (SOI). This plan provides for continuation of existing funding through the general rate, adjusted by the Consumer Price Index each year.

Central city, regional and international support

Council also provides funding to support the activities of the Uniquely Nelson central city business coordinator and funds Nelson Event Strategy implementation.

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

The Millers Acre Centre, Taha o te Awa opened in 2005 and is owned by the Council. This Trafalgar Street building houses the Nelson Regional Visitor Information Centre and Nelson Tasman Tourism offices. It is an economic/business development one stop shop with tenants including the EDA, Nelson Tasman Business Trust and NZ Trade and Enterprise.



Council’s economic and tourism support activity includes:

- Economic development
- Tourism support through Tourism Nelson Tasman Ltd.

Why Council supports Nelson’s economic development

Council recognises that Nelson businesses need the right economic environment to flourish, and that a focus on developing smart sustainable businesses benefits everyone living in and visiting the area. A strong economy also depends on having sound and reliable infrastructure, much of which is provided by the Council.

Council support for economic development contributes towards achieving these Community Outcomes:

Outcomes/goals	How the activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy</p>	<p>Through supporting organisations such as the Regional Economic Development Agency and Nelson Tasman Tourism and providing reliable infrastructure for businesses</p>	<p>EDA and Nelson Tasman Tourism meet or exceed their Statement of Intent targets.</p>
<p>Good leadership Our leaders are proactive, innovative and inclusive</p>	<p>Through monitoring and facilitating economic activity and advocating for Nelson economic development with central government</p>	<p>Feedback from residents indicates approval of Council’s performance in supporting economic development.</p>

Relevant strategies, policies and plans

- Regional Economic Development Strategy
- Nelson Regional Economic Development Agency Statement of Intent
- Tourism Nelson Tasman Ltd Statement of Intent
- Event Strategy.

Assumptions underlying Council's support for economic development

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- Economic development and tourism support activities of Council are most efficiently managed by external agencies, under the overview of Council, rather than being undertaken in-house.

Economic development assets

Council does not maintain any assets directly for economic development. Council built, owns and administers the Millers Acre Centre, Taha o te Awa, as the focus for the region's economic/business development agencies and visitor information services. This is managed separately according to Council's property investment policy, which is set out in Volume 2.

Service levels – what Council proposes to provide, measures, options and costs

Rugby World Cup participation

The Council has negotiated with Rugby New Zealand 2011 Ltd to actively participate in the Rugby World Cup (RWC). The proposal includes hosting 2 matches, a team(s), providing a festival of rugby and a fan zone. \$1.6 million has been included in this plan over a three-year period to enable this to happen. However, the final cost will depend on the mix of activities the Council are involved in. It should be noted that any allocation of matches by Rugby New Zealand 2011 to Nelson is conditional on the upgrade to Trafalgar Park being completed. This plan confirms funding for the required upgrade to the Park. Council is also applying to Central Government for up to \$1.5 million for the upgrade. This is additional to the \$5.9 million being provided by Council.

Rugby New Zealand 2011 Ltd announced the allocation of matches in March and Nelson was successful in hosting two pool matches. Whether or not a team has been allocated to the region will be known late 2009/early 2010.

Actively participating in the Rugby World Cup provides Nelson with a range of opportunities including providing residents with an outstanding and memorable RWC experience, showcasing Nelson to the world, maximising media exposure to the region, having a positive impact on the regional GDP as well as long term marketing and revenue generation potential.

Event Strategy

Council provides up to \$400,000 per annum towards events which bring economic benefits to Nelson City. The criteria for funding events are:

- Economic impact
- Impact on Nelson’s external profile
- Impact on seasonality (emphasis on shoulder season: April – mid October, pre Labour Weekend)
- Distinctive
- Impact on Nelson’s target markets
- Impact on environment
- Evidence of Lead Agent capabilities
- Future impact/visibility

Assessment of the first applications for these funds was in February 2009.

Our Goal

A strong, sustainable, innovative and diverse local economy that benefits all residents

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

Review of service levels

Changes to targets and to levels of service overall are reviewed regularly to reflect any changes to the environment or community expectations. Each agency sets out its performance targets in its annual Statement of Intent, which is approved by Council.

General economic indicators are also monitored by Council as part of the Top of the South Indicators project, which is explained in Appendix 3. While most of the drivers of economic wellbeing lie outside the influence of Council, the indicators are used to monitor the region's economic wellbeing to guide policy decisions.

Financial information on economic and tourism support

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

There is no capital expenditure directly associated with Council's economic development support.

Economic and Tourism Support

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(1,341)	(1,581)	(2,410)	(1,302)	(1,338)	(1,415)	(1,413)	(1,452)	(1,535)	(1,533)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	0	0	0	0	0	0	0	0	0	0
Total Income	(1,341)	(1,581)	(2,410)	(1,302)	(1,338)	(1,415)	(1,413)	(1,452)	(1,535)	(1,533)
Expenses										
Operating and maintenance	1,341	1,581	2,410	1,302	1,338	1,415	1,413	1,452	1,535	1,533
Interest on loans	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0
Total operating expenses	1,341	1,581	2,410	1,302	1,338	1,415	1,413	1,452	1,535	1,533
Operating (Surplus)/Deficit	0	0	0	0	0	0	0	0	0	0
Statement of funding requirement										
Funds required:										
Capital expenditure	0	0	0	0	0	0	0	0	0	0
Repayment of loan principal	0	0	0	0	0	0	0	0	0	0
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	0	0	0	0	0	0	0	0	0	0
Total Funds required	0	0	0	0	0	0	0	0	0	0
Source of funds:										
Net surplus/deficit	0	0	0	0	0	0	0	0	0	0
New loans raised	0	0	0	0	0	0	0	0	0	0
Transfer from reserve funds	0	0	0	0	0	0	0	0	0	0
Non cash expenditure	0	0	0	0	0	0	0	0	0	0
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	0	0	0	0	0	0	0	0	0	0

Kind, Healthy People



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

Managing emergencies and natural hazards

Civil Defence Emergency Management in Nelson and Tasman

Councils have always had an important role in assisting their communities to cope with emergency events. Following changes to the law, including the Civil Defence Emergency Management Act 2002, this role has increased. Not only do councils have key responsibilities because of the essential infrastructure and services they provide, they are also obliged to improve the community's awareness of how to prepare for a disaster, and how to recover afterwards. Council staff are trained to operate an emergency operations centre (EOC) in the event of a disaster.

The full emergency management service provided by the Council, with other members of the Civil Defence Emergency Management Group (CDEMG), is set out in the current Nelson Tasman Civil Defence Emergency Group Plan. Nelson City Council contributes around \$180,000 every year as its share towards operating and maintaining the levels of service stated in the Plan.

The group's staff is based out of the Trafalgar Centre in Nelson, administered by the Nelson City Council, but their responsibilities cover the wider Nelson Tasman region.

Achievements and challenges

The physical setting and population characteristics of Nelson mean it is exposed to a wide range of natural and human-caused hazards. The former include tsunami, earthquake, fire, and flooding. Human-made/technological hazards include pests, diseases, hazardous substances, infrastructure failure, transportation accidents and criminal acts.

Risk is assessed as a function of likelihood and consequences. There is an accepted Australia New Zealand risk management standard that applies to prioritise hazards and determine what needs to be done to manage them. Under this framework, the highest priorities in terms of seriousness, manageability and growth for Nelson and Tasman are:

- Earthquake
- Storm surge
- Biological pests and new organisms
- Tsunami
- Communicable disease outbreak
- Flooding
- Bushfires

Floods and earthquakes

Floods are the most commonly occurring major natural hazard, but tend to be localized. All of Nelson's population is at risk from earthquake hazards. The probability of a major earthquake, of



magnitude MM8 or higher, from any source affecting this region, is at least 40% in the next 50 years. MM8 is a measure of damage caused by an earthquake, not its force as measured by the Richter scale. Refer to the Glossary for a full definition.

Influenza

In 2006, the possibility of a global influenza pandemic first emerged. Planning undertaken since then is now being implemented as we respond to a the A(H1N1) influenza pandemic declared by the World Health Organisation beginning of June. The District Health Board is the lead agency but Civil Defence Emergency Management has a major role in coordinating the non-Health response, such as community welfare.

Our vision

The vision for Civil Defence Emergency Management in Nelson and Tasman is:

“A resilient Nelson Tasman community”.

A resilient community is ready for emergencies and has the knowledge, skills and resources to respond to and recover quickly from an emergency.

Working with regional partners

Issues and challenges faced by Council include the need for major emergencies to be managed at a regional level. Council’s planning and systems must therefore be aligned with all other organisations with responsibilities for emergency management. Others involved include the emergency services, defence forces, iwi, social services, engineers, volunteer radio groups, industry, government agencies such as MSD, DOC and MAF, media, scientific and technical advisors, works contractors, private health care organisations, the transport sector, building sector, banking and food retail sector.

Ageing population and poverty

The population profile shows numbers of older residents increasing at a greater rate in Nelson than the national average. This has consequences for our community’s resilience. In addition, areas of high deprivation, primarily through income disparities, are particularly vulnerable in the event of an emergency.

Maintaining critical infrastructure

The reliability of the region’s infrastructure is critical to the recovery following a disaster. It is therefore essential that Council’s roads, water supply, waste water systems and other essential ‘lifelines’ be well planned to maintain services. Transport links into the region are vulnerable and isolated communities risk being cut off from essential supplies and services.

The regional spend

Nelson region spends less per capita on civil emergency preparations than most other councils nationally. In 2008, Nelson and Tasman councils contributed approximately \$2.72 per resident towards managing civil emergencies and natural hazards. Most other councils spend within the range of \$3.50-\$8 per capita. This plan proposes additional funding towards provision of training of key people involved in providing civil defence support.

Council's civil defence and emergency management work includes:

- Rural fire control
- Civil defence

Council contributes funds to the Waimea Rural Fire Committee, which is primarily responsible for rural fire prevention and suppression. Its stakeholders include Tasman Bay Forests Ltd, Tasman District Council, Nelson City Council, and the Department of Conservation. The Rural Fire Network is contracted to manage rural fires, carrying out a similar role to CDEM. It is a stand-alone organisation that provides training, equipment, fire permitting, lookout, prevention and rural fire coordination services to the Waimea Rural Fire Committee.

The Lifelines project covers essential ('lifeline') utilities, like radio, television, roads, ports, electricity networks, water and wastewater systems, and communications. These services are critical to the functioning of the region and utility managers have specific duties under the Civil Defence Emergency Management Act 2002. Every lifeline utility must, among other things, plan for and ensure it is able to function, albeit at a reduced level, during and after an emergency. The Council contributes \$5000 a year towards building this capability.

Why Council is involved in civil defence and emergency management

Council provides emergency management services because it is expected to do so by the public, as well as being required to by legislation, and because it provides a range of essential services such as infrastructure that are central to emergency management.

Regional goals

There are three goals for the region's approach to emergency management. These are aligned with the National Civil Defence and Emergency Management Strategy:

Reduction of possible impacts

Some impacts can be reduced through effective building controls, for example making buildings earthquake safe, resource management by avoiding building on a flood plain and minimum floor heights, effective border controls, additional capacity in

infrastructure, secure location of critical services and simple mitigation measures like securing equipment to walls.

Readiness

Council and the Civil Defence Emergency Management Group recognize that individuals and communities are ultimately responsible for their own safety in the event of an emergency. A major emergency event quickly overwhelms emergency services, so a period of self-reliance has to follow. Residents must be prepared to look after themselves and their immediate neighbours for up to three days – or even longer – after an emergency, depending on the event. Therefore residents need to understand the risks faced and be prepared so they know what to do to reduce risk and to help themselves and others in an emergency. Council’s 2005 residents’ survey showed that around 40% of the population does not have any plans in place to cope after an emergency. Council will continue to encourage households to increase their preparations for an emergency.

Response and Recovery

When an emergency occurs, the council has a clear statutory duty to ensure that there are suitably trained people and the necessary resources available to adequately respond to that event. That includes people, buildings and technology. Establishing a strong Recovery Plan and a structure to support that recovery is a vital Council responsibility.

Aligned with our partners’ goals

Emergency management is aligned not only with the Nelson’s Community Outcomes, but also the goals of other organisations that are involved, particularly Tasman District Council, Ministry of Social Development, the NZ Fire Service, the NZ Police and Nelson Marlborough District Health Board.

There are links to all six of Nelson’s Community Outcomes, but particularly:

Outcome/goal	How this activity contributes to achieving this goal	How we will know when we are making progress towards our goal
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community</p>	<p>Through developing a resilient community, able to cope with disasters or emergencies</p>	<p>Expert assessment of emergency management systems indicates the region could cope adequately with a major disaster.</p>
<p>Good Leadership Our leaders are proactive, innovative and inclusive.</p>	<p>Through training and proactive systems which enable quick response in the end of an emergency</p>	<p>Expert assessment of emergency management systems indicates the region could cope adequately with a major disaster.</p>

Relevant strategies, policies and plans

The Nelson Tasman Civil Defence Emergency Group Plan

The Nelson Tasman Civil Defence Emergency Group Plan contains further detail on emergency management. That Plan is required by legislation, and is aligned with the National Civil Defence Emergency Management Strategy. The plan's purpose is to enable the effective and efficient management of matters of risk reduction, preparedness, response and recovery activities across Nelson Tasman.

The Plan aims to strengthen working relationships between the agencies involved in emergency management and to encourage cooperative planning and action. It demonstrates commitment to deliver more effective emergency management through a five-year work programme. Council will report on the key priorities for this work programme in its annual reports.

The Nelson Regional Policy Statement

The Nelson Regional Policy Statement also sets out Council's approach towards threats to life, property and the environment caused by natural hazards. Council investigates these threats, and ensures their mitigation as required by the Regional Policy Statement.

Assumptions underlying Council's approach to providing emergency management

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to this Council activity include:

- Risk is assessed according to the accepted Australian NZ risk management standard 4360 to prioritise hazards and determine what needs to be done to manage them.
- Residents have to be prepared to look after themselves for up to three days following an emergency.
- The probability of an intensity MM8 earthquake affecting the region is at least 40% in the next 50 years, and 65% in the next 100 years.

Managing the negative effects of providing an emergency management service

- Council acknowledges that in a civil emergency situation, actions might need to be taken to protect life and property that could have short or longer-term effects on the environment. These are addressed in the Resource Management Act, including sections 18 and 330 where certain emergency works are allowed in order to take preventative or remedial action.

Emergency management assets and management

Assets

Compared with most other Council activities, emergency management has few dedicated capital assets. Assets contributed by the Nelson and Tasman councils include skilled staff, a volunteer Urban Search and Rescue Team (NZ-RT2), communications equipment, a group emergency operation centre (EOC) at Civic House in Nelson with an alternative in the main chamber in the Tasman District Council building in Richmond. There are three Local Co-ordination Centres in Golden Bay (Takaka), St Arnaud (Department of Conservation) and in Murchison.

Most of the investment is in skilled staff who are able to establish and run emergency operations centres in the event of a natural or other type of emergency.

Demand Management

Demand for emergency management services is managed according to the Nelson Tasman Emergency Management Group Plan. There are two distinct levels of service in relation to the management of emergencies:

- The baseline staffing and assets to ensure preparedness for emergencies, currently 2.8 FTE (full-time equivalent) staff for the Nelson Tasman region; and
- The full staffing structure, resources and facilities that would be required in the event of a major civil emergency. This could involve large numbers of staff from many organisations who would be transferred from other duties.

The Nelson Tasman Emergency Group is responsible for ensuring the maintenance, renewal and replacement of assets, according to its Emergency Group Plan.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

A resilient Nelson Tasman community.

What Council will provide	Measures	Targets	Current status	How we will do this
Sustainable communities – able to understand and reduce vulnerability to emergencies	Adequate hazard and risk information for Civil Defence Emergency Management (CDEM) planning.	Regional Hazard Analysis conducted in 2005 – identified gaps in knowledge	Regional Hazard Analysis to be reviewed as part of review of the Nelson Tasman CDEM Group Plan (see below for cost) to be undertaken 2009/10.	
Communication with the community	Public preparedness for emergencies	Promotion of personal readiness for emergencies Ability to keep public informed in an emergency	Annual cycle of public education campaigns Building of regional CDEM website commencing in FY 08/09, cost of \$12,500 capex	Maintain public education campaigns. Annual cost of \$5,000 pa from 2009/10. Regional CDEM website completed 2009/10.
Emergency management planning	Effective CDEM planning for Nelson Tasman region	Review of CDEM Group plan	Nelson Tasman CDEM Group Plan completed in 2005 – to be reviewed after five years	Undertake review of Nelson Tasman CDEM Group Plan. Complete in 2009/10 at a cost of \$40,000 operating.
Self-reliant communities prepared to respond to emergencies	Ability to operate effective CDEM Group Emergency Centre (EOC) for Nelson Tasman, and Alternate EOC	Current Group EOCs reviewed and judged inadequate. Other options being considered		

What Council will provide	Measures	Targets	Current status	How we will do this
<p>Co-ordination of emergency management services</p>	<p>CDEM staff are adequately trained for their roles</p> <p>Radio communications network in place</p> <p>Exercises programmed every year, together with partner agencies</p> <p>Full strength, accredited rescue team (NZ-RT2) is maintained</p>	<p>Effective back-up communications and power</p> <p>Maintain specialist volunteer rescue team</p>	<p>Training Needs Analysis undertaken in 2008 – shortcomings identified</p> <p>Requires periodic replacement / maintenance</p>	<p>Implement CDEM Group Training Plan, commencing in 2009/10. Cost: \$55,000 pa. operating.</p> <p>Lifecycle upgrade of radios in 2010/11.</p> <p>Four-yearly large scale exercises – next is due in 2010/11 with smaller exercises programmed in other years.</p> <p>Regular training, supply of equipment and maintenance of vehicle on an on-going basis.</p>

Review of service levels

Service levels and standards are set through and according to Emergency Management Group Plan.

Changes to targets and to levels of service overall are reviewed regularly to reflect any changes to the environment or community expectations.

Before 2006, staff capability for the management of emergencies fell below the acceptable level for a full emergency management service in the event of a disaster. Intensive training courses and exercises are continuing in order to build the necessary skills and knowledge.

Financial information on managing emergencies and natural hazards

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

Managing Emergencies and Natural Hazards

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(416)	(437)	(450)	(487)	(501)	(552)	(502)	(543)	(558)	(602)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(17)	(17)	(18)
Total Income	(431)	(451)	(465)	(502)	(516)	(568)	(518)	(560)	(575)	(619)
Expenses										
Operating and maintenance	426	447	460	497	510	562	513	555	570	614
Interest on loans	1	1	2	1	1	1	1	1	1	1
Depreciation	3	3	3	3	3	3	3	3	3	3
Total operating expenses	431	451	465	502	515	567	517	559	574	618
Operating (Surplus)/Deficit	0	0	0	(0)	(1)	(1)	(1)	(0)	(1)	(1)

Statement of funding requirement

Funds required:

Capital expenditure	0	0	0	0	0	0	0	0	0	0
Repayment of loan principal	0	0	0	0	1	1	1	1	1	1
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	3	3	3	3	3	3	3	3	3	3
Total Funds required	3	3	3	4	4	4	4	4	4	4

Source of funds:

Net surplus/deficit	0	0	0	0	1	1	1	1	1	1
New loans raised	0	0	0	0	0	0	0	0	0	0
Transfer from reserve funds	0	0	0	0	0	0	0	0	0	0
Non cash expenditure	3	3	3	3	3	3	3	3	3	3
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	3	3	3	4	4	4	4	4	4	4

Social development

Social development in Nelson

Social development includes a range of efforts to improve the social wellbeing of Nelson residents. Most of this work is the responsibility of Government agencies, particularly the Ministry of Social Development. Council has a role to play in the local coordination of this work. Council's programmes particularly target those who struggle to receive basic standards of living – primarily those on low incomes. Projects therefore cover employment, housing, education and personal safety.

Achievements and challenges

The Social Wellbeing Policy

Council developed its first Social Wellbeing Policy in 2003. It takes a whole of Council approach to enhancing Nelson residents' social wellbeing, coordinating programmes to reduce deprivation, improve access to education opportunities, increase access to affordable housing, build community cohesion and safety and monitor social wellbeing in Nelson. Council proposes to review this policy in 2009/10.

Employment initiatives for youth

One of the most significant ways of improving social wellbeing is to provide job opportunities. The Nelson City Council is a member of the national Mayors' Taskforce for Jobs (MTFJ) initiative, which has an objective that all young people under 25 years be in paid work, in training or education, or in productive activities in our communities, and that all people over 25 have the opportunity to be encouraged to be in paid work, in training or education, or in productive activities in our communities.

The Connections programme, an inter-sectoral initiative under MTFJ, involves linking school leavers into existing services and ensuring that they are engaged in the community. It is an evolving collaborative programme involving a range of agencies that provide services for youth.

The Council provides support for education and employment initiatives such as Youth Nelson. It also includes school leaver and engineering cadet positions on Council staff.

Community wellbeing

Council is one of many organisations working towards improving community wellbeing. Social development is particularly dependent on strong collaboration between organisations. Key partners include the Ministry of Social Development, schools, Community and Whanau Network, the Nelson Marlborough District Health Board and many volunteer and community groups.

The Council provides community assistance funding for community organisations and social development projects within the city. The Council also works with the Victory Community Centre, the Tahunanui Community Centre and House 44 to strengthen community wellbeing in these areas.



Development initiatives for youth

Council provides youth development initiatives such as the Nelson Youth Council and support for The New Hub. Council is also a key member of the Safe Summer Initiative team, which provides youth ambassadors, the summer passport and harm reduction information. Partners for this initiative include the Police, Nelson Cancer Society, Public Health and Health Action.

Some youth do not fit into academic or active sports activities, so arts activities assist many to find a 'place' where they belong, for example in The New Hub. Funding is available to assist young people to put on events, and to attend the Spirit of Adventure or outward bound courses.

Support for housing and the aged

Council is involved in a range of community housing initiatives including facilitating the regular Housing Forum and it supports the Nelson Tasman Housing Trust. Community housing achieves social development outcomes, particularly by providing for aged tenants. More information on these Council assets is included in the Community Facilities activity section. Council is involved in a range of other initiatives that support the aged, including the regionally-based Positive Ageing Forum.

Making a safe city

There are a range of crime prevention initiatives including the Safe City Nelson project, development of an Alcohol Accord, and support for initiatives such as Nightwatch Nelson and Neighbourhood Support.

Community events invite social participation

Community festivals and events provide opportunities for all members of the community to take part in social activities. This can develop a sense of belonging in the community and provides inclusive access to high quality entertainment.

Settlement support

Council is also the lead agency for a central government-funded project, Settlement Support, to co-ordinate information and advice provided to newcomers to New Zealand.

Other strategic directions for Council's social development are likely to emerge during the review of the Social Wellbeing Policy.

Council’s social development work includes

- Social monitoring and advocacy
- Community liaison and support
- Community assistance funding
- Employment initiatives, including Mayors’ Taskforce for Jobs
- Youth development
- Settlement Support (Dept. of Labour funded)
- Crime prevention (Crime Prevention Unit funded)
- Working with the community to implement projects that support families, such as “Family Centred Projects”.

Why Council is involved in social development

Council is the only organisation in Nelson with overall responsibility for the wellbeing of Nelson residents. Under the Local Government Act, Council’s purpose is to enhance the overall wellbeing of the people in this area. Social wellbeing is one of the four components of community wellbeing, is a public good with a variety of benefits, and requires the collective provision of services to be effective.

Council’s social development initiatives contribute to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Through supporting members of the community to enjoy healthy lifestyles.</p>	<p>Residents’ survey approval of Council performance in the provision of social development issues.</p>
<p>Good leadership Our leaders are proactive, innovative and inclusive.</p>	<p>Through leadership and coordination of social development work in the community.</p>	<p>Residents’ survey approval of Council performance in the provision of social development issues. Informal positive feedback from community organizations and Government departments.</p>

Relevant strategies, policies and plans

- Social Wellbeing Policy
- Positive Ageing Policy
- Gambling Policy
- Community Housing Policy
- Community Assistance Policy
- Regional Physical Activity Strategy (Top of the South)
- Nelson-Tasman Physical Activity Plan
- ‘Quality of Life’ reports.

Assumptions underlying Council’s approach to funding social development

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to these Council activities include:

- Council has a role and responsibility for building community wellbeing through its social development initiatives, and that this will continue for at least the next ten years.

Few capital assets are associated with Council’s social development activity, except for the mobile closed circuit television cameras installed in the central city to deter crime and improve perceptions of safety.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Improved social wellbeing for all Nelson residents.

What Council will provide	Measures	Targets	Current status	How we will do this
Council policy framework that supports the social wellbeing of residents.	Social wellbeing policy reviewed according to schedule.	Revised social wellbeing policy adopted (by Yr 1) and implementation begun (Yrs 2-3).	Existing Social Wellbeing policy due for review.	Initiate policy review incorporating a review of the Positive Ageing Policy and a first ever Youth Policy. Further review in 2015.

Review of service levels

Changes to targets and to levels of service overall are reviewed regularly to reflect any changes to the environment or community expectations. Council systems and accountabilities are established to ensure these targets are met and reported against. For example the Residents’ Surveys are coordinated by the Strategic Planning unit annually.

Financial information on social development

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

Social Development and Assistance

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(934)	(747)	(609)	(614)	(764)	(754)	(834)	(807)	(702)	(963)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(263)	(211)	(217)	(136)	(140)	(144)	(148)	(152)	(156)	(160)
Total Income	(1,197)	(958)	(826)	(750)	(903)	(898)	(981)	(959)	(858)	(1,124)
Expenses										
Operating and maintenance	1,222	982	854	778	933	895	967	945	844	1,092
Interest on loans	5	5	5	4	4	3	2	2	1	(0)
Depreciation	10	10	10	10	10	10	10	10	10	10
Total operating expenses	1,237	997	869	793	946	908	979	957	856	1,102
Operating (Surplus)/Deficit	40	39	41	43	43	10	(2)	(2)	(2)	(22)

Statement of funding requirement

Funds required:

Capital expenditure	31	5	0	0	0	0	0	0	0	0
Repayment of loan principal	7	9	10	10	11	12	12	12	12	30
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	1	1	1	1	1	1	1	1	1	1
Total Funds required	39	15	11	12	12	13	13	13	13	32

Source of funds:

Net surplus/deficit	(40)	(39)	(42)	(42)	(43)	(10)	2	2	2	21
New loans raised	29	3	0	0	0	0	0	0	0	0
Transfer from reserve funds	40	41	42	44	45	13	0	0	0	0
Non cash expenditure	10	10	10	10	10	10	10	10	10	10
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	39	15	11	12	12	13	13	13	13	32

Capital expenditure

Social Development and Assistance

Employment Assistance	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Capital: Mobile CCTV	31	5	0	0	0	0	0	0	0	0
Total Capital Expenditure	31	5	0	0	0	0	0	0	0	0

A Fun, Creative Culture



We are proud of our creative
local culture and regional identity.

Culture, heritage and arts

Nelson's culture, heritage and arts

Council recognises that cultural wellbeing is an important aspect of community wellbeing, and acknowledges the need to invest in sustaining and developing the heritage and arts of Nelson. Cultural wellbeing, according to the Ministry for Culture and Heritage, relates to the vitality that communities and individuals enjoy through participation in recreation, creative and cultural activities; and the freedom to retain, interpret and express their arts, history, heritage and traditions. Cultural wellbeing in its broadest definition includes:

- Arts, creative and cultural activities
- Languages, film and broadcasting
- History and heritage
- Sport and recreation
- Sense of place

Achievements and challenges

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

Council's contribution to enhance cultural wellbeing is part of a wide range of community involvement in the arts, heritage and cultural activities in Nelson. Council has a significant part to play in making Nelson a fun and creative place to live in and visit, and in celebrating our city's rich and diverse heritage. The involvement of the whole community is essential to achieve the goals outlined in the Community Outcomes in Appendix 3.

The Heritage Strategy

Council responded to consultation calls in 2004 for a Heritage Strategy, by working with the community to develop this community strategy in 2006.

Council protects some of the city's heritage assets on behalf of the community. These have a total book value of \$1.954 million as at 30 June 2008 and include:

- Historic houses (Broadgreen Historic House, Melrose and Isel)
- Founders Heritage Park
- The Nelson Provincial Museum jointly owned by the Nelson and Tasman Councils. Since July 2000, the Tasman Bays Heritage Trust has the responsibility for managing the museum
- Historic cemeteries such as the Wakapuaka Cemetery
- A recent addition to Council's responsibilities was the establishment of The Bishop Suter Art Gallery as a Council-controlled organisation in 2008/09. Council will consider The Suter's strategic plan over the next few months, including a request for funding assistance for redeveloping the building and facilities.



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

Community Assistance

Council has community contracts with a variety of groups under its Community Assistance Policy. By improving the targeting of Council assistance Council will continue to significantly contribute to community wellbeing.

Council has been approached by the Nelson School of Music (NSOM) to look at how to develop the relationship with the NSOM. This plan includes funding for the NZOM of \$50,000 pa from 210/11.

Regional festivities bring people together and inspire creativity

Council runs the annual Summer and Arts Festivals, as well as other recurring and one-off events to provide celebrations for Nelson's residents and visitors. Council staff work closely with Tasman District Council on these events, recognising regional links. For example the Summer Festival programme listed all events chronologically, whether they occurred in Nelson city or in the surrounding region. Festivals and events bring a sense of pride in the community and bring neighbours together to celebrate occasions. Council support for festivals develops the careers of visual and performance artists; a key industry in Nelson giving economic and tourism benefits.

Council's culture, heritage and arts activities include:

- Heritage and arts planning
- Support for the Tasman Bay Heritage Trust and the Suter Art Gallery
- Historic buildings and facilities such as Broadgreen Historic House, Isel Melrose and Founders Park
- Historic cemeteries (including Holloway, Wakapuaka, Hira, Seaview and others)
- Arts and heritage grants (community assistance funding)
- Festivals, events and street decorations
- Sister City links

Why Council is involved in the culture, heritage and arts sector

Council invests in the culture, heritage and arts of Nelson because of the significant positive contribution to making Nelson a socially cohesive, attractive and thriving place. It helps foster and encourage local creativity, builds people’s sense of belonging and pride in their home town and their region, and gives shared social and economic benefits to the wider community.

Council support for culture, heritage and the arts contributes to achieving these Community Outcomes:

Outcomes/goals	How this activity contributes to achieving these goals	How we will know we are making progress towards our goals
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region</p>	<p>By including beautiful and inspiring art, heritage and cultural activities as part of our surroundings</p>	<p>Performing Arts and Conference Centre completed. Central City Strategy implemented. Feedback from facility users shows trend towards improving satisfaction.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy</p>	<p>Through a thriving arts, cultural and heritage community that provides employment for many</p>	<p>Monitoring of economic indicators shows trend towards viability of the arts, culture and heritage sectors. Residents’ survey results show approval of Council’s support for the contribution this sector makes to the economy.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community</p>	<p>By providing facilities and events that support the development of community cohesion</p>	<p>Social indicators and surveys show trend towards improvement in community cohesion. Residents’ survey results show approval of Council’s performance in supporting community wellbeing.</p>
<p>Good leadership Our leaders are proactive, innovative and inclusive</p>	<p>By leading the development of Nelson’s arts, culture and heritage</p>	<p>Regional Arts Strategy completed and implemented. Events Strategy implemented.</p>

Relevant strategies, policies and plans

- Regional Arts Strategy (being developed)
- Heritage Strategy
- Events Strategy
- Community Facilities Asset Management Plan
- Positive Ageing Policy
- Nelson Resource Management Plan.

Assumptions underlying Council's involvement in culture, heritage and arts

Council has based its strategies and financial planning on a set of assumptions. General assumptions relating to all Council activities are set out at the beginning of Volume 2. Assumptions specific to these Council activities include:

- Benefits of cultural, heritage and arts investment are a public good that justifies Council involvement, together with other funders and service providers.
- Demand for cultural, heritage and arts events and activities is assumed to increase during the term of this plan. Proposed development of regional facilities such as the Performing Arts and Conference Centre recognises this.

Managing the negative effects of cultural, heritage and arts activities

- Increased traffic congestion and crowding often results during major festivals and events. The positive effects are considered to outweigh any negative effects, which are reduced through careful planning.

Culture, heritage and arts assets and management

The following Council assets are associated with its culture, heritage and arts activity:

- City streets, parks and open spaces
- Trafalgar Centre
- Heritage houses (Isel, Melrose and Broadgreen Historic House)
- Founders Heritage Park
- Heritage cemeteries

No new capital assets are considered to be required during the term of this Community Plan, although there is planned capital expenditure for Founders and some of the historic buildings owned by Council. Assets are managed according to Council's asset management planning process. Maintenance, renewal and replacement funded according to the relevant asset management plan and Council's financial policies.

Service levels – what Council proposes to provide, measures, options and costs

Our Goal

Enhanced cultural wellbeing for all Nelson residents.

What Council will provide	Measures	Targets	Current status	How we will do this
Support for arts access, participation and visibility and facilitation of the arts as a major economic driver for Nelson.	Regional Arts Strategy and Arts Policy.	Nelson Tasman Regional Arts Strategy and Nelson Arts Policy developed (Yr 1) and implementation begun (Yrs 2-3).	Council’s current Arts Policy is many years out of date and no longer active.	Development of Council Arts Policy within 12 months of the adoption of the region’s Arts Strategy. Allocate funding for implementation of the Strategy and the Policy.
Delivery of a range of arts events and festivals that provide entertainment and education for the community.	Customer surveys undertaken during events and festivals.	Minimum 80% customer satisfaction.	Wide range of popular festivals and events are established part of Nelson arts scene.	Festivals and arts events to continue to be developed as vibrant, high quality, accessible and unique events that showcase local, national and international excellence in the arts.
Heritage assets that are managed to ensure their protection and ongoing financial sustainability.	Condition assessment of heritage assets, cost to rates, visitor numbers.	Heritage assets maintained to a level 3 (average) or better condition. Comparison across all heritage assets shows cost of maintaining heritage attractions is commensurate with visitor numbers.	Heritage Strategy in place and being implemented.	Work on the management of these assets to make them more self-sufficient and assure future viability.

Review of service levels

Council's service levels for its culture, heritage and arts activities are based on a range of information, including inherited responsibilities, annual residents' surveys and public feedback from the annual plan/community plan processes. Residents' feedback to Council informs Council's decisions, as does benchmarking and researching what other similar-size councils provide.

For example, the Masked Parade and Opera in the Park events have shown growing attendance, which requires planning by Council to provide for an increasing level of service. Plans for events cover likely numbers based on past experience combined with observed trends. Responses include safety and traffic management techniques in proportion to likely attendance. Numbers attending festivals and events generally continue to grow with associated increases in essential service costs to ensure the safety of those attending the event. Currently, 35% of total festival costs are essential services, with sponsorship, funding and tickets sales meeting the costs of performers, marketing and publications.

Detailed service levels are addressed through the Community Facilities Asset Management Plan process, which is being developed. Targets and service levels are regularly reviewed to reflect any changes to the environment or community expectations. Council systems and accountabilities are established to ensure these targets are met and reported against. For example the Residents' Surveys are coordinated by the Strategic Planning unit annually.

Financial information for culture, heritage and arts

Refer to the separate Estimates book, which is available at Civic House and at public libraries, for more detail on the individual projects and figures making up this financial summary.

Culture, Heritage and Arts

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(3,033)	(3,370)	(3,268)	(3,309)	(3,511)	(3,566)	(3,615)	(3,718)	(3,807)	(4,017)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(897)	(928)	(961)	(890)	(915)	(940)	(966)	(992)	(1,020)	(1,039)
Total Income	(3,930)	(4,299)	(4,229)	(4,199)	(4,426)	(4,506)	(4,581)	(4,710)	(4,826)	(5,056)
Expenses										
Operating and maintenance	3,688	3,990	3,934	4,021	4,239	4,310	4,383	4,511	4,629	4,860
Interest on loans	139	129	96	65	67	67	68	69	67	66
Depreciation	81	82	82	83	83	83	84	84	86	86
Total operating expenses	3,909	4,202	4,113	4,169	4,389	4,461	4,535	4,664	4,781	5,012
Operating (Surplus)/Deficit	(22)	(97)	(117)	(30)	(37)	(46)	(46)	(45)	(45)	(45)

Statement of funding requirement

Funds required:

Capital expenditure	438	38	19	18	20	20	20	20	22	87
Repayment of loan principal	0	44	1,255	62	67	75	75	74	77	72
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Non cash - invest write up	80	87	94	0	0	0	0	0	0	0
Transfer to reserve funds	108	108	111	115	119	122	124	123	126	128
Total Funds required	625	277	1,479	195	206	216	219	267	225	287

Source of funds:

Net surplus/deficit	22	97	116	30	38	46	46	46	45	44
New loans raised	451	17	0	0	0	0	0	30	0	59
Transfer from reserve funds	71	81	80	83	85	87	90	106	95	97
Non cash expenditure	81	82	82	83	83	83	84	84	86	87
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	1,200	0	0	0	0	0	0	0
Total source of funds	625	277	1,479	195	206	216	219	267	225	287

Capital expenditure on culture, heritage and arts

The Performing Arts and Conference Centre will be funded as a regional facility.

Culture, Heritage and Arts

Melrose House	Budget 2009/10 000's	Budget 2010/11 000's	Budget 2011/12 000's	Budget 2012/13 000's	Budget 2013/14 000's	Budget 2014/15 000's	Budget 2015/16 000's	Budget 2016/17 000's	Budget 2017/18 000's	Budget 2018/19 000's
Fire protection upgrade	20	0	0	0	0	0	0	0	0	0
Seismic strengthening	0	0	0	0	0	0	0	0	0	64
Decking replacement	0	0	0	0	0	0	0	49	0	0
Subtotal Capital Expenditure	20	0	0	0	0	0	0	49	0	64
Founders Park										
Capital: Toilet	140	0	0	0	0	0	0	0	0	0
Capital Market Green drainage	10	0	0	0	0	0	0	0	0	0
Capital Covered Extension to Workshop	250	0	0	0	0	0	0	0	0	0
Capital: Other Works	0	21	0	0	0	0	0	0	0	0
Subtotal Capital Expenditure	400	21	0	0	0	0	0	0	0	0
Historic Cemeteries										
Capital: Fences / Walls	0	0	0	0	0	0	0	0	0	0
Capital: Services	0	0	0	0	0	0	0	0	0	0
Capital: Burial Beams	15	0	16	0	17	0	18	0	19	0
Capital: Ash Beams	0	15	0	16	0	17	0	18	0	19
Renewals: Furniture	3	3	3	3	3	3	3	3	3	3
Subtotal Capital Expenditure	18	18	19	19	20	20	21	21	22	22
Total Capital Expenditure	438	39	19	19	20	20	21	70	22	87

Good Leadership



Our leaders are proactive,
innovative and inclusive.

Democracy and administration

Democracy and administration services provided by Council

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

For more information on Council committees, refer to Appendix 2. Information on payments made over the previous year to the Mayor and Councillors is included in each Annual Report.

Council's democracy and administration activity

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

- Cost of democracy (including meetings, publicity, Councillor costs and elections)
- Management of investments, including rental properties, forestry, Civic House, the Port Company and the Ridgeway subdivision (refer also to the Investment Policy in Volume 2)
- Long-term planning and internal monitoring

Why Council provides democracy and administration services

Council has a legal duty to provide most of the democracy and administration work covered by this activity, and the majority of this is a core task of all local authorities. The basis for these requirements is that Council is charged under the Local Government Act with including the community in decision-making. Council must be accountable to the community: the residents and ratepayers of Nelson. Council's democracy and administration work contributes towards achieving this purpose.

Provision of this service by the Council ensures that elected members have the capacity, support systems and procedures that enable democratic decision making. It includes ensuring that the necessary risk management, transparency and accountability requirements are in place and are regularly audited.



Council provision of democracy and administration services contributes primarily towards achieving this community outcome:

Outcome/goal	How the activity contributes to achieving this goal	How we will know we are making progress towards this goal
<p>Good leadership Our leaders are proactive, innovative and inclusive.</p>	<p>Council’s provision of these services supports all other Council activities, thereby contributing to the achievement of all six Community Outcomes.</p>	<p>Feedback from annual Residents’ Surveys shows at least 80% approval of Council’s provision of these services, including with telephone contact and written responses.</p> <p>Positive feedback from key stakeholders indicates approval with services and all complaints addressed promptly according to procedure.</p> <p>Management of Council assets and investments indicates a net contribution to Council finances from income and dividends.</p> <p>Increasing proportion of Māori on staff and Council over time towards proportion in population.</p>

Relevant Council strategies, policies and plans

- The Nelson Community Plan, annual plans and annual reports
- Funding and financial policies, including the Investment Policy in Volume 2
- Statements of Intent (SOI) for Council-Controlled Trading Organisations (CCTOs) and Council-Controlled Organisations (CCOs), such as Tourism Nelson Tasman Ltd and Nelson Airport Ltd. The CCOs and CCTOs are listed and detailed in Volume 2
- Council representative policies, including the current code of conduct, standing orders, governance statement and delegations register
- Memorandum of Understanding (MOU) with Tangata Whenua ō Whakatū and associated action plan
- MOU policy
- Complaint procedure

Assumptions underlying Council's provision of democracy and administration services

Council has based its strategies and financial planning on a set of assumptions. Volume 2 of this Community Plan explains the general assumptions that have been used as the basis for setting Council's Funding and Financial policies. There are no additional assumptions specific to this activity and there are no direct negative effects arising from this Council activity that require management or mitigation.

Democracy and administration assets and management

Council investments include Civic House, ownership in the Nelson Port Company, Nelson Airport Ltd, Nelmac Limited, Tourism Nelson Tasman Limited, the Ridgeways Joint Venture and forestry assets. These are detailed in the Investment Policy in Volume 2, including their current valuations.

Council does not propose any significant new assets for this activity over the period covered by this Community Plan. Improvements to Civic House will continue during the next ten years to improve staff accommodation and customer services. The improvements to Civic House will be funded by borrowing and Council contracts out the maintenance of Civic House. As with all Council assets, Council sets aside funding to cover the renewal of its assets. Council provides for this through its provision for depreciation.

Currently Council receives more than 6,000 phone calls a week, an average of over 25,000 calls a month and an increasing number of enquiries by email. At least 11,000 people visit Civic House every month, and around 188,000 page requests are logged by the Council website each month. Council has established internal processes to respond to correspondence promptly.

Service levels – what Council proposes to provide, measures, options and costs

Feedback on Council's standards is sought through a variety of means including annual residents' surveys and consultation processes. Letters to the Council are also an important source of feedback and suggestions for improvement.

The Council's community and annual plan cycle creates a regular opportunity to assess work priorities, programmes and the resources necessary to meet anticipated demands on services and systems.

Investments and Council's risk management strategies are monitored by its Governance Committee.

Our Goal

Inclusive leadership and excellent customer services.

What Council will provide	Measures	Targets	Current status	How we will do this
An effective and impartial elections administration service that meets or exceeds legislative requirements	Elections held in 2010 without any significant problems	Completion of election process on target and within budget	2007 ran well and achieved targets	The next local government elections are in October 2010, 2013 and 2016.
Community engagement processes that meet or exceed good practice and enable community participation in Council decision making	Public satisfaction with community engagement by Council	Run optimum number of consultation processes according to best practice	In December 2008, 14 formal consultations were either running or had just closed	Council typically conducts 20-30 formal consultations each year, plus a larger number of informal workshops and consultations with input from the community.
Participation of Māori in Council decision making	Implementation of the MOU	Implementation of MOU action plan according to agreed deadlines	Partially achieved December 2008	Legislation requires Council to provide opportunities for Māori involvement in Council decision making. Council has a programme and Memorandum of Understanding (MOU) to achieve these goals.
Efficient and prudent administration of Council assets and control of Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs)	Completion of CCO statements of intent	All CCO statements of intent and annual reporting requirements met	Draft Statement of Intent has been received – February 2009	Working with Tasman District Council and jointly owned CCTOs to complete Statement of Intent and working directly with solely owned CCOs and CCTOs.

Review of service levels

Council annually surveys residents to seek feedback and satisfaction levels. Changes to targets are reviewed regularly to reflect any changes to the environment or community expectations. Council residents' surveys show that satisfaction with visits to the Council has increased over the last few years and that satisfaction levels have been consistent for contact by telephone and letters.

Chief Executive's Performance

As part of Council's commitment to providing accountability the Council and Chief Executive has decided that there will be three overriding priorities for the organisation over the coming period of time, these are:

- Improving stakeholder engagement
- Customer excellence
- Precision delivery

To support these priorities the Council and Chief Executive have established the following objectives:

- That the organisation focuses on improved community and stakeholder engagement; customer excellence; and, a polished professional delivery of services. This will be measured through:
- Improved customer satisfaction (i.e. in residents' satisfaction with Council services)
- Progress on some key areas of focus:
 - Organisational development including providing a "one-stop-shop" for customers
 - Ongoing relationship with Tasman District Council
 - Bringing the Performing Arts and Conference Centre project to fruition
 - Conducting a review of Council's 'arms length' organisations
 - Implementing the Central City Strategy, meeting the first year's milestones
 - Developing a plan to achieve a coordinated strategy to make Nelson more sustainable
 - Planning to develop a Tahunanui/Waterfront strategy as an extension of the Central City Strategy
- Improved staff satisfaction
- Economic performance – all budgets must be met (capital and operating)
- Statutory duties met (including obtaining a 'clean' audit report for 2008/09)

Financial information on democracy and administration services

Refer to the separate Estimates book, which is available at Civic House and at the public libraries, for more detail on the individual projects and figures making up the financial summary.

The general rate for democracy and administration shows as negative because it is a contribution to rates. This is because dividends received and sundry revenue (from petroleum tax, rate penalties etc) are credited to this Council activity. The interest on internal loans to other Council activities is also credited to this activity, although this is matched to a large extent by the interest paid on external loans. The internal interest is subtracted when the activities are consolidated.

Financial information

Democracy and Central Administration

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	2,496	2,347	2,320	2,126	1,914	1,887	1,815	1,679	1,735	1,681
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	(12,253)	(13,584)	(15,566)	(17,419)	(17,217)	(18,600)	(19,127)	(20,103)	(19,396)	(20,325)
Total Income	(9,757)	(11,238)	(13,247)	(15,293)	(15,304)	(16,714)	(17,312)	(18,424)	(17,660)	(18,644)
Expenses										
Operating and maintenance	5,528	5,792	5,673	5,868	6,109	6,067	6,254	6,611	6,688	6,883
Interest on loans	3,821	4,917	6,470	8,100	8,179	9,612	9,697	9,601	8,832	7,808
Depreciation	945	985	1,027	1,069	1,113	1,158	1,206	1,255	1,306	1,360
Total operating expenses	10,294	11,694	13,170	15,037	15,402	16,837	17,156	17,467	16,826	16,050
Operating (Surplus)/Deficit	536	457	(77)	(256)	97	123	(156)	(957)	(834)	(2,594)
Statement of funding requirement										
Funds required:										
Capital expenditure	2,247	2,071	2,200	2,175	2,224	1,101	1,097	1,161	1,220	1,279
Repayment of loan principal	6,144	6,014	3,388	1,276	(1,534)	(3,858)	(5,373)	(2,480)	(1,692)	(5,153)
Purchase of investment	8	8	8	9	0	0	0	0	0	0
Transfer to reserve funds	383	510	510	268	204	206	211	217	222	228
Total Funds required	8,782	8,602	6,107	3,728	894	(2,552)	(4,065)	(1,102)	(249)	(3,646)
Source of funds:										
Net surplus/deficit	(537)	(456)	77	256	(97)	(123)	156	957	835	2,594
New loans raised	7,849	7,249	4,182	2,187	(148)	(3,611)	(5,451)	(3,338)	(2,416)	(7,626)
Transfer from reserve funds	203	324	320	73	4	1	1	1	1	1
Non cash expenditure	945	985	1,027	1,069	1,113	1,158	1,206	1,255	1,306	1,360
Sale of investment	300	480	480	120	0	0	0	0	0	0
Sales of assets	20	21	21	22	22	23	24	24	25	26
Total source of funds	8,782	8,602	6,107	3,728	894	(2,552)	(4,065)	(1,102)	(249)	(3,646)

Capital expenditure

Democracy and Central Administration

Civic House	Budget 2009/10 \$000s	Budget 2010/11 \$000s	Budget 2011/12 \$000s	Budget 2012/13 \$000s	Budget 2013/14 \$000s	Budget 2014/15 \$000s	Budget 2015/16 \$000s	Budget 2016/17 \$000s	Budget 2017/18 \$000s	Budget 2018/19 \$000s
Capital: Buildings	1,300	1,030	1,060	1,089	1,119	0	0	0	0	0
Other Buildings	20	103	148	114	106	52	35	6	6	70
Capital: Plant and Equipment	86	132	112	119	122	148	136	205	237	205
Solar Water Heating	0	0	49	0	0	0	0	0	0	0
Subtotal Capital Expenditure	1,406	1,264	1,369	1,322	1,347	200	171	211	243	276
Administration										
Capital: Motor Vehicles	113	116	120	123	126	130	134	137	141	145
Capital: Plant and Equipment	16	17	17	18	18	19	19	20	20	21
Capital: Hardware	657	618	636	653	671	690	709	728	748	769
Capital: Business Unit Capital	14	14	15	15	16	16	17	17	17	18
Capital: Furniture and Fitting	40	41	42	44	45	46	47	49	50	51
Subtotal Capital Expenditure	840	806	830	853	876	900	925	951	977	1,004
Total Capital Expenditure	2,246	2,071	2,199	2,175	2,224	1,101	1,097	1,162	1,220	1,279

Financial information

Financial Reserves

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	0	0	0	0	0	0	0	0	0	0
Development/Financial contributions	(700)	(800)	(1,000)	(1,307)	(1,343)	(1,380)	(1,380)	(1,457)	(1,497)	(1,538)
Other revenue	(5,462)	(5,622)	(5,788)	(5,948)	(6,111)	(6,280)	(6,452)	(6,629)	(6,812)	(6,999)
Total Income	(6,162)	(6,422)	(6,788)	(7,255)	(7,454)	(7,659)	(7,832)	(8,086)	(8,309)	(8,537)
Expenses										
Operating and maintenance	154	158	163	168	172	177	182	187	192	197
Interest on loans	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0
Total operating expenses	154	158	163	168	172	177	182	187	192	197
Operating (Surplus)/Deficit	(6,008)	(6,264)	(6,626)	(7,087)	(7,282)	(7,482)	(7,650)	(7,899)	(8,117)	(8,340)
Statement of funding requirement										
Funds required:										
Capital expenditure	5,000	5,148	5,299	5,445	5,595	5,748	5,907	6,069	6,236	6,408
Repayment of loan principal	0	0	0	0	0	0	0	0	0	0
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	1,008	1,117	1,326	1,642	1,687	1,734	1,743	1,830	1,881	1,932
Total Funds required	6,008	6,264	6,626	7,087	7,282	7,482	7,650	7,899	8,117	8,340
Source of funds:										
Net surplus/deficit	6,008	6,264	6,626	7,087	7,282	7,482	7,650	7,899	8,117	8,340
New loans raised	0	0	0	0	0	0	0	0	0	0
Transfer from reserve funds	0	0	0	0	0	0	0	0	0	0
Non cash expenditure	0	0	0	0	0	0	0	0	0	0
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	6,008	6,264	6,626	7,087	7,282	7,482	7,650	7,899	8,117	8,340

Financial information

Central City Strategy

	Budget 2009/10 \$000	Budget 2010/11 \$000	Budget 2011/12 \$000	Budget 2012/13 \$000	Budget 2013/14 \$000	Budget 2014/15 \$000	Budget 2015/16 \$000	Budget 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000
Revenue										
General rate	(196)	(123)	(252)	(392)	(542)	(663)	(694)	(821)	(1,012)	(1,006)
Development/Financial contributions	0	0	0	0	0	0	0	0	0	0
Other revenue	0	0	0	0	0	0	0	0	0	0
Total Income	(196)	(123)	(252)	(392)	(542)	(663)	(694)	(821)	(1,012)	(1,006)
Expenses										
Operating and maintenance	170	5	0	0	0	0	0	0	0	0
Interest on loans	26	118	230	330	419	471	493	618	723	712
Depreciation	0	0	0	0	0	0	0	0	0	0
Total operating expenses	196	123	230	330	419	471	493	618	723	712
Operating (Surplus)/Deficit	0	0	(21)	(62)	(123)	(192)	(201)	(203)	(289)	(294)
Statement of funding requirement										
Funds required:										
Capital expenditure	883	2,522	1,585	1,593	1,080	362	112	3,429	187	64
Repayment of loan principal	0	0	21	62	123	192	201	203	289	294
Purchase of investment	0	0	0	0	0	0	0	0	0	0
Transfer to reserve funds	0	0	0	0	0	0	0	0	0	0
Total Funds required	883	2,522	1,606	1,656	1,204	554	313	3,632	476	358
Source of funds:										
Net surplus/deficit	0	0	21	62	123	192	201	203	289	294
New loans raised	883	2,522	1,585	1,593	1,080	362	112	3,429	187	64
Transfer from reserve funds	0	0	0	0	0	0	0	0	0	0
Non cash expenditure	0	0	0	0	0	0	0	0	0	0
Sale of investment	0	0	0	0	0	0	0	0	0	0
Sales of assets	0	0	0	0	0	0	0	0	0	0
Total source of funds	883	2,522	1,606	1,656	1,204	554	313	3,632	476	358

APPENDICES

APPENDIX 1

Nelson/Tasman today – summary of our region

The Nelson Tasman Region is located in the north-west of the South Island. It covers the area from the Whangamoa Ranges (at the boundary of Marlborough District) in the east, to Murchison in the south and Golden Bay in the west. Golden and Tasman Bays are to the north.

Early history and settlement

Carbon dating suggests that Nelson was first settled around the ninth century. Early settlements occurred near the coastline and along rivers, for example, along the Waimea River, and in Riwaka, Motueka, Parapara and Mapua. Fishing, hunting, gathering and cultivating kumara were vital sources of food for these early communities.

Tasman is named after the Dutch explorer, Abel Tasman, who was the first European explorer to arrive in Golden Bay in 1642.

Nelson is named after the Englishman Admiral Lord Horatio Nelson who won the Battle of Trafalgar in 1805. The Maori name for Nelson is Whakatū. The city was founded in 1842, being one of New Zealand's earliest European settlements.

Tangata whenua

Tangata whenua iwi in the Top of the South/Te Tau Ihu are Ngāti Kūia, Ngāti Rārua, Ngāti Tama, Te Ātiawa, Ngāti Koata, Ngāti Toa Rangatira, Ngāti Apa, Rāngitane and Ngai Tahu.

There are three marae in the Nelson Tasman region:

- Whakatū Marae in Nelson City
- Te Awhina Marae in Motueka
- Onetahua Kokiri Marae in Pohara, Golden Bay.

The Nelson Māori population is growing rapidly and has been described as the fastest growing Maori community in New Zealand. Māori are making an increasingly important contribution to the local economy, for example through the Wakatu Incorporation's business enterprises.

The region today

The main population of the Nelson Tasman region is centred in Nelson City, with a resident population of around 42,891 people at the 2006 Census. Richmond is the second largest and fastest growing town in the region with around 12,953 people. Motueka is the next largest town, with around 6242. The region contains many other small and distinct communities with a wonderful village atmosphere about them. Tasman District, which includes Richmond and Motueka, had a total resident population of 44,616 at the 2006 Census.

The City is well serviced and contains a number of interesting features, including the Cathedral, historic buildings, Queens Garden, Tahunanui Beach and the Maitai River.

Natural environment and lifestyle

The region is known for the natural beauty of its landscapes. Fifty-eight percent of Tasman District is national park – to the south-east is the alpine park of Nelson Lakes covering an area 101,753 hectares, to the north-west is Kahurangi covering 454,000 hectares, and along the Tasman Bay coastline is Abel Tasman, which is the smallest (at 22,541 hectares) and most popular park stretching along some of the most beautiful coastline in the world. There are a range of other forests and reserves in the region, including the Mount Richmond State Forest Park and Rabbit Island.

The national parks, forests and reserves offer:

- beautiful sandy beaches and coastal areas used for swimming, kayaking, boating picnicking, walking, fishing, wind and kite surfing, and a range of other activities
- mountain ranges popular for walking, tramping, mountain biking, skiing, bird watching and picnicking
- scenic alpine lakes for swimming, trout fishing, boating and waterskiing
- rugged rivers, like the Buller, for fishing, rafting and kayaking
- environmental protection and enhancement, like the nature recovery project aimed at restoring native birdlife and bush at St Arnaud in Nelson Lakes National Park.

The region is famous for its wonderful lifestyle and the outdoor adventure and tourism activities, particularly in the national parks, and in Golden Bay and around the Murchison area.

The region enjoys a pleasant sunny climate year round, which makes it ideal to enjoy the wonderful lifestyle and natural areas available to residents and visitors. Its unique micro climate assures in excess of 2450 hours sun annually, and frequently wins the nation's annual highest sunshine award. Average maximum temperatures in summer are between 21°C and 22°C. Night minimums are between 12°C and 13°C.

A creative community

Arts and culture are also important in the region. Nelson was the birthplace in 1987 of the World of WearableArt annual awards event, which is now held in Wellington due to the success of the event. The World of WearableArt and Classic Car Museum in Nelson is home to an historic collection of the garments from the awards, along with an extensive collection of classic cars.

Other features of the region include:

- The Nelson Provincial Museum, Pupuri Taonga O Te Tai Ao and other museums in smaller settlements like the Motueka Museum featuring information on the history

of settlement in the area and on local industry, and the Murchison Museum containing information on the severe 1929 earthquake

- The Suter, Te Aratoi o Whakatu art gallery
- The Nelson School of Music and the School of Arts and Media
- Nelson markets every Saturday.

The region is home to a number of artists and crafts people, and has an arts and crafts trail.

Nelson City Statistics

Nelson covers 44,430 hectares of city, reserves, parks and forest.

Nelson's population demographics at the 2006 Census were:

- 42,891 total normally resident population
- Median age 39.4 years
- 14.5% 65 years and over
- 19.2% under 15 years

Ethnicity	NCC	NZ
European	75.0%	67.65%
Maori	8.0%	14.65%
Pacific	2.0%	6.9%
Asian	2.0%	9.2%
Other	13.0%	1.7%

Education 15+ years	Nelson City Council	NZ
School Qualification	34.6%	38.5%
Post School Qualification	41.9%	39.9%
No qualification	23%	25%

Nelson Economic Profile

Key economic drivers

The top five industries in the area are horticulture, forestry, fishing, agriculture and tourism. These provide the economic base for the community. A range of other industries are growing in importance to the local economy, including aquaculture, research and development, information technology and industries using the natural products in the area.

Nelson enjoys a high employment rate.

Nelson City is the main administration centre for the region and this is reflected in the occupations that people are employed in, the most common being professionals, managers, labourers, clerical and administration, and technicians.

The median income is \$23,100 compared with the national average of \$24,400.

Income	Nelson	New Zealand
< \$20,000	44.3%	43.2%
> \$50,000	14.1%	18%

APPENDIX 2

Council Committees

All Councillors are members of all Council standing committees, except the Hearings Committee. The Mayor is an ex officio member of all committees, except the Hearings Committee.

Hearings Panel:

Chair	A chair is appointed for each hearing
Members	Cr Ian Barker, Cr Gail Collingwood, Cr Denise Henigan, Cr Mark Holmes, Cr Rachel Reese, Cr Derek Shaw (This is a membership pool)

Governance Committee:

Chair	Cr Graeme Thomas
Deputy Chair	Cr Denise Henigan
Members	All other Councillors, Mayor ex officio

Community Services Committee:

Chair	Cr Pete Rainey
Deputy Chair	Cr Ali Boswijk
Members	All other Councillors, Mayor ex officio

Infrastructure Committee:

Chair	Cr Mark Holmes
Deputy Chair	Cr Mike Cotton
Members	All other Councillors, Mayor ex officio

Environment Committee:

Chair	Cr Rachel Reese
Deputy Chair	Cr Derek Shaw
Members	All other Councillors, Mayor ex officio

APPENDIX 3

Community Outcomes – the full story

Measuring progress toward achieving the outcomes

Measurement of progress towards the following six goals will primarily draw on Council's and other organisations' measurement of community wellbeing. This includes regular annual workshops with community leaders to discuss progress, and the development of a website for individuals and organisations to log their activities that contribute towards achieving the six Community Outcomes.

There are a number of projects being run by Statistics NZ and Local Government NZ (LGNZ) to provide generic measures of progress towards community goals, with specific information relating to each Council area. When this improved information is available, it is likely that Council will adopt some or all of those measures.

These six Community Outcomes are described in detail on the following pages including the measures that will be used to monitor and report on progress towards achieving the community's goals. The first report on Community Outcomes will be published in July 2009.

HEALTHY LAND, SEA AIR AND WATER

We protect the environment

PEOPLE-FRIENDLY PLACES

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

A STRONG ECONOMY

We all benefit from a sustainable, innovative and diversified economy

KIND, HEALTHY PEOPLE

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

A FUN, CREATIVE CULTURE

We are proud of our creative local culture and regional identity

GOOD LEADERSHIP

Our leaders are proactive, innovative and inclusive

Goal 1 – HEALTHY LAND, SEA, AIR, AND WATER

We protect the natural environment

We treasure, protect and restore the special places, landscapes, native species and natural ecosystems of Nelson.

- Natural biodiversity* is widely understood and valued.
Introduced species have a place, and animal and plant pests are controlled
- Open spaces and reserves are linked and productive land is protected. Waste and pollution are minimised so we have clean water, clean seas, clean air, and healthy flora, fauna and soils
- The kaitiakitanga* of tangata whenua iwi is recognised and the community is well informed and involved in caring for the environment, ngā taonga tuku iho*
- Nelson is a place where everyone can enjoy the natural environment while it is protected for the future
- We recognise the importance of a healthy environment for tourism, and minimise the impacts of human activities on the environment

* unfamiliar terms and words in te Reo Māori are included in the glossary at the end of this volume

Examples of how Council contributes to achieving this outcome (more detail in relevant activity section)

- Water supply, sewage treatment and stormwater systems that protects the natural environment
- Transport planning
- Waste management facilities
- Resource management consents, education and planning
- Pollution monitoring and management
- Parks and reserves management

Central government and the community contribute too, including

- Kaitiakitanga
- Environmental advocacy
- Ecosystem protection
- Planting programmes
- Pest and weed management
- Community education and interpretation

Measuring our success

- Number of times air quality standards exceeded in specified periods.
- Swimming water quality
- Ecological condition of fresh water
- Proportion of households recycling regularly

- Total area of parks, reserves and open space as proportion of land area (rural and urban)
- Tonnes of waste sent to landfill annually
- Biodiversity measures and performance targets for pest control will be developed through implementing the Biodiversity Strategy
- Soil health measured by 500 Soils Survey
- Residents' satisfaction with the quality of the natural environment
- Actions by non-Council groups and individuals – community contribution

Goal 2 – PEOPLE-FRIENDLY PLACES

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

- Urban and rural areas are designed to be child, family and people-friendly
- We think and plan regionally and act locally within that context
- We have good quality, sustainable, integrated, affordable and effective public transport, infrastructure, energy-use and transport networks
- We are proud of our developing cycleway network. Growth is well managed and there is little waste or pollution
- Attractive, safe, accessible and walkable 'city villages' provide for people of all ages and abilities through good urban design
- There is a full range of affordable, healthy, attractive and energy-efficient housing and community facilities with more intensification in urban areas and a clear urban/rural boundary
- We have a good range of sports and recreation facilities for all ages, including youth and older residents
- We protect, enhance and interpret Nelson's human heritage and historic sites

Examples of how Council contributes to achieving this outcome (more detail in relevant activity section)

- Parks and reserves
- Community facilities
- City planning
- Water supply and waste water treatment systems that meet city and public health needs
- Cycle and walking-friendly routes and campaigns to reduce cycling crash rates
- Waste management facilities to protect public health
- Liquor licensing and food premise monitoring
- Public artworks
- Crime prevention work

Central government and the community contribute too, including

- Attractive and people-friendly building design
- Advocacy for good urban design and historic site protection
- Energy efficient building expertise
- Public artworks

Measuring our success

- Number and area of open spaces available to public, including parks, cycleways and reserves
- Resident satisfaction with public transport (Residents' Survey)
- User and resident satisfaction with cycle network (Residents' Survey)
- Traffic counts and travel times on major routes
- Housing affordability
- Proportion of residents walking and cycling regularly (recreation and commuting)
- Residents' satisfaction with management of heritage (Residents' Survey)
- Resident perception of safety compared with crime statistics
- Additional measures developed for Heritage Strategy
- Actions by non-Council groups and individuals – community contribution.
- Public satisfaction levels with quality of the built environment (Residents' Survey)

Goal 3 – A STRONG ECONOMY

We all benefit from a sustainable, innovative and diversified economy

- We all participate in the regional economy and it meets people's needs
- We are a business-friendly region, and economic activity is sensitive to the environment, heritage and people of Nelson
- We are skilled and adaptable and we see the benefits of a wide range of high-value industries and businesses
- We enjoy high quality employment, education and training opportunities. Small, locally-owned businesses are an essential part of the community and central city
- Our youth can live, learn and work in Nelson
- We invest in skills development and our people so we can enjoy balanced and healthy lives
- We recognise, support and celebrate innovation and achievement

Examples of how Council contributes to achieving this outcome (more detail in relevant activity section)

- Economic and tourism support
- Support and funding for culture, heritage and the arts
- Water supply, wastewater treatment and other infrastructure and utilities for businesses
- Transport planning
- Environmental management

Central government and the community contribute too, including

- Commercial, industrial and retail business and advocacy
- Information and promotion of NZ and the region overseas
- Business advice and training
- Education and apprenticeships
- Youth support and mentoring

Measuring our success

- Number of building permits issued
- Business confidence
- Industry Gross Domestic Product (\$) for top five Nelson sectors
- Internet access, NZ Statistics Census data
- Median household income
- Tourist guest nights, national and international
- Unemployment rate
- Imports and exports (\$ and tonnes)
- Educational attainment of adult population (full range)
- Actions by non-Council groups and individuals – community contribution

Goal 4 – KIND, HEALTHY PEOPLE

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

- We are a tolerant, supportive and diverse community. We respect each other and what each contributes, including Māori culture, traditions and people.
- We take pride in the warm welcome we give to visitors and new arrivals.
- Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income.
- We nurture our young people so Nelson is a safe and healthy place for everyone to grow up and live.
- We have adequate policing and well-designed, accessible public spaces providing a feeling of safety and security in our homes and communities.

- We have high quality and accessible recreation, education, health and community facilities.
- There is more attention to health promotion with quality primary and secondary health care accessible to all.
- We are a resilient community, able to cope with disasters or emergencies.

Examples of how Council contributes to achieving this outcome (more detail in relevant activity section)

- Water, sewage and waste facilities.
- Accessible and safe active transport facilities.
- Environmental management.
- Civil defence management.
- Consultation opportunities for whole community.
- Promotion of Crime Prevention Through Environmental Design (CPTED).
- Support for community groups.
- Community events and celebrations.
- Flood protection works that reduce risk to the community.

Central government and the community contribute too, including

- Primary, secondary and tertiary health care.
- Public health and healthy communities promotion.
- Voluntary work.
- Refugees' and migrants' support.
- Policing and community patrols.
- Support for disabled and other groups with specific needs.

Measuring our success

- NZ Deprivation Index and demographic information (age, gender, ethnicity etc.)
- Physical activity levels of adult residents.
- Self-reported overall health including mental health (Residents' Survey).
- Life expectancy.
- Residents' perception of connectedness and sense of belonging (Residents' Survey).
- Nutrition (fruit and vegetable consumption).
- Actions by non-Council groups and individuals – community contribution.

Goal 5 – A FUN, CREATIVE CULTURE

We are proud of our creative local culture and regional identity

- We are proud of our region, our communities and our diverse heritage
- There is a wide range of recreation, arts and leisure opportunities for everyone to take part in
- We have a strong sense of community, enhanced by activities, festivals, events and celebrations that reflect our distinct environment and people
- We understand that our heritage contributes to our distinctive identity, so we value, protect, interpret and celebrate our human heritage and historic places – Māori and more recent
- We value and support those things that make Nelson special and unique – our people, art and crafts, the café culture, the outdoors, local food and wines, boutique shops and the relaxed atmosphere

Examples of how Council contributes to achieving this outcome (more detail in relevant activity section)

- Community facilities
- Culture, heritage and arts support and grants
- Festivals and celebrations
- Parks and reserves
- Recreation programmes
- Environmental protection
- Inner city enhancement
- Public artworks

Central government and the community contribute too, including

- Arts and craft, galleries
- Cafés and boutique shops
- Funding and grants
- Public artworks
- Heritage advocacy
- Clubs and sports groups

Measuring our success

- Number of heritage sites registered in Nelson Resource Management Plan
- Residents' satisfaction with Council support for arts and culture (Residents' Survey)
- Ethnicity of total population (NZ Statistics Census data)
- Library membership, percentage of population
- Total and % of te reo Māori speakers (all ethnicities) – NZ Statistics Census data

- Cultural employment in Nelson as a percentage from Household Labour Force Survey.
- Actions by non-Council groups and individuals – community contribution.

Goal 6 – GOOD LEADERSHIP

Our leaders are proactive, innovative, and inclusive

- We work together as a region, think of the generations that will follow and listen to the full range of views.
- Everyone has the opportunity to participate in the community's major decisions and information is easy to obtain.
- Leaders consult with and understand their communities and work for the good of all, including the wider region. Our leaders inspire respect, take responsibility for their decisions and act to improve the big issues facing our community.
- All sectors of the community and region work effectively together.
- We support and mentor our youth to become the leaders of the future

Examples of how Council contributes to achieving this outcome (more detail in relevant activity section)

- Local government elections.
- Consultation on significant strategies and plans.
- Regional collaboration and joint initiatives.
- Support for youth development including the Youth Council.
- Support for the Positive Ageing Forum

Central government and the community contribute too, including

- Education and training.
- Parliamentary system.
- Community leadership.
- Leadership development, awards and recognition.

Measuring our success

- Participation rates in local government elections/voter turnout %.
- Satisfaction with Council consultation processes (Residents' Survey).
- Actions by non-Council groups and individuals – community contribution.

How the community outcomes were identified

Council talked with a wide range of Nelsonians during 2005 to find out their long-term vision for Nelson. We asked what the ideal Nelson would look like and what would make this a better place. We talked to school children, students, environmental groups, ta_ngata whenua, recreation groups, the business community, the elderly, parents, migrants, refugees, government departments, the arts community and many others. Altogether more than 10% of Nelson's population was involved in the Community Outcomes process in some way. If you didn't get to talk about the goals yourself, chances are people you know, and many others like you, were involved. Council and facilitators were impressed by the very high level of agreement on our goals. We all have different priorities and some different ways of achieving them, but just about everyone agrees on the general direction.

Many themes were mentioned by the different focus groups. These fell under six headings that evolved to become the six draft goals listed above. As much as possible, the words that indicate what each goal is about come directly from those focus groups. Once the draft goals were written, they were discussed at a workshop held at Fairfield House in August 2005. It involved more than 60 Nelson residents from a range of different backgrounds, broadly reflecting the range of different groups involved in the process. Their feedback shaped the final six goals.

Priorities

The outcomes are high level, broad goals; something to which we all aspire. They guide our setting of priorities when we are making decisions about what we can and should do. They are ranked by importance, are more specific and arise out of the political decision-making processes. We can't do everything straight away because of limited resources. Decision makers – Council and other organisations – are the ones who determine which projects get addressed first, taking into account community views and needs through their decision-making processes. Decision makers have to consider all options, and work within a total budget. An important result of this consultation on the Nelson Community Plan is to agree on priorities. Many other organisations run similar consultations to determine their priorities. All these processes will be informed and guided by the Community Outcomes. Council priorities are set out on page 19.

Other key plans and processes

These Community Outcomes or goals guide Council strategies and planning documents, such as the asset management plans that set out how Council assets such as water and land will be managed. Linking all Council's strategies and plans to the goals they aim to achieve ensures they are consistent with the community's goals. The relevant plans, strategies and processes are included in each Council activity section in this volume.

Community Outcomes Measuring and Reporting

Council and the other key organisations below continue to meet regularly to review progress towards achieving the community outcomes. The three Top of the South Councils (Nelson City, Marlborough District and Tasman District) have worked with the Nelson Marlborough District Health Board, Ministry of Social Development, the Nelson and Marlborough Economic Development Agencies and others on the community outcomes monitoring project. Our approach has been to agree on a common set of performance indicators for reporting against the community outcomes. For details of the indicators we intend to measure, refer to the relevant section for each outcome above. The report is based on information gathered by the various agencies involved in the project and from searching information available from other agencies.

We have prepared a Top of the South report on how we are doing as a region towards achieving our community outcomes. While the various agencies involved in the project have identified slightly different outcomes, or expressed them differently, there are strong common themes and similarities. Therefore, it seemed more efficient and sensible to combine monitoring resources and to prepare one overarching report for the Top of the South. The report on community outcomes will be available from Council offices or for borrowing from libraries from the end of July. These organisations plan to continue to report on how we are going in relation to our community outcomes every three years. The Nelson City Council also prepares a State of the Environment Report, which goes into further detail on the condition of our environment.

Glossary

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

ACTIVITIES are the services, projects or goods produced by Council. As used in this document, activity also means a group of 'sub-activities' carried out by Council. These are 15 broad groups of all of Council's services and facilities, each with common elements. For practical management of our work, we assign responsibility for these activities to various Council teams, each with their own budgets. Examples include 'water supply', 'recreation and leisure' and 'economic and tourism support'.

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

ANNUAL PLAN sets out Council's current financial situation, intended activities and work programme for the next financial year. It is published in years two and three, alternating with the three-yearly Community Plan.

ANNUAL REPORT is an audited account of the results of Council's planned work programme for the past year. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance and is published by Council around October following the end of each financial year on 30 June.

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

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

ASSUMPTIONS are the underlying 'givens' assumed by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are. For example, we assume that the population of Nelson will continue to increase over the next decade in the mid-range of current projections. Estimates suggest the population of Nelson might increase by around 2,900 people, to 47,200 by 2016.

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

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

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

CBD central business district; the central city.

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

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

COMMUNITY OUTCOMES are goals, results or wishes identified by the community that it wants to see achieved, for the present and future social, economic, environmental and cultural wellbeing of the community. Identifying these goals allows the community to discuss the relative importance of priorities, and provides for the measurement of progress towards achieving the goals. The Community Outcomes promote better coordination and application of community resources and guide the setting of priorities by the Council and other organisations. These are set out in Appendix 3.

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

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

CONSULTATION is the method Council uses to talk with the public about decisions and plans to be made and ranges, from 'round table' conversations to formal written submissions and hearings.

COUNCIL CONTROLLED ORGANISATION (CCO) is a company controlled by one or more local authorities, for example Nelson Tasman Tourism Ltd.

COUNCIL CONTROLLED TRADING ORGANISATION (CCTO) is a type of Council-controlled organisation that operates for the purpose of making a profit, for example the Ridgeways Joint Venture.

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

DEVELOPMENT CONTRIBUTIONS are contributions of money and/or land to Council, as provided for in Council's Development Contributions Policy that is included in Volume 2 of this Community Plan. The contributions are calculated according to the method set out in that Policy.

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

ESTIMATED NATURAL INCREMENT is growth in the rating base, or number of ratepayers, as population increases.

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

FINANCIAL YEAR for council runs for 12 months from 1 July to 30 June the following year.

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

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

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

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

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

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

INFRASTRUCTURE includes the networks that support the running of an area, like the water, wastewater/sewerage, solid waste (rubbish disposal), and transport systems managed by Council.

Networks provided by non-Council organisations, like electricity and telecommunications, also form part of the community's essential infrastructure.

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

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

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

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

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

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

MĀORI is everyone of Māori descent living in Nelson, including local Iwi and Māta Waka from elsewhere in New Zealand.

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

NGĀ TAONGA TUKU IHO are the treasured resources (particularly natural) of this area (rohe).

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

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

NUGS OR NELSON URBAN GROWTH STRATEGY is the result of a 2005 study by Council to provide a very long-term (up to 50 year) approach to planning for an increasing population. It particularly focuses on housing, transport, urban quality and the environment and will guide Council's land use and zoning decisions.

OPERATING EXPENDITURE (OPEX) is the cost of operations and maintenance of an asset. Expenditure on operations and maintenance does not alter the value of an asset and is not included in the asset valuation.

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

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

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

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

POLICY is 'the way things are to be done' and refers to an agreed and documented position of Council on a particular issue. It guides subsequent decisions so that they are generally consistent

with that agreed position. ‘The Policy’ refers to a published document, like the Social Development Policy, whereas Council ‘policy’ refers to a decision (or series of decisions) by Councillors and/or staff, depending on the level of the issue, on Council’s approach to a specific issue. For example, Council’s Positive Ageing Policy promotes a positive attitude to ageing and older people, and identifies programmes to enable older people to contribute and participate in the Nelson and Tasman lifestyle

RANGATIRATANGA is the chiefly authority iwi leaders hold in relation to their iwi. It is the state of being a chief, a leader, a person of nobility. ‘Rangatiratanga’ means literally ‘evidence of breeding and greatness’ [from Williams’ Dictionary of the Māori Language].

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

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

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

SERVICE LEVELS, refer to L.O.S or Levels of Service.

SIGNIFICANCE, in relation to any matter before Council, is the degree of importance, as measured by Council, in terms of its likely impact on community wellbeing or affected persons, or the capacity of Council to perform its role and the costs of doing so. A ‘significant’ matter is one assessed to have a high degree of ‘significance’ and therefore triggers a special consultative procedure under Council’s Significance Policy. Typically, a major project costing several million dollars, such as a performing arts/conference centre, requires consultation with the community.

SIGNIFICANCE POLICY explains how Council determines what is a ‘significant’ project or decision and consequently the extent of public consultation that is required.

SOI, STATEMENT OF INTENT, is required each year of Council Controlled Organisations to provide accountability for meeting agreed targets and outcomes.

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

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

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

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

TĀNGATA WHENUA, literally the people of the land, means the original Māori people of a place, the local people or hosts.

TARGETED RATES are a charge on ratepayers to fund a specific service like stormwater drainage.

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

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

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

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

USER FEES AND CHARGES apply for specified Council services where the user clearly benefits from the service and this form of charging is the most equitable means of covering the costs of its provision.

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

Volume 2 – Financial Policies

Nelson Community Plan 2009 – 2019

Nelson Long-term Council Community Plan (LTCCP)
including updated Development Contributions Policy 2010

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Introduction

This second volume of the draft Nelson Community Plan, (formally the Long-term Council Community Plan or LTCCP), includes information on the Nelson City Council's overall financial position, background information and the financial policies that are required by the Local Government Act to be included.

Audit statement

The full audit report is contained in Volume 1 of the Nelson Community Plan (NCP).

The updated version of Volume 1 includes an additional Audit Statement referring to the June 2010 amendments to the Development Contributions Policy.

Variation between the plan and actual results

“Actual financial results achieved for the period covered by the plan are likely to vary from the information presented and the variations may be material.”

This means that, while Council will do its best to keep to what is set out in this plan, there are many legitimate reasons why the final results in the annual report at the end of each financial year might differ from what was planned, including such variables as unanticipated changes in interest rates or market conditions. The plan can be only a best estimate of the costs Council will face and factors outside its control can affect the completion of planned projects.

Assumptions for 2009-19 Nelson Community Plan

The Nelson Community Plan is based on a number of significant forecasting assumptions. Assumptions that might impact on the overall plan, or most Council activities, are outlined below. Those assumptions that apply only to a specific Council activity are included in the relevant section in Volume 1. The assumptions are the best reasonable assessment based on current information and, should any of them prove to be inaccurate, it might have a direct effect on the Council's projected financial position and the projects that are to be carried out. But Council has to base its estimates on a set of reasonable assumptions to enable it to plan its expenditure over the next ten years. These include the likely rate of population growth, inflation, price changes, interest rates and several other key factors that can affect Council costs.

Population Growth

Council's population growth figures are based on Statistics New Zealand Census and projected population growth figures and are reviewed regularly by Council staff to take into account local changes.

Planning in this document is based on a base population of 44,300 as at the 2006 Census. It is estimated that the Nelson population will have increased to around 45,210 by June 2009. With an average increase of about 300 people each year, it is assumed Nelson's population will be around 48,221 in 2019 at the end of the term of this plan. That means Council needs to provide for 3,011 additional residents over the next ten years.

This is a lower rate of increase than was assumed three years ago when an estimated 11,700 new residents by 2021 would need up to 4,700 houses, units or apartments, as well as more services and facilities. Estimates have been revised slightly downwards due to declining net immigration and other factors represented in the latest Census figures.

Council takes a generally conservative approach in applying population growth estimates in its infrastructure planning. It applies the mid-range of estimates when planning future projects through its asset management plan processes. These are updated every three years, so are continually revised and updated as population growth estimates are refined. This limits any risk associated with population estimates differing significantly from actual increases. Based on past experience, population estimates tend to be very close to actual increases in the short term (less than five years), diverging significantly only beyond 20 or 30 years. Because asset management plans and Community Plans are updated every three years, there is a regular opportunity to alter plans accordingly. The main effect on infrastructure planning is a change in the design horizon, where a replacement or additional capacity might be needed sooner. As most of these projects design

lives are in the range of 50-100 years, a 10% population difference over a century, for example, wouldn't significantly change over the span of a Community Plan.

Population growth does not occur in a straight line and, if population growth proves to be faster or slower than estimated, projects can be brought forward or delayed. Council will review the projected growth rates whenever new information is available and update this in later Community Plans.

Inflation/prices changes

The financial information has been adjusted to take into account changes in prices over the ten-year term of this plan. For the first year Council has used 2009 dollars and the following nine years have been derived from those recommended to Local Government by Business and Economic Research Limited (BERL). The adjustments are assumed to be 2.95% in 2010/11 and 2011/12 and 2.75% in 2012/13 and the following years.

The forecast figures used in the previous Community Plan in 2006 turned out to be lower than the actual percentages. This meant Council faced higher costs than had been planned for. If the inflation rates are higher or lower than forecast this will impact on the financial results of Council. No economic forecast going out ten years will be perfect and it is likely that the rate of inflation will vary from those above over the ten-year period. There is little that Council can do about this. However, because a new Community Plan is required every three years, Council will be able to provide updated forecasts when each new Community Plan is prepared.

Interest rates

This plan is based on the following average interest rates for Council loans: 6.0% in 2009/10, 5.5% in 2010/11, 5.5% in 2011/12, 5.75% in 2012/13, 6.0% in 2013/14, 6.25% in 2014/15, 6.5% in 2015/16 plus 6.75% from 2014/15 to 2018/19. These rates are slightly lower than those forecast in the draft and Council considers these to be appropriate based on current interest rates and the Reserve Bank forecasts interest rates will remain lower in the medium term. The Council uses both surplus internal funds and external borrowing. The projected statements of financial position include external loans only.

If interest rates are higher than forecast then Council may reconsider the timing of projects. However, because many Council projects depend on a number of factors, such as scheduling projects to fit in with other organisations like Transit NZ, lower interest rates might not necessarily result in projects being brought forward.

Interest revenue from short-term investments is projected based on current interest rates.

Emissions Trading Scheme

In 2008 legislation introduced an emissions trading scheme (ETS), as a means of encouraging the reduction of greenhouse gas emissions that contribute to climate change. The ETS put a charge on greenhouse gas emissions from various sectors. The key ones to impact on the Council's business would be:

- the forestry deforestation liabilities, effective from 2008
- electricity prices are likely to increase from 2010 to cover the costs of the electricity sector having to account for its emissions
- fuel prices are likely to increase from 2011 to cover the costs of the transport sector having to account for its emissions
- the Council may be required to account for emissions from its landfills from 2013.

At the time of preparing this document, there is a high level of uncertainty over the future of the scheme and any potential impact on the Council's financial situation due to the ETS being put on hold pending a full review. If any emissions trading or carbon charging scheme is eventually adopted by the Government, it will be likely to increase the net costs to Council over the period of this Community Plan. It is anticipated that any impact on the Council costs will be addressed through the Year 2 and 3 Annual Plan processes and the 2012 review of the Nelson Community Plan once there is more information available on any final scheme.

Amalgamation

Amalgamation with any other Council is assumed not to occur within the period covered by this Community Plan. Therefore all financial estimates are based on the premise that the activities will be managed by Nelson City Council in its present form.

Commitments and contingencies

We have assumed that all commitments and contingencies known to Council have been included in this plan, and there are none that the Council is aware of that have been omitted.

Life of assets

The Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is reflected in the statement of accounting policies on page 14.

Return on investments

Council has assumed that the return on investments and retaining earnings on subsidiaries will continue at current levels plus inflation.

Assumptions

Loan arrangements

Council has assumed that the Council's bankers will continue to renew the existing loan facilities.

Transit funding

Council has assumed that New Zealand Transport Agency financial assistance for provision of transport infrastructure will continue at current levels.

Vested assets

Council has assumed vested assets will continue to increase at the rate of \$5 million per annum plus inflation.

Resource consents

It is assumed that all Council projects will receive any necessary resource consents; budgets have allowed for these where resource consents are required.

Prospective Statement of Comprehensive Income

Actual 2007/08 \$000	Annual Plan		Projection		Budget		Budget		Budget		Budget		Budget	
	2008/09 \$000	2008/09 \$000	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2018/19 \$000
	Revenue													
40,737	47,105	46,199	48,619	52,139	57,857	63,383	67,942	72,085	75,908	78,794	80,368	82,388	82,388	
41,786	38,376	38,618	38,607	35,624	40,302	42,426	40,810	43,187	43,166	46,486	47,715	50,716	50,716	
253	575	315	350	560	560	140	0	0	0	0	0	0	0	
82,176	86,056	85,132	87,576	88,323	98,719	105,951	108,752	115,271	119,073	125,280	128,083	133,104	133,104	
	Expenditure													
10,928	12,565	11,250	11,582	11,924	12,276	12,638	13,011	13,394	13,790	14,196	14,615	15,046	15,046	
2,699	4,378	3,553	3,141	4,420	6,712	7,690	8,025	9,387	9,994	10,375	9,458	8,243	8,243	
13,519	14,488	15,182	16,001	17,020	18,283	19,924	20,899	21,952	23,057	24,078	25,087	26,121	26,121	
34,030	35,638	38,867	43,470	46,817	47,536	50,987	51,286	52,143	54,432	56,288	57,818	59,566	59,566	
61,176	67,069	68,853	74,195	80,181	84,808	91,240	93,220	96,875	101,273	104,938	106,978	108,974	108,974	
21,600	18,987	16,279	13,381	8,142	13,911	14,710	15,532	18,397	17,800	20,341	21,105	24,130	24,130	
52	0	2	1	1	1	1	0	0	0	0	0	0	0	
21,548	18,987	16,277	13,381	8,142	13,910	14,710	15,532	18,397	17,800	20,341	21,105	24,130	24,130	
34,453	27,149	26,177	23,565	24,400	25,204	26,034	26,891	27,775	28,688	29,630	30,601	31,604	31,604	
56,001	46,136	42,454	36,946	32,541	39,114	40,744	42,423	46,172	46,488	49,971	51,707	55,734	55,734	
	Operating surplus before taxation													
	18,987	16,279	13,381	8,142	13,911	14,710	15,532	18,397	17,800	20,341	21,105	24,130	24,130	
	0	2	1	1	1	1	0	0	0	0	0	0	0	
	18,987	16,277	13,381	8,142	13,910	14,710	15,532	18,397	17,800	20,341	21,105	24,130	24,130	
	34,453	27,149	26,177	23,565	25,204	26,034	26,891	27,775	28,688	29,630	30,601	31,604	31,604	
	56,001	46,136	42,454	36,946	39,114	40,744	42,423	46,172	46,488	49,971	51,707	55,734	55,734	

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

Actual 2007/08 \$000	Annual Plan		Projection		Budget		Budget		Budget		Budget		Budget	
	2008/09 \$000	2008/09 \$000	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2018/19 \$000
969,696	1,007,481	1,025,697	1,068,151	1,105,097	1,137,638	1,176,752	1,217,496	1,259,919	1,306,091	1,352,579	1,402,550	1,454,257	1,454,257	
56,001	46,136	42,454	36,946	32,541	39,114	40,744	42,423	46,172	46,488	49,971	51,707	55,734	55,734	
1,025,697	1,053,617	1,068,151	1,105,097	1,137,638	1,176,752	1,217,496	1,259,919	1,306,091	1,352,579	1,402,550	1,454,257	1,509,991	1,509,991	

The excess equity is due to the higher than expected revaluations as at 30 June 2008.

Prospective Cashflows Statement for the year ended 30 June

Actual 2007/08	Annual Plan		Projection		Budget		Budget		Budget		Budget		Budget		Budget		
	\$000	2008/09	2008/09	2008/09	\$000	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	\$000	\$000	\$000
Cash flows from operating activities																	
Cash was provided from:																	
66,549	79,122	79,320	79,172	78,417	87,036	92,958	95,674	100,711	104,373	110,590	114,047	114,047	119,927	119,927	114,047	114,047	119,927
838	(6,378)	(6,083)	(6,115)	(6,197)	(6,265)	(6,323)	(6,383)	(6,444)	(6,507)	(6,571)	(6,637)	(6,637)	(6,706)	(6,706)	(6,637)	(6,637)	(6,706)
2,258	9,332	8,040	8,614	9,730	11,292	12,930	13,004	14,417	14,487	14,410	13,694	13,694	12,778	12,778	13,694	13,694	12,778
69,645	82,076	81,277	81,672	81,949	92,061	99,564	102,295	108,684	112,354	118,430	121,104	121,104	126,000	126,000	121,104	121,104	126,000
Cash was applied to:																	
44,602	47,325	49,150	54,015	57,530	58,685	62,731	63,509	65,066	67,736	69,985	71,919	71,919	74,084	74,084	71,919	71,919	74,084
2,699	4,378	3,553	3,141	4,420	6,712	7,690	8,025	9,387	9,994	10,375	9,458	9,458	8,243	8,243	9,458	9,458	8,243
329	(173)	0	50	1	1	1	0	0	0	0	0	0	0	0	0	0	0
330	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47,960	51,530	52,704	57,206	61,951	65,398	70,422	71,533	74,453	77,730	80,360	81,377	81,377	82,327	82,327	81,377	81,377	82,327
21,685	30,546	28,573	24,465	19,998	26,664	29,142	30,763	34,231	34,623	38,069	39,727	39,727	43,673	43,673	39,727	39,727	43,673
Net cash flows from operating activities																	
Cash Flows from Investing Activities																	
Cash was provided from:																	
0	575	2,476	350	560	560	140	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	3,131	858	789	785	1,329	132	136	140	144	148	152	152	156	156	152	152	156
0	217	100	233	978	1,492	1,939	1,959	1,959	1,959	1,946	1,946	1,946	1,926	1,926	1,946	1,946	1,926
0	3,923	3,434	1,373	2,323	3,381	2,211	2,095	2,099	2,103	2,094	2,098	2,098	2,082	2,082	2,098	2,098	2,082
Cash was applied to:																	
25,924	61,266	50,182	50,547	52,423	56,536	36,841	37,048	32,417	32,417	30,475	20,617	20,617	24,908	24,908	30,475	30,475	24,908
1,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
111	1,845	2,012	4,746	5,144	4,478	4,210	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
27,035	63,111	52,194	55,293	57,567	61,014	41,050	37,048	32,417	32,417	28,885	20,617	20,617	24,908	24,908	30,475	30,475	24,908
(27,035)	(59,188)	(48,760)	(53,920)	(55,244)	(57,633)	(38,840)	(34,953)	(30,318)	(26,782)	(28,381)	(18,519)	(18,519)	(22,826)	(22,826)	(28,381)	(28,381)	(22,826)
Net outflows from investing activities																	
Cash Flows from Financing Activities																	
Cash was provided from:																	
10,100	47,715	31,426	40,803	45,125	42,252	21,869	14,895	7,609	7,609	3,844	4,107	589	589	85	4,107	4,107	589
(8,775)	(20,018)	(11,069)	(10,137)	(10,466)	(10,587)	(10,633)	(10,206)	(10,346)	(10,346)	(10,320)	(12,302)	(20,305)	(17,327)	(17,327)	(12,302)	(12,302)	(17,327)
1,325	27,697	20,358	30,666	34,660	31,665	11,236	4,688	(2,737)	(2,737)	(6,476)	(8,195)	(19,716)	(17,243)	(17,243)	(8,195)	(8,195)	(17,243)
(4,025)	(945)	171	1,211	(586)	696	1,537	498	1,176	1,176	1,365	1,492	1,492	3,604	3,604	1,492	1,492	3,604
10,295	7,559	6,270	6,441	7,652	7,066	7,762	9,299	9,797	9,797	10,974	12,338	13,832	15,324	15,324	12,338	12,338	15,324
6,270	6,614	6,441	7,652	7,066	7,762	9,299	9,797	10,974	10,974	12,338	13,832	15,324	18,928	18,928	13,832	13,832	18,928
Represented by:																	
6,538	6,614	6,441	7,652	7,066	7,762	9,299	9,797	10,974	10,974	12,338	13,832	15,324	18,928	18,928	13,832	13,832	18,928
(268)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6,270	6,614	6,441	7,652	7,066	7,762	9,299	9,797	10,974	10,974	12,338	13,832	15,324	18,928	18,928	13,832	13,832	18,928

Accounting policies

Reporting entity

Nelson City Council is a unitary authority subject to the Local Government Act 2002. The Nelson City Council group consists of the Nelson City Council and its subsidiary Nelmac Ltd, the Nelson Civic Trust Inc., Nelson Regional Development Agency, Associates and Joint Ventures.

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

Statement of compliance and basis of preparation

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

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

Basis of financial statement preparation and measurement base

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

The preparation of financial statements conforming with NZIFRS requires Council and its managers to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual financial results may therefore vary from these estimates.

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

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

Specific accounting policies

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

Associate entities

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

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

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

Joint ventures

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

Fixed assets and other assets

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

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

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

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

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

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

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

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

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 now considered to be deemed cost.

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

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

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

HERITAGE ASSETS are valued at deemed cost as at 30 June 2005. Museum assets have been valued on the basis of what a willing buyer would be prepared to pay a willing seller. The valuation

was undertaken by Dunbar Sloane registered valuer as at 30 June 1999. The Cawthron Steps and Broadgreen House have been valued on the basis of depreciated replacement cost by Quotable Value at 30 June 2002. Founders Park has been valued on the basis of depreciated replacement cost by Telfer Young at 30 June 2002. The Cawthron Steps, Broadgreen House and Founders Park were included as Council assets in 2002 for the first time.

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

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

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

Depreciation

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

Depreciated assets' lives are set as follows:

Asset	Depreciable Life (years)
Operational assets	
Buildings	50 - 100
Improvements	Nil - 20
Motor Vehicles	7
Plant and equipment	2 - 30
Library books	3 - 10
Marina	30 - 50
Restricted assets (community use)	
Buildings	50 - 100
Improvements	Nil - 20

Infrastructural assets	
Roads	
Formation	N/A
Sub-base	N/A
Base course	5 - 80
Surfacing (sealed)	2 - 50
Surfacing (unsealed)	N/A
Bridges	20 - 100
Retaining/sea walls	75 - 150
Box culverts	60 - 90
Footpaths	5 - 100
Carparks	10 - 100
Streetlights	30 - 60
Signs	15
Water supply	
Pipeline	55 - 120
Manholes	55 - 120
Reservoirs and tanks	45 - 100
Dams	16 - 200

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



Intangible assets

Software acquisition and development

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

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of financial performance. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 years	33%
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Inventory

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

Biological assets

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

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

Work in progress

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

Impairment

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

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

Investment properties

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

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

Financial instruments

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

Nelson City Council does not have any derivative financial instruments.

Debtors

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

Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that Nelson City Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount. Impairment of term deposits, local authority, government stock and related party and community loans is established when there is objective evidence that the Nelson City Council will not be able to collect amounts

due to the original terms of the instruments. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Investments

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

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

Other financial instruments

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

Foreign exchange transactions

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

Non-current assets intended for sale

Non-current assets intended for sale are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered mainly through a sales transaction rather than through continuing use. An impairment loss is recognised for any initial or subsequent write down of the asset or disposal group to the fair cost to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset or disposal group, but not in excess of any cumulative impairment loss previously recognised. A gain not previously recognised by the sale date of the non-current asset intended for sale is recognised at the date of de-recognition.

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

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

Provisions

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

Employee entitlements

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

Landfill

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

Taxation

Income tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus after allowing for all allowable deductions under current tax legislation. The Council uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis.

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

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

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

Good and services tax (GST)

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

Allocation of overheads - significant activities

All overheads in the job costing system have been allocated to Council's 15 'significant activities' – refer to Volume One for a full account of these activities, which include broad Council functions like Water Supply and Community Facilities. This allocation has been mainly on the basis of time spent but, where items of expenditure clearly relate to a particular activity, they are allocated on that basis.

Financial reserves

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

RESTRICTED RESERVES subject to specific conditions accepted as binding by the Council, and which may not be revised by the Council without reference to the courts or a third party. Transfer from these reserves may be made only for certain specified purposes or if certain specified conditions are met.

COUNCIL-CREATED RESERVES, which are part of the accumulated balance established at the will of the Council. The Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

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

Statement of cash flows

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

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

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

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

Revenue recognition

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

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

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

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

DIVIDEND INCOME is recognised on an accrual basis when declared.

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

CASH AND CASH EQUIVALENTS includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Expense recognition

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

Leases

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

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

Funding impact statement: Summary of rates and charges

Rating of separately used or inhabited parts of a rating unit

Conditions and Criteria: Council's policy

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

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

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

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

Application

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

General Rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 is based on the rateable value of the land. General rates are set at different rates in the dollar of rateable value for different categories of rateable land. The general rate is 0.49983 cents in the land value dollar (including GST) for the 2009/10 rating year. This compares to the previous year's rate of 0.41277 cents in the land value dollar.

A residential property with a land value of \$165,000 in 2006 would have paid general rates of \$681.10 in 2008/09, it will then pay \$824.72 in the 2009/10 rating year.

Uniform Annual General Charge

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

- As a charge for services which have an equal element of benefit irrespective of property value;
- To ensure a minimum charge on all properties;
- To reduce the extremes of rates paid by the highest and lowest valued rating units; and
- In recognition that land valuation-based rating does not necessarily reflect a ratepayer's ability to pay.

Council will collect 15% of rates (excluding water and trade waste charges) through the UAGC. The UAGC will be \$302.00 (including GST) per separately occupied portion of a property for the 2009/10 rating year. This year's charge is \$19.10 higher than last year's charge of \$282.90. Uniform general charges are required to be no more than 30% of total revenue from all rates (excluding water charges). This year's charges are 15% of rates and within the 30% limit.

Stormwater

The storm water rate is a separate targeted rate set under section 16 of the Local Government (Rating) Act 2002 per rating unit of \$220.40 and recovers the funding required by Council for storm water purposes. It is payable by all ratepayers other than rural, small holding rating categories and residential properties east of Gentle Annie saddle. This year's charge is \$46.60 lower than last year's charge of \$267.00.

Targeted rate for Clean Heat-Warm Homes

The Clean Heat-Warm Homes rate is a targeted rate collected per separately occupied portion of a rating unit that has been provided with insulation and a heater to replace a non-complying solid fuel burner. Property owners who are eligible for a Rate Rebate under the Department of Internal Affairs scheme are eligible to apply for a remission of this rate. For more details on this option refer to the Rates Remissions Policy, which is also included in the volume.

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

The targeted rate applying to any participating property is determined depending on a \$200 band within which the total installation cost falls. That total cost includes the addition of a \$100 administration fee. The targeted rate is 10% of the lowest amount of that \$200 band, and applies for 10 years. For example, a total cost of \$2,720 that falls within the targeted rate band of \$2,600 to \$2,800, pays a targeted rate of \$260 for 10 years. Participants in the scheme are required to sign a contractual agreement, agreeing to repay the installation cost through the targeted rate.

Funding impact statement – rates & charges

Categories of rateable land	Differential relationship between categories \$	Rate (GST inclusive)	Rate (or part thereof)
Band A	1400 to 1599	\$140.00	per unit supplied
Band B	1600 to 1799	\$160.00	per unit supplied
Band C	1800 to 1999	\$180.00	per unit supplied
Band D	2000 to 2199	\$200.00	per unit supplied
Band E	2200 to 2399	\$220.00	per unit supplied
Band F	2400 to 2599	\$240.00	per unit supplied
Band G	2600 to 2799	\$260.00	per unit supplied
Band H	2800 to 2999	\$280.00	per unit supplied
Band I	3000 to 3199	\$300.00	per unit supplied
Band J	3200 to 3399	\$320.00	per unit supplied
Band K	3400 to 3599	\$340.00	per unit supplied
Band L	3600 to 3799	\$360.00	per unit supplied
Band M	3800 to 3999	\$380.00	per unit supplied
Band N	4000 to 4199	\$400.00	per unit supplied
Band O	4200 to 4399	\$420.00	per unit supplied
Band P	4400 to 4599	\$440.00	per unit supplied
Band Q	4600 to 4799	\$460.00	per unit supplied
Band R	4800 to 4999	\$480.00	per unit supplied

Funding impact statement – rates & charges

Funding Impact Statement

	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Income										
General rates:										
Uniform Annual General Charge	5,776	6,273	7,021	7,709	8,282	8,815	9,295	9,691	9,915	10,214
Cents in Dollar	23,305	25,374	28,341	31,300	33,686	35,861	37,378	39,163	39,904	41,107
	29,082	31,647	35,362	39,009	41,968	44,676	46,674	48,855	49,818	51,321
Waste Water Charge	5,650	6,283	7,176	7,554	7,884	8,207	9,142	9,454	9,771	10,052
Stormwater Separate General Rate	3,778	3,888	4,266	4,826	5,358	5,885	6,153	6,300	6,509	6,719
Water Charge	10,109	10,320	11,053	11,995	12,732	13,317	13,938	14,184	14,271	14,295
Total Rates	48,619	52,139	57,857	63,383	67,942	72,085	75,908	78,794	80,368	82,388
Fees and Charges	34,156	33,438	37,363	37,691	36,313	37,684	38,114	41,124	42,078	44,795
Operating Grants and Subsidies	1,960	2,430	2,202	3,447	3,542	3,639	3,740	3,842	3,948	4,057
Interest	(6,612)	(6,694)	(6,762)	(6,820)	(6,879)	(6,940)	(7,003)	(7,068)	(7,134)	(7,202)
Increased Value of Investment	80	87	94	0	0	0	0	0	0	0
Capital Contributions:										
Development/Financial Contributions	1,220	1,335	1,551	1,873	1,925	1,978	1,994	2,088	2,145	2,204
Vested Assets	5,000	5,148	5,299	5,445	5,595	5,749	5,907	6,069	6,236	6,408
Capital Grants and Subsidies	3,155	440	1,115	930	315	1,076	415	431	441	454
Total Operating Revenue	87,576	88,323	98,719	105,951	108,752	115,271	119,073	125,280	128,083	133,104
Operating Expenditure										
Operating expenditure	55,052	58,741	59,813	63,626	64,297	65,537	68,222	70,485	72,433	74,611
Interest expense	3,141	4,420	6,712	7,690	8,025	9,387	9,994	10,375	9,458	8,243
Depreciation	16,001	17,020	18,283	19,924	20,899	21,952	23,057	24,078	25,087	26,121
Total operating expenditure	74,195	80,182	84,809	91,240	93,220	96,875	101,273	104,938	106,978	108,975
Operating Surplus/(Deficit)	13,381	8,142	13,910	14,710	15,532	18,397	17,800	20,341	21,105	24,129
Other Expenditure										
Capital Expenditure	55,547	57,570	61,835	42,286	42,643	38,165	34,792	36,544	26,853	31,315
Repayment of loan principal	10,137	10,466	10,587	10,633	10,206	10,346	10,320	12,302	20,305	17,327
Purchase of investment	5,046	5,624	4,958	4,330	0	0	0	0	0	0
Non cash - invest write up	179	280	399	391	438	404	365	320	268	209
Transfer to reserve funds	3,120	2,902	3,735	4,251	4,508	4,169	4,493	4,744	6,090	8,349
Total Net Cost	74,029	76,841	81,513	61,892	57,795	53,084	49,969	53,910	53,515	57,200
Funded by										
Net surplus/deficit	13,381	8,142	13,909	14,710	15,532	18,397	17,800	20,341	21,105	24,129
New loans raised	40,803	45,125	42,253	21,869	14,895	7,609	3,844	4,107	589	85
Transfer from reserve funds	1,939	3,600	3,151	2,768	4,044	3,027	3,166	3,289	4,637	4,783
Non cash - invest write down	580	712	616	429	330	0	0	0	0	0
Non cash expenditure	16,001	17,020	18,283	19,924	20,899	21,952	23,057	24,078	25,087	26,122
Sale of investment	533	1,458	1,972	2,059	1,959	1,959	1,959	1,946	1,946	1,926
Sales of assets	790	784	1,329	132	136	140	144	148	152	156
Total Net Funding	74,029	76,841	81,513	61,892	57,795	53,084	49,969	53,910	53,515	57,200



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 sewerage disposal system. This charge is levied to all units to which the Council's wastewater and sewerage disposal service is provided. The wastewater charge will be \$329.10 per unit (including GST) for the 2009/10 rating year compared to last year's rate of \$345.80. Commercial properties are also levied wastewater charges based on Council's tradewaste bylaw.

Targeted rate for Solar Hot Water Systems

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

This scheme differs from the Clean Heat-Warm Homes scheme in that the intent is for the property owner to pay the interest costs. The administration of the scheme is also expected to be covered by the users of the scheme through an initial \$300 charge.

Most users of the scheme will be eligible for a \$1000 grant from the EECA, which will cover the \$300 administration charge. The balance of \$700 is to be applied to reduce the amount borrowed from Council.

The targeted rate applying to any participating property is determined depending on a \$200 band within which the total installation and finance costs fall, so that the full loan is repaid after ten years. Participants in the loan scheme are required to sign a contractual agreement agreeing to repay the loan through the targeted rate. Payments will be 1/10 of the purchase plus interest per annum.

Funding impact statement – rates & charges

Categories of rateable land	Differential relationships between categories \$	Rate / or part thereof
Band A	5000-5200	Per unit supplied
Band B	5200-5400	Per unit supplied
Band C	5400-5600	Per unit supplied
Band D	5600-5800	Per unit supplied
Band E	5800-6000	Per unit supplied
Band F	6000-6200	Per unit supplied
Band G	6200-6400	Per unit supplied
Band H	6400-6600	Per unit supplied
Band I	6600-6800	Per unit supplied
Band J	6800-7000	Per unit supplied
Band K	7000-7200	Per unit supplied
Band L	7200-7400	Per unit supplied
Band M	7400-7600	Per unit supplied
Band N	7600-7800	Per unit supplied
Band O	7800-8000	Per unit supplied
Band P	8000-8200	Per unit supplied
Band Q	8200-8400	Per unit supplied
Band R	8400-8600	Per unit supplied
Band S	8600-8800	Per unit supplied
Band T	8800-9000	Per unit supplied
Band U	9000-9200	Per unit supplied
Band V	9200-9400	Per unit supplied
Band W	9400-9600	Per unit supplied
Band X	9600-9800	Per unit supplied
Band Y	9800-10000	Per unit supplied
Band Z	10000-10200	Per unit supplied

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

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

Method A: quality/quantity approach

The two largest commercial contributors are monitored every six months and the waste stream sampled over four days to measure the discharge rate and effluent strength as BOD, which is 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 proposed trade waste charges are proposed to be:

- Trade Waste A Conveying Charge \$371.25 per litre per minute
- Trade Waste A Treatment Charge \$905.63 per kg BOD per day
- Trade Waste B Combined Charge \$126.00 per m³
- The waste water charge is \$345.80

Conveying (\$/annum/litre/minute)			
Year	Total cost (\$) Incl. GST	Average flow rate (Litres/min)	Cost/Litre/Min (\$)
2008/2009	3,866,112	12,633	\$344.25
2009/2010	3,898,651	11,815	\$371.25
Treatment			
Year	Total cost (\$) Incl. GST	Average BOD* Loading (kg/day)	Cost/kg/BOD/day (\$)
2008/2009	3,396,686	3,599	\$1,062.00
2009/2010	\$3,079,588	\$3,826	\$905.63

*BOD is the biochemical oxygen demand, or effluent strength

Method B: quantity approach

For all other commercial premises, the trade waste charge is simply based on the volume of effluent assessed as being discharged from the premises. This effluent volume is calculated by multiplying the volume of water supplied into the premises by a correlation factor. The correlation factor is usually set at 0.8 unless another figure is agreed. It is assumed that 80% of the water that is distributed to a commercial property is subsequently discharged as 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 waste water rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

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

Conveying and treatment			
Year	Total cost (\$)	Total Effluent Volume (m³)	Cost/ m³ (\$)
2008/2009	7,292,798	6,639,739	1.23
2009/2010	6,978,239	6,209,716	1.26

Water charges

Nelson's water charges are a targeted rate for water supply set under section 19 of the Local Government (Rating) Act 2002 and are based on a fixed daily charge. This charge is payable by all ratepayers with a water meter installed on the property and recovers the funding required by Council to supply water. The water charges for 2009/10 (including GST) are proposed to be a minimum annual charge of \$178.38, which is charged at a daily rate of \$0.489 cents per day with no free allowance. The cost per cubic metre is proposed to be:

0-10,000 m ³ per year	\$ 1.748 per m ³
10,001 – 100,000 m ³ per year	\$ 1.589 per m ³
Over 100,000 m ³ per year	\$ 1.254 per m ³
Summer irrigation	\$ 1.668 per m ³
Shipping companies	\$ 4.370 per m ³

Water charges have decreased by 4.8 % this year compared with 2008/09 charges. Council will reassess the water charges when the plan is finalised in June to take into account any changes in water consumption by commercial users.

Paying rates

Payment methods

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

Penalty on unpaid rates

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

Penalty remission on full payment of yearly rates

The total annual rates may be paid in one lump sum by 27 November and any first installment penalty already incurred will be remitted. If the annual rates are not paid in full by 27 November, the penalties relating to the four installments 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 will be allowed where they are paid in full on or before 27 August.

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.

Council is required to state the category or categories of any differential:

Differentials based on Land Use

The differential categories are:

Category	Description
Residential	single unit residential rating units
Multi Residential	rating units containing more than one residential unit
Commercial	rating units used for commercial purposes
Rural	rating units defined in the Rating Information Database as rural with a land area greater than 15Ha
Small Holding	rating units defined in the Rating Information Database as small holding with a land area greater than 0.5Ha
Urban Farmland	rating units currently being used solely for farming within the urban rating area

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

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

The categories of general rates that are going to be used for applying the general rate differential and amount of total revenue from each category for 2009/10 are as follows:

Category	Amount
Residential	\$14,072,121
Multi Residential	\$675,937
Commercial	\$9,354,296
Rural	\$276,439
Small Holding	\$725,985
Urban Farmland	\$11,267

Differential rates: description of class	2009/10 Differential %
Residential - single unit	Nil
Residential section	Nil
Single residential unit forming part of a parent valuation, the remainder of which is non-rateable	10
Two or more residential units on one assessment	10
Urban farmland	(10)
Rural	(35)
Small holding	(10)
Commercial – excluding inner city and Stoke commercial	
100% commercial and industrial (occupied and empty)	133
25% residential/75% commercial	99.8
50% residential/50% commercial	66.5
75% residential/25% commercial	33.3
Commercial – inner city and Stoke commercial	
100% commercial and industrial (occupied and empty)	250
25% residential/75% commercial	187.5
50% residential/50% commercial	125
75% residential/25% commercial	62.5

Council has adopted a policy that Commercial rates are set to collect 25% of the total rates. This will result in commercial properties paying \$10,634,852 in rates for the 2009/10 rating year compared to \$9,779,362 last year.

Rates remission policy

Introduction

The Council is required to adopt a rating remission policy as set out in Section 85 of the Local Government (Rating) Act 2002. The Nelson City Council has decided to remit all or part of the rates on properties covered by this Remission Policy.

General provisions relating to the remission of rates

The policy shall apply to such ratepayers and organisations as approved by the Council by meeting the relevant criteria. The Council may delegate the power to approve rates remission to Council Officers under Section 132 of the Local Government (Rating) Act 2002.

Any ratepayer granted rates remission is required to meet all remaining and applicable rates in full that are owed in addition to amount eligible for the rates remission.

Rates remission will be provided for the following categories of rating units or under the following circumstances:

Remissions of rates for community, sporting and other organisations

Objective

The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities.

The purpose of granting rates remission to an organisation is to:

- recognise the public good contribution to community wellbeing made by such organisations;
- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, aged people and economically disadvantaged people.

Conditions and criteria

Council supports applications for financial assistance by any organisation not conducted for private profit. The principal object of the organisation should be to promote the development of Nelson City and provide for at least one of the following: the public, recreation, health, enjoyment, instruction, sport or any form of culture, or for the improving or developing of amenities, where the provisions of any one of these areas is to the benefit of the City.

Organisations making an application should include the following information in support of its application:

- evidence that other areas of assistance have been investigated if available;
- that there is a need for assistance;
- that there has been a reasonable effort made to meet the need by self help; and
- the organisation's most recent financial accounts.

Procedure

An application for remission will apply for a maximum of three years and all applications will expire on 30 June following the revaluation of all properties in the city. A new application must be made if continued assistance is required.

Application is to be made by 16 June in any year, for rating relief for the year commencing 1 July but will expire as detailed above.

Each application will be considered by Council on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.

Remission is granted only in respect of those parts of the rates that are based on land value. The remission is 50% of the rates payable.

Rate remissions will be made by passing a credit to the applicant's rates assessment.

No rate remission under this policy will be available to an organisation that is in receipt of a mandatory rate remission.

Remission of penalties

Objective

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control. Remission will be made when any of the following criteria applies:

Conditions and criteria

- where there exists a history of regular punctual payment over the previous 12 months and payment is made within a reasonable time of the ratepayer being made aware of the non-payment
- when the rates installment was issued in the name of a previous property owner
- on compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type and has been unable to attend to payment
- where it can be proved that the rate account was not received a genuine cause exists
- automatic remission of the penalties incurred on installment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second instalment
- where full payment of arrears of rates is made in accordance with an agreed repayment programme
- where an error has been made on the part of the Council staff or arising through error in the general processing which has subsequently resulted in a penalty charge being imposed.

In implementing this policy, the circumstances of each case will be taken into consideration on their individual merits and will be conditional upon the full amount of such rates due having being paid.

Decisions on remission of penalties are delegated to officers as set out in the Council's delegations register.

Remission of rates for residential properties in commercial / industrial areas

Objective

To ensure that owners of residential rating units situated in non-residential areas are not unduly penalised by the zoning decisions of this Council.

Conditions and criteria

To qualify for remission under this part of the policy the rating unit must be:

- situated within an area of land that has been zoned for commercial or industrial use
- listed as a ‘residential’ property for differential rating purposes.

Remission of rates on land protected for natural, historic or cultural conservation purposes

Objective

Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land held for natural, historic or cultural purposes.

Conditions and criteria

Ratepayers who own rating units that have some feature of cultural, natural or historic heritage that is voluntarily protected may qualify for remission of rates under this policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act, and is liable only for rates for water supply or sewage disposal will not qualify for remission under this part of the policy.

Applications must be made in writing and be supported by documented evidence of the protected status of the rating unit, for example a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, the Council will consider the following criteria:

- the extent to which the preservation of natural heritage will be promoted by granting remission on rates on the rating unit;
- the degree to which features of natural heritage are present on the land;
- the degree to which features of natural heritage inhibit the economic use of the land; and
- the use of the property.

In granting remissions under this policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

Remission on rates for heritage buildings

Objective

Rates remission is provided to assist with the preservation of Nelson's heritage by encouraging the maintenance of historic buildings. Provision of a rates remission recognises that there are private costs incurred for public benefit.

Conditions and criteria

Ratepayers who have buildings classified that meet the criteria below may apply for a rates remission of up to 50% for Category A buildings and up to 25% for Category B buildings, providing the following conditions are met:

- buildings must be listed in Appendix 1 of the Nelson Resource Management Plan as Category A or Category B buildings;
- the property must not be owned by the Council or the Crown, or their agencies;
- building owners will need to make a commitment to ongoing maintenance of their building.

Council reserves discretion in awarding full remissions in some circumstances.

Remission of excess water rates

Objective

To provide a measure of relief, by way of remission, to enable Council to act fairly and reasonably in its consideration of water charges applied due to a fault (leak) in the internal reticulation of a property, or through accounting errors.

Conditions and criteria

Where it is determined that the recorded water consumption does not accurately represent the actual consumption on a property, then the account shall be adjusted using the best information available to the Council, whose decision shall be final. The application must meet at least one of the following criteria:

- misreading of the meter or faulty meter; or
- leaks on the internal water reticulation – subject to correction within two weeks of discovery; or
- errors in data processing; or
- the meter was assigned to the wrong account.

Remission of rates for cemeteries

The provisions of the Local Government (Rating) Act 2002 state that a cemetery is non-rateable if it does not exceed 2 hectares.

Objective

To provide a measure of relief, by way of remission, to enable Council to provide a cemetery greater than 2 hectares.

Conditions and criteria

- A cemetery that is Council-owned and is solely used as a cemetery.

Remission of rates on golf practice greens

Objective

To provide a measure of relief, by way of remission of rates, to enable the Council to act fairly and reasonably in its consideration of rates charged on golf practice greens.

Conditions and criteria

- Land that is leased and used as a golf 'practice green'.

Remission of rates for underground utilities

Objective

To provide a measure of relief, by way of remission, to enable Council to act fairly and reasonably when rating utility companies that put utilities under the ground.

Conditions and criteria

Where utilities are put underground to the benefit of the Council and ratepayers, the Council will remit the portion of extra rates arising from the additional value of the reticulation; compared with the valuation that would have applied to overhead services.

This policy is subject to:

- Undergrounding carried out after 1 July 2002 and recorded in a programme of works agreed to by both Nelson City Council and Network Tasman Limited; and
- The agreed programme of works allows for undergrounding Network Tasman Limited lines in conjunction with upgrading of streets to be undertaken in any year.

Remission on rates on low valued properties

The Local Government (Rating) Act 2002 requires each separate property title to have a separate valuation and rating assessment. This has resulted in many low land value assessments being created for small parcels of land.

Conditions and criteria

- Assessments with common ownership, used jointly as a single unit and for which only one uniform annual general charge is payable; and
- Assessments with a land value of \$4,000 or less.

Remissions of the Clean Heat-Warm Homes targeted rate for residents who receive the Government rating remissions

Objective

To provide a measure of relief, by way of remission, to assist those people on low incomes who are required to convert to a clean heat source.

Council recognises that some homeowners on very low incomes might have difficulty meeting the rates payments under the Clean Heat-Warm Homes targeted rate scheme.

Conditions and criteria

Ratepayers who take up the Clean Heat-Warm Homes targeted rates assistance and who qualify for the Government's rates rebate scheme may qualify for a remission on repayment of the targeted 'Clean Heat-Warm Homes' rate.

Eligibility for the rate rebate scheme is assessed annually.

Policy on remission and postponement of rates on Māori freehold land

Council is required to state its policy on the remission or postponement of rates on Māori freehold land.

'Māori freehold land' is a specific type of freehold title, and is distinguished from ordinary freehold title that is owned by Māori authorities or entities. There is currently no Māori freehold land in Nelson city.

A decision on whether to provide general rating relief through remission or postponement on Māori freehold land would be made by Council should the following apply:

- If there is any Māori freehold land in Nelson City in the future.

Such a decision would be informed by other Councils' policies where there is Māori freehold land. A review of this policy would be triggered if the situation regarding Māori freehold land in Nelson City was to change.

Rates postponement policy

Objective

The objective of the postponement policy is to enable the Council to provide older ratepayers with more options and flexibility. It lets older ratepayers decide how best to manage their finances and also gives older ratepayers the opportunity to stay in their houses for longer.

Conditions and criteria

- Ratepayers must be over 65 (or over 60 if on a benefit)
- No income testing
- Must have independent advice
- Can postpone all or part of the rates
- Initial application fee \$400
- Interest charged six monthly at the Council's marginal rate plus 1% for administration and 0.25% to a risk reserve
- Debt cannot increase over 80% of the capital value of the property
- The property must be insured
- The property must be the prime residence of the ratepayer and owner occupied.

Repayment is the earlier of:

- Sale of the property, or
- Death of the ratepayer (or surviving ratepayer where there is a couple).

Updated Development Contributions Policy 2010

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Updated Development Contributions Policy 2010

An important term that is used throughout this policy is the term 'Household Unit of Demand' (HUD). HUD has the same meaning as a Residential Unit in the Nelson Resource Management Plan. A HUD is equivalent to one residential lot containing one residential unit. Each additional residential unit is assumed to generate a demand for network infrastructure equivalent to a single HUD. Commercial and Industrial activities are assessed by evaluating their impacts in terms of HUD equivalents as outlined later in this policy. The assessment of HUDs is the basis for calculating the value of Development Contributions.

The Council adopted its first Development Contributions Policy in 2006 (effective 1 January 2007) and the updated policy in this plan updates the projects and contributions that Council is proposing to fund through development contributions. This version of the Policy updates that published in the 2009 Nelson Community Plan.

The 2010 update aims to:

- Update wording of Development Contributions Policy to clarify any ambiguity based on feedback received from customers. Key changes are:
 1. A new section detailing when payment is expected
 2. An expanded explanation of 'extraordinary circumstances'
- Revise the method for calculating Development Contributions for the second and subsequent dwelling(s), 'Household Units of Demand' (HUDs), on an individual lot.

Details of the proposal

Several sections of the policy have prompted questions over the past year when being implemented and this update is intended to help clarify those points. The key changes are as follows:

1. The payments section (2.8) has been expanded to include detail on when payment is expected. The Council proposes to require that Development Contributions be paid when a resource consent or building consent is uplifted from the Council or an authorisation for a service connection is approved and the connection fee notified to an applicant
2. The extraordinary circumstances section (2.4) has been expanded to include examples of where this would apply.

The calculation for any second and subsequent dwelling would be based on a calculation of the estimated value of building works, excluding GST, multiplied by 5%. The applicant would be required to provide to Council values of all goods and services to be supplied for the building work. The Council may request the applicant to provide

additional information to confirm the accuracy of an estimated value, including evidence of tender prices, quotations, reports from a qualified or registered public valuer, or other appropriate information.

Following submissions, Council decided to cap the amount charged for the second and subsequent dwelling at 5% up to a maximum of the current HUD rate (\$12,525 excl gst in 09/10).

1. Background

1.1 Funding of growth

The population of Nelson City is expected to increase to 48,221 through to 2019. This policy provides for \$25 million of development and financial contributions toward the capital expenditure needed in the next ten years for this increased population. The Council will spend a further \$88 million on network infrastructure to maintain and improve services for the existing population, which will not be funded from development contributions but from general rates and water charges.

1.2 Purpose of the policy

The purpose of development contributions is to, as much as possible, have those who create the need for and who benefit from the additional infrastructure fund the costs of development. Development contributions are not used to fund the cost of maintaining infrastructure or improve levels of service for existing users.

One purpose of the Policy is to provide a fair basis for the sharing of costs of growth. The funding framework in Nelson City has long been based on a one-catchment approach to reflect the compact nature of the city (see Chapter 6 of the Nelson Resource Management Plan (NRMP)). A strict adherence to a multiple catchment approach for planning and funding services has the potential to create significant imbalances in the costs associated with development in any catchment. This Policy has adopted a one-catchment approach to spreading costs of development. The effect of this is that it is less important where in a catchment a development occurs; most developments to lesser or greater degrees will and do benefit from works carried out elsewhere. If this approach is not taken then significant costs will be incurred in calculating specific benefits or consequences of each and every development.

In considering this Policy the Council has considered the impact on the current and future social, economic, environmental and cultural wellbeing of the community and has kept the contributions as low as possible for the term of the Nelson Community Plan. For simplicity, the Policy spreads the cost of each new growth project

over 20 years where previously projects prior to 1 July 2009 spread the costs over the term of growth that each project provided for. For example some water infrastructure projects have capacity to provide for more than 50 years of growth and contributions would be taken for this period of time. The cost of financing each project is accumulated and added to the project cost. This minimises the interest cost to developments that are undertaken during the ten-year period of this Community Plan. The Council has used an interest rate of 6.5% for the loans required to fund the capital expenditure required for growth. The Council considers this to be appropriate based on recent past and current interest rates and the interest rate that is likely to be paid for the medium term.

1.3 Relationship to Resource Management Act (RMA) and financial contributions

Development contributions under the Local Government Act (LGA) 2002 are in addition to, and separate from, financial contributions under the RMA. The Council intends to require development contributions under this Development Contributions Policy only for costs associated with the water supply, waste water (sewage) disposal, stormwater and transport activities arising from population growth.

The Council will continue to collect financial contributions primarily for reserves and community facilities under Chapter 6 of the Nelson Resource Management Plan (NRMP). Financial contributions for reserves are based on 5.5% of the allotment land value, which is payable at the section 224 stage plus 0.5% of the estimated building value (less \$82,777), which is payable on uplifting the building consent. The Council's Resource Management Plan is available for inspection at the Civic House and the Council public libraries.

The Council will also continue to impose conditions on resource consents under section 108(1) of the RMA and in accordance with Chapter 6 of the NRMP for works, services or financial contributions to avoid, remedy and mitigate the environmental effects of proposed developments.

Chapter 6 of the NRMP sets out the purposes of financial contributions and the manner in which the level of those contributions are assessed. Financial contributions will be used as a condition of resource consent when the effect of development directly contributes to the need to remedy or mitigate the environmental effects resulting from development when those effects had not been foreseen and provided for in this Community Plan.

1.4 Legislative requirements and powers

The Council is required to have a policy on development and/or financial contributions as part of its funding and financial policies in its Community Plan. Section 198 of the LGA gives territorial authorities the power to require a development contribution at any of three stages: when granting resource consent for a development, a building consent or an authorisation for a service connection.

1.5 Review of this policy

It is anticipated that this policy will be updated every three years, or a shorter interval if the Council deems it necessary. Any review of the policy will take account of:

- a) significant changes to assumptions underlying the Development Contributions Policy
- b) changes in the Council's capital development works, including the changes arising from the Nelson Urban Growth Strategy (NUGS) and any plan changes that follow
- c) changes in the pattern and distribution of development in Nelson City
- d) reviews of the Funding and Financial Policies, and the Community Plan
- e) other matters Council considers relevant.

The three-yearly review will include:

- a) a review of the number of HUDs actually developed and
- b) an adjustment of the HUDs remaining and consequently
- c) the number of years estimated to collect the balance of HUDs.

1.6 When a development contribution is required

A development contribution for network infrastructure is required for a development where additional units of demand are created.

1.7 Limitations to the application of development contributions

Section 200 of the Local Government Act states that Councils must not require a development contribution if, and to the extent that:

- a) there is a condition on a resource consent in relation to the same development for the same purpose; or
- b) the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- c) the Council has received or will receive funding from a third party for the project.

1.8 Community outcomes

Community outcomes are the city's six strategic goals and these are described in full in Appendix 3 of Volume 1 of 2009 Community Plan. Development Contributions are an important tool to enable Council to contribute to meeting at least three of these goals. These are:

Outcomes	How the activity contributes
<p>Healthy land, sea, air and water We protect the natural environment</p>	Development contributions enable Council to provide network infrastructure that reduces the impact of people on the environment
<p>People-friendly places We build healthy and attractive places and live in a sustainable region.</p>	Development contributions enable provision of good quality, sustainable and effective infrastructure and facilities
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy</p>	Council has a goal of encouraging economic growth in Nelson. The Development Contributions Policy contributes to ensuring that the cost of growth is fairly and reasonably met by new developments

2. Administration of development contributions

2.1 Inflation

The development contributions will be adjusted to reflect annual inflation. The adjustment will be calculated in accordance with the following formula where:

$$ADC = DC \times (I/J)$$

ADC = the additional development contribution or exemption

DC = the base development contribution in Schedules 1, 2 and/or 3

I = the NZS 3910 Price Index, or its replacement index for the December quarter of the year preceding the year in which the calculation is made

J = the NZS 3910 Price Index, Series Reference S2CB, or its replacement index for the December quarter 2005.

In the event that NZS 3910 Price Index, Series Reference is discontinued, an equivalent index may be substituted by resolution of the Council for the purposes of this rule.

2.2 Assessment of Contributions

Development contributions payable on resource consent, building consent or service connection will be assessed at the time the resource consent, building consent, or service connection request is processed.

The Council has adopted a one catchment approach to the calculation of development contributions payable on any development. This has created an averaging method for establishing costs of development based on HUDs to place a deemed cost for the provision of new or additional capacity for network infrastructure that is independent of the specific site location within any catchment or the city.

If the characteristics of the development or other specific factors require a specific calculation of costs then applicants must use the Extraordinary Circumstances provision of this Policy (clause 2.4) and apply to the Council. This application must be supported by a documented case for a reduction or remission of the average cost per HUD for network infrastructure.

The decision on the level of contributions will be made by Council staff as delegated by the Council.

Development Contributions are a funding tool under the Local Government Act 2002. This Act does not contain any provision for a right of objection or appeal to a Council decision on the level of contributions payable. This regime is quite different from that applying to financial contributions under the Resource Management Act 1991, which provides a right of objection to the Council and subsequent right of appeal to the Environment Court.

2.3 Remissions and postponements

There are no remissions or postponements of development contributions. However the policy does include an exemptions section (see Clause 2.5 of this Policy).

2.4 Extraordinary circumstances

The Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular network infrastructure to meet the special needs of a development, or where the development has specific characteristics or servicing proposals that do not fit the HUD approach to assessing contributions or is not readily assessed in terms of units of demand.

Examples of where discretion may be applied would be as follows:

- Fully serviced multiple lot subdivisions or commercial/ industrial developments with one or more of the following:
 - o stormwater and or waste water detained on site
 - o private water supply that is not connected to Council's infrastructure.

2.5 Exemptions

The following exemptions to this policy apply:

- a) Water and waste water assessments on household units where Council is not planning to provide or maintain such infrastructure in that area. This includes but is not restricted to subdivision or building works on land north-east of the Gentle Annie saddle
- b) Boundary adjustments, and subdivisions undertaken to place existing building development onto separate titles, either unit titles or freehold titles i.e. those subdivisions that do not create additional lots and/or do not involve the erection of additional household units of demand
- c) Where a residential unit is replaced on a site, irrespective of the footprint
- d) Additions and alterations to buildings where no additional HUD is created
- e) A replacement building on industrial or commercial sites where allowance is made for the previous extent of impervious areas, carparks and toilet pans/urinals and water connections
(see above for options for calculating industrial and commercial sites)
- f) Accessory buildings that do not create an additional unit of demand e.g. hay sheds
- g) Integrated schools and early childhood centres as defined under the Education Act 1989
- h) Social housing developments undertaken by the following organisations: Abbeyfield, Habitat for Humanity, Nelson Tasman Housing Trust and any other partnership where Council has entered into an agreement to provide social housing
- i) Utility lots (e.g. for power transformers), access ways or legal roads
- j) Reserve lots.

2.6 Developments over more than one allotment

Where a development is over more than one allotment and is subject to sections 75 and 77 of the Building Act then the development contributions will be assessed as for one allotment.

2.7 Refunds

- a) Where development or subdivision does not proceed, any refund of money will be applied in accordance with Sections 209 and 210 of the Local Government Act 2002

- b) Any refunds will be issued to the consent holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.

2.8 Payment of development contributions

The Council requires Development Contributions to be paid when the first of any of the following actions or events occurs:

1. a) A land use resource consent is granted, or
 - b) A building consent is uplifted, or
 - c) An authorisation for a service connection is approved and the connection fee is notified to an applicant.
2. A subdivision consent is granted where all lots contain existing buildings or dwellings.
3. A s224 certificate is uplifted for a subdivision consent that creates a vacant lot(s).

2.9 Determining the value of the Development Contribution

1. The Development Contributions to be paid will be assessed at the time of granting of land use, subdivision or building consent, or authorisation of a service connection.
2. The assessed amount of Development Contributions payable will be inflation adjusted as necessary at the time of payment in line with the NZS 3910 Price Index.

2.10 Enforcement of payments

If payment of development a contribution is not received, Council will enforce payment according to powers outlined in Section 208 of the Local Government Act 2002. This section allows the Council to:

- a) withhold a certificate under section 224(c) of the Resource Management Act 1991
- b) prevent the commencement of a resource consent under the Resource Management Act 1991
- c) in the case of a development contribution required under section 198(1)(b), withhold a Code of Compliance certificate under section 43 of the Building Act 1991
- d) in the case of development contribution required under section 198(1)(c), withhold a service connection to the development.

In each case, a)–d), the Council can register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

2.11 Goods and Services Tax (GST)

Development contributions incur Goods and Services Tax at the current rate set by central government at the time the contribution is paid.

3. Charging development contributions

The Council will generally apply contributions for developments at the subdivision consent stage. Where additional units of demand are created by additions to land or buildings that have already been subdivided then the Council will seek the appropriate Development Contribution at the building consent stage or upon request for service connection.

3.1 Capital expenditure Council expects as a result of growth

Table 1 summarises the total estimated capital expenditure the Council expects to incur as a result of growth, to meet increased demand for network infrastructure over the next 10 years. The growth component of the capital expenditure budgets, excluding funding from other sources, will be funded by development contributions.

Table 1: Summary of estimated capital expenditure and funding for growth as noted in 2009-2019 Nelson Community Plan (LTCCP).

	Total \$ million of projects with a growth component	The growth component of projects \$ million
Transport	\$20,925	\$10,929
Stormwater	\$23,561	\$5,936
Waste water	\$36,009	\$18,683
Water	\$33,477	\$13,695
TOTAL	\$113,972	\$49,207

Notes: This table shows that \$113,972 million of capital expenditure has been undertaken in recent years or is planned for the next ten years with a growth component. After removing the parts of these projects that are not growth related, for example to improve levels of service, Council is undertaking \$49,207 million of capital expenditure to provide for growth.

A list of these projects is included as Appendix 1 of this policy in Volume 2 of the 2009 Nelson Community Plan.

3.2 Capital expenditure Council has invested in anticipation of growth

The Local Government Act enables Councils to charge a Development Contribution towards capital expenditure already incurred by the Council in anticipation of growth. The Council has included a number of upgrade projects that it has undertaken since 1998 within its calculations. These are included in the details of projects included at the end of this Policy.

In addition there are a number of outstanding Council Conditions Book entries where a developer has put in infrastructure that will serve other land. Under Clause 283(3) of the Local Government Act (1974) Council has acted as 'banker' for these costs with payment being made as these other lands are developed. Further legislation has revoked Clause 283(3) Local Government Act (1974) and Council has therefore included the outstanding costs in the Development Contribution assessments.

3.3 Apportioning capital expenditure for growth over time

Council has spread the costs for new projects against the total number of HUDs expected to be developed over 20 years in the city i.e. 4600, for the next 20 years. The number of HUDs include residential, commercial and industrial developments.

3.4 Assumption for transitioning from Financial Contributions to Development Contributions

The number of HUDs expected over 10 years is based on the decision that Financial Contributions, not Development Contributions, will be charged for sections that have a current consent but are yet to be developed. Development Contributions are expected to gradually replace Financial Contributions over the next 10 years as new developments come on line.

3.5 Council use of development contributions

The Council will use Development Contributions only for capital expenditure in respect to the Council activity for which they are collected. In other words, contributions collected because of a need to increase water supply capacity will be spent only on the water supply system. This will be according to an aggregated project basis for each of the activities.

Schedule 1 shows the Development Contribution per household unit of demand (HUD).

3.6 Development contributions charges on subdivisions

All subdivisions pay a set amount per additional lot. The Development Contribution charge is set out in Schedule 1 below.

However where a subdivision involves subdividing a second dwelling from an existing title, and the second dwelling was charged a Development Contribution at the time the building consent was issued, then no Development Contribution will be payable in that instance, because there is no additional HUD created.

Schedule 1: Development contributions for each HUD

	2006/07 (\$/allotment)	2009/10 (\$/allotment)
Transport	2,196	2,414
Stormwater*	3,884	3,843
Water	1,871	2,436
Waste water	3,221	3,832
Total	11,172	12,525

*Note: Refer to stormwater section 3.9 (d) for information on low impact stormwater systems and section 3.10 for multi-level and multi-unit properties, and comprehensive housing developments.

The Council divided the growth related expenditure for each project by the number of HUDs that each project provides for to determine the contribution amount for each activity.

In terms of the inflation section of this Policy the above contributions will be adjusted each year in line with the NZS 3910 Price Index.

3.7 Existing developments

In assessing a development or subdivision for Development Contributions, the Council will identify the number of units of demand that existed on the site prior to that subdivision or redevelopment, and make allowance for those HUDs in determining any additional HUDs from the new subdivision or development.

3.8 Residential building (residential unit)

Those dwellings for which a building consent was granted on or before

31 December 2006 will be assessed under the Financial Contributions Policy contained within Chapter 6 of the Resource Management Plan (Clause F2.4) because the Council's first Development Contribution Policy did not come into effect until 1 January 2007.

For each building that is the first dwelling on a site that was created by a subdivision consent granted before 31 December 2006, there is no development contribution payable however a Financial Contribution will apply under Chapter 6 of the Nelson Resource Management Plan (Clause F2.4).

A Development Contribution may be required for a second or subsequent HUD on a single Certificate of Title. The calculation for any second and subsequent dwelling will be based on a calculation of the estimated value of building works, excluding GST, multiplied by 5% up to a maximum of the current HUD rate (\$12,525 excl gst in 09/10). This approach is considered to address the increasing demand for smaller additional residential units on larger sites. The applicant shall provide to Council, values of all goods and services to be supplied for the building work. The Council may request the applicant to provide additional information to confirm the accuracy of an estimated value, including evidence of tender prices, quotations, reports from a qualified or registered public valuer, or other appropriate information. The estimated value of the building work will be assessed on the information provided and any other relevant evidence available to the Council (i.e. Rawlinsons New Zealand Construction Handbook).

See also section 4 on transitional arrangements and section 3.10 on multi-level and multi-unit properties.

3.9 Non-residential development

An assessment for non-residential developments will be made at the resource consent stage and reassessed at the building consent and connection stages. Contributions will be the higher of the charges set out in Schedule 1 or the following after adjustment for Development Contributions already paid.

a) Transport

One HUD contribution is payable for four parking spaces. The average number of car parking spaces per residential lot is 2.9. For non-residential developments this has been increased to four to take into account that businesses would have fewer traffic movements per day, particularly where staff drive to a business and the car remains in the park for the full day.

The Development Contribution for transport is based on including only capital works required for arterial, principal, collector and sub-collector roads.

The number of parking spaces will be calculated under the formula set out in the Resource Management Plan and irrespective of any adjustment made to the number of car parks as part of any appeal of the conditions of the resource consent. Where the Resource Management Plan does not require any parking, such as in the Central Business District and Stoke Commercial areas, the HUDs will be calculated on the same basis as if the property was in a similar zone where the exemption did not apply.

b) Waste water

Development Contribution is assessed as the higher of either one HUD contribution for every two pans/urinals or the amount set out in Schedule 2 for larger pipe connections. The assessment of pans/urinals will be as set out in the Building Industry Authorities acceptable Solutions G1. The two-pans approach is based on the Building Industry Authority that recommends that two pans should be included for residential buildings with an occupancy of three or more people.

Schedule 2

Internal diameter of water connection (mm)	\$
20	3,832
25	5,978
32	9,810
40	15,328
50	23,950
100	95,800
150	215,549

Special calculations

Developers can request that their contribution for waste water takes into account a significant amount of water that will not be waste water, for example fishing businesses that use water to make ice.

c) Water

Assessed solely on the size of connection required as set out in Schedule 3 of this policy.

Schedule 3

Internal diameter of water connection (mm)	\$
20	2,436
25	3,800
32	6,237
40	9,745
50	15,226
100	60,904
150	137,035

Special calculations

Connections entirely for fire mains or sprinkler systems are exempt from contribution where a water meter has been incorporated. Developers can also request that their contribution for water takes into account any increase in pipe size solely for fire mains or sprinkler system purposes. Information on the property tenant will need to be provided to demonstrate that no significant water-based business activities will be undertaken on the site.

d) Stormwater

Development contributions for stormwater will normally be assessed as one HUD contribution for every 316m² of impervious surface.

However the Council recognises the environmental and economic benefits and sustainability of Low Impact Stormwater systems where these result in a lower quantity of stormwater entering the Council's stormwater systems. Developers are encouraged to discuss any proposed low impact stormwater systems with Council staff prior to the resource consent application/ preliminary design stage to determine whether a lower development contribution can be applied based on reductions in quantity of stormwater achieved by that design.

A major consideration in any reduction of development contributions will be whether, and the extent to which, any design reduces the peak flow demands on the downstream stormwater system.

Council will develop a policy on development contributions for Low Impact Design (LID) subdivisions during the term of this LTCCP that will enable LID subdivisions to be assessed in a manner that ensures transparency and consistency for applicants. The current case by case assessment is an interim measure provided to acknowledge the actual effects of using a LID approach in relation to development contributions because Council considers it important to minimize procedural and policy barriers to the uptake of more sustainable forms of development.

Notes to the Policy

Rounding of calculations

No rounding for any of the contributions will be applied, for example a property that has 400m² of impervious surface would pay 400/316 or 1.26 HUD contributions.

3.10 Multi-level and multi-unit properties, and Comprehensive Housing developments

For properties that are both multi-level and multi-unit (including apartments, hotels, motels and rest homes) or comprehensive housing (as defined in the Nelson Resource Management Plan) the Development Contributions shall be calculated under Schedule 1

of the Policy except for stormwater, which shall be calculated as follows:

The actual areas of impervious surfacing (paving and roofs) shall be calculated for each development. This is then divided by 316 to give the portion of stormwater contribution payable regardless of the number of residential units contained within the development.

For example: a comprehensive housing development of five residential units with a total impervious area of 750m² (includes roofs, common drives/parking, individual paved areas) is divided by 316 giving a required contribution of 2.37 times the stormwater contribution in Schedule 1.

This Policy is to recognize that more intensive forms of development may create a lower effect on the city's stormwater infrastructure than that based upon standard calculations for stormwater of 1 HUD=316m² of impervious area.

4. Transitional arrangements

To ensure that people who have already purchased a section or who have applied for the necessary consents are not disadvantaged, if the following situation applied on 31 December 2006 then contributions will be assessed under the current Financial Contributions Policy of Chapter 6 NRMP:

- a) first HUD erected on a lot vacant as of 31 December 2006; or
- b) Any development that has an existing Resource Consent or Building Consent issued before 1 January 2007; or
- c) Any development that has applied for a Building Consent before 1 January 2007; or
- d) Any development that has applied for Resource Consent before 1 January 2007 and the Resource Consent application fulfils the requirements of Section 88 of the Resource Management Act 1991, in particular that the application is not determined to be incomplete to the extent that the Council has returned the application; or
- e) Where a Variation is sought to a Resource Consent issued in terms of any of the above-noted transitional provisions, and where the Variation does not change the scale, nature or intensity of the development, the Financial Contribution applicable to the original Resource Consent shall continue to apply. Where a Variation of Consent results in an increase in scale, nature or intensity, only the portion of the development that represents the increase in scale, nature or intensity, shall be assessed under the Development Contributions Policy of the Community Plan; or

- f) Where any development project has an existing resource consent issued before 1 January 2007 for staged development, any building consent applications for the project after 1 January 2007 will continue to be assessed under Chapter 6 NRMP; or
- g) For subdivision applications lodged before Chapter 6 of the NRMP became operative on 1 July 2004, neither Chapter 6 nor the Development Contributions Policy (Community Plan) will be imposed upon the granting of these consents.

This means that these sections or resource consents will pay contributions at the building or connection stages as set out in the paragraph on 'Relationship to Resource Management Act (RMA) and financial contributions'.

5. Works not listed in the Community Plan

The Council can collect Development Contributions only for projects listed in the Community Plan. There are occasions when developers provide infrastructure that will serve other properties and in these instances the Council may decide to make a contribution to the infrastructure being provided.

6. Funding sources for the cost of growth

6.1 Legal framework

Section 101 of the Local Government Act 2002 requires Council to consider the following matters in relation to each activity to be funded:

- a) the community outcomes to which the activity primarily contributes; and
- b) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- c) the period in or over which those benefits are expected to occur; and
- d) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- e) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- f) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

Consideration of these matters for each activity that Council intends to collect Development Contributions is set out below.

6.2 Water supply

The community outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
<p>Healthy land, sea, air and water We protect the natural environment</p>	A citywide water system ensures that water resources are well managed and reduces the human impact on the environment
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy</p>	High quality water encourages businesses to move to Nelson. It also supports economic growth
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community</p>	Clean drinking water prevents diseases and means healthier people

Distribution of benefits

COMMUNITY BENEFITS

Contributes to community health, fire safety
Assists the local economy
Improves amenity value of the city.

INDIVIDUAL BENEFITS

Those connected to the public water supply receive a private benefit. Overall, the benefits have been assessed as being at 100% private. Accordingly Council has determined that the cost of growth should be paid for by those that require and benefit from the need to undertake the capital expenditure.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None relating to capital expenditure that is required for growth.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY SEPARATELY FROM OTHER ACTIVITIES

Funding this account on a user-pays basis provides an incentive for water conservation, which is a significant benefit.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

The water supply capital expenditure provides long-term benefits to the community. An example is that the Council anticipates that the Maitai Dam and water treatment plant will provide services to Nelson well beyond the next 40 years.

THE IMPACT OF THE ACTIVITY ON THE CURRENT AND FUTURE WELLBEING OF THE COMMUNITY:

A good quality water supply that meets the needs of the growth of Nelson has a significant impact on the current and future social, economic, cultural and environmental wellbeing of the community.

The capacity of the water network allows for growth that ensures that not only current users, but also future users, will benefit from the system. It is equitable that those who connect to the water network should contribute to the cost of providing for that growth.

It is reasonable that when those future users arrive they make a contribution that relates to the cost of catering for that growth, including the cost of financing the loans required for growth.

6.3 Waste water

Collecting, treatment and disposing of sewage – Nelson and Regional scheme

The outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
<p>Healthy land, sea, air and water We protect the natural environment</p>	Through treatment and disposal of sewage to reduce harmful effects on the landscape and built environment
<p>People-friendly places We build healthy accessible and attractive places and live in a sustainable region</p>	Through treatment and disposal of sewage to reduce harmful effects on the landscape and built environment
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy</p>	Through treatment of industrial waste allowing businesses to operate in Nelson, and protecting tourism
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community</p>	By minimising disease and health problems

Distribution of benefits

COMMUNITY BENEFITS

Contributes to community health

Provides recreational and environmental benefits associated with both inland and marine waters (for which there are increasing public expectations)

Land is protected from the effects of sewage seepage

Sewage treatment and disposal assists the local economy

Meets the community's increasing environmental standards.

INDIVIDUAL BENEFITS

Benefits are received by those connected to the sewage collection system.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None relating to capital expenditure which is required for growth.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY SEPARATELY FROM OTHER ACTIVITIES

Those connected to the sewerage system receive a private benefit. Overall, the benefits have been assessed as being at 100% private. Accordingly Council has determined that the cost of growth should be paid for by those that require and benefit from the need to undertake the capital expenditure.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Capital expenditure for sewage disposal provides long-term benefits to the community. Many of the planned capital expenditure projects will provide services for up to 40 years, for example the Atawhai rising main and the Nelson Regional Sewerage Business Unit rising main duplication, other projects will provide benefits for between 10 and 20 years.

THE IMPACT OF THE ACTIVITY ON THE CURRENT AND FUTURE WELLBEING OF THE COMMUNITY

Effective and efficient sewerage systems that meet the needs of growth has a significant impact on the current and future social, economic, cultural and environmental wellbeing of the community.

The capacity of the network allows for growth that ensures that not only current users, but also future users, will benefit from the system. It is equitable that those who connect to the network should contribute to the cost of providing for that growth.

It is reasonable that when those future users arrive they make a contribution that relates to the cost of catering for that growth, including the cost of financing the loans required for growth.

6.4 Stormwater and flood protection

The outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
<p>Healthy land, sea, air and water We protect the natural environment</p>	Through reducing the effects of floods on the environment
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region</p>	Through reducing the likelihood of floods damaging homes, businesses or essential infrastructure
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy</p>	Through removing restrictions on developing land when adequate drainage is provided
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community</p>	Through reducing the likelihood of people being affected by a flood

Distribution of benefits

COMMUNITY BENEFITS

Disposes of stormwater and keeps urban areas (roads, land amenities, shops etc) free from floods

Contributes to public health and safety and maintains quality of life

Enhances amenity and property values.

INDIVIDUAL BENEFITS

All landowners with stormwater runoff receive a private benefit.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None relating to capital expenditure which is required for growth.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY SEPARATELY FROM OTHER ACTIVITIES

The benefits of funding Council's stormwater activity apply to all those who live in the areas where Council provides a reticulated system. Overall, the benefits have been assessed as being at 100% private. Accordingly Council has determined that the cost of growth should be paid for by those that require and benefit from the need to undertake the capital expenditure.

THE IMPACT OF THE ACTIVITY ON THE CURRENT AND FUTURE WELLBEING OF THE COMMUNITY

Effective and efficient stormwater systems that meet the needs of growth has a significant impact on the current and future social, economic, cultural and environmental wellbeing of the community.

The capacity of the network allows for growth that ensures that not only current users, but also future users, will benefit from the system. It is equitable that those who connect to the network should contribute to the cost of providing for that growth.

It is reasonable that when those future users arrive they make a contribution that relates to the cost of catering for that growth, including the cost of financing the loans required for growth.

6.5 Transport

The outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
Healthy land, sea, air and water We protect the natural environment	Through providing a range of transport systems that minimise the impact on the environment
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region	Through taking into account the impact on public spaces when providing transport infrastructure
A strong economy We all benefit from a sustainable, innovative and diversified economy	Through providing an effective and efficient transport system that meets the needs of residents and businesses
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community	Through providing a safe transport network that provides for traffic, cyclists and pedestrians

Distribution of benefits

COMMUNITY BENEFITS

Ensures a land transport system that operates safely

Provides easy access throughout the city

Contributes to an attractive well-planned city, to sustainable management of resources and to a good quality of life

Allows people to travel to work and to leisure activities.

INDIVIDUAL BENEFITS

All road users (motorists, pedestrians, cyclists, transport operators including all those who have goods shifted by road transport).

Utility service providers using the road reserve for their services.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None relating to capital expenditure which is required for growth.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY SEPARATELY FROM OTHER ACTIVITIES

The benefit of funding a roading network is to all residents and businesses, people who do not drive still derive an indirect benefit; roads are used for street parades, harriers and other such activities. Council has determined that the cost of growth should be paid for by those that require and benefit from the need to undertake the capital expenditure.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Many of the planned capital expenditure projects will provide services for in excess of 40 years, while other projects will provide benefits for between 10 and 20 years.

THE IMPACT OF THE ACTIVITY ON THE CURRENT AND FUTURE WELLBEING OF THE COMMUNITY.

The transport network has a significant impact on the social, economic and environmental wellbeing of the community. In order for the City transport network to be maintained with the present level of service in the long-term, and to accommodate anticipated growth, the Council considers that additions and upgrades are necessary.

It is reasonable that when those future users arrive they make a contribution that relates to the cost of catering for that growth, including the cost of financing the loans required for growth.

7. Assumptions

7.1 Development Contributions Overall Assumptions

- a) To determine the number of HUDs available for development in each catchment, consideration has only been given to current zoning of the land and not possible zoning decisions that arise out of the Nelson Urban Growth Strategy (NUGS)
- b) Some projects might include a mix of renewals work and provision for growth. Only the incremental cost over and above what would have been required for the renewal portion of the project is included in the development contributions
- c) In the event that assets need to be upgraded or replaced ahead of their expected life, the cost of growth includes the depreciation not collected over the reduced life expectancy of the asset
- d) Only assets owned by Nelson City Council, or for which Nelson City Council has operational, maintenance or financial responsibility have been considered for development contributions
- e) The conditions-based contributions for which development contributions have been calculated are works or projects that have been undertaken to allow development to proceed, typically to complete the network and ensure that the downstream effects arising from development are mitigated.

7.2 Transport Calculations and Assumptions

- a) Arterial, principal, collector and sub-collector roads are the only roads considered for growth related costs, as they carry traffic from throughout the system. Local roads are not included
- b) The reasons for growth have been investigated and reported by Gabites Porter traffic and transport planning consultants. Their report shows the levels of baseline growth, i.e. traffic growth for reasons other than residential, commercial or industrial growth within the local authority boundary, growth from traffic external to the local authority boundary, specifically Tasman District and growth arising from residential, commercial or industrial growth within the Nelson local authority boundary. Based on this report, annual rates of increase are assumed to be:

New Development	1.2%
Tasman/external	0.4%
Baseline Population Traffic Growth	0.0%

7.3 Stormwater

The total costs of the projects are spread over the total number of lots reasonably possible in the catchment, taking into account average lot size and terrain. There are four categories:

High density	414m ² /lot
Medium density	1,333m ² /lot
Low density	30,000m ² /lot
Industrial	2,500m ² /lot

7.4 Waste water

The number of HUDs available for development is based on the available residential area divided by average property size of lots that are too small for further subdivision i.e. those less than 800m².

7.5 Water Supply

- a) HUDs for pump stations and pipelines are based on peak demand
- b) HUDs for reservoirs are based on average demand
- c) Industrial and commercial water users have been converted to an equivalent household demand, either peak flow or average daily use depending on the project, to determine the number of HUDs in a catchment.

8. Glossary of terms relating to development contributions

ACTIVITY means a good or service provided by, or on behalf of, a local authority and includes –

- (a) the provision of facilities and amenities, for example water supply or sewage disposal;
- (b) the making of grants; and
- (c) the performance of regulatory and other local authority functions.

ALLOTMENT has the meaning given to it in section 218(2) of the Resource Management Act 1991.

APPLICANT is the person/persons that apply for a resource consent, building consent or service connection.

ASSET MANAGEMENT PLAN means Council documents that outline how the Council will manage and provide infrastructure assets.

BUILDING WORK means work for or in connection with the construction, alteration, or demolition of a building.

CAPITAL EXPENDITURE means the cost Council expects to incur to provide infrastructure assets for the running of the city's network infrastructure.

COMMUNITY OUTCOMES means the outcomes for that district or region that are identified as priorities for the time being through a process under section 91 of the Local Government Act 2002; and includes any additional priorities subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental, or cultural wellbeing of the community.

CONSENT HOLDER is the person/persons to whom the resource consent, building consent or service connection was granted.

DEVELOPMENT means any subdivision or other development including building work that generates a demand for reserves, network infrastructure, or community infrastructure.

DEVELOPMENT CONTRIBUTION means a contribution –

- (a) provided for in a development contribution policy included in the Council's Long-term Council Community Plan; and
- (b) calculated in accordance with the methodology; and
- (c) comprising –
 - (i) money; or
 - (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori

- land within the meaning of Te Ture Whenua Māori Act 1993, unless that Act provides otherwise; or
- (iii) both.

DEVELOPMENT CONTRIBUTION POLICY means the policy on development contributions included in the Long-Term Council community plan of the Council under section 102(4)(d) of the Local Government Act 2002.

DISTRICT means the district of a territorial authority, in this case the Nelson City area.

ESTIMATED VALUE means estimated aggregate of the values determined in accordance with section 10 of the Goods and Services Tax Act 1985, (as amended in 1993), of all goods and services to be supplied for that building work.

FINANCIAL CONTRIBUTION has the same meaning as financial contributions in s108 (9)(a)-(c) of the Resource Management Act 1991.

GOODS AND SERVICES TAX (GST) means goods and services tax under the Goods and Services Tax Act 1985 or any legislation substituted for the same.

HOUSEHOLD UNIT OF DEMAND (HUD) has the same meaning as Residential Unit in the Nelson Resource Management Plan. The HUD is equivalent to one residential lot containing one residential unit. Each additional residential unit is assumed to generate a demand for network infrastructure equivalent to a single HUD.

LGA 2002 means the Local Government Act 2002 or any legislation that might replace the same.

METHODOLOGY has the same meaning as methodology in s197 of the Local Government Act 2002 and how the contributions are calculated.

NETWORK INFRASTRUCTURE means the provision of roads and other transport, water, waste water and stormwater collection and their management.

NON-RESIDENTIAL DEVELOPMENT means any development that is not for a residential unit.

RESIDENTIAL UNIT means a single self-contained household unit, used principally for residential activities, whether by one or more persons and including accessory buildings. Where more than one kitchen facility is provided on the site, there shall be deemed to be more than one residential unit.

RMA 1991 means the Resource Management Act 1991.

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS means the schedule to the Council's development contributions policy required by section 201 of the Local Government Act 2002 and setting out the information required by section 202 namely:

the contributions payable in each district in respect of reserves, network infrastructure and community infrastructure;

the events giving rise to the requirement for development contribution; and specified by district and by activity.

SERVICE CONNECTION means a physical connection to a service provided by, or on behalf of, the Council.

SUBDIVISION has the same meaning as Section 218 of the Resource Management Act 199 i.e.

(a) The division of an allotment –

- (i) by an application to a District Land Registrar for the issue of a separate certificate of title for any part of the allotment; or
- (ii) by the disposition by way of sale or offer for sale of the fee simple to part of the allotment; or
- (iii) by a lease of part of the allotment which, including renewals, is or could be for a term of more than 35 years; or
- (iv) by the grant of a company lease or cross lease in respect of any part of the allotment; or
- (v) by the deposit of a unit plan, or an application to a District Land Registrar for the issue of a separate certificate of title for any part of a unit on a unit plan; or

(b) An application to a District Land Registrar for the issue of a separate certificate of title in circumstances where the issue of that certificate of title is prohibited by section 226.

Appendix 1

Projects for which development contributions are collected

Note: 25% of growth comes from outside of Nelson, and therefore the growth figures are adjusted down to take this into account.

The spreadsheets p66-70 in volume two of the 2009 Nelson Community Plan are retained unchanged.

Period in which the benefits are expected to occur

Capital expenditure for stormwater disposal provides long-term benefit to the community. Many of the planned capital expenditure projects will provide services for up to 40 years, like new pump stations, while other projects will provide benefits for between 10 and 20 years.

Roading - Growth Projects (Network)

Capital expenditure project	Total Cost	Est LTNZ Subsidy	% Growth	Total value of Growth	Projects prior to 1 July 2009	Estimate 2009/10	Estimate 2010/11	Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19
Saxton Rd	629,755	0%	100%	472,316	472,316	-	-	-	-	-	-	-	-	-	-
Tahunanui Intersection Upgrade	350,000	0%	80%	210,000	210,000	-	-	-	-	-	-	-	-	-	-
Nayland Road	140,000	43%	100%	59,850	59,850	-	-	-	-	-	-	-	-	-	-
Wakefield Quay	28,500	43%	100%	12,184	12,184	-	-	-	-	-	-	-	-	-	-
Ridgeway Connection	873,324	0%	100%	654,993	654,993	-	-	-	-	-	-	-	-	-	-
Marsden Road /The Ridgeway Intersection	150,000	0%	100%	112,500	112,500	-	-	-	-	-	-	-	-	-	-
Brook Street /Seymour Avenue	-	0%	100%	-	-	-	-	-	-	-	-	-	-	-	-
Corridor Implementation	2,320,851	53%	100%	818,100	818,100	-	-	-	-	-	-	-	-	-	-
Cycleway Construction (1998-2006)	890,372	53%	20%	62,771	62,771	-	-	-	-	-	-	-	-	-	-
Quarantine Road /Nayland Road	1,053,349	53%	100%	371,306	371,306	-	-	-	-	-	-	-	-	-	-
Saxton Road Roundabout	121,000	43%	100%	51,728	51,728	-	-	-	-	-	-	-	-	-	-
Rural Road Upgrades	212,000	0%	100%	159,000	159,000	-	-	-	-	-	-	-	-	-	-
Stoke By-pass	865,345	0%	100%	649,009	649,009	-	-	-	-	-	-	-	-	-	-
Trent Drive Airport	160,000	53%	20%	11,280	11,280	-	-	-	-	-	-	-	-	-	-
Seal Railway Reserve	270,000	53%	20%	19,035	19,035	-	-	-	-	-	-	-	-	-	-
Waimea Road to Beatson Road	370,000	53%	20%	26,085	-	2,115	-	23,970	-	-	-	-	-	-	-
Saxton Field Underpass	305,000	0%	20%	45,750	750	-	45,000	-	-	-	-	-	-	-	-
Waimea Road	40,000	0%	20%	6,000	-	-	-	-	-	-	6,000	-	-	-	-
Trafalgar 200 Connection	150,000	53%	20%	10,575	1,058	9,518	-	-	-	-	-	-	-	-	-
Path Widening	100,000	53%	20%	7,050	-	-	-	3,525	3,525	-	-	-	-	-	-
Poomans Stream	150,000	0%	20%	22,500	15,000	-	-	7,500	-	-	-	-	-	-	-
The Brook	110,000	0%	20%	16,500	-	-	-	1,500	-	15,000	-	-	-	-	-
Corder Park Cycleway (from 07/08)	180,000	53%	20%	12,690	12,690	-	-	-	-	-	-	-	-	-	-

Development contributions policy

Capital expenditure project	Total Cost	Est LTNZ Subsidy	% Growth	Total value of Growth	Projects prior to 1 July 2009	Estimate 2009/10	Estimate 2010/11	Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19
Cable Bay Road (w/in 50km zone)	240,000		50%	90,000	-	-	-	15,000	-	75,000	-	-	-	-	-
Cable Bay Road (before Maori Pa Road)	538,400		100%	403,800	-	-	30,000	-	373,800	-	-	-	-	-	-
Marsden Valley Road Upgrade	1,466,000		100%	1,099,500	15,750	-	-	-	1,083,750	-	-	-	-	-	-
Waimea Road/ The Ridgeway	320,000		100%	240,000	-	15,000	-	225,000	-	-	-	-	-	-	-
Waimea Road /Market Road/ Boundary Road	825,000		100%	618,750	-	-	-	-	56,250	-	562,500	-	-	-	-
Waimea Road / Motueka Street	815,000		100%	611,250	-	48,750	562,500	-	-	-	-	-	-	-	-
Waimea Road /Van Diemen Street	660,000		100%	495,000	-	-	-	-	-	-	45,000	-	450,000	-	-
Salsbury Road Two Laming Between Roundabouts	880,000		100%	660,000	-	-	-	-	-	60,000	-	600,000	-	-	-
Ross Road	600,000		100%	450,000	-	-	-	-	-	-	-	-	450,000	-	-
Todd Valley Road Upgrade	1,500,000		100%	1,125,000	-	-	-	-	-	-	-	-	-	1,125,000	-
Lud Valley Road	1,000,000		100%	750,000	-	-	-	-	-	-	-	-	-	-	750,000
Gloucester Street /Kerr Street/ Oxford Street Cyclelane and Hardy Street Crossing	60,000		20%	9,000	-	-	9,000	-	-	-	-	-	-	-	-
Maitai Path Widening	75,000		20%	11,250	-	-	11,250	-	-	-	-	-	-	-	-
St Vincent Street Cyclelanes	50,000		20%	7,500	-	-	7,500	-	-	-	-	-	-	-	-
Jenkins Creek - Quarantine Road to Annesbrook Drive	600,000		20%	90,000	-	-	-	-	-	-	-	-	90,000	-	-
Halifax Street Cyclelanes	145,000	53%	20%	10,223	-	-	1,763	-	8,460	-	-	-	-	-	-
Minor Cycleway Improvements	250,000	53%	20%	17,625	-	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763
Bus Stop and Shelter Upgrades	938,000	60%	100%	282,000	11,000	11,000	11,000	120,000	75,000	9,000	9,000	9,000	9,000	9,000	9,000
Nelson /Stoke Bus Interchange Infrastructure	250,000	60%	100%	75,000	-	75,000	-	-	-	-	-	-	-	-	-
CBD Bus Priority Intensections and Rutherford Street Two Laning	75,000	60%	100%	22,500	-	22,500	-	-	-	-	-	-	-	-	-
WaimeaRoad /Whakatu Drive Roundabout and Beaton Road	120,000	60%	100%	36,000	-	36,000	-	-	-	-	-	-	-	-	-
Waimea Road Bus Priority Lanes	300,000	60%	100%	90,000	-	90,000	-	-	-	-	-	-	-	-	-
Total	21,176,896			11,005,618	3,720,318	311,645	679,775	398,258	1,602,548	160,763	624,263	610,763	1,000,763	1,135,763	760,763

Stormwater - Growth Projects

Capital expenditure project	Total Cost	% growth catchment	Total value of Growth	Projects prior to 1 July 2009	Estimate 2009/10	Estimate 2010/11	Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19
Arapiki Stream	5,655,953	3.6%	203,614	183,784	8,730	11,100	-	-	-	-	-	-	-	-
York Stream (pre 2006) and Below Waimea	2,743,671	36.0%	987,722	456,002	-	18,000	43,200	48,600	7,920	414,000	-	-	-	-
Orchard Creek	2,455,000	32.6%	800,330	800,330	-	-	-	-	-	-	-	-	-	-
Todd Valley	1,584,000	22.2%	351,648	-	-	-	13,542	-	188,700	-	149,406	-	-	-
Nayland Road /Saxton Road /Railway Reserve - Piping Ditches	1,668,652	38.7%	645,129	219,851	425,279	-	-	-	-	-	-	-	-	-
Pump Station Catchment (Wood Area)	4,552,752	26.7%	1,215,276	971,890	60,386	98,000	-	-	41,000	44,000	-	-	-	-
Q15 Pipelines - (Wood Area)	4,345,465	31.4%	1,362,896	1,118,066	4,000	72,212	109,900	58,718	-	-	-	-	-	-
Other Conditioned Projects (prior to July 2006)	283,942	100.0%	283,942	283,942	-	-	-	-	-	-	-	-	-	-
Iwa Road	272,000	31.4%	85,408	-	85,408	-	-	-	-	-	-	-	-	-
Total	23,561,434		5,935,965	4,033,864	583,803	199,312	1,666,642	107,318	237,620	458,000	149,406	-	-	-

Wastewater (incl Sewage) Disposal - Growth Projects

Capital expenditure project	Total Cost	% growth	Total value of Growth	Projects prior to 1 July 2009	Estimate 2009/10	Estimate 2010/11	Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19
NNWWTP - Mechanical Treatment	9,721,760	25%	2,430,440	2,430,440	-	-	-	-	-	-	-	-	-	-
NNWWTP - Wetland Treatment	2,460,000	20%	492,000	492,000	-	-	-	-	-	-	-	-	-	-
NRSBU ATAD Tank	1,075,000	100%	1,075,000	-	-	1,075,000	-	-	-	-	-	-	-	-
NRSBU Rising Main Duplication	10,000,000	33%	7,500,000	82,500	330,000	2,887,500	-	-	-	-	-	-	-	-
Previous Contribution Conditions	682,280	100%	682,280	682,280	-	-	-	-	-	-	-	-	-	-
Pump Stations: Parkers Road 1 and 2 (Awatea) and Beach Road	1,498,036	25%	374,509	149,509	-	112,500	-	-	-	-	-	-	-	-
Pump Stations: Vanguard Street and Paru Paru Road	316,903	34%	107,747	107,747	-	-	-	-	-	-	-	-	-	-
Pump Station: Brooklands Road	50,000	20%	10,000	-	-	10,000	-	-	-	-	-	-	-	-
Pump Station: Corder Park	50,000	20%	10,000	-	-	10,000	-	-	-	-	-	-	-	-
Pump Station: Marybank	50,000	20%	10,000	-	-	-	-	10,000	-	-	-	-	-	-
Parkers Road 1/2 (Awatea) Trunk Main	593,000	20%	118,600	-	-	5,600	113,000	-	-	-	-	-	-	-
Atawhai Duplication Rising Main	2,350,000	100%	2,350,000	-	-	-	-	100,000	100,000	150,000	1,000,000	1,000,000	-	-
Parkers Road 1/2 (Awatea) Rising Main	637,000	20%	127,400	-	-	10,400	-	117,000	-	-	-	-	-	-
Pump Station: Neale Park	1,100,000	10%	110,000	-	110,000	-	-	-	-	-	-	-	-	-
Marsden Valley Trunk Main	1,750,000	100%	1,750,000	-	450,000	500,000	500,000	300,000	-	-	-	-	-	-
Ngawhatu Valley Trunk Main	750,000	100%	750,000	-	50,000	-	500,000	200,000	-	-	-	-	-	-
Enner Glynn Trunk Main	550,000	100%	550,000	-	-	-	-	-	-	50,000	-	500,000	-	-
Maitai Trunk Main	50,000	100%	50,000	-	-	-	-	-	-	-	50,000	-	-	-
Quarantine Road /Songer Street Trunk Main	2,675,000	20%	535,000	-	-	25,000	-	170,000	170,000	170,000	-	-	-	-
Atawhai Trunk Main	50,000	100%	50,000	-	-	-	50,000	-	-	-	-	-	-	-
Total	36,408,979		19,082,976	3,944,476	940,000	4,626,000	1,285,500	897,000	270,000	370,000	1,050,000	1,500,000	-	-

Water supply - Growth Projects

Capital expenditure project	Total Cost	% growth	Total value of Growth	Projects prior to 1 July 2009	Estimate 2009/10	Estimate 2010/11	Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19
Water Treatment Plant Filters	9,895,000	13%	1,286,350	1,286,350	-	-	-	-	-	-	-	-	-	-
Cross City Link Return	2,500,000	25%	625,000	625,000	-	-	-	-	-	-	-	-	-	-
Maitai Pipeline Design	430,000	57%	245,100	179,550	65,550	-	-	-	-	-	-	-	-	-
Maitai Pipeline: Maitai Dam to Water Treatment Plant	12,312,000	57%	7,017,840	-	-	-	2,339,280	2,339,280	2,339,280	-	-	-	-	-
Wastney Tce Pump Station	520,191	2%	10,404	10,404	-	-	-	-	-	-	-	-	-	-
Atawhai #2 Reservoir	1,285,000	36%	462,600	-	-	-	-	-	-	462,600	-	-	-	-
Stoke #3 Reservoir	1,300,000	100%	1,300,000	-	300,000	1,000,000	-	-	-	-	-	-	-	-
Observatory Hill #2 Reservoir and Pump Station	197,000	21%	42,073	-	-	-	-	-	-	42,073	-	-	-	-
Todd Valley Upgrade	760,944	74%	565,057	565,057	-	-	-	-	-	-	-	-	-	-
Atawhai Trunk Main	3,395,000	36%	1,222,200	-	-	-	-	-	-	1,222,200	-	-	-	-
Stoke #3 Reservoir Trunk Main	685,000	100%	685,000	-	-	685,000	-	-	-	-	-	-	-	-
Atawhai Pump & Ridge Reservoir	197,000	100%	197,000	-	-	-	-	-	-	-	-	197,000	-	-
Total	33,477,135		13,658,624	2,666,361	365,550	1,685,000	2,339,280	2,339,280	2,339,280	1,726,873	-	197,000	-	-

Revenue and financing policy

Introduction

The Local Government Act 2002 requires the adoption of a Revenue and Financing Policy. This policy must state Council's policy on funding both the operating and capital expenses of each activity of Council. The Council has divided its business into 15 significant activities (including the financial reserves activity) and most of these each have a number of sub-activities with their own funding policies.

Section 101(3) of the Act requires that the funding needs of the Council must be met from those sources that the Council determines to be appropriate, following consideration of:

- (a)
 - (i) the Community Outcomes to which the activity primarily contributes; and
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) the period in or over which those benefits are expected to occur; and
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

Section 103(2) sets out the list of funding sources available to Council for both operational and capital expenditure. These are:

- (a) general rates, including:
 - (i) choice of valuation system; and
 - (ii) differential rating; and
 - (iii) uniform annual general charges
- (b) targeted rates
- (c) fees and charges
- (d) interest and dividends from investments
- (e) borrowing
- (f) proceeds from asset sales
- (g) development contributions
- (h) financial contributions under the Resource Management Act 1991

- (i) grants and subsidies; and
- (j) any other source.

Section 101(3)(b) of the Local Government Act also requires that the Council considers the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

Capital expenditure

Capital expenditure is expenditure on assets such as property, plant and equipment. Council funds capital expenditure in the following priority order:

1. Financial contributions and development contributions
2. Depreciation
3. Loans, to be repaid over 40 years

Depreciation

Depreciation, or loss of service potential, is the estimate of the average wearing out, consumption, or other loss of value of an asset. This may arise from use, the passing of time, or obsolescence through technological or market changes. The averaging of 'wearing out' means that all the users of the asset fund the loss of value, rather than just those paying rates at the time the asset needs replacing or major renewals.

New Zealand International Financial Reporting Standards (NZIFRS) requires depreciation to be recorded as an expense, and legislation requires Council to fund all expenses from revenue sources. This means that Council raises cash through rates and charges to fund depreciation which is a non-cash item of expenses.

In the cost of service statements the depreciation appears as an expense line, but also appears as 'non cash expenditure' in the 'source of funds' section of the 'statement of funding requirement'.

These funds raised will, over time, fund the renewals that are required to maintain the assets at their current level. Each year's renewals are funded from this depreciation, but in most activities there is currently excess depreciation. This is because the renewals are normally low in the first few years of an assets life, and then increase later in the life, i.e. when pipes need replacing after, say, 60 years.

The excess depreciation raised could be put aside in an investment reserve until the funds are required to fund a major renewal. This could result in having to manage a large investment portfolio, while at the same time managing a large borrowing portfolio. This would be an inefficient way of managing the funds because of the administration costs involved, but more importantly because the return on investments is likely to be 1% to 2% less than the interest rate on borrowings.

Nelson City Council therefore made the decision to net off the investments and borrowings, and many other Councils do likewise. This has resulted in more efficient management of funds, and internal loans are used to ensure that individual activities are correctly accounted for.

As noted above, the depreciation is, in the first instance, used to fund renewals. Any excess is then used to fund new capital expenditure, and if there is still excess it is used to repay loans. The depreciation funds used to fund these items is shown as source of funds, 'Non cash expenses (Depreciation)' in the activity summaries.

In some activities there has been in the past, or is still, surplus depreciation after funding all the renewals, new capital expenditure and loans. In these cases the excess is held in reserve for future years. This explains why in some activities the 'Non cash expenses (Depreciation)' is greater than or less than the 'Depreciation/Loss of service potential'.

Depreciation not funded

These are items for which the Council does not intend to fund depreciation;

- Founders Park
- Wakapuaka Hall
- Stoke Community Centre
- Natureland
- Motor Camps.

Rating and charging options

The following section explains the different options available to Council for levying rates and charges, followed by an explanation of the situations when each method is most appropriately applied.

General rate

General rates are used where there is general benefit or no other appropriate funding source. The general rate is used to fund all Council activities other than water supply, sewage disposal and stormwater and flood protection, which are targeted rates and are explained below. It is considered fair that all ratepayers should bear the cost of these non-targeted activities based on their land values because they benefit the community as a whole. Council prefers to use land value rather than capital value because:

- it encourages more intensive development,
- it alleviates the shortage of home sites as it discourages the holding of empty sections, and
- it equalises charges between dwellings of different value that use equal services provided by Council.

Council has compared the public and private benefit of each activity in order to decide what percentage of the costs should be recovered through user charges. Fees and charges (excluding

water charges and development contributions) raise approximately 13% of total Council revenue, and Rates around 50%.

Within the general rate there are two mechanisms that further allocate the rate:

Uniform annual general charge (UAGC)

A UAGC is levied:

- as a charge for services that 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, and
- in recognition that land valuation-based rating does not necessarily reflect a ratepayer's ability to pay.

By law, the UAGC must not exceed 30% of the total rates (excluding water charges). Council considers 15% a fair level taking account the ratepayers' ability to pay.

Differentials

Differentials are a percentage adjustment to the rates paid by a group of ratepayers to reflect services that may or may not be used by those ratepayers. The differential can therefore increase or decrease the amount of rates paid, for example rural properties pay lower general rates, reflecting the lower level of services such as fewer or no street lights. On this basis the Council has set differentials to collect higher rates from commercial properties, and where there are two or more residential units on one assessment. Negative differentials are used to collect lower rates on urban farmland, rural properties and small holdings.

Stormwater rate

The stormwater rate is a targeted rate collected as a uniform charge per separately occupied portion of a rating unit. It is not collected from rural and smallholding properties, or from residential properties east of Gentle Annie saddle or in Hill Street, as these properties are not covered by the stormwater system and they maintain the streams in their area. Council considered that a uniform charge was appropriate because there is no correlation between the amount of water coming off a property and the value of the section.

Wastewater rate

The wastewater rate is also a targeted rate collected as a uniform charge per separately occupied portion of a rating unit to which the Council's wastewater disposal service is provided. Council considered that a uniform charge was most appropriate as there is no correlation between the volume of waste water coming from a property and the value of that property.

Targeted rate for Clean Heat-Warm Homes

The Clean Heat-Warm Homes rate is a targeted rate collected per separately occupied portion of a rating unit that has been provided with insulation and a heater to replace a non-complying solid fuel burner. Property owners who are eligible for a rating rebate under the Department of Internal Affairs scheme are eligible to apply for a remission of this rate (see Remissions Policy) earlier in this Volume.

The Council will borrow the money to be used to assist Clean Heat-Warm Homes scheme participants from financial lenders, or by use of its own reserves.

The cost of the interest paid by Nelson City Council on that borrowing for the scheme will be met from general rates. The targeted rate scheme will be available in those areas of the city where existing burners have to be phased out. It will apply to all non-clean air approved burners (generally pre-2004) in what Airshed A (Bishopdale, Hospital/Victory/Washington valleys) and Airshed B1 (Tahunanui, and Tahunanui Hills south of The Cliffs). In Airshed B2 (Stoke/Wakatu) the scheme will be available for the replacement of pre-1996 burners.

COMMUNITY BENEFITS

Improved air quality in Nelson and a healthier community.

Targeted rate for Solar Hot Water Systems

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

The Council will borrow the money to be loaned to SHWS loan scheme participants from financial lenders.

The cost of interest and administration costs of \$300 per installation will be paid for by users of the services.

COMMUNITY BENEFITS

An increased number of houses with solar hot water systems will assist Nelson to reduce its greenhouse gas emissions.

INDIVIDUAL BENEFITS

An increased number of houses with solar hot water systems will assist Nelson to reduce its greenhouse gas emissions.

Water charges

Water charges are based on a low minimum annual charge and then a charge per cubic metre for all water used. Council introduced this system to encourage water conservation, but also because it was felt that a user charge was a fairer basis for recovering the water supply costs.

Costs, benefits and funding for all Council activities

Water supply

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How this policy contributes
Healthy land, sea, air and water We protect the natural environment.	A city wide water system ensures that water resources are well managed and reduces the human impact on the environment.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	High quality water encourages business to move to Nelson. It also supports economic growth.
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Clean drinking water prevents diseases and means healthier people.

Distribution of benefits

COMMUNITY BENEFITS

- Contributes to community health, fire safety
- Assists the local economy
- Improves amenity value of the city.

INDIVIDUAL BENEFITS

- Those connected to the public water supply receive a private benefit. Overall, the benefits have been assessed as being at 100% private.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCT FROM OTHER ACTIVITIES

Funding this account on a user-pays basis provides an incentive for water conservation, which is a significant benefit. Funding on a user-pays basis is a benefit in terms of an equitable method of sharing the costs of the provision of the water supply.

The only significant costs lie in the transactions cost of collecting water charges, but this administrative cost is small in relation to the benefits of funding water supply through user charges.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

The water supply capital expenditure provides long-term benefits to the community. Council anticipates that the Maitai Dam and water treatment plant will provide services to Nelson well beyond the next 40 years.

Sources of funding

	Operating expenditure	Capital expenditure
General rates		
Targeted rates	Yes	Yes
Fees and charges	Yes	
Interest and dividends from investments		
Borrowing	Yes – including smoothing loan	Yes
Proceeds from asset sales		
Development contributions (LCA)		Yes
Financial contributions (RMA)		Yes
Grants and other subsidies		
Other		

Sewage disposal

COLLECTING, TREATMENT AND DISPOSING OF SEWAGE – NELSON AND REGIONAL SCHEME

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
Healthy land, sea, air and water We protect the natural environment.	Through treatment and disposal of sewage to reduce the impact on the environment.
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.	Through treatment and disposal of sewage to reduce harmful effects on the landscape and built environment.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	Through treatment of industrial waste allowing businesses to operate in Nelson, and protecting tourism.
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	By minimising disease and health problems.

Distribution of benefits

COMMUNITY BENEFITS

- Contributes to community health
- Provides recreational and environmental benefits associated with both inland and marine waters (for which there are increasing public expectations)
- Land is protected from the effects of waste water seepage
- Waste water treatment and disposal assists the local economy
- Meets the community's increasing environmental standards.

INDIVIDUAL BENEFITS

- Benefits are received by those connected to the waste water collection system.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Non-complying trade waste dischargers requires enforcement
- Stormwater infiltration through incorrectly installed downpipes requires monitoring and action by and on behalf of Council.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

The benefit of funding waste water disposal is to those connected to the system and therefore a targeted rate is considered the most equitable form of funding this activity. Council uses trade waste bylaws to ensure industry and commerce businesses pay their share.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Capital expenditure for sewage disposal provides long-term benefits to the community. Many of the planned capital expenditure projects will provide services for up to 40 years, for example the Atawhai rising main and the Nelson Regional Sewerage Business Unit rising main duplication. Other projects will provide benefits for between 10 and 20 years.

	Operating expenditure	Capital expenditure
General rates		
Targeted rates	Yes	Yes
Fees and charges	Yes	
Interest and dividends from investments		
Borrowing		
Proceeds from asset sales		
Development contributions (LCA)		Yes
Financial contributions (RMA)		Yes
Grants and other subsidies		
Other		

Stormwater and flood protection

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
Healthy land, sea, air and water We protect the natural environment.	Through reducing the effects of floods on the environment.
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.	Through reducing the likelihood of floods damaging homes, businesses or essential infrastructure.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	Through removing restrictions on developing land when adequate drainage is provided.
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Through reducing the likelihood of people being affected by a flood.

Distribution of benefits

COMMUNITY BENEFITS

- Disposes of stormwater and keeps urban areas (roads, land amenities, shops etc) free from floods
- Contributes to public health and safety and maintains quality of life
- Enhances amenity and property values.

INDIVIDUAL BENEFITS

- All landowners with stormwater runoff receive a private benefit.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

The benefits of funding Council's stormwater activity apply to all those who live in the areas where Council provides a piped system. Therefore Council uses a targeted rate as the most equitable form of funding this activity. Refer to the funding impact statement for more information.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Capital expenditure for stormwater disposal provides long-term benefit to the community. Many of the planned capital expenditure projects will provide services for up to 40 years, like new pump stations, while other projects will provide benefits for between 10 and 20 years.

Revenue & financing policy

	Operating expenditure	Capital expenditure
General rates		
Targeted rates	Yes	Yes
Fees and charges		Yes
Interest and dividends from investments		
Borrowing		
Proceeds from asset sales		
Development contributions (LGA)		Yes
Financial contributions (RMA)		Yes
Grants and other subsidies	Yes	
Other		

Transport

This activity includes provision of the roading network, footpaths, cycle ways, street lighting, inner city parking and development, subsidised public transport, and street gardens and trees.

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
Healthy land, sea, air and water We protect the natural environment.	Through providing a range of transport systems that minimise the impact on the environment.
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.	Through taking into account the impact on public spaces when providing transport infrastructure.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	Through providing and effective and efficient transport system that meets the needs of residents and businesses.
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Through providing a safe transport network that provides for traffic, cyclists and pedestrians.

Distribution of benefits

COMMUNITY BENEFITS

- Ensures a land transport system that operates safely
- Provides easy access throughout the city
- Contributes to an attractive well-planned city, to sustainable management of resources and to a good quality of life
- Allows people to travel to work and to leisure activities.

INDIVIDUAL BENEFITS

- All road users (motorists, pedestrians, cyclists, transport operators including all those who have goods shifted by road transport)
- Utility service providers using the road reserve for their services.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

Heavy vehicles place a higher cost on maintenance of the roading network. This is recognised through Road User Charges.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

The benefit of funding a road network is to all residents and businesses. People who do not drive still derive an indirect benefit. Roads are used for street parades and fairs, festivals and other activities. Therefore the Council's costs are collected through general rates.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Capital expenditure for the transport activity provides long-term benefit to the community. Many of the planned capital expenditure projects will provide services for in excess of 40 years, while other projects will provide benefits for between 10 and 20 years.

	Operating expenditure	Capital expenditure
General rates	Yes	Yes
Targeted rates		
Fees and charges	Yes	
Interest and dividends from investments		
Borrowing		Yes
Proceeds from asset sales		Yes
Development contributions (LGA)		Yes
Financial contributions (RMA)		Yes
Grants and other subsidies	Yes	Yes (transfund subsidies)
Other		

Solid waste management

This activity includes the landfill at York Valley, the Pascoe Street transfer station in Tahunanui, waste minimisation, green waste processing.

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
Healthy land, sea, air and water We protect the natural environment.	Through providing a waste management system that minimises waste being inappropriately disposed of and encourages reduction, reuse and recycling.
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.	Through reducing the dumping of waste around the city and in parks and forests and protecting public health.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	Through providing a cost effective waste disposal service to residents and businesses.

Distribution of benefits

COMMUNITY BENEFITS

- Contributes to a tidy, clean, healthy and safe environment.
- There is a community benefit in relation to public health, environmental protection and amenity values
- Results in less pollution because of a well managed landfill
- Reduces waste and prolongs the life of the landfill.

INDIVIDUAL BENEFITS

- The following all receive individual benefits:
- those who dispose of refuse, greenwaste and recyclables
- the general community/residents
- commerce, businesses and industry
- users of recycled products
- those who produce, use and dispose of hazardous wastes.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Manufacturers who use excessive packaging
- Those who produce unnecessary and unrecyclable waste
- Those who dispose of hazardous waste inappropriately
- Those who produce excessive hazardous substances.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCT FROM OTHER ACTIVITIES

To encourage waste minimisation Council relies on charging individuals and businesses that use the transfer station and landfill user charges. This includes a waste minimisation levy of \$4.00 (plus GST) per cubic metre at the transfer station. Council

has concluded that any surplus or deficit should be funded from general rates because of the collective benefits to the community.

It is difficult to track and identify those who dispose of waste inappropriately and there is no suitable mechanism for charging manufacturers who use excessive packaging. This needs to be addressed at a national level.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Capital expenditure for solid waste disposal provides long-term benefit to the community. The current landfill is expected to last to around 2023.

	Operating expenditure	Capital expenditure
General rates	Yes	Yes
Targeted rates		
Fees and charges	Yes	Yes
Interest and dividends from investments		
Borrowing		Yes
Proceeds from asset sales		
Development contributions (LGA)		
Financial contributions (RMA)		
Grants and other subsidies		
Other	Yes (waste minimisation levy and sale of methane gas from the landfill)	

Environmental management

This activity includes monitoring the state of the environment, pest management, environmental advocacy and policy advice, statutory and non statutory planning, non-regulatory assistance and implementation of the ‘clean heat’ programme.

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
<p>Healthy land, sea, air and water We protect the natural environment.</p>	<p>Through providing information on good environment practices, undertaking pest management, developing environmental plans, and monitoring the environment.</p>
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through provision of landuse and subdivision planning and reducing pollution through programmes such as ‘Clean Heat-Warm Homes’ and Solar City initiatives.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through providing an environment that supports sustainable business practices.</p>

Distribution of benefits

COMMUNITY BENEFITS

- Sustainable management of natural and physical resources and a reduction in pollution
- Fair opportunities and certainty for development
- Control of negative effects on people, businesses and the environment
- Avoidance of unnecessary regulation
- Consistency of approach in the management of natural and physical resources
- Consultation and democracy in the management of natural and physical resources
- Resource users gain a clearer understanding of their actions, which will lead to greater environmental responsibility and awareness
- The general public gains environmental and amenity improvements, and enhanced recreational opportunities
- There is a public benefit from having public land free from pest infestations
- The community benefits from sustainable management of the natural and physical resources. This provides improved understanding of interrelationships between natural and physical resources; public awareness of the state of the environment, and formulation of effective resource strategies.

INDIVIDUAL BENEFITS - PEST MANAGEMENT

Rural landowners (pastoral farmers and foresters) gain increased productivity, and economies and efficiency from a joint effort. Such initiatives also avoid encroachment and re-infestation from neighbouring land.

RESOURCE USERS AND PROPERTY OWNERS

- Allocation of resources
- Reduced costs – fewer resource consent applications
- Plan change applicants - fair opportunities for development or change
- Property owners experiencing any betterment of change
- Resource users gain from monitoring of their activity. It reduces the need for them to monitor, confirms their monitoring
- Good resource information allows better resource allocation decisions and identifies economic opportunities
- Clean heat programme
- Residents' that have improved heating through the Clean Heat-Warm Homes programme will receive health benefits of a properly insulated home
- Homeowners participating in the Clean Heat-Warm Homes programme do not have to use their own money. Repaying the assistance over a 10-year period provides an economic benefit over time as the value of the repayments is reduced by the effects of inflation
- Businesses that need resource consents for discharge to air benefit as, if the air quality in Nelson is not improved, the Council will not be able to renew or approve new consents
- Solar Hot Water Programme
- Residents that have solar hot water systems will benefit from reduced power bills.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Landowners who do not undertake adequate control of pests
- Resource consent applicants who do not properly research proposed changes
- Submitters to plans whose submissions are on vexatious grounds
- Those who pollute the environment.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCT FROM OTHER ACTIVITIES

The cost of administering a separate rate outweighs the benefits. Overall the greatest benefits are to the community as a whole and, where opportunities exist, Council will apply for external funding.

Provision of the 'clean heat' programme is met through general rates to reflect the community benefit that arises from improved air quality.

However there are limited mechanisms for recovering costs from the environmentally irresponsible.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Environmental management has long-term benefits for current and future residents and businesses in Nelson. There is no planned capital expenditure for this activity for the term of the plan.

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates	Yes	
Fees and charges	Yes (for consents etc)	
Interest and dividends from investments		
Borrowing	Yes	Yes
Proceeds from asset sales		
Development contributions (LGA)		
Financial contributions (RMA)		
Grants and other subsidies	Yes (Clean Heat programme, in part, from Central Government)	
Other		

Regulatory compliance

This activity includes dog and animal control, liquor licensing, food premises monitoring, storing and providing land information, processing and inspection of resource and building consents, harbour and coastal safety, pollution management and investigating complaints (noise, bylaws, private drains and illegal building works).

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
Healthy land, sea, air and water We protect the natural environment.	Through providing a regulatory system that protects the environment.
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.	Through implementation of policies and bylaws for areas such as dogs, noise and alcohol to protect social wellbeing.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	Through providing regulatory services in an efficient manner and therefore reducing business compliance costs.
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Through implementation of policies and bylaws for areas such as dogs, noise and alcohol to keep residents and visitors safe.

Distribution of benefits

All activities provide public health and safety benefits to the community and individuals. Other benefits include:

Dog and animal control

COMMUNITY BENEFITS

- Protection from dogs and dog nuisances (barking, fouling)
- Conservation (feral cat control).

INDIVIDUAL BENEFITS

- Dog and animal control
- Private benefit to dog owners, SPCA and dog owner associations (animal welfare, education of dogs' needs)
- Neighbouring landowners stock protected from the effects of wandering dogs.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Owners who allow their animals to cause problems, including those who let animals go wild, stray, or fail to look after them adequately.

Liquor licensing

COMMUNITY BENEFITS

- The general public feel safer in the city through good practices adopted by liquor outlets.

INDIVIDUAL BENEFITS

- Licensed trade gains from consistent application of standards and legislation
- Prospective licensees receive advice over counter or phone
- Health groups gain information and advice.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Non-complying liquor outlets.

Food premises monitoring

COMMUNITY BENEFITS

- The general public gain confidence in the food hygiene standards of the premises at which they choose to eat
- Public health benefits through protecting the population from health risks and disease.

INDIVIDUAL BENEFITS

- Food premises' owners gain public recognition of their food hygiene level, along with monitoring and control
- Members of the public gain confidence in the food hygiene standards of the premises at which they choose to eat.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Non-complying food outlets.

Storing and providing land information

COMMUNITY BENEFITS

- There is a general community benefit from having a record of construction standards for all properties in the city. This has historic value and may be used for purposes that benefit the whole community.

INDIVIDUAL BENEFITS

- Benefit from having proof of construction
- Private benefit from the information that supports property sales and provides information to property owners and to professional groups, for example real estate agents and lawyers.

Processing and inspection of resource and building consents

COMMUNITY BENEFITS

- The community benefits from safety and health protection on buildings. This covers the benefits which future owners/operators may receive.

INDIVIDUAL BENEFITS

- Current owners and occupiers gain the protection of consistent standards, which benefits them physically and commercially
- People seeking advice about building and related requirements receive a private benefit.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Those who fail to obtain building consents, and those who do not build in accordance with the consent.

Harbour and coastal safety and navigation

COMMUNITY BENEFITS

- The members of the public gain as the reduced risk of collision and stranding reduces the risk of pollution, blocked channels and consequent loss of efficiency for the commercial and recreational use of the harbour
- The members of the public also gains safe water recreation areas free from water-craft.

INDIVIDUAL BENEFITS

- Boat owners and users gain from increased safety, reduced risk of collision or stranding, and increased convenience and recreation opportunities (for example water ski lanes, buoyed swimming areas, segregation of activities). The pilot exemptions result in increased efficiency, and lower costs to ship owners and operators
- Benefit to shipping (ship owners and agents, crew, insurers etc).

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Irresponsible boat owners who ignore or are ignorant of navigation and safety regulations and bylaws.

Pollution management

COMMUNITY BENEFITS

- The general public gains conservation and recreational benefits, and the maintenance of a clean green image. There is an element of national benefit included in this
- Owners of sites likely/capable of polluting gain monitoring and feedback which may reduce their risk of prosecution.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Polluters, both private and public and those businesses and individuals who cause sites to be contaminated.

Investigating complaints

COMMUNITY BENEFITS

- The general public feel safer in the city.

INDIVIDUAL BENEFITS

- Individuals have complaints responded to, and feel safer.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Residents who breach noise and bylaw rules.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCT FROM OTHER ACTIVITIES

Council's policy is to charge these activities on a user pays basis where possible. However there are restrictions to this which include:

- It is very difficult to identify animal owners in a lot of cases. Animal control is also labour intensive and is often done out of Council hours with the cost of prosecuting often exceeding any fines
- Some activity fees are set by legislation and do not cover the cost of providing the service, for example liquor licensing. Council also emphasises education rather than prosecution
- Council staff often provide telephone information and it is unrealistic to charge for this
- It is too difficult to recover costs from recreational boat users for harbour safety
- It is not always possible to identify individuals or businesses who pollute the environment.

The balance of activities that cannot be funded by user charges are therefore funded through the general rate.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

The benefits from regulation and compliance activities range from immediate for matters such as dealing with dog and noise complaints to long-term environmental benefits arising from pollution management and ensuring that buildings meet the terms of their resource and building consents.

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates		
Fees and charges	Yes	
Interest and dividends from investments		
Borrowing		Yes (dog pound)
Proceeds from asset sales		
Development contributions (LGA)		
Financial contributions (RMA)		
Grants and other subsidies	Yes	
Other	Yes (fines)	

Parks and open space

This activity includes parks, neighbourhood reserves, heritage and park trees, walkways in conservation reserves and sports parks.

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
Healthy land, sea, air and water We protect the natural environment.	Through providing parks which include a range of environments and biodiversity.
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.	Through providing well planned parks.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	Through tourism based on attractive surroundings and activities available in Nelson's parks and reserves.
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Through providing parks which encourage a range of physical activities.
A fun, creative culture We are proud of our creative local culture and regional identity.	Through providing a range of recreation facilities that everyone can enjoy.

Distribution of benefits

COMMUNITY BENEFITS

- The public gains environmental benefits, as well as open space, and places for relaxation, informal recreation and play
- Heritage preservation as a result of protection of heritage trees, sites and objects
- The city's identity is enhanced.

INDIVIDUAL BENEFITS

- Users of the parks gain a place for relaxation, informal recreation and play
- Residents and visitors use the facilities to exercise and train
- Those using the reserves for special events such as weddings, music events, organised picnics and promotions gain a free venue
- Adjoining landowners gain amenity value from living next to a reserve
- Those who are granted permission to take genetic material, for example seed, from Council trees
- Those who live in areas with significant densities of landscape trees gain amenity value
- Private owners – inspection and advice on heritage trees by Council staff.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

Vandals and litterers. Those who litter increase the requirement for additional work to prosecute and remedy negative effects.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCT FROM OTHER ACTIVITIES

The cost of administering a separate rate outweighs the benefits. Furthermore, parks and open space benefit the whole community and therefore the costs - less any user fees and charges - are funded through general rates.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

The benefits from this activity range from immediate, such as walking through the parks, to the long-term benefits to individuals and the city, by having a good quality environment and heritage trees.

	Operating expenditure	Capital expenditure
General rates	Yes	Yes
Targeted rates		
Fees and charges	Yes	
Interest and dividends from investments		
Borrowing		Yes
Proceeds from asset sales		
Development contributions (LGA)		
Financial contributions (RMA)		Yes
Grants and other subsidies		
Other	Yes (rent and donations)	

Recreation

This activity include recreation and reserves planning, recreation facilities such as the Trafalgar Centre, the Waahi Taakaro golf course, swimming pools, Natureland, recreation grants, community programmes and play facilities such as playgrounds, youth parks and skate parks.

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcome	How the activity contributes
<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.</p>	<p>Through creating leisure, sports and living environments that provide for residents' and visitors activities.</p>
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	<p>Through recreation activities that draw people to Nelson and provide work and healthy lifestyles.</p>
<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.</p>	<p>Through providing recreation opportunities that maintain or build healthy communities.</p>
<p>A fun, creative culture We are proud of our creative local culture and regional identity.</p>	<p>Recreation pursuits are fun and give people a sense of belonging and wellbeing.</p>

Distribution of benefits

COMMUNITY BENEFITS

- The public gains better use of resources, better facilities, and improved recreational opportunities
- The public gains physical and mental wellbeing, a sense of community identity, and entertainment and socialisation from the provision of these facilities
- The public gains an appreciation of conservation and natural heritage protection, as well as family educational benefit from the Natureland facility.

INDIVIDUAL BENEFITS

- There is a private benefit to all those who use Council recreation facilities
- Community groups gain venues for functions
- Sports groups gain venues for sports events
- Event promoters gain valuable venues to use
- Spectators gain suitable venues for watching a variety of events.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

The cost of administering a separate rate outweighs the benefits. Furthermore, recreation benefits the whole community and therefore the costs less any user fees and charges, are funded through general rates.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Good recreation facilities provide long-term benefits to residents through improved physical and mental wellbeing.

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates		
Fees and charges	Yes	
Interest and dividends from investments		
Borrowing		Yes
Proceeds from asset sales		
Development contributions (LGA)		
Financial contributions (RMA)		Yes
Grants and other subsidies		Yes (contribution by another local authority)
Other		

Community facilities

This activity includes the public libraries, the Marsden cemetery and city crematorium, public toilets, the marina, community properties, motor camps, community housing and regional community facilities.

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcome	How the activity contributes
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.	Through creating facilities that provide for residents' and visitors' activities.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	Through venues that draw people to Nelson and provide work and healthy lifestyles.
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Through providing venues for activities that maintain or build healthy communities.

Libraries

Distribution of benefits

COMMUNITY BENEFITS

- Libraries promote literacy and an informed and empowered society. They contribute to quality of life and to civic pride. They benefit the business community
- Some people may put a value on having libraries even though they may not use a library themselves. Others value them because they benefit future generations (for example the collections), or because, by being there, they encourage people to use their time constructively
- Libraries also have spin-off benefits, for example a more literate society, and savings on health and social costs.

INDIVIDUAL BENEFITS

- Those individuals who use the library in various ways.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

Marsden Cemetery and crematorium

Distribution of benefits

COMMUNITY BENEFITS

- Appropriate disposal of the deceased
- Meets spiritual and emotional needs of families and friends
- Public open space
- Heritage values.

INDIVIDUAL BENEFITS

- Ongoing individual benefits to families and friends of the deceased by being able to visit the grave in pleasant surroundings.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

Public toilets

Distribution of benefits

COMMUNITY BENEFITS

- Health and cleanliness of the city
- Economic benefits of a city attractive to visitors, and that meets their needs.

INDIVIDUAL BENEFITS

- Having a toilet available when needed is of benefit both to residents and to visitors.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

Marina

Distribution of benefits

COMMUNITY BENEFITS

- The marina provides passive recreation opportunities
- It has economic benefits because it attracts visitors to Nelson
- It allows an efficient use of scarce water space and protects marine environments, by concentrating boat moorings in one area.

INDIVIDUAL BENEFITS

- It is of private benefit to boat owners in that it allows exclusive occupation of publicly owned space, which offers greater security than single moorings.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

A marina concentrates contaminants in one area.

Community properties

Distribution of benefits

COMMUNITY BENEFITS

The general public gain physical and emotional wellbeing, a sense of community identity, and entertainment and socialisation opportunities from the provision of these facilities.

INDIVIDUAL BENEFITS

- Community groups gain venues for functions
- Sports groups gain venues for sports events.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

Motor camps

Distribution of benefits

COMMUNITY BENEFITS

- Provides open space.

INDIVIDUAL BENEFITS

- Users of the facilities have access to reasonably priced accommodation.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

Community housing

Distribution of benefits

COMMUNITY BENEFITS

- Council housing initiatives help contribute to a better social environment for all members of the community.

INDIVIDUAL BENEFITS

- The elderly and sickness beneficiaries who rent Council-owned housing gain reasonable price-affordable housing.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

Regional community facilities

Distribution of benefits

COMMUNITY BENEFITS

- The public gains better use of resources, better facilities, and improved recreational opportunities
- The general public gains physical and mental wellbeing, a sense of community identity, and entertainment and socialisation from the provision of these facilities.

INDIVIDUAL BENEFITS

- Community groups gain venues for functions
- Sports groups gain venues for sports events
- Event promoters gain valuable venues to use
- Spectators gain suitable venues for watching a variety of events.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCT FROM OTHER ACTIVITIES

The cost of administering a separate rate for community facilities outweighs the benefits. The benefits from this activity are a mix of private and public, therefore Council funds this activity through a variety of user charges, rents and general rates. The Council's Community Assistance Policy details the funding mechanisms for community activities and the Community Housing Policy covers community housing. The marina is partly funded through a commercial differential of 12%. This charge will be phased out over six years when the land at Akersten Street is sold.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

The facilities that are being built over the next ten years will provide long-term benefit to the community. These benefits are expected to be for a minimum of 40 years.

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates		
Fees and charges	Yes	
Interest and dividends from investments		
Borrowing		Yes
Proceeds from asset sales		Yes (sale of land at Akersten Street)
Development contributions (LGA)		
Financial contributions (RMA)		Yes
Grants and other subsidies		Yes (loan forgiven by HCNZ for Community Housing and grants from TDC for regional facilities)
Other	Yes (donations, rent)	Yes (contribution from another local authority)

Economic and tourism support

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
<p>A strong economy We all benefit from a sustainable, innovative and diversified economy.</p>	Through supporting organisations such as the Economic Development Agency and Tourism Nelson Tasman Ltd and providing good infrastructure service to businesses.
<p>Good leadership Our leaders are proactive, innovative and inclusive.</p>	Through monitoring and facilitating economic activity and undertaking an advocacy role for Nelson with central government.

Distribution of benefits

COMMUNITY BENEFITS

- The general public gains increased wealth, job opportunities and a positive environment.

INDIVIDUAL BENEFITS

- Existing businesses gain support services to continue to trade, including those in the tourist industry, retail sector and industries such as transport
- Proposed businesses gain support, information, and contact with other businesses or investors who can help them become established
- Migrants gain information about the Nelson business environment, and contact details for agencies and individuals who may be able to help them.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCT FROM OTHER ACTIVITIES

The cost of administering a separate rate outweighs the benefits to the wider community. Furthermore Council's support for the Nelson economy benefits the community as a whole and therefore Council funds this activity through the general rate.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

The benefits of economic and tourism growth range from immediate, such as business profits and salaries and wages to long-term economic benefits to the Nelson.

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates		
Fees and charges		
Interest and dividends from investments		
Borrowing		
Proceeds from asset sales		
Development contributions (LGA)		
Financial contributions (RMA)		
Grants and other subsidies		
Other		

Managing emergencies

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcome	How the activity contributes
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Through developing “a resilient community, able to cope with disasters or emergencies”.

Distribution of benefits

COMMUNITY BENEFITS

- Since there are a wide range of risks (fires, earthquakes, floods, tsunamis, storms etc) everyone is vulnerable and everyone benefits from Council’s work in reduction, readiness, response and recovery.

INDIVIDUAL BENEFITS

- Whilst there are target groups on which Council focuses each year, ultimately everyone benefits.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Residents who do not or are unable to take steps to provide for themselves in the event of an emergency
- Those lighting fires without permits, or who do not abide by permit conditions.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

Because all residents benefit from the work undertaken in this area it is most appropriately funded from general rates.

Revenue & financing policy

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Fortunately emergencies happen rarely, therefore the benefits for being prepared are received in the long-term.

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates		
Fees and charges		
Interest and dividends from investments		
Borrowing		
Proceeds from asset sales		
Development contributions (LGA)		
Financial contributions (RMA)		
Grants and other subsidies	Yes (minor)	
Other		

Social Development

This activity includes social monitoring and advocacy, community liaison and support, social development grants, community assistance funding, employment assistance, youth development, settlement support for migrants and refugees and crime prevention (including administration of the Safer Community Council).

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How the activity contributes
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Through supporting members of the community to enjoy healthy lifestyles.
A fun, creative culture We are proud of our creative local culture and regional identity.	Through support for the benefits that a sense of belonging brings to residents.
Good leadership Our leaders are proactive, innovative and inclusive.	Through leadership and coordination of social development work in the community.

Distribution of benefits

COMMUNITY BENEFITS

- Improved social and health services that better match the needs of the community
- Lines of communication through to Government that expresses the needs of Nelson as a region with regard to health, education, housing, employment etc
- A baseline of social measurements against which future changes can be compared
- Aid in integrated planning for effective community services and facilities
- The public gains from living in a safer environment.

INDIVIDUAL BENEFITS

- Migrants and intending migrants to the region gain support
- Professionals working with youth gain a networking opportunity, and youth members of the Youth Forum gain experience of Council procedure and the opportunity for their voice to be heard
- Community groups gain funding to proceed with their projects, and beneficiaries of those projects receive a range of possible benefits.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

The whole community benefits from improved social wellbeing and therefore the most appropriate funding mechanism is general rates.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Improved social wellbeing benefits the community for many years in the long-term.

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates		
Fees and charges		
Interest and dividends from investments		
Borrowing		
Proceeds from asset sales		
Development contributions (LGA)		
Financial contributions (RMA)		
Grants and other subsidies	Yes (Central Government funding for migrant and refugee support and employment support)	
Other		

Culture, heritage and arts

This activity includes heritage and arts planning, support for the Tasman Bay Heritage Trust and the Suter Art Gallery, historic buildings and facilities owned by Council, historic cemeteries, arts and heritage grants, festivals and events and Sister City links.

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcomes	How this activity contributes
People-friendly places We build healthy, accessible and attractive places and live in a sustainable region.	By including beautiful and inspiring art, heritage and cultural activities as part of our surroundings.
A strong economy We all benefit from a sustainable, innovative and diversified economy.	Through a thriving arts, cultural and heritage community that provides employment for many.
Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community.	Implementing the Council's social wellbeing policy.
Good leadership Our leaders are proactive, innovative and inclusive.	By leading the development of Nelson's arts, culture and heritage.

Distribution of benefits

COMMUNITY BENEFITS

- Preservation of cultural objects, information and knowledge
- Preservation of Nelson's heritage
- Fostering of community pride, identity and wellbeing; contributes to civic pride
- Opportunity to deposit cultural materials for safekeeping
- Provides leisure opportunities for the community, and enhances quality of life
- Encourages the community to enjoy art and music
- Promotes public pride and enjoyment
- Enhances the image of the city
- Economic benefit including sale of food and accommodation.

INDIVIDUAL BENEFITS

- Those who visit the facilities
- Tenants of historic houses
- Those who hire facilities
- Those who participate in the art community
- Those who attend or perform in the festivals; operators who sell products there, service organisations who share the profits and the sponsors.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

None

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

The whole community benefits from the culture, heritage and arts of Nelson therefore the most appropriate funding mechanism is general rates.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

Improved cultural wellbeing benefits the community for many years in the long-term.

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates		
Fees and charges	Yes	
Interest and dividends from investments		
Borrowing		Yes
Proceeds from asset sales		
Development contributions (LCA)		
Financial contributions (RMA)		
Grants and other subsidies	Yes (sponsorship and donations)	
Other	Yes (rent)	

Democracy and central administration

This activity includes democracy, administrative services and the management of Council's investments and properties.

The Community Outcomes and the impact on the current and future social, economic, environmental and cultural wellbeing of the community that this activity contributes to include:

Outcome	How this activity contributes
<p>Good leadership Our leaders are proactive, innovative and inclusive.</p>	<p>Council's provision of these services supports all other Council activities, thereby contributing to the achievement of all six Community Outcomes.</p>

COMMUNITY BENEFITS

- Having a democratic system of Local Government
- Legal consultation has the benefit of producing decisions and outcomes that are legally sound
- Those who use the airport and port
- Forestry consultants who manage the forests; the workers involved
- Those who lease or buy land from Council, or are paid by Council for associated services.

INDIVIDUAL BENEFITS

- Private benefit to elected members
- Individuals requesting official information receive a degree of private benefit, so too do lobbyists
- There is a private benefit of legal consultation to those members of the public involved in particular cases and appeals
- Those who lease or buy land from Council, or are paid by Council for associated services
- Those who use the airport and port
- Forestry consultants who manage the forests; the workers involved.

ACTIONS AND INACTIONS OF INDIVIDUALS OR GROUPS THAT CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY

- Those making unreasonable or excessive official information requests
- Those with vexatious or frivolous appeals.

THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

The benefit of having democratic Local Government benefits all residents, therefore the most appropriate method of funding this activity is through general rates. It is not practical, feasible or cost effective to charge those that gain private benefit.

PERIOD IN WHICH THE BENEFITS ARE EXPECTED TO OCCUR

The benefits of the democracy are long-term.

Revenue & financing policy

	Operating expenditure	Capital expenditure
General rates	Yes	
Targeted rates		
Fees and charges	Yes	
Interest and dividends from investments	Yes	
Borrowing		Yes
Proceeds from asset sales		
Development contributions (LCA)		
Financial contributions (RMA)		
Grants and other subsidies	Yes (petroleum tax)	
Other	Yes (dividends, rent)	

Liability management policy

Interest rate exposure

Interest rate exposure refers to the impact that changes in interest rates can have on the Council's cash flow.

The Council's policy for interest rate risk management is to take a conservative risk-averse approach by requiring a certain percentage of the Council's borrowing be fixed rate or hedged borrowing. This minimum target is expressed as a percentage of the total external debt. Note that this does not preclude the Council from having a floating rate profile when appropriate.

Both the long-term nature of the Council's assets and the need for inter-generational equity mean it is important that the Council should:

- have predictable interest costs; and
- avoid increases in annual rates caused by interest rate rises.

How interest rate risk is managed: the rules

The Council approves borrowing as a percentage of the total external debt as set out in the following table:

Instrument	% of total external debt	Comment
Floating term/floating rate	Up to 33%	Includes overdraft, stand-by facilities and optional bill lines.
Fixed term/floating rate	Up to 33%	Includes fixed term bill facilities and bank term loans. Where the rate is established each 90-180 days. This portfolio is hedged and where possible spread over two or more institutions.
Fixed term/fixed rate	No less than 33%	Spread across a 1-12 year range with a weighted average term to maturity of 12 - 24 months.

Objective of hedging

To cap the interest rate to a maximum level which cannot be exceeded but which still allows the Council to benefit from any rate fall.

Policy

The fixed term/floating rate debt is to be fully hedged.

Rule for hedging

The rules for managing hedging:

- The hedging tool is to be an ‘over the counter’ interest rate option or cap with a one or two-year term
- Subject to the approval of the Council, exposures to risk may be managed by hedging up to 100 percent of the Council’s fixed term/floating rate debt, repricing risk on existing fixed rate debt and on planned new debt within the next 18-month period
- Rationale – the effect of fully hedging the fixed term/floating rate debt is that at least 66 percent of the total portfolio is always protected against interest rate movements. The Council is exposed to interest rate repricing risk when on the maturity of existing fixed rate debt that will be refinanced, as well as issue yield, on planned new debt.

Risk management instruments

The following instruments may be used for interest rate risk management activity:

- Forward rate agreements;
- Interest rate swaps; and/or
- Interest rate collar type strategies.

Rule for interest rate options

Trading in financial investments for the purpose of generating income is not permitted.

Explanation: ‘trading in financial investments’

For the purpose of the rule above, financial investments includes currency, debt securities, forward rate agreements, interest rate swaps and interest rate collar type strategies.

Liquidity risk management

Liquidity risk management refers to the practice of making sure funds can be available when needed, without incurring penalties for breaking investments before time. The Council does not hold all its reserves in cash and must anticipate and plan for drawings against reserves.

The Council’s objective for liquidity risk management is to minimise the risk of large concentrations of debt being re-issued at a time when interest rates are high for reasons beyond the Council’s control and to ensure that the Council has access to committed lines of credit of not less than \$2 million.

To achieve these objectives, the Council rule is to have no more than 50 percent of the Council’s total external debt maturing in any financial year and for the weighted average of the term to maturity of the Council’s external debt to be between 12 and 24 months.

Note that the total external debt discussed above includes existing and planning debt, but excludes any established short-term floating rate borrowing programme (for example promissory notes) and debt that has been raised using stand-alone project financing.

Credit exposure

The Council does not impose a minimum credit rating on its lenders and there is no limit on the level of borrowing from any one lender. It will, however, negotiate hedging facilities only with organisations that have a long-term credit rating of A plus or better as determined by Standard and Pools.

Debt repayment

The Council repays borrowings from rates, surplus funds, proceeds from the sale of investments and fixed assets. Note that the proceeds from sales of fixed assets and investments may also be used for the acquisition of other fixed assets.

Specific borrowing limits

The Council's policy for borrowing limits is to adhere to the following:

Item	Borrowing limit
Total interest payable on net external debt that is funded from rates.	25% of total annual rates plus water by meter (and similar) charges. The percent for 2009/10 is 9.4% rising to a peak of 14.6% in 2012/13 before reducing back to 9.6% in 2018/19.
Net external public debt including the Regional Sewerage and intermediary debt.	Note: 3.0 times the total annual rates plus water by meter (and similar) charges. The ratio is 1.2 in 2008/09 rising to 2.6 in 2012/13. Or \$3,500 per capita (adjusted for inflation from 1 July 2009), whichever applies first.

Note: Council will review debt levels and the appropriate ratios as part of the development of the 2012 Nelson Community Plan.

The giving of securities

The Council provides security to its lenders by way of a charge over assets and/or rates.

Investment policy

Purpose

Section 102(4) (c) of The Local Government Act 2002 requires Council to adopt an investment policy which, under Section 105, must state Councils policies for its investments, including:

- (a) the objectives in terms of which financial and equity investments are to be managed.
- (b) the mix of investments.
- (c) the acquisition of new investments
- (d) an outline of the procedures by which investments are managed and reported on to Council.
- (e) an outline on how risks associated with investments are assessed and managed.

This investment policy has been developed as a guide to control all Council investments and may be changed only by a formal resolution of Council.

Investment principles

The Council makes investments when they offer strategic benefits or when they are necessary for the Council to effectively carry out its functions. The Council recognises that, as a responsible public authority, any investments it holds should be low risk. The overall investment approach of the Council is to balance risk against long-term returns, accepting that lower risk generally means lower returns.

Objectives and strategies

The main aim of an investment policy is to ensure the portfolio is managed, in a prudent and competent manner, in terms of the governing legislation. The Council's primary objectives for investments to effectively carry out Council functions are:

- To protect the Council's investments and ensure they are risk averse and secure; and
- To ensure the investments benefit the Council's ratepayers.

To achieve these objectives, Council primary strategies are as follows:

- Protection of investment capital value and to minimise the risk of loss
- Optimise the investment value and return
- Ensure investments are of a type that provides Council with funds when required
- Diversify the mix of financial instruments
- Promote economic and business development in Nelson
- Achieve the goals and objectives set out in Council's Long-term Community Plan and Annual Plan.

Policy

The Council's general policy on investments is that Council may hold property, forestry, and equity investments if there are strategic, economic or other valid reasons such as when an investment is the most appropriate way to administer a Council function.

The Council will not be involved in investments for purely income earning purposes, except for short-term investment of surplus funds. In this case, it will aim for maximum return with minimum risk.

The Council will keep under review its approach to all major investments, the visibility of equities and the credit rating of approved financial institutions.

Policy on acquisition of new investments

In deciding to acquire new investments, Council considers the following questions:

Type	Question
Legal issues	<ul style="list-style-type: none"> a. Is there a statutory requirement for this investment? b. Is there a statutory authority for this investment? c. Does the Council have any other binding legal commitments to it?
Effectiveness	<ul style="list-style-type: none"> d. Does the investment contribute to the Council's achieving the community outcomes? e. Is there enough community interest to justify the Council's involvement? f. Does the Council have the control and influence needed to ensure the desired outcome?
Benefits	<ul style="list-style-type: none"> g. What are the benefits (strategic, financial and others)? h. Who benefits?
Risks	<ul style="list-style-type: none"> i. What are the risks? j. Who bears them? k. How can they be managed?
Option	<ul style="list-style-type: none"> l. What other options are there to achieve the same ends?

Managing and reporting on investments

The Governance Committee makes recommendations to Council on policies for property investments owned by Council, including Civic House, Ridgeways Joint Venture and Council Controlled Trading Organisations including Nelmac Ltd. The Committee may also make recommendations to the Council on proposals for loan raising or disposal of properties. The Infrastructure and Community Services Committees may also comment as appropriate. The Chief Financial Officer is delegated authorization to negotiate investment facilities.

The key reporting on investments is through the Council's annual report, covering the previous financial year. These are audited by Audit NZ. There are also a number of other reports to the Governance Committee, including the six-monthly report from each Council Controlled Trading Organisation (CCTO) and the Council monthly abbreviated balance sheet. Return in relation to risk is also managed through the Statement of Intent (SOI) for CCTOs, the appointment of independent directors and the auditing of annual accounts. Further background and objectives for each type of investment are outlined in more detail below. Their Draft Statements of Intent have been received by Council but are not finalised. Refer also to the council controlled organisation section, which follows the Investment Policy.

Council has requested that all the CCTO's adopt and apply sustainability principles and reduction in CO₂ emissions within their statements of intent. This request is currently being considered by the CCTO's.

Port Nelson Limited

Background

Port Nelson Limited (PNL), which includes the wharves and much of the reclaimed land at the port, is one of Nelson's significant strategic assets. Nelson's relative isolation means the port's activities are critical to both the economy and recreation of the region. Local government was re-organised in 1989 and the Nelson Harbour Board was corporatised. Ownership passed to the two local authorities so that 50% shares are still each held by the Nelson City Council and Tasman District Council.

These shares are carried in the Nelson City Council's books at the cost, which is the share value determined by dividing the net assets of a company by the number of shares issued.

Port Nelson has consistently paid a dividend to its shareholders. In addition, in 2006/07 Port Nelson paid two special dividends to each Council in order to restructure its capital lease through a share buy-back. The net effect to Nelson City Council was to reduce its financial risk in the venture, while at the same time improving tax efficiency through borrowing.

Ten year goal

Retain community control of the regional port recognizing its strategic importance.

Policy

Nelson City Council's policy for Port Nelson is to:

- Retain the Council's 50 per cent ownership for the present
- Review future options while still retaining community control of the port
- Continue using Port Nelson dividends to ease the burden on rate payers
- Continue using any capital proceeds to reduce or replace debt.

Rationale

The Council recognises that the size of this investment in relation to total investments, and also the general vulnerability of port operations, means Port Nelson represents the Council's greatest exposure to risk. The strategic importance of this gateway to the region, together with probable benefits from dividends, currently justifies the financial risk, which itself is acceptable.

Benefits

The benefits of Council's investment in Port Nelson are ongoing and long-term, though not guaranteed.

Financial benefits

Dividends are used to ease the burden on ratepayers by being credited to the general rate account. Special dividends are used to reduce Council's external borrowings. The Council owns 50 per cent of a valuable strategic asset, which is anticipated to continue to provide financial benefits to the community.

Strategic benefit

The current ownership arrangement provides some public control over a critical gateway to the region with key economic benefits.

Risk

The risks of this investment are:

- Dividends depend on Port Nelson's ability to generate profit
- A high capital investment is at risk if the industry or economic situation experiences a significant downturn
- There is potential for competition from other ports to affect Port Nelson's business
- How the investment is managed
- The Council actively manages this investment by:
 - Appointing one Nelson City Council director to PNL's Board of Directors, jointly with Tasman District Council
 - Appointing external directors with appropriate expertise to Port Nelson's Board of Directors;
 - Annually approving and/or amending Port Nelson's Statement of Corporate Intent;
 - Requiring a quarterly report on Port Nelson's results and future outlook; and
 - Regularly considering the investment management options summarised below.

Options

Other options that Council has considered to reduce its exposure to risk are:

- The two Councils could sell a portion of their shareholding, though not to the extent that they would lose joint control; or
- The two Councils could sell their entire shareholding and exit the business completely.

Nelmac Limited

Background

Nelmac Limited was formed in 1995 and is 100 percent owned by the Nelson City Council. The company has around 60% of its contracts with the Council to provide essential utility services including:

- Refuse collection in the central city and from Council-owned parks and reserves;
- Road maintenance;
- Maintenance of gardens, parks, and wilderness areas; and
- Maintenance of the water supply, stormwater, and wastewater systems.

The balance of Nelmac Ltd's work is from non-Nelson City Council clients sourced on the open market. Its net assets were valued at approximately \$3.4 million on 30 June 2008. It currently owns its own base in Vickerman Street, and has a modern maintenance plant, vehicles, and equipment.

Ten-year goal

Retain community control of Nelmac Limited.

Policy

Nelson City Council's policy for Nelmac Ltd is to:

- Retain Nelson City Council ownership
- Negotiate an ongoing partnership agreement with Nelmac Limited for the provision of specified strategic services to the Council.
- To maintain a focus on Nelson City Council work by undertaking work for other clients only where:
 - i. The additional scale of work improves the level of service available to the Nelson City Council.
 - ii. The work is clearly profitable.
 - iii. The work does not significantly increase Nelmac's market share.
 - iv. The work does not require significant additional capital expenditure.

Rationale

The Council believes it is important to retain control over the critical services that Nelmac Limited provides for the City. In addition, the company is performing well and Council considers

it is desirable for several reasons to keep the company's business, profits, and spending within the Nelson community.

Benefits

The benefits of the investment in Nelmac Limited are ongoing, although these are not guaranteed.

Financial benefit

Any dividends are used to ease the burden on the ratepayer by being credited to the general rates account. The strategic benefits are that Council retains control over critical services provided by Nelmac Limited.

Risks

The risks of this investment are:

- Returns depend on Nelmac Limited's ability to generate revenue and profit; and
- The investment relies on Nelmac Limited's ability to provide an effective and efficient service to Council.

How the investment is managed

The Council manages this investment by:

- Appointing all four directors on Nelmac's Limited Board of Directors, and they can include one Councillor;
- Annually approving and/or amending Nelmac's Limited Statement of Corporate Intent; and
- Requiring a six monthly report on Nelmac's Limited results and future outlook.

Options under review

In 1998/99, the Council investigated capital restructuring options that would reduce the Council's risk exposure. Consideration of these options continues. Council regularly reviews its investment in Nelmac Limited.

Civic Insurance Limited

Background

Civic Insurance Limited was set up as a national corporation to ensure local authorities have access to adequate insurance arrangements at a reasonable cost. Almost all local authorities became shareholders. The value of shares held by Nelson City Council, which was \$140,000 as at 30 January 2009, is not significant relative to the Council's total investment holdings. As shares are not readily transferable it is unlikely a reasonable offer for their purchase would be received by Council.

Policy

Council would sell its shares in Civic Insurance Limited if a reasonable return could be achieved.

Rationale

As ownership of these shares offers the Council minimal dividends and no influence in the running of Civic Insurance Limited, there are neither financial nor strategic reasons to retain them.

Benefits

The benefits of the Civic Insurance Limited as an investment are minimal. The financial benefit is that any dividends are used to ease the burden on ratepayers by being credited to the general rates account. There is no strategic benefit as the Council has no influence in the running of Civic Insurance Limited.

Risks

There are no significant risks associated with the investment in Civic Insurance Limited.

How the investment is managed

The Council manages the investment in Civic Insurance Limited by reviewing annual reports and voting in the election of directors.

Nelson Airport Limited

Background

Nelson Airport is a significant strategic asset. Nelson's relative isolation means the airport's activities are critical to both the economy and recreation of the region. Shares are currently held by:-

Nelson City Council	50 percent
Tasman District Council	50 percent

Ten-year goal

Retain community control of the regional airport.

Policy

The Council's policy for Nelson Airport is to:

- Retain the Nelson City Council's 50 percent ownership for the present
- Review future options while still retaining community control of the airport
- Continue using Nelson Airport dividends to ease the burden on ratepayers
- Continue using any capital proceeds to reduce or replace debt.

Rationale

The Council considers that it is important to retain control over the strategic services provided by the airport.

Benefits

The benefits of the investment in Nelson Airport are primarily strategic, and are ongoing in the long-term. Financial benefits include that any dividends will be used to ease the burden on ratepayers by being credited to the general rates account, and that Council owns 50 percent of a valuable asset. The key strategic benefit is public control over a critical gateway to the region with key economic benefits.

Risks

The risk of investing in the airport is that dividends depend on Nelson Airport's ability to generate profit and any future losses must be borne by ratepayers.

How the investment is managed

The Council manages this investment by:

- independently appointing one director to the company's Board of Directors;
- appointing (jointly with Tasman District Council) three directors with appropriate expertise;
- annually approving and/or amending the company's Statement of Corporate Intent; and
- requiring a six-monthly report on the company's results and future outlook.

Tourism Nelson Tasman Limited, trading as Nelson Tasman Tourism

Background

Tourism Nelson Tasman Limited (TNLT), trading as Nelson Tasman Tourism is a company set up to provide destination marketing, tourism management and visitor information services on behalf of both the Nelson City Council and Tasman District Council. The Councils are 50/50 shareholders in the company. Each year, the two Councils provide grants intended to meet the administration costs of the company and provide seeding finance for promotional projects. The balance of Tourism Nelson Tasman Ltd's funding is provided by tourism operators.

Ten-year goal

Council's goal is to take a coordinated approach with the Tasman District Council to stimulating the regional economy through investment in the tourism sector.

Policy

The Council's policy for Tourism Nelson Tasman is to enter into a contract of service with Tourism Nelson Tasman Ltd, on a three-year rolling basis, to establish baseline funding for the promotion of tourism in the region. Council considers the funding requirements for Tourism Nelson Tasman each year as part of its estimates, Annual and Community Planning processes, to consider whether the baseline funding needs increasing.

Rationale

Tourism Nelson Tasman is an effective mechanism for Council to achieve its objective of promoting tourism and economic development in Nelson.

Benefits

The financial benefits of tourism promotion accrue to the regional community rather than directly to the Council. The strategic benefit is that Tourism Nelson Tasman Ltd promotes tourism in the region, coordinates various tourism marketing initiatives and therefore assists the development of the local economy.

Risks

This is a community company with no shareholders' funds and so there is no investment at risk.

How the investment is managed

The Council's procedure for managing the investment in Tourism Nelson Tasman includes:

- appointing directors with appropriate expertise to Tourism Nelson Tasman's Board of Directors;
- approving and/or amending, on an annual basis, Tourism Nelson Tasman's Statement of Corporate Intent; and
- receiving a six-monthly report from Tourism Nelson Tasman that details results and its outlook.

Forestry

Background

The Council has invested in and been involved in managing forestry interests since the 1940s.

As at the 30 June 2008 the net stocked area was estimated at 661.8ha of Radiata pine, Douglas fir and Cupressus macrocarpa planted between 1976 and 2007.

Council has stands of other species totalling 10.0ha but these are considered to have no commercial value. A further 16.8 ha of Radiata pine owned by the Nelson Regional Sewerage Business Unit is managed under the Waste Water Disposal Activity.

A windstorm event on 30 July 2008 severely damaged a further 85.4ha of trees of which some were recoverable, but made a financial loss as a result of higher harvest costs.

Policy

The Council's current policy for commercial forestry is to:

- Not purchase land nor plant more commercial forests
- Endorse and observe the provisions of the New Zealand Forest Accord (August 1991)
- Minimise its ongoing investment in high pruning
- Contract out forestry management
- Allow suitable training courses to operate in plantations

- Sell forestry cutting rights
- Sell trees and land for other outlying forestry blocks.

Rationale

At the time that this policy was written the Council did not regard forestry as its core business and was planning to exit from this business when realistic selling prices were achieved.

The forests were unsuccessfully tendered for sale in 2003.

In the last few years the forestry and land management environment has changed considerably with a much greater emphasis on sustainability and the recent arrival of the Emissions Trading Scheme. The Government has signalled that this legislation will be reviewed and if it does then Council will consider reviewing its forestry policy during 2009.

The benefits

The Council's forests are a significant resource.

Financial benefits

Council will sell forests and cutting rights at a price that exceeds its investment cost. Forestry operations contribute to local business operations including logging contractors, silvicultural contractors, transport contractors, Port Nelson etc. There are also environmental and social benefits in that forests provide areas with public access for walking, biking, hunting and other recreation.

The risks

Forestry has performed poorly in recent years although is still expected to be a low risk investment in the medium to long-term.

Financial risks

Any forest is at risk from natural disasters, fire, and disease. Prices fluctuate and at any given time depend on world markets, particularly those in Asia. As development is funded from retained earnings, any shortfall in earnings requires the Council to make additional borrowings to fund development.

Environmental risk

Poor management of logging operations could pose environmental risks, especially to water supply.

How the investment is managed

The Council actively manages its investment in forestry by:

- contracting out forest management to reputable consultants;
- carrying out silviculture to a defined forestry management plan, which is reviewed every three years;
- revaluing forestry assets at 30 June each year and crediting any increase to the asset revaluation reserve;
- reviewing the cash flow forecast each February, and presenting projected returns for both the next financial year and the

coming 10-year period to the Finance and Administration Committee;

- minimising the impact of short-term decline in prices by delaying harvesting as appropriate; and
- maintaining insurance cover for fire.

Property investments

Background

The Council owns a large number of properties but the vast majority of these are not held for investment. Most Council properties are occupied by the Council for community facilities, to enable the delivery of services; conservation reserves; reserves for recreation; utilities; or roads. In most of these cases there is no intention to dispose of these properties because of their ongoing benefits to the community. Refer also to the sundry property section below.

A small number of Council properties are owned for strategic purposes that include a component of investment benefit. These are:

- Civic House, on the corner of Halifax and Trafalgar Streets, which is covered in more detail in the following section;
- the Millers Acre Centre Taha o Te Awa, which accommodates the visitor information centre, the Economic Development Agency and related organisations;
- land in Akersten St, adjacent to the marina;
- land and buildings at the Plant and Food site, Wakefield Quay;
- the land under the fishmonger/café site on Wakefield Quay; and
- BP site on Haven Rd.

Other properties that are held in anticipation of future use by Council, on behalf of the community, could be considered to have an income-generating or investment component, include:

- The building at 23 Halifax St adjacent to the library;
- Four residential properties adjacent to the Railway Reserve in the St Vincent St area;
- The car yard site at 46 Rutherford St between Bridge and Vanguard Streets; and
- Betts and Bridge St leased carparks.

Although the Council has taken part in subdivision developments in the past, it does not currently pursue further subdivision opportunities as an investment. The Ridgeways Joint Venture is discussed below and is nearing conclusion.

In recent years, the Council reviewed its property holdings and any that were surplus to Council requirements or unlikely to have strategic value were sold. Council's property portfolio continues to be monitored for strategic or investment benefit and the disposal process initiated as required.

Policy

The Council's general policy on property investments is:

- The Council will not be involved in property investments purely for income earning purposes
- There might be strategic, social, or other valid reasons for Council to be involved in property ownership or investment, for example when it is the most appropriate way to administer a Council function or achieve community outcomes
- The Council will not become involved in property development or major subdivisions unless there are Council objectives or social benefits arising from the investment that cannot be achieved by other means.

Subject to the first two policies above, the Council may take a facilitating role in subdivisions, whether or not it owns all the land to be subdivided.

Civic House

Background

Civic House, where the Council organisation is based, comprises a seven-storey tower block with connected buildings. The Council purchased Civic House in 1991 for \$3.8 million when the Crown decided to sell off its post offices. A further \$1.3 million was spent on alterations to meet Council accommodation requirements. The 2006 rating valuation was \$9.75 million. As at March 2009 the Council occupies around 75% of the total floor area. The top two floors are leased to the Inland Revenue Department. Borrowing has been initiated to fund alterations and Civic House shows a current deficit of \$250,000 per annum.

Policy

The Council's policy for Civic House is to retain ownership and the present leasing arrangements. There is no intention to sell the property during the term of this Community Plan.

Rationale

While the Council is not in the business of property speculation, there is justification for owning the building that it occupies to secure staff accommodation and a high profile site for customers to access Council services.

Benefits

The benefits of this investment are ongoing. These include financial benefits where annual, non-taxable profit is credited to the general rates account. There are reduced annual net costs compared with the likely costs of renting space in a privately-owned Civic House. There might also be possible future capital appreciation. The strategic benefit is that it is of value for the Council to be sited in a prominent, central and easily found landmark.

Risk

In addition to the usual risks associated with owning any commercial property, including earthquake or fire, risks include:

- it might not be possible to tenant the balance of the building at commercial rates;
- property values might depreciate;
- maintenance and renewal costs increase as the building ages; and
- costs to comply with changing health and safety requirements and building code regulations.

How the investment is managed

The Council manages this investment by limiting the risk of not receiving a commercial rent through leasing 75% of the building to itself at equivalent commercial rents.

Ridgeways Joint Venture

Background

The Council owned rural land in the hills behind Stoke for many years and leased it out for grazing. In 1993, the Council called for expressions of interest in the property. Having received no reasonable offers for an outright sale, a 50/50 joint venture was set up with Residential Land (Nelson) Limited to subdivide the property into 202 sections. 25 sections in the final stage are on the market and remain to be sold. Due to the slow property market, it is not known how long it will take to sell the last of the sections, however, with all initial costs covered, each sale provides additional profit for Council.

Policy

The Council's policy for the Ridgeways Joint Venture is to: Complete the sale of remaining sections in the development.

Rationale

Council has inherited this venture and intends to complete the sales process for the remaining sections to realise its financial benefits for ratepayers.

Benefits

The initial proceeds from the development were used to fund later stages. Any profits are used to repay rating debt or for capital expenditure which would otherwise be funded by loans. Significant financial benefits were expected from this investment and these were realised, largely due to the timing of property market growth. The venture netted several million dollars in profits for Council, and these benefits are anticipated to continue until sales are complete. The strategic benefits include the development expanding the Council's rating base. It also provided a water reservoir that can be used to service future development.

Risk

The Council has already recovered its initial investment. The remaining risk is that it might not sell the remaining sections at the budgeted level, or it might take longer than anticipated to achieve these sales.

How the investment is managed

Council manages this investment by:

- sharing 50 percent of the risks with its joint venture partner;
- funding future development of the subdivision from sales of earlier stages;
- appointing three members to the management committee of the joint venture and requiring them to report back from time to time to the Governance Committee.

Sundry properties

Background

The Council owns a number of small parcels of land that it manages by leasing them out or managing them as reserves, but they are held for reasons other than their return as investments. They became Council owned through a range of often unique historic circumstances. Each property therefore has its own history and associated risks. Examples of this type of property include:

- land in Blackwood St, Tahunanui; and
- the site of the former OK Corral in the Brook Valley.

The Council has some remaining properties surplus to its requirements that it will dispose of over time according to its property disposal process that includes consultation and Council approval.

Policy

The Council's policy for its sundry properties is to:

- Honour existing legal obligations
- When appropriate, hold properties that might provide for the Council's future infrastructure or other needs
- Continue to manage risks associated with ownership of each property
- Dispose of property surplus to requirements for Council activities.

Rationale

Council needs to provide for consistent management of sundry parcels of land that it owns through a range of circumstances, and to dispose of those that no longer provide any investment or other benefit to Council.

Benefits

No significant financial benefits are expected from retaining these properties as investments. Property surplus to the Council's

future social, recreational or infrastructural requirements are sold to provide a financial return that would be used to reduce Council debt.

The other benefits of owning sundry properties are individual to each property and include such things as heritage protection, management of potentially contaminated sites and provision for future infrastructure needs.

Risks

Risks are specific to each property and are mainly risk associated with land ownership generally.

How these investments are managed

These properties are managed according to each location and circumstances including history and potential community benefit, and any relevant asset management plan.

Loans and advances to community groups & ratepayers

Miscellaneous loans and advances

Background

The Council occasionally provides loans and advances to assist a community group or ratepayer to fund a capital work that is in the best interests of the Council and community. These loans and advances are provided only on rare occasions, and only with the prior agreement of the Council. As at 30 June 2008, the total balance of loans and advances outstanding was \$2.582 million, compared with \$1.336 million in 2005.

Policy

The Council's policy for miscellaneous loans and advances to community groups and ratepayers is to continue providing loans and advances but only as a means to achieve a particular objective consistent with the Council's strategic goals and policies and with the prior approval of the Council. Where loans relate to buildings on Council land, the Council will take security over the building and chattels.

Treasury investments

Background

The Council maintains treasury investments, including general reserves and restricted reserves, in order to invest:

- surplus cash, and working capital funds;
- funds allocated for the purpose of accumulating surplus; and
- funds allocated for approved future expenditure; implementing strategic initiatives, supporting intergenerational allocations; and proceeds from the sale of assets.

Policy

The Council's policy for its treasury investments is to use only credit-worthy counterparties with a strong Standard and Poors rating.

Rationale

The Council's primary objective is the protection of its investment.

Benefits

The main benefit of treasury investments is that they provide funds for capital expenditure as needed.

Risk

This type of fixed rate investment is vulnerable to changes in interest rates and. this can impact on both the returns available, and the capital value of the investment.

How the investment is managed

The Council manages its treasury investments as follows:

- The Audit Committee regularly monitors interest rate markets, taking appropriate advice and developing an interest rate profile for investments including the interest rate risk management strategy set out here;
- Management implements the Audit Committee's interest rate risk management strategy so that investments are limited to registered banks, strongly rated State Owned Enterprises and corporate entities within prescribed limits and can be liquidated in a readily available secondary market. Refer to the following section on investment limits and controls; and
- The Accounting Supervisor monitors credit ratings quarterly.

Investment limits and controls

Policy and rules

The Council ensures it receives amounts owed to it in full and on due dates by undertaking investments only with institutions that have a very strong Standard and Poors credit rating and by applying the following rules for investment counterparty controls:

- Limit total exposure to prescribed amounts, as set out below
- Rigorously apply set limits to any particular investment, expressed as a percentage of the Council's total investment portfolio, and rigorously monitor compliance with this.

Rules on investment risk

The Council will make investments in the following categories, after examining the costs and benefits of each.

Investment policy

Risk-free investments issued and guaranteed by the Government

Instrument	Limit as % of Council portfolio
a. Treasury bills b. Government stock	100%

Near risk-free investments issued by local authorities and any other institutions that levy rates or taxes.

Instrument	Limit as % of Council portfolio
a. Local authority stock b. Local authority debentures	Up to 100% but no more than \$2 million with any single issuer

Low risk investments issued by major banks registered with the Reserve Bank, or others with Standard and Poors short-term credit rating of A1 or better.

Instrument	Limit as % of Council portfolio
a. Money market call deposits b. Money market term deposits c. Transferable certificates of deposits d. Negotiable certificate of deposits e. Bank bills f. Promissory notes g. Corporate bonds	Up to 100% but: a. No more than \$5 million with one registered bank; and b. No more than \$1 million with any single issuer. Exception: The Council's banker may exceed this ratio for up to five working days.

Notes

Associate companies

The Council may advance loans to associate companies if this is advantageous to both parties.

Rule for bonds

Issues of corporate bonds must have a long-term rating of A plus or better as determined by Standard and Poors.

Community housing

Community housing was included in an earlier Council investment Policy. It is no longer considered an investment, as it is held to achieve social objectives on a cost-recovery basis. Community housing is managed according to the current Community Housing Asset Management Plan, not the investment policy.

Intermediary loans

Council has made some intermediary loans. These are covered by the current Community Assistance Policy, not the investment policy.

Council Controlled Organisations

The following section describes the Council Controlled Organisations (CCOs), Council Controlled Trading Organisations (CCTOs) and the Port Company, which functions in a similar way to a CCTO. Full details are available in each company's current Statement of Intent. The key performance measures for each CCO are from their 2009/10 Statements of Intent, which were still in draft at the time of preparing this Community Plan. The performance measures and targets can only be considered indicative at this time. The final Nelson Community Plan, which is to be approved in June 2009, will include the updated information.

Council intends to review its ownership of CCOs and other Council-owned facilities to ensure consistency with Council's strategic goals. The aim is to achieve more integrated outcomes from Council's investment in those organisations.

The Suter Art Gallery Te Aratoi o Whakatū

The Bishop Suter Memorial Art Gallery became a 100% Nelson City Council Controlled Organisation in 2008 following a review of its governance structure. It was one of the first public art galleries to be established in New Zealand. While the Tasman District Council contributes funding towards the Suter, it is controlled by the Nelson City Council and funded by it, currently at \$420,000 a year. It is a not-for-profit entity established to deliver a public art gallery service for residents of Nelson and Tasman and visitors to the region. Its performance measures are linked to the following four key priorities:

- Operate a successful visual arts centre and public art gallery, aiming for a total number of visits of 80,000 per annum
- Develop partnerships that sustain The Suter, including strengthening the relationship with iwi and Māori (review of Memorandum of Understanding Ko Te Pouaranga in 2009)
- Collect, record and preserve the artistic heritage of the Nelson/Tasman region, and New Zealand, including development of the collection, where all acquisitions comply with the collection policy
- Inform and engage the public through visual arts programmes, including a minimum of 18 floor talks offered each year.

At the time of writing, the 2008-2011 Statement of Intent is yet to be approved, so the information provided above is indicative only.

Nelmac Limited

Nelmac Limited was formed in 1995 and is 100% owned by the Council. The main activity and objective of the company is to provide horticultural services for parks, reserves and sports fields and utility services including the maintenance of city's water, stormwater and wastewater infrastructure.

Financial performance

Forecast	2009/10 \$	2010/11 \$	2011/12 \$
Gross revenue	12,000,000	12,000,000	13,000,000
Operating expenditure	11,300,000	11,250,000	12,200,000
Net profit before tax	700,000	750,000	800,000
Taxation (30%)	210,000	225,000	240,000
Net profit after tax	490,000	525,000	560,000
Dividend projected (to be paid in the following year) (50%)	245,000	262,500	280,000
Closing shareholders' funds	4,214,000	4,494,000	4,791,000

Non shareholder business

Nelmac aims to maintain the current ratio of Nelson City Council work to non-Nelson City Council work. The percentages are set out in Appendix 1 of the Nelmac draft 2009/10 Statement of Intent, and vary according to department. These include 35:65 NCC vs. non-NCC for landscape work, 90:10 for garden maintenance and conservation work, and 50:50 for arboriculture work (maintenance of trees).

To ensure that all non-Nelson City Council work contributes to the profitability of the company.

Equity ratio

Financial risk will be limited by maintaining a ratio of shareholders funds to total assets of no less than 65%.

Staff morale/turnover

Staff turnover (excluding retirement, redundancy and internal transfers) to be within the range of 5-15% for the year ending 30 June 2010.

Quality of service

The company will maintain its AS/NZS ISO 9001:2000 accreditation.

Achieve compliance with the Nelson City Council contract key performance measures for the year ending 30 June 2010, to be reported on monthly.

Nelmac will maintain a record of the number of complaints and congratulations received each year, and the results will be reviewed regularly by the Board.

Staff health and safety

The company shall continue to actively promote health and safety within the workplace with the aim of achieving less than 1% workday losses to accidents.

Nelmac aims to maintain the Tertiary Level of ACC Workplace Safety Management Practices Compliance gained in 2005 and retained in 2007.

Sustainability objectives

- To be an environmentally responsible business, fully compliant with all relevant statutory and contractual obligations and responsibilities
- To develop the current draft sustainability policy *Towards a Sustainability Policy* to a stage where it is adopted by the Board and is being implemented as a 'compass' for guiding decisions within the Company
- To implement further training and development for all Nelmac staff in sustainability issues, and in how to apply the Company's Sustainability Policy
- To require each department to regularly review their use of resources, especially non-renewable resources, with a view to reducing wastage in the delivery of their services.

Nelson Airport Limited

The Council owns 50% of Nelson Airport Ltd with the Tasman District Council owning the other half. The main activities of the company are to provide airport services to the Nelson Tasman region and to manage the property assets that it leases to various users. Their principal objective is to operate as a successful airport operating business.

Indicative Performance targets

- Pass all Civil Aviation certification audits at a satisfactory standard
- Achieve Financial Performance Targets
- Hold regular meetings of the Nelson Airport Noise Environment Advisory Committee and provide this committee with the appropriate monitoring information
- Ensure the Company complies with all Employment related legislation
- Ensure long-term airport development requirements are identified as much as possible and advise shareholders of such plans and that an implementation timetable is developed
- Support the expansion of the Air Nelson engineering facilities to completion
- Complete the office and administration extension on Hangar 2 in a timely manner
- Encourage and maintain an aviation services cluster in order to attract and grow commercial activity at Nelson Airport

Council controlled organisations

- Complete a review of traffic flow and parking facilities by October 2009
- Review maintenance and renewal expenditure requirements forecast for next 10-year period by December 2009.

Forecast	2009/10\$	2010/11 \$	2011/12\$
Gross revenue	3,969,685	4,049,079	4,130,060
Operating expenditure	2,772,900	2,828,358	2,884,925
Profit before tax	1,196,785	1,220,721	1,245,135
Taxation	359,036	366,216	373,541
Net income after tax	837,750	854,505	871,595
Retained earnings	4,517,272	5,067,801	5,608,731
Dividend paid	303,976	330,665	356,857
Retained Earnings ex Div	4,213,296	4,737,136	5,251,874
Issued equity	2,400,000	2,400,000	2,400,000
Closing shareholders funds	6,613,296	7,137,136	7,651,874

Gross Revenue forecasts show a slight decrease in revenue going forward however Closing Shareholders Funds and Dividends are expected to retain some growth over the forecast period.

Tourism Nelson Tasman Limited (trading as Nelson Tasman Tourism)

The Council owns 50% of Tourism Nelson Tasman Limited, with the Tasman District Council owning the other half. The company's purpose is to deliver a social, environmental, cultural and economic return to shareholders and the region's population by providing outstanding destination marketing, strategic destination management and tourism development and visitor information services for the region.

The company is responsible for achieving the Council's objectives of positioning the region as a quality boutique tourist destination, as well as assisting to increase employment and attracting investment into the region.

Indicative objectives, performance measures and targets

The complete set of objectives, performance measures, targets and reporting mechanisms is included in Nelson Tasman Tourism's current statement of intent. These are set out separately under Destination Marketing, Destination Strategic

Council controlled organisations

Management and Tourism Development, Visitor Information Services and Organisation Management and Strategic Direction. An indicative selection for each is included here. Refer to the approved 2009/10 Statement of Intent for more detail.

Objective	Performance measure	Target	Reported
<p>Destination Marketing</p> <p>To increase total economic value and total spend the region derives from tourism</p>	<p>Total economic value of tourism to region (as reported by EDA</p> <p>Total visitor expenditure</p>	<p>Economic value increases at a rate which at least matches the region's other economic driver industries</p> <p>Increase at the rate projected by Ministry of Tourism expenditure forecasts</p>	<p>Annually, or as data is available from EDA</p> <p>Annually by the Tourism Satellite Account</p>
<p>Destination Strategic Management and Tourism Development</p> <p>To improve the region's extreme tourism seasonality pattern</p>	<p>Shoulder and off season visitor nights</p>	<p>Shift 6% of annual guest nights to April-October</p> <p>Conference industry and user needs included in project planning and development for conference centre</p>	<p>Annually</p> <p>Six weekly Board reports when project begins</p>
<p>Visitor Information Services</p> <p>To provide comprehensive objective information that meets visitors' expectations</p>	<p>Visitor satisfaction with services (Mystery Shopper Survey)</p> <p>i-SITE business management and overall performance</p>	<p>Satisfaction ratings in the top quartile of all NZ visitor information centres</p> <p>75% plus rating</p>	<p>Bi-annually</p> <p>Bi-annually</p>
<p>Organisation Management and Strategic Direction</p> <p>To operate within the budgets agreed with the shareholders</p>	<p>Statement of Financial Performance</p>	<p>Meet budgets as agreed</p>	<p>Six-weekly</p>

Stoke Heights Subdivision (The Ridgeways) Joint Venture

The Council owns 50% of The Ridgeways joint venture with Holmdale Holdings Limited owning the other half. The joint venture is responsible for operating as a successful business to develop, subdivide and market sections on Council-owned land known as Stoke Heights. There are 25 sections still to be sold as at 1 February 2009. The Council and partners expect that the joint venture will continue until the development is complete and all sections are sold. The objectives of the joint venture are to maximize the return to the joint venture partners and to be socially and environmentally responsible. Indicative performance measures from the joint venture 2009/10 Statement of Intent remain largely the same as in previous years, except for a later forecast completion date:

- Number of sections sold compared with the previous two years
- Number of serviced sections available for sale but not unconditionally sold compared with the previous two years
- Number of sections sales for the year compared with forecast. Section sales of three sections are forecast for the year ending 31 March 2009
- Ratio of actual sale prices of total section sales to total listed selling price
- Documentation of any issues or complaints received by the Joint Venture or Council relating to activities covered by the Joint Venture Agreement
- The forecast completion date for the project is 31 March 2013.

Nelson Regional Economic Development Agency (EDA)

Nelson City Council owns and controls the Nelson Regional Economic Development Agency. The Tasman District Council contributes funds for economic development work. The EDA's mission is to facilitate smart sustainable economic growth of the region that enhances economic vitality and diversity taking into account cultural and environmental values.

The EDA Board confirms the following three operational strategic objectives:

- Facilitate economic development projects that build national and international competitiveness
- Provide economic advice to the region
- Provide ongoing assessment of the region's performance.

The draft 2009/10 Statement of Intent includes the following indicative performance measures. Refer to the approved statement for full details:

Strategic Objectives (EDA)	Projects and Measurement	Date
Facilitate economic development projects that build national and international competitiveness.	Completion of projects including Horoirangi Aquaculture, Lee Valley water augmentation, Work Force Development Strategy, Nelson Marlborough info-region, regional strategy funding, natural products sector incubator and Regional Economic Development and Events Strategies implementation.	Range from August 2009 to ongoing

Objectives (EDA)	Projects and Measurement	Date
Provide economic advice to the region	Advice to Councillors and staff to inform Council decisions. Ensure all relevant information gathered within the region is co-ordinated and shared, including a decision on the appointment of a position to co-ordinate and analyse relevant information.	Ongoing
Provide ongoing assessment of the region's performance	Provide quarterly key statistical information to Councils and the community in a timely and relevant form on relevant performance measures.	Ongoing

Tasman Bays Heritage Trust (Nelson Provincial Museum)

This charitable trust was established in 2000 to administer the Nelson Provincial Museum Pupuri Taonga o te Tai Ao (Isel Park and Town Acre 445 or TA445) as a regional heritage facility on behalf of the Tasman District Council and Nelson City Council in a 50:50 partnership. A draft statement of intent (SOI) covering the period 2009/12 has been prepared, but at the time of issuing this proposed Plan, the SOI is yet to be approved by Council. Refer to the approved statement of intent for full details of the indicative performance measures that are summarised here.

Service performance objectives for 2009/10 cover:

- Museum collections – care and public access (Isel Park), including enhancing the standard of care of the photographic collection by relocating at risk sections of it to custom built storage and cool store facilities
- Museum exhibitions and the visitor experience (TA445), including enhancing the permanent exhibition with a programme of refreshment designed to increase the attraction of new visitors and offer repeat visitors some new experiences and opportunities

- Museum school education programme (TA445), including delivery of education programmes under the LEOTC contract to school students to meet the Ministry of Education targets of 7500 students from 60 regional schools
- Museum public information (Website, Isel Park and TA445), including continuation of the development of a monthly email newsletter to interested parties and enhancing the museum website with expanded digital content, an increased range of services, information on visitor programmes and links to other regional institutions.

Proposed combined Council grants are indicated in the proposed budgets as follows:

2009-10 \$	2010-11 \$	2011-12 \$
1,270,152	1,327,295	1,337,941

Port Nelson Limited

The funding by the two Councils to the Trust is covered by a memorandum of understanding which is due for renewal at the end of June 2009.

Port Companies are not classified as a Council Controlled Organisation under the Local Government Act 2002, although they function in a similar way. Information on Port Nelson Ltd is included here because of its similar relationship to Council. The Nelson City Council owns 50% of Port Nelson Ltd with the Tasman District Council owning the other half. The company provides port services for the Nelson Tasman region, including provision of berths, leasing of land and warehousing and storage of goods. The company's mission is to operate as a successful business providing cost efficient, effective and competitive services and facilities for port users and shippers, and to provide for the present and future needs of the company in ways that are sensitive to people, use resources wisely and are in harmony with the environment of an export port.

Because it is not a CCO, Port Nelson is not required to present its annual Statement of Intent (SOI) at the same time as the CCOs. In summary, performance measures from the most recent SOI were:

Performance measures	Targets 08/09
Lost Time Injury (LTI) frequency rate	LTI of less than 1.5
Debt/equity ratio Note: Review may change after external review	Not to exceed 40/60 (66.67%)
Dividends paid	2008/09 \$4 million 2009/10 \$4.1 million 2010/11 \$4.2 million

Council controlled organisations

Performance measure	Target 2008/09
a. return on average funds employed b. return on average shareholders funds	6.6% (2008/09 budget) 4.7% (2008/09 budget)
Sustainability and environmental measures in port operational area only (excluding port lease areas) Incidents leading to pollution of harbour. Compliance with all resource consent conditions.	Pollution incidents target – nil Full resource consent conditions compliance
Navigation and safety Compliance with NZ Maritime Safety requirements for dredged channels compliant with charts, navigation aids and pilotage.	Full compliance with requirements

Monitoring and reporting

Number of breaches of new noise level guidelines	Breaches of noise level guidelines will be disclosed, however new noise level standards are in the process of being set. Breaches will be reported against the new guidelines.
Resource use, for example water, electricity, fuel	Resource use will be reported against previous years for disclosure purposes only. Note: external and internal environmental incidents will be disclosed; however they are not part of the performance targets.
Activity performance measures	Target 2008/09
a. annual cargo tonnes	2.61 million tonnes
b. annual ships visits and gross tonnes	1003 visits 8.6 million gross tonnes
c. total revenue	\$35.5 million
d. capital expenditure for the year approved by the Directors	\$4.5 million

Activity performance measures	Target 2008/09	Target 2009/10	Target 2010/11
a. Shareholders funds/total assets	72.3%	68.5%	69.7%
b. Net Debt/Equity	28.2%	29.8%	29.3%

Significance policy

Background

Councils must adopt, in accordance with the Special Consultative Procedure a ‘policy on significance’. These requirements are set out in section 90 and section 278 of the Local Government Act 2002 (the Act).

This Community Plan is required to have a summary of the policy on significance within it; however due to its relative brevity, the entire policy is included in place of the summary.

Once a decision is determined as ‘significant’ according to the approach, criteria and procedures of this policy, or by Council resolution, the ‘Decision Making’ provisions in section 76 of the Act apply.

The Act defines ‘significant’, in relation to any issue, proposal, decision, or other matter, to mean that the issue, proposal, decision, or other matter has a high degree of significance.

General approach to significance

The Local Government Act 2002 requires local authorities to set out their ‘general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters’ section 90 (1) (a).

The Nelson City Council will determine the significance of any issue, requiring a decision, by making judgments according to the likely impact of that decision on:

- i. the current and future social, economic, environmental, or cultural wellbeing of the city or region;
- ii. the impact of the decision on the Council’s ability to achieve the objectives set out in its Long-term Financial Strategy, Community Plan and Annual Plan;
- iii. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- iv. the capacity of the local authority to perform its role and carry out its activities, now and in the future;
- v. the financial, resource and other costs of the decision to the Council and community.
- vi. the benefits of the decision to the Council or the community.

Thresholds, criteria, and procedures

Any ‘thresholds, criteria, and procedures’ that Councils use for assessing the significance of a matter must be included as part of their policy on significance, Section 90 (1) (b) LGA 2002.

The range of issues requiring decisions by local authorities is very wide and it is impossible to foresee every possibility. Furthermore, an issue may be significant for a small portion of the population but not for Nelson overall. Therefore specific dollar thresholds are not defined as part of the determination on significance. However the following procedure will be used to determine significance:

Procedure for determining significance

An assessment of significance, using the general approach, set out above and the guidelines set out in the Council's consultation policy:

- consideration of officer, or other professional, advice on significance and the various impacts of the decision to be made, and all available options;
- Council consideration and final decision making on the degree of significance of the issue and the appropriate level and type of consultation; and
- Costs to Council or the community.

Strategic assets

This policy must list those Council-owned assets, deemed by the Council to be 'strategic'. This requirement is set out in section 90 (2).

The Local Government Act 2002 defines strategic assets as:

"An asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future wellbeing of the community; and includes—

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in—
 - i) a port company within the meaning of the Port Companies Act 1988;
 - ii) an airport company within the meaning of the Airport Authorities Act 1966".

Below is a list of Nelson City Council-owned assets in which there is likely to be significant public interest if the Council decided to sell or change the service delivery of them:

- Water supply catchments, network, storage and treatment facilities
- Waste water network and treatment facilities
- Stormwater network
- Land transport network (including cycle ways)
- Solid waste system, transfer station and York Valley landfill
- Horticultural parks, conservation reserves, neighbourhood parks, walkways, esplanade and foreshore reserves
- Reserves and their community facilities, public tennis courts, Tahuna camping ground, golf course
- Melrose, Broadgreen and Isel houses
- Public libraries, Nayland and Riverside swimming pools, Trafalgar Centre and the marina
- Ownership in community housing

- Ownership in the Nelson Airport Company
- Ownership in the Nelson Port Company
- Ownership in Nelmac Ltd
- Ownership of Civic House.

Note it is expected that the Performing Arts and Conference Centre will be a strategic asset once it is completed, also that although the above assets are considered to be 'strategic assets', not all decisions made regarding these assets will be regarded as significant. For example the road network is strategic but the purchase or sale of small parcels of land that make up the network may not amount to being a significant decision.

Review of policy

This policy can be reviewed by the Council at any time.

Partnerships with the private sector

Background

Councils must adopt, via the Special Consultative Procedure a 'policy on partnerships with the private sector' by 30 June 2003. These requirements are set out in Section 107 of the Local Government Act 2002 (the Act).

Policy detail

Council will consider partnerships with the private sector where:

- i. they contribute to achieving strategic objectives as outlined in the long-term financial strategy, Community Plan or annual plan;
- ii. the private sector is unwilling to provide sufficient resources for the achievement of those outcomes without Council support;
- iii. the benefits to the district exceed the costs;
- iv. the Council does not itself have the resources to undertake the project; and
- v. Any other matter the Council considers appropriate.

This policy refers to partnerships with private businesses only. Partnership contracts for the supply of goods and service to the local authority, as well as agreements with community organisations, charitable trusts, other community groups, government departments, not-for-profit-organisations, other local authorities and Council controlled organisations are outside the parameters of this policy.

Consultation requirements

The public interest of the residents of Nelson must be protected and accordingly the Nelson City Council will consult with the public on any significant proposed partnership. If the partnership is determined to be significant then consultation will be undertaken and include:

- i. the circumstances under which the Council may enter into the partnership;
- ii. any general conditions that must be met under partnership agreements, including respect for commercial information;
- iii. the Council's approach to dealing with risk;
- iv. the procedure to be used to monitor the use of funds and other resources under the partnership agreement; and
- v. the methods by which the Council will monitor how strategic objectives (Community Outcomes) will be achieved by the partnership.

Entering into a partnership with the private sector

If, after consultation on a significant partnership proposal, it is considered that a partnership is to be entered into, then the final decision will be by ordinary Council resolution unless authority to form a partnership is delegated to a committee, subcommittee or Council officer. A partnership that is not considered significant can be entered into by ordinary Council resolution or delegated authority.

Formation of a partnership that does not meet the conditions of this policy will be by ordinary Council resolution only after appropriate and required consultation under the annual plan process and due consideration of the issues raised by that consultation.

Risk management and assessment

On setting up a partnership, the potential risks to the Nelson City Council will be outlined and where the risks are considered significant, in terms of probability and potential effect, a risk management strategy will be put in place to appropriately minimise or provide cover for that risk to the satisfaction of Council. Risk factors that will be considered will be:

- Financial risk;
- Risk to the capacity of the Council to carry out its other activities, now and in the future;
- Risk to property;
- Protection of any intellectual property; and
- Any other potential loss.

Monitoring and reporting

Monitoring and reporting requirements will be as appropriate to the significance of the proposal and the amount of resources allocated to the partnership.

Monitoring and reporting will include the following where applicable:

- i. Council appointees on the governing body;
- ii. Six-monthly financial reports;
- iii. Six monthly reports on outputs produced;
- iv. Annual financial reports;
- v. Annual performance reports on the achievement of those community strategic objectives that are applicable and on any impacts on community wellbeing in terms of the social, economic, environmental and cultural dimensions; and
- vi. Report on specifically agreed outcomes and objectives.

Summary of the current Water and Sanitary Services Assessment

Nelson City Council produced its first Water and Sanitary Services Assessment (WSSA) in 2005. This section summarises the full report, which is available from Civic House or online at www.nelsoncitycouncil.co.nz (search phrase = water sanitary services).

All Nelson water supplies, wastewater and stormwater systems, public toilets, wastewater dump stations, cemeteries and crematoria were assessed, as required by the Local Government Act. The assessment process included an opportunity for the public and special interest groups to influence how and what water and sanitary services are provided in the Nelson city area in the future. Five submissions were received and heard by the Council's Policy Committee, the functions of which have since been delegated to the Governance Committee.

The assessment included Council and privately-owned services. The aim was to assess the adequacy of these services, both now and for the future. It looks at the risks that the services, or lack of them, might pose to public health, community wellbeing and the environment. The overview of the water and sanitary services enabled Council to plan and prioritize improved service levels, while considering its obligations as a Unitary Authority responsible for both regional and local authority functions. It was the first time Council had carried out a full assessment of all water and sanitary services in the area, not just the ones it owned.

The WSSA process is a recent legal requirement of Councils and has to be carried out 'from time to time'. It includes services supplying communities of more than 25 people for more than 60 days a year but excludes water or sanitary services supplying individual or smaller groups of rural properties.

A summary of the water supply assessment

The Nelson City territorial area is served by several water systems:

- The Nelson City Council piped supply, which takes water from the Maitai and Roding Rivers and treats it at the Tantragee Saddle ultrafiltration treatment plant. This serves most of Nelson city
- The Tasman District Council piped supply, which takes water from the Waimea Aquifer and serves some Nelson city properties, most of which are industrial, to the south and west of Saxton Field
- Six private supplies in the Nelson North (Glen/Hira) area serve between 25 and 180 people each. These use water from a variety of sources and treatment ranges from none to filtration with UV treatment

- Six subdivisions take Council supplied water, but operate a private pumping and storage system to accommodate properties located at elevations too high for the Council system to service.

Nelson City Council has an A-b (A at source and b at point of supply) rating from the Ministry of Health and the water supply is designed to provide for a 1 in 60-year drought until at least the year 2030.

Council plans to investigate options to address the main trunk line supplying water to the city from the Maitai Dam, which is expected to reach capacity in 2020. Council will continue meeting the water demand in the urban zoned areas but does not intend to become involved in private supplies, other than meeting its statutory obligations with respect to resource management and public health.

A summary of the wastewater assessment

The residential areas of Nelson are served by a reticulated system. Wastewater from the north of the city is treated at the Nelson North Treatment Plant and wastewater from Stoke and Tahunanui is treated at the regional Bells Island Treatment Plant. A few residential properties and most rural properties have no reticulated wastewater system - these properties use on-site disposal systems, typically septic tanks.

Council intends to continue to manage the reticulated system. Any new systems that become necessary due to development would be built to Council's requirements but funded entirely by the developers.

A summary of the stormwater assessment

Council maintains rivers and streams within the urban area and also provides reticulated stormwater services that discharge to rivers, streams and the coastal marine environment.

The quality of discharge stormwater can have an effect on the water it flows into. Streams and rivers in Nelson are classified A, B, C, D or E depending on the quality of the water, with A being highest quality. Class C water is considered to be suitable for secondary contact recreation such as swimming. Many of the streams and rivers in Nelson are Class D or E, which is considered less than acceptable quality. The effects of stormwater quality on urban rivers and streams continue to be monitored and assessed. The Freshwater Plan 2006, which is part of the Nelson Resource Management Plan, aims to address these issues.

A summary of the other sanitary services that were assessed

The Water and Sanitary Services Assessment also looked at public toilets, wastewater dump stations, cemeteries and crematoria in Nelson. Nelson City Council provides one charge toilet (the Montgomery Superloo) and 43 free public toilets or toilet blocks. Most of these toilets are connected to the Council's wastewater system, however several of the rural toilet facilities are septic tank, vault or 'long drop' pit toilets.

Council aims to ensure there are adequate safe, clean and accessible public toilets provided for residents and visitors. Public health risks associated with toilets were assessed and no major issues were identified that need attention.

Generally there are sufficient permanent and temporary toilets to meet current demand. With an increasing population and visitor numbers it will be important for provision to be adequate for visitor numbers in key public areas. New toilets will meet current best practice design standards in terms of safety, capacity and cleaning/serviceability. Adequate wastewater disposal stations are provided at three holiday parks. Nelson City Council also runs four cemeteries, sufficient for up to 180 years, with five others now closed and managed as historic cemeteries within the Council's parks and reserves network. Council also owns and manages the crematorium at Wakapuaka Cemetery, which provides for around 130 cremations annually.

Waste Management and Minimisation Plan summary

Council's previous Waste Management Plan (WMP) was approved in April 2005. Copies of the current Waste Management Plan are available from Civic House or from the Council website, but there have been several major changes since it was approved. The WMP was due for review in 2008, but it was delayed while Council waited for new legislation to be enacted. The Waste Minimisation Act was passed in September 2008 so that Council is now required to have a Waste Management and Minimisation Plan (WMMP). Current issues that have emerged since the 2005 WMP and that need to be addressed in the WMMP review include:

- The collapse of recycled material prices on the international market
- Cost savings from rationalizing the operations of two regional landfills that are relatively close to each other - Nelson City Council's York Valley landfill and TDC's Eaves Valley facility – and two transfer facilities. The aim would be to benefit from economies of scale from having one waste management system, thereby reducing costs for Nelson and Tasman ratepayers
- Addressing the implications of the 2008 Waste Minimisation Act
- Increasing green waste diversion and/or reuse
- Addressing more challenging issues that are not yet adequately provided for, including hard fill, construction, demolition and e-waste.

Solid waste – what is it and where does it go?

Most of Nelson's waste is collected by commercial operators and disposed of at the York Valley landfill. Nelson City Council provides a kerbside recycling service for non-commercial premises, including schools and preschools. Private households can drop off waste, green waste and recyclables at the Pascoe Street transfer station. The amount of green waste disposed of at the transfer station has reduced to around 1,500 tonnes (t) per annum recently, which reflects recent increases in the cost of disposal and encouragement of composting.

Council's landfill at York Valley has around 25 years of capacity remaining at current land filling rates. There are three additional gullies in the valley that have the potential to provide land filling capacity for many years. Land filling rates have steadily reduced in recent years, from 46,000t in 2005/06 to 36,000t in 2007/08, due mainly to price differentials at Tasman District Council's transfer station plus some increased recycling and green waste diversion.

Recycling rates have been increasing marginally each year since the kerbside collection began in November 2004. Around 1,500t of glass were collected each year, crushed and used in road construction and around 1,500t of paper/cardboard and plastics and cans is collected, bailed and sold per annum. To

date, recycling charges have been unable to compete with general refuse disposal costs, which means a user pays commercial service has been considered unviable. The user pays recycling cost would be a lot higher than landfill costs (\$65/t) it would be unlikely to get much uptake. This service could be provided only if recycling costs decrease, or with subsidisation to provide an incentive if this was considered desirable. Refer to the beginning of Volume 1 for information on the proposed changes to the Council's recycling programme.

The 2005 targets

A key strategy of the 2005 WMP was to minimise material going to the landfill by recovering more value from the 'waste'. It set the following targets and methods to achieve essential goals:

Recyclables:

- 80% of households actively participating in kerbside recycling by June 2007
- Establish user-pays recycling service for businesses by July 2005 (not yet actioned, see note above).

Organics

- Reduce the amount of green waste going to landfill through providing a green waste price differential at the Transfer Station and through the promotion of home composting.

Aside from the establishment of a user pays recycling service for businesses, these targets have been achieved.

Waste disposal fees

Some of the money collected from the landfill fee is used for waste reduction programs, waste minimisation initiatives and recycling. The 2008 Waste Minimisation Act imposes a national levy on all waste disposed to landfill and this is included in the new fee. These increases are also reflected in the transfer station charges.

Other Council initiatives

The waste portfolio also includes the running of the central city recycling bins, recycling at events, community and commercial awareness programs, Civic House and other Council facilities recycling schemes and compost and worm farm bin subsidies.

Glossary

For a full list of terms used in this volume, refer to the end of Volume 1.