

SUMMARY ANNUAL REPORT 2020/21

For the financial year ending
30 June 2021

*A copy of Council's full 2020/21
Annual Report is available from
nelson.govt.nz*



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



Nelson City Council
Te Kaunihera o Whakatū

MAYOR AND CHIEF EXECUTIVE'S FOREWORD - KUPU WHAKATAKI

COVID-19 has continued to provide a challenge to Whakatū Nelson and the Nelson City Council operations and processes in 2020/21.

As a team our task has been to address these important issues while continuing to deliver on our core services. Looking through our activities for the year, we believe we have succeeded in trying to progress in these areas.

Our focus continued to be on our priorities that were set out in the Long Term Plan 2018-28.

These were:

- Infrastructure - Ko ngā Tūāpapa
- Environment - Ko te Taiao
- CBD development - Whakahou tāone
- Lifting Council Performance - Whakapikinga pūkenga.

During the past year we also did further work in our triennium focus areas - creating a sustainable transport culture, improving housing affordability, and the Maitai River Precinct.

Delivering a climate-resilient future means ensuring that Nelson's infrastructure can cope with the projected impacts of climate change. Our multi-million dollar flood protection investment in upgrading Saxton Creek continued, with Stage 3 near completion at the close of 2020/21. Stage 4, the final stage, is scheduled for completion by 2023/24 and is being partly funded by a government grant of \$7.5 million.

Council was awarded \$1.23 million from central government's Provincial Growth

Fund for infrastructure projects (used for a number of transport projects), and \$850,000 from Waka Kotahi NZ Transport Agency to trial traffic calming measures in Nelson South. Improving the safety and sustainability of Nelson's transport system is a priority for Council, and we are working in partnership with national agencies to improve road safety and reduce the number of people killed or injured on our roads.

Council approved \$5.72 million of support for a Science and Technology Precinct. Designed to be a hub of innovation and creativity, this project supports Council's vision for Nelson - A Smart Little City – a city that leverages its strengths and is supported by an innovative, sustainable economy. \$700,000 of funding was also approved by Council to support the Nelson marine slipway redevelopment and services expansion in 2021/22.

In response to the local impacts of the housing crisis, housing affordability and intensification were made priorities in Council's Long Term Plan 2021-31. We are committed to continue working with partners, including central government, the private sector, and community groups to address this critical wellbeing issue.

In 2020/21 Council's 142 community housing units were transferred to Kāinga Ora for \$19.8 million, creating from the proceeds a \$12 million Housing Reserve to support affordable and social housing projects in Nelson. This transfer of ownership is a mutually beneficial arrangement that will increase investment in housing in Nelson, while retaining access to community housing for existing tenants.

Applications to Phase One of the Housing Reserve Grants Programme (\$2 million) were received in November this year. We look forward to seeing successful applicants' plans come to fruition over the next few years.

Council, businesses and the community have needed to adapt further to an uncertain environment. We are proud of the way that our community has come together to meet these challenges, which has also highlighted the important contribution that Council's work makes to the wellbeing of our people and the region's economy.

Throughout the year, Council applied a climate change lens across its work, consistent with the Te Tauihu Intergenerational Strategy's vision of Tūpuna Pono (being good ancestors). In August 2020 we aligned with central government's targets, committing to achieve net zero emissions of all greenhouse gases (other than biogenic methane) as an organisation by 2050. How do we get there? We make changes across our activities to reduce their impacts. Changes like adopting an 'electric-vehicle first' policy for Council's fleet, replacing our streetlights with energy-efficient LEDs, building infrastructure to support active transport, and introducing a kitchen waste collection trial to reduce food waste to landfill are just some of the initiatives we actioned in the last year.

Encouraging active and public transport is also key. In 2020/21, 2.8km of new shared or separated cycle paths were built in Nelson, including the ANZAC Park to Maitai shared path. The Tāhunanui Pathways project was completed, improving cycle safety for residents, commuters, and students of Tāhunanui School. We introduced the Bee Card bus ticketing system, and bus users have embraced this new technology, with 88% of bus journeys now paid for with the Bee Card, which makes using our buses easier, cheaper and faster.

Council also participated in the first stage of Central Government's Three Waters Reform Programme. This gave access to initial grant

funding of \$5.72 million to support Three Waters service delivery and create local jobs. Council allocated this funding towards a variety of projects, including the Awatea Wastewater Pump Station Upgrade. Our focus, now that the Government has made the decision to proceed with the reforms, is on ensuring our key infrastructure projects are delivered and that we have an appropriate level of input within the new water entity.

In the environment space, Project Mahitahi - a collaborative project to restore the ecosystem of the Maitai/Mahitahi Valley - was launched in 2020, with \$3.7 million of external funding secured. It has so far employed 33 people, planted 15,000 trees, and removed pest animals and pest plants from the Maitai catchment.

Work on the Nelson City Centre Spatial Plan has continued in 2020/21. Targeted community pre-engagement for Te Ara ō Whakatū was undertaken in 2020/21, to help inform the plan that was adopted later in 2021. A total of 81 meetings were held with more than 40 community sectors across Nelson, and more than 250 attendees participated over the four-month pre-engagement period.

In May 2020/21 Council made the significant decision to establish a Māori ward in Whakatū Nelson, when legislation amended by the government in early 2021 opened the door for change. This means that Māori will have a guaranteed seat at the table for the first time in Nelson's history. There is further work to be done to realise the full potential of partnership between Council and iwi/Māori, but this is a significant step towards a more representative and diverse Council. Ngā mihi nui - many thanks to all parties involved in making this historic change happen.

In our efforts to continue to lift Council performance, we have tried to increase staffing in critical areas, although we are facing recruitment challenges in a tight

labour market. We have implemented a new system for contract management, and made improvements to key systems and processes. We also carried out a survey of residents and are reviewing the results to assist in guiding us in the future.

Council will continue to invest in staff, to enable ongoing improvements to the services that we provide to the community, and the meeting of project timelines. A strong test of how we function as a community began in December 2021, with the introduction of a new national COVID-19 framework, as well as the likely occurrence of COVID-19 cases in our community. We'll need to continue to work together and demonstrate patience and tolerance, especially as levels of anxiety rise and we face the challenge of needing to go about our daily routines safely while protecting those who are vulnerable.

As we move forward and address our many challenges as a community it is important to remember:

He waka eke noa

We are all in this together.



Rachel Reese

Mayor of Nelson:

Te Koromatua o Whakatū



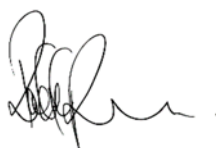
Pat Dougherty

Chief Executive: Tumuaki

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The Annual Report Summary provides an overview of Council's activities, services and finances for the year 1 July 2020 to 30 June 2021. The information is taken from Council's audited Annual Report 2020/21, adopted by Council on 9 December 2021. Complete information about Council's financial position and operations is provided in the full Annual Report 2020/21.

This Summary Annual Report was authorised by the Chief Executive of Nelson City Council on 21 December 2021.



Rachel Reese
Mayor of Nelson:
Te Koromatua o Whakatū



Pat Dougherty
Chief Executive

WELCOME TO OUR SUMMARY OF THE ANNUAL REPORT 2020/21

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

This document is a summary of the Annual Report 2020/21. It gives a condensed overview of the key findings and provides a snapshot of Nelson City Council's performance, from 1 July 2020 to 30 June 2021.

You can read the full Annual Report at nelson.govt.nz/annual-report-202021

Copies of the full Annual Report 2020/21 are also available at all Council libraries, and at the Customer Service Centre.

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AUDIT REPORT

Independent Auditor's Report

To the readers of Nelson City Council and group's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the Nelson City Council (the City Council) and group for the year ended 30 June 2021

The summary of the annual report comprises the following summary statements on pages 13 to 27:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary key achievements and service performance.

Opinion

In our opinion:

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

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 9 December 2021. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 39 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the City Council will no longer deliver three waters services. These matters are addressed on page 27 of the summary financial statements.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

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



John Mackey

Audit New Zealand

On behalf of the Auditor-General Christchurch,
New Zealand


21 December 2021

OUR ACHIEVEMENTS: COUNCIL HIGHLIGHTS 2020/21

- Council set emissions reduction targets for the organisation, committing to achieving net zero emissions of all greenhouse gases (excluding biogenic methane) by 2050, and reducing biogenic methane emissions by 24-47% by 2050.
- Council's 142 community housing units were sold to Kāinga Ora in 2021 for \$19.8 million, creating from the proceeds a \$12 million Housing Reserve to support affordable and social housing projects in Nelson.
- A review and restructure of Council's committee and subcommittee arrangements was completed, and Council voted to establish a Māori ward for the 2022 local elections.
- Project Kōkiri (the Nelson Tasman region's post-COVID-19 economic recovery plan) moved from the 'survival and response' phase into 'restart and recovery', supporting local businesses.
- Council was awarded \$1.23 million from the Provincial Growth Fund, for infrastructure projects to help our region recover from the COVID-19 pandemic by providing local jobs.
- A total of 2.8 km of new shared or separated paths were built.
- The Innovative Streets for People trial project in Nelson South began, and there have been significant reductions in speed. The project received the 3M Traffic Safety Innovation Award.
- Council continued to invest in improved three waters infrastructure to improve resilience and capacity, and minimise the risk of overflows to the environment. Several major works were completed, including the Gracefield Sewer Diversion, planning for the new Awatea Pump Station, and installation of the Beach Road Storage Tank. Stormwater upgrades were made to reduce the risk of flooding and to improve capacity for future development.
- The Rethink Waste programme was launched, and a 12 month trial for kerbside collection of residential kitchen waste began.
- Direction on the Central Library Development was determined through the Long Term Plan 2021-31 process.
- Project Mahitahi was launched and Council received \$3.7 million of funding towards the project.

See the full Annual Report 2020/21 for more details on these highlights.

PARTNERSHIPS WITH MĀORI AND IWI KO NGĀ WAKA HOURUA



Council and iwi are committed to working together.

A key objective for Council is to strengthen our relationship with Māori and iwi, support communication, and implement an active partnership. More information about how Council does this is included in the *Statement on Fostering Māori Participation in Council Decision-making* section of the Long Term Plan 2018-28, and the recently completed Long Term Plan 2021-31.

Establishment of a Māori Ward:

On 13 May 2021 Council voted to establish a Māori ward in Whakatū Nelson for the 2022 local elections. A Māori ward will mean that a Māori councillor will be elected by those on the Māori electoral roll and have a direct say in Council's governance. This will support Māori representation through direct involvement in Council decision-making. There is further work to be done to realise the full potential of partnership between Council and iwi/Māori, but this is a significant step towards a more representative and diverse Council.

What happens next: Representation Review

Every six years, local authorities are required to review their representation arrangements, potentially changing the number of councillors, the way they are voted for and the areas they represent. The representation review that Council must complete by the end of 2021 has added significance because of the resolution to establish a Māori ward. Establishing a Māori ward means that Nelson must also establish one or more general wards and agree on their boundaries and names.

You can read about all the ways Council is working with iwi and Māori in the full 2020/21 Annual Report.

OUR ACTIVITIES: KEY ACHIEVEMENTS AND SERVICE PERFORMANCE

KO TŌ MĀTOU MAHI

Council has eleven activities:

Transport - Te Ikiiki	13
Water Supply - Te Ratonga Wai	14
Wastewater - Te Para Wai	15
Stormwater - Te Wai Āwhā	16
Flood Protection - Te Ārai Waipuke	17
Solid Waste - Ngā Para Totoka	18
Environment - Te Taiao	19
Social - Te Pāpori	20
Parks and Active Recreation - Ngā Papa Rēhia me ngā Mahi Rēhia	21
Economic - Te Ohaoa	22
Corporate - Te Rangapū	23

For more information please refer to the full Annual Report 2020/21.

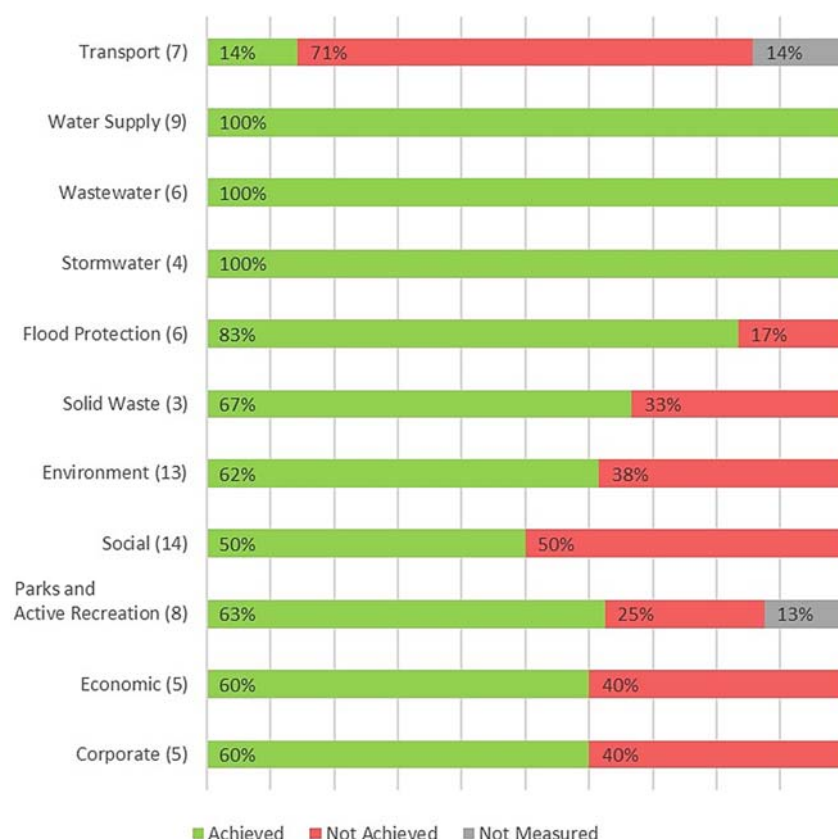
PERFORMANCE MEASURES INENGA MAHI

Council measures its performance each year using indicators that are set through the Long Term Plan. The results present us with a high level view of the organisation's performance.

Under the Long Term Plan 2018-28, Council reported on 80 non-financial performance measures across its 11 activity areas. In 2020/21 53% of these were achieved, the same result as 2019/20. Detailed information on the targets and their revision in the 2021-31 Long Term Plan is included in the full Annual Report 2020/21.

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

PERFORMANCE MEASURE RESULTS 2020/21 AS A PERCENTAGE OF TOTAL MEASURES PER ACTIVITY



As was the case in 2019/20 a number of measures were negatively impacted by COVID-19, including NBus patronage, use of the Trafalgar Centre, events attendance, ticket allocation, and audience numbers.

It was also found as annual reporting was undertaken over the period of the Long Term Plan 2018-28, that several of the measures set in 2018 no longer align with changing data collection methods and legislated performance requirements. This resulted in measures like these being listed as 'not achieved' against the targets set in 2018, which does not accurately reflect Council's actual achievements in these areas. Similarly, numerous measures selected in 2018 relate to the performance of other organisations (such as the Theatre Royal and Suter Art Gallery), which Council has little control over. It also has limited influence on overarching measures such as Nelson's GDP. To address this, Council's performance measures were revised in the Long Term Plan 2021-31, to give a more accurate, relevant picture of Council's non-financial performance over the next three years.



TRANSPORT

Te Ikiiki

ABOUT COUNCIL'S TRANSPORT ACTIVITIES

The transport activity includes the provision, operation and maintenance of physical infrastructure and the environment on road reserves for driving, cycling and walking. Creating a sustainable transport culture is a focus for Council.

The network includes:

- 272km of roads
- 380km of footpaths, walkways, shared paths and separated cycle facilities, and 34km of on-road cycle lanes for active transport
- 98 bridges, 460 retaining walls, 390km of road verges, streetlights, signs, traffic signals and more

Council also has responsibility for road safety, street cleaning, traffic and parking management, and public transport services, with the NBus providing 350,000 passenger trips a year.

HIGHLIGHTS FOR 2020/21

896 metres of new footpaths were built, 3km of footpaths were renewed, and 17.8 lane km of road resurfacing was completed.

2.8 km of new shared or separated paths were built, including the ANZAC Park to Maitai Shared Path.

2.8km of new separated cycleways were constructed at Tāhunanui, with the completion of Stage 2 of the Tāhunanui Pathways project.

The Railway Reserve underpass was built, and has since been transformed into a tribute to

active transport and toi Māori (Māori art), with painted murals.

The Bee Card, Nelson's electronic bus ticketing system, was launched.

Innovative Streets for People trial traffic calming measures were implemented in Nelson South. The project received national recognition at the Transportation Conference in May 2021, with the 3M Traffic Safety Innovation Award

Council was awarded \$1.23 million from the Provincial Growth Fund, which was allocated to transport projects, including Beach Road Traffic Calming Measures / Waitakere Street Raised Table, and Maitai Riverside Path Widening.

Council continued its road safety programmes and planned further initiatives for the next 10 years through the Long Term Plan 2021-31.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	18.2	13.4
Operating expenditure	13.9	14.3

These figures are approximate, see the full Annual Report 2020/21 for details.

WATER SUPPLY

Te Ratonga Wai

ABOUT COUNCIL'S WATER SUPPLY ACTIVITIES

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

The water supply system includes dams and weirs on the Maitai and Roding Rivers, a world class ultra-filtration water treatment plant, and the network of pipes, pump stations and storage reservoirs throughout the City. Water use is metered to ensure it is used efficiently and costs are shared fairly between users.

HIGHLIGHTS FOR 2020/21

Around 6,000 new residential water meters were installed, bringing the total installed to 11,000 so far.

Council replaced the ageing water main that runs along Hardy Street and into Vanguard Street to maintain a reliable water supply.

The water main on Melrose Terrace was renewed to provide a more reliable water supply to users in the area.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	4.9	4.2
Operating expenditure	8.1	13.2

These figures are approximate, see the full Annual Report 2020/21 for details.



WASTEWATER Te Para Wai

ABOUT COUNCIL'S WASTEWATER ACTIVITIES

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

Activities include operations and maintenance of the facilities and the network of pipes, manholes and pump stations in the city. The network includes 404 km of wastewater pipes, 27 wastewater pump stations, and two wastewater treatment plants.

The treatment plant at Nelson North (Wakapuaka) treats wastewater from Bishopdale northwards, while the Bell Island Treatment Plant (jointly owned with Tasman District Council) serves the Stoke and Tāhunanui areas, as well as several large industrial premises and parts of the nearby Tasman area.

HIGHLIGHTS FOR 2020/21

The Gracefield Sewer Diversion was completed ahead of schedule. The project has improved the capacity of the sewerage network and taken pressure off the existing system, as well as improved resilience to overflows in the area.

The design process was completed and a contract for construction awarded for a major new project, the Awatea Pump Station, scheduled for completion by 2023/24. Installation of an underground wastewater storage tank at Beach Road was completed in 2020/21.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	11.1	9.5
Operating expenditure	7.8	8.6

These figures are approximate, see the full Annual Report 2020/21 for details.

STORMWATER

Te Wai Āwhā

ABOUT COUNCIL'S STORMWATER ACTIVITIES

The stormwater network covers the pipes, open channels, detention dams, overland flow paths and pump stations that carry stormwater to waterways and the sea in the areas for which stormwater drainage rates are charged by Council.

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

In large parts of the City a fully-piped system is not provided. Stormwater soaks into the ground or flows into the road channel, which is often the primary drainage system. Work within the stormwater activity continues to involve the operation and maintenance of the existing systems, as well as upgrades to renew ageing assets, increase the level of service, or provide for urban growth through network extensions to areas of the City where new development is occurring.

HIGHLIGHTS FOR 2020/21

Upgrades of the stormwater and water pipes under Mount Street, Konini Street and Gloucester Street began. Council built a new stormwater channel to reduce the risk of slips at Te Manu Reserve, and pipes to direct stormwater flow under the Emano Street.

Stormwater pipes at Tosswill Road were upgraded, which will reduce maintenance and repairs required in the future, and reduce risk of overflow onto the road during storm events.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	4.8	4.7
Operating expenditure	2.0	2.0

These figures are approximate, see the full Annual Report 2020/21 for details.

FLOOD PROTECTION

Te Ārai Waipuke

ABOUT COUNCIL'S FLOOD PROTECTION ACTIVITIES

Council's flood protection activities relate to management of flood risk associated with the natural waterways, and piped sections of streams. There are 11 urban catchments, from Saxton Creek in the South of Stoke to Hillwood Stream, draining to the Wakapuaka Flats at the North end of the City. Aside from the Maitai River, the urban catchments all drain to streams, which have the potential to overflow as a result of high intensity rainfall events.

Operation and maintenance of Council's flood protection assets centres on maintaining channel capacity for flood flow through gravel and vegetation management, as well as upkeep of existing stream bank protection structures. Flood protection works include renewal of ageing assets, and upgrades to reduce flood risk. Interventions depend on the risk profile for each river or stream, identified through flood modelling of the larger streams and rivers in the Nelson area. Future upgrades are expected to be required as a result of climate change and will be identified following a risk-based approach.

HIGHLIGHTS FOR 2020/21

The Saxton Creek Upgrade Stage 3 - creek upgrades between Champion Road and Main Road Stoke - was completed in 2020/21 (with the exception of some pathway work). This flood protection project incorporates creek widening, a new bridge, planting, and shared pathways alongside the creek that have transformed the

area, providing increased resilience to flooding and an enjoyable riparian recreation corridor for the community. Stage 4, the final phase of the project, received a grant of \$7.5 million from the COVID-19 Response and Recovery Fund (\$1 million of which was used in 2020/21).

Whakatu Drive (Storage World) Flood Protection Upgrade involved the installation of a new culvert under Whakatu Drive (SH 6) to allow water to drain from the Storage World site, in response to flooding at Wakatu Industrial Estate in 2013.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	4.9	6.6
Operating expenditure	1.1	1.0

These figures are approximate, see the full Annual Report 2020/21 for details.



SOLID WASTE

Ngā Para Totoka

ABOUT COUNCIL'S SOLID WASTE ACTIVITIES

Good public health and wellbeing depends on the safe disposal of waste. Environmental protection also depends on promoting the reduction, reuse, recycling, and recovery of potential solid waste and compostable material. Avoiding or reducing waste also has a role to play in reducing both Council and the community's greenhouse gas emissions.

Council provides waste management and minimisation services to avoid or reduce the creation of waste, improve the efficiency of resource use, and to reduce the harmful effects of waste on people and the environment. Through the Joint Waste Management and Minimisation Plan (JWMMP) Council is also working with Tasman District Council and our communities to achieve a 10% per capita reduction in waste to landfill by 2030.

Nelson City Council's solid waste activities are operated through a closed, self-funding group of accounts.

HIGHLIGHTS FOR 2020/21

Council launched the Rethink Waste programme, which includes community-based activities such as new monthly composting workshops, Secondhand Sunday, and repair cafes.

The Rethink Waste programme set aside \$10,000 as a trial for grants to help event organisers reduce waste at their events.

A waste minimisation grant trial to foster community-led innovation in waste avoidance and reduction also took place in 2020/21 (including businesses and the wider community). A diverse range of projects were funded, and an external review of the trial was conducted, which will lead to an updated grants programme in 2021/22.

Council supported its venues to further reduce waste. The team at the Trafalgar Centre successfully diverted 84% of waste away from landfill following a concert in October 2020, using a Waste Management Plan.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	0.9	0.4
Operating expenditure	7.9	9.0

These figures are approximate, see the full Annual Report 2020/21 for details.



ENVIRONMENT Te Taiao

ABOUT COUNCIL'S ENVIRONMENT ACTIVITIES

The Environmental Management activity provides the policy direction, management, monitoring and review of Nelson's natural and physical resources, and the built environment. The Environmental Management activity covers both regulatory and non-regulatory functions of Council as a unitary authority. The activities are:

- Environmental Planning
- City Development
- Resource Consents
- Compliance and Enforcement
- Building Consents
- Science and Environment (including air and water monitoring networks)

HIGHLIGHTS FOR 2020/21

Work on the City Centre Spatial Plan - Te Ara ō Whakatū - The Pathway of Nelson continued in 2020/21, with targeted community pre-engagement across Nelson's community sectors. The Spatial Plan sets out a people-focused, place-based vision to attract investment, residents, talent, thriving business, families, and events to our City Centre, and strengthen our position as A Smart Little City. The Plan was adopted in December 2021.

There were 7,629 building inspections undertaken in 2020/21 - a 32% increase compared to 2019/20. This has seen the value of works increasing from \$168.7 million in 2019/20 to \$183.3 million in 2020/21.

There was an 11% increase in resource consent applications compared to 2019/20.

Project Mahitahi was launched in October 2020 and has so far employed 33 people, planted the first 15,000 trees (of 125,000 to be planted over five years), held five community planting events, and removed pest animals and pest plants from the Maitai catchment. This three year project will restore sites of high ecological value on private land in the Wakapuaka and Whangamoa catchments. Council received \$3.7 million of funding towards the project.

The Coastal and Marine Monitoring programme started in 2020/21 with water quality monitoring at eight coastal and six marine sites.

A trial to control water celery along a section of Orphanage Stream was completed. Monitoring showed that there was no adverse effect on the water quality or ecological values in the treatment area or immediately downstream.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	0.4	0.3
Operating expenditure	16.1	15.8

These figures are approximate, see the full Annual Report 2020/21 for details.

SOCIAL Te Pāpori

ABOUT COUNCIL'S SOCIAL ACTIVITIES

Council works together with the community to support the quality of life and wellbeing of Nelson residents through the delivery of a range of social, arts and heritage facilities and services, such as our libraries and Founders Heritage Park.

The social activity includes the operation of:

- Three libraries
- Five community halls/centres
- Events venues
- Heritage buildings and sites
- Three campgrounds
- Four cemeteries and a crematorium
- Public toilets

Council contributes funding to events such as the annual Arts Festival, and provides investment and support to key community-owned facilities, including the Theatre Royal and the Nelson Centre of Musical Arts. This activity also assists with community development, including the provision of grants to groups providing social services and support to the community.

HIGHLIGHTS FOR 2020/21

As part of its COVID-19 response and recovery initiatives, Council established a \$200,000 Emergency Fund in 2019/20 to support not-for-profit community organisations. In 2020/21 \$62,450 was granted to six organisations, in areas such as social support and the arts.

Council provided funding of \$33,500 for Te Whare Haumarū facilities hub on St Vincent

Street for people experiencing homelessness, in partnership with The Male Room and Nelson's Rotary Clubs.

Council supported a community Steering Group to develop the City For All Ages / He Rautaki Whakatupuranga Strategy, which aims to make Nelson a great place to live for people of all ages, and examines age-friendliness in Nelson across a number of areas.

Tuku 21 (the rebranded Heritage Festival), was very successful, with 67 events enjoyed by people of all ages.

Council organised and supported several Māori cultural events in 2020/21, including community celebration Te Huihui o Matariki 2021 (Matariki Festival), and Te Wiki o Te Reo Māori (Māori Language Week).

The upgraded Millers Acre toilets and Tāhunanui Lions toilets opened.

Direction was determined on the Central Library Development through the Long Term Plan 2021-31 process. Council looks forward to working with the community to deliver an exceptional library precinct for the people of Whakatū Nelson.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	4.7	3.1
Operating expenditure	15.2	15.7

These figures are approximate, see the full Annual Report 2020/21 for details.

PARKS AND ACTIVE RECREATION

Ngā Papa Rēhia me ngā Mahi Rēhia

ABOUT COUNCIL'S PARKS AND ACTIVE RECREATION ACTIVITIES

Council provides active recreation opportunities for Nelsonians and visitors, through its provision of infrastructure such as walkways and cycleways (including mountain biking trails), sports and recreation facilities, parks and open space, services and events.

This activity area includes responsibility for:

- 12 sports grounds (including the Saxton Field complex)
- Two swimming pools
- 64 playgrounds
- 11,000 hectares of parks and reserves
- Mountain bike tracks
- Nelson Marina
- Stadia (including the Trafalgar Centre)

HIGHLIGHTS FOR 2020/21

Several Ecological Restoration Plans for Council-owned public reserves were finalised in 2020/21, and others are nearing completion.

Council held a free planting and weed control workshop and several community planting events, in locations such as Poorman Valley Stream, the Grampians Reserve, Hira Reserve, and the Maitai/Maitahi River catchment. Schools and community groups took part in the ongoing Tahunanui Dune Restoration Project.

A new dog park was opened in Marsden Valley, which is proving popular.

The grades of Nelson and Tasman's extensive network of mountain biking trails were audited and a number of new mountain bike trails were constructed. Volunteers assisted with track building.

A 'Pop-up Park' for youth opened on the banks of the Maitai/Maitahi River, and is now a popular space for young people to play in the City Centre.

Council substantially completed an off-road shared path connection between Champion Drive and the main route through Saxton Field past Saxton Velodrome, plus a new carpark.

Council began the process to bring management of the Nelson Marina back in-house. On 1 July 2021, Council formally took over management of the Marina. The development of a new Master Plan, governance model and management model for the Marina began. The hardstand at Nelson Marina was also upgraded, to ensure it is operating as efficiently and effectively as possible for users and meeting environmental standards.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	10.2	6.8
Operating expenditure	14.3	15.8

These figures are approximate, see the full Annual Report 2020/21 for details.

ECONOMIC Te Ohaoa

ABOUT COUNCIL'S ECONOMIC ACTIVITIES

Council has a role in supporting the creation of a “resilient economy that allows our people, places, communities and businesses to thrive”, as outlined in the Te Tauihu Intergenerational Strategy Tūpuna Pono. Economic development activity is delivered through the Council-owned Nelson Regional Development Agency (NRDA), as well as through support for other organisations such as Uniquely Nelson, Businesses for Climate Action, and the Nelson Tasman Business Trust.

Nelson City Council's funding for the NRDA was \$1.36 million in 2020/21, which includes additional support for economic events through the Events Fund (\$391,500 in 2020/21).

HIGHLIGHTS FOR 2020/21

The Nelson Tasman region's post-COVID-19 economic recovery plan. Project Kōkiri, moved from the ‘survival and response’ phase into ‘restart and recovery’. Work in the past year included:

- Supporting businesses through a one-on-one business continuity service
- Communicating weekly with over 3,000 local businesses, supplying key information and insights
- Delivering business information webinars, supporting local businesses with training, insights and information on accessing government support
- Delivering the *We've Got This – Kei a Tātou* campaign to encourage domestic tourism to the region and the consumption of local products, highlighting great things about Nelson Tasman
- Launching the *Pick Nelson Tasman* campaign, to address labour shortages in horticulture and fisheries sectors due to border closures
- Launching new action-orientated workstreams such as *Skills & Workforce Development* and the *Destination Management Plan* to aid the economic recovery through focused initiatives

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	0.9	1.2
Operating expenditure	7.6	2.1

These figures are approximate, see the full Annual Report 2020/21 for details.



CORPORATE Te Rangapū

ABOUT COUNCIL'S CORPORATE ACTIVITIES

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

Council's corporate activities include:

- Cost of democracy, including meetings, publicity, councillor costs, and elections
- Management of investments, including properties (Civic House, libraries, rental property, plus other community, heritage and strategic property), forestry, the Port Company, Nelson Airport, and Nelmac
- Council Controlled Organisations
- Long term planning, strategy development and policy
- Organisational assurance
- Financial reserves
- Emergency Response Fund

HIGHLIGHTS FOR 2020/21

Council divested its 142 community housing units to Kāinga Ora. The transfer of ownership is a mutually beneficial agreement that will increase investment in housing in Nelson, while retaining access to community housing for existing tenants. From the proceeds Council established a \$12 million Housing Reserve, to work with and support partners who have the

ability to deliver social and affordable housing solutions for the community.

The 2021-2031 Long Term Plan, which sets out Council's vision for the next 10 years, received over 640 submissions and was adopted. You can read the final Long Term Plan online, at our Customer Service Centre, or at Nelson's libraries: nelson.govt.nz/long-term-plan-2021-2031

Refer to the full Annual Report 2020/21 for details of Council's climate change actions throughout the year, including emissions reduction targets and initiatives for the organisation.

	Budgeted for 2020/21 (\$ million)	Actual spend 2020/21 (\$ million)
Capital expenditure	2.5	1.8
Operating expenditure	11.0	11.8

These figures are approximate, see the full Annual Report 2020/21 for details.

KEY FINANCIAL INFORMATION

FINANCIAL OVERVIEW

TIROHANGA AHUMONI

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

Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break-even). This Annual Report shows that Council recorded a net surplus before revaluations (for the year ended 30 June 2021) of \$9.8 million, which was \$2.9 million more than budget. An explanation of this variance can be found in note 40 in the Notes to Accounts section.

The surplus was \$7.2 million in the 2019/20 financial year. It should be noted that the word 'surplus' is an accounting term, and is different from the rating surplus. The accounting surplus includes capital items such as road subsidies and grants relating to capital projects, revaluations and vested assets which are required to be treated as revenue for accounting purposes.

As of 30 June 2021, Council's borrowings, net of deposits and cash, were \$87.9 million, compared to the budget of \$115.7 million. This variance from the budget is mainly due to actual borrowings being lower than planned. Capital expenditure did not reach the full programme and ended less than forecasted by \$10 million. Additionally, net proceeds received from selling community housing were \$17 million against a budget of \$8 million, with \$5 million of this required to be held in a reserve for potential use by Kāinga Ora.

This full Annual Report 2020/21 was prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and complied with International Public Sector Accounting Standards, and other applicable financial reporting standards, as appropriate for public benefit entities.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land, certain infrastructural assets, investment property and biological assets. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Nelson City Council is New Zealand dollars. The financial statements of Nelson City Council are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on 9 December 2021.

A copy of the full Annual Report 2020/21 is available online at nelson.govt.nz, from all Council libraries, and from the Customer Service Centre.

FINANCIAL STATEMENTS

Nelson City Council's full financial statements have been prepared in accordance with Tier 1 PBE standards. The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements. The summary financial statements comply with PBE Standards as they relate to summary financial statements.

SUMMARY OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2021

	Council			Group	
	Actual 2021	Annual Plan 2021	Actual 2020	Actual 2021	Actual 2020
	\$000	\$000	\$000	\$000	\$000
Total operating revenue	140,742	129,799	122,964	154,433	137,134
Total operating expenditure *	130,925	122,856	115,794	146,488	132,380
Surplus/(deficit) before tax	9,817	6,943	7,170	7,945	4,754
Share of joint ventures surplus/(deficit)	-	-	-	8,190	5,532
Income tax expense	-	-	-	(284)	(228)
Net Surplus	9,817	6,943	7,170	15,851	10,058
Gains/(Losses) Land and infrastructure revaluations	68,902	20,153	130,573	68,902	130,573
Share of associates revalued movements	-	-	-	15,146	27,214
Share of subsidiaries revalued movements	-	-	-	-	1,080
Total comprehensive revenue or expense	78,719	27,096	137,743	99,899	168,925
* includes finance costs of:	3,537	3,011	4,086	3,661	4,225

SUMMARY OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

Balance at 1 July 2020	1,648,545	1,544,305	1,510,802	1,799,313	1,630,388
Total comprehensive revenue	78,719	27,096	137,743	99,899	168,925
Equity at end of year	1,727,264	1,571,401	1,648,545	1,899,212	1,799,313

SUMMARY OF STATEMENT OF FINANCIAL POSITION 30 JUNE 2021

Current assets	40,337	23,696	47,103	48,592	53,809
Non-current assets	1,835,517	1,702,121	1,743,742	2,005,425	1,892,297
Total assets	1,875,854	1,725,817	1,790,845	2,054,017	1,946,106
Current liabilities	32,277	25,780	54,373	39,149	56,941
Non-current liabilities	116,313	128,637	87,927	115,656	89,852
Total liabilities	148,590	154,417	142,300	154,805	146,793
Total net assets	1,727,264	1,571,400	1,648,545	1,899,212	1,799,313
Retained earnings	439,724	554,284	431,518	490,356	476,115
Other reserves	1,287,540	1,017,116	1,217,027	1,408,856	1,323,198
Total equity	1,727,264	1,571,400	1,648,545	1,899,212	1,799,313

SUMMARY OF STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

Cashflows from operating activities	38,512	26,356	33,505	42,275	35,714
Cashflow from investing activities	(42,601)	(54,451)	(31,671)	(46,010)	(32,660)
Cashflows from financing activities	4,900	14,760	(150)	5,114	- 400
Net increase/(decrease) in cash held	811	(13,335)	1,684	1,379	2,654
Plus opening cash balance	17,075	18,391	15,391	18,948	16,294
Closing balance	17,886	5,056	17,075	20,327	18,948
Represented by:					
Cash and cash equivalents	17,886	5,056	17,075	20,327	18,948
Bank overdraft	-	-	-	-	-
	17,886	5,056	17,075	20,327	18,948

SUMMARY OF COMMITMENTS AND CONTINGENCIES AS AT 30 JUNE 2021

	Council			Group	
	Actual 2021	Actual 2020		Actual 2021	Actual 2020
	\$000	\$000		\$000	\$000
Commitments under:					
Capital contracts	6,320	9,917		10,013	17,151
Operating leases as lessor	6,434	7,092		29,852	31,316
Operating leases as lessee	960	1,240		2,002	1,881
Contingent assets					
No quantifiable contingent assets	-	-		-	-
Contingent Liabilities					
No quantifiable contingent liabilities	-	-		-	-

EVENTS OCCURRING AFTER THE BALANCE DATE

Council:

There have been no significant events after the balance sheet date that materially impact Nelson City Council's financial position or viability as a going concern.

On the 17th of August 2021 all of New Zealand moved into Alert Level 4 for 2 weeks, followed by 1 week of Alert Level 3 and is currently in Alert Level 2. Given the shorter period of alert level 4 and 3, it is not anticipated to have a significant impact either on the financial position of the Council as at 30 June 2022 or on the going concern of the Council.

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

Group:

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

COVID-19

On Tuesday, 17 August 2021 at 11.59pm, New Zealand moved to Alert Level 4 following the detection of a positive case of COVID 19 in the community. Although this Alert Level escalation creates a level of uncertainty, there has been no material impact on the key assumptions of estimates made in preparation of the group financial statements

Holding Company

On 17 and 18 May 2021 Tasman District Council and Nelson City Council resolved to establish a Holding Company, to hold the two Councils shareholdings in Port Nelson and Nelson Airport. The Holding Company will be established in 2022 and Port Nelson and Nelson Airport will be subsidiaries of the new company. No financial impact is expected on either subsidiary through the establishment of the Holding Company; however a number of benefits are expected including the potential for reduced borrowing cost through the use of the Local Government Funding Agency.

Nelson Slipway

Port Nelson is currently in the planning phase of redeveloping the slipways of the Port. There are currently two slipways that operate on the Port, the Calwell Slipway, which slips ships of over 100 tonnes and the Nelson Slipway, which slips ships under 100 tonnes. The new project will redevelop the Nelson Slipway area to create finger wharves, which will allow a new marine travel-lift to operate, having a capacity of 400 tonnes. The facility will include a new environment treatment facility, and contaminated silts will be removed from the harbour basin adjacent to the slipways.

In order to complete this development on 19 July 2021, Port Nelson entered into a conditional sale and purchase agreement to acquire the assets of Nelson Slipway Limited, for \$2.48 million. Nelson Slipway Limited currently operates the Nelson Slipway and holds a long term lease of the Port land and seabed related to the asset. The accounting for the transaction has not yet been finalised due to the recent acquisition date and as such it is impractical to make any further disclosure. The accounting for this transaction will be finalised for inclusion in the financial statement for the year ended 30 June 2022.

Disposal of Land

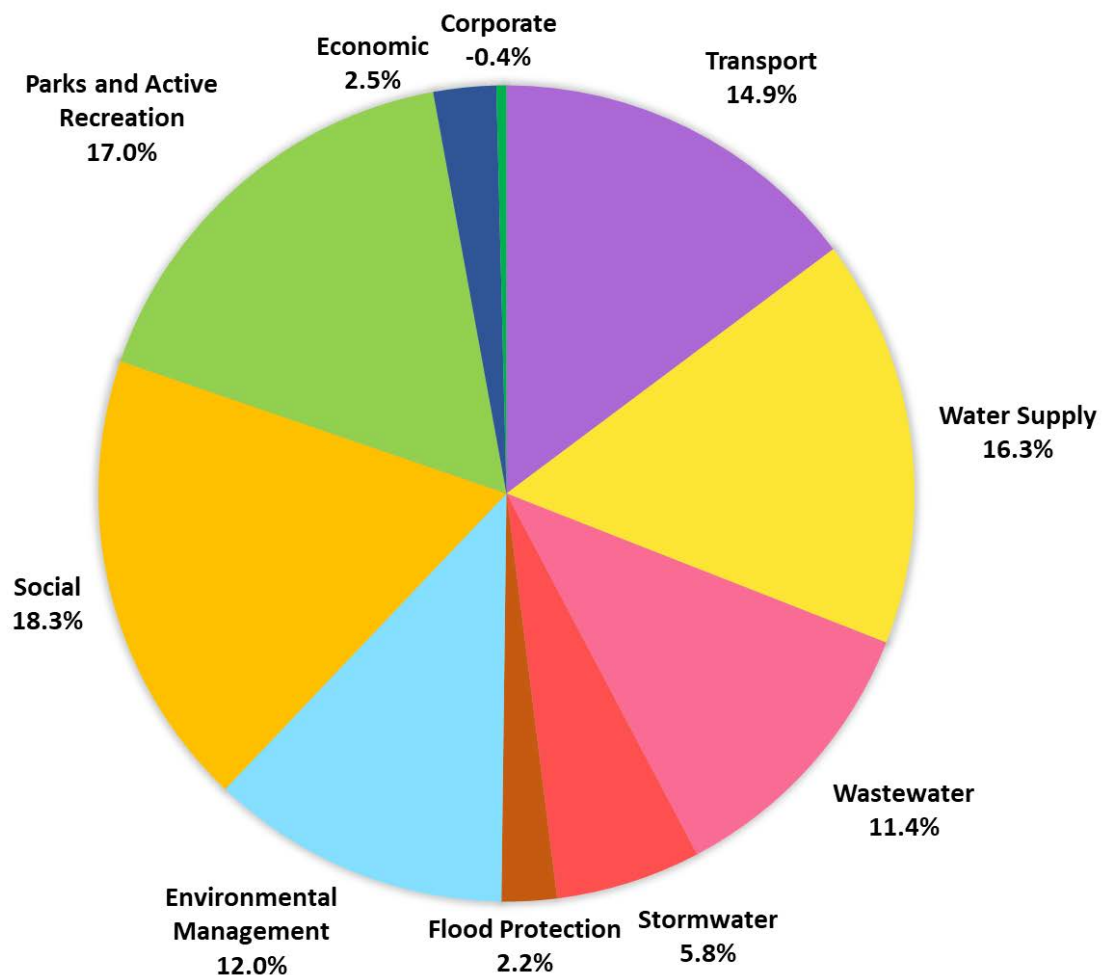
A conditional sale and purchase agreement was signed with the Cawthron Institute Trust on 13 August for the sale of 6,000 square metres of Port land. It is expected that the conditions will be completed and that the agreement will become unconditional in the year ended 30 June 2022. A gain on disposal of approximately \$200,620 will be recognised in the year ended 30 June 2022.

The sale of land to the Cawthron Institute Trust is part of a broader plan to develop a Science and Technology Precinct on Port land.



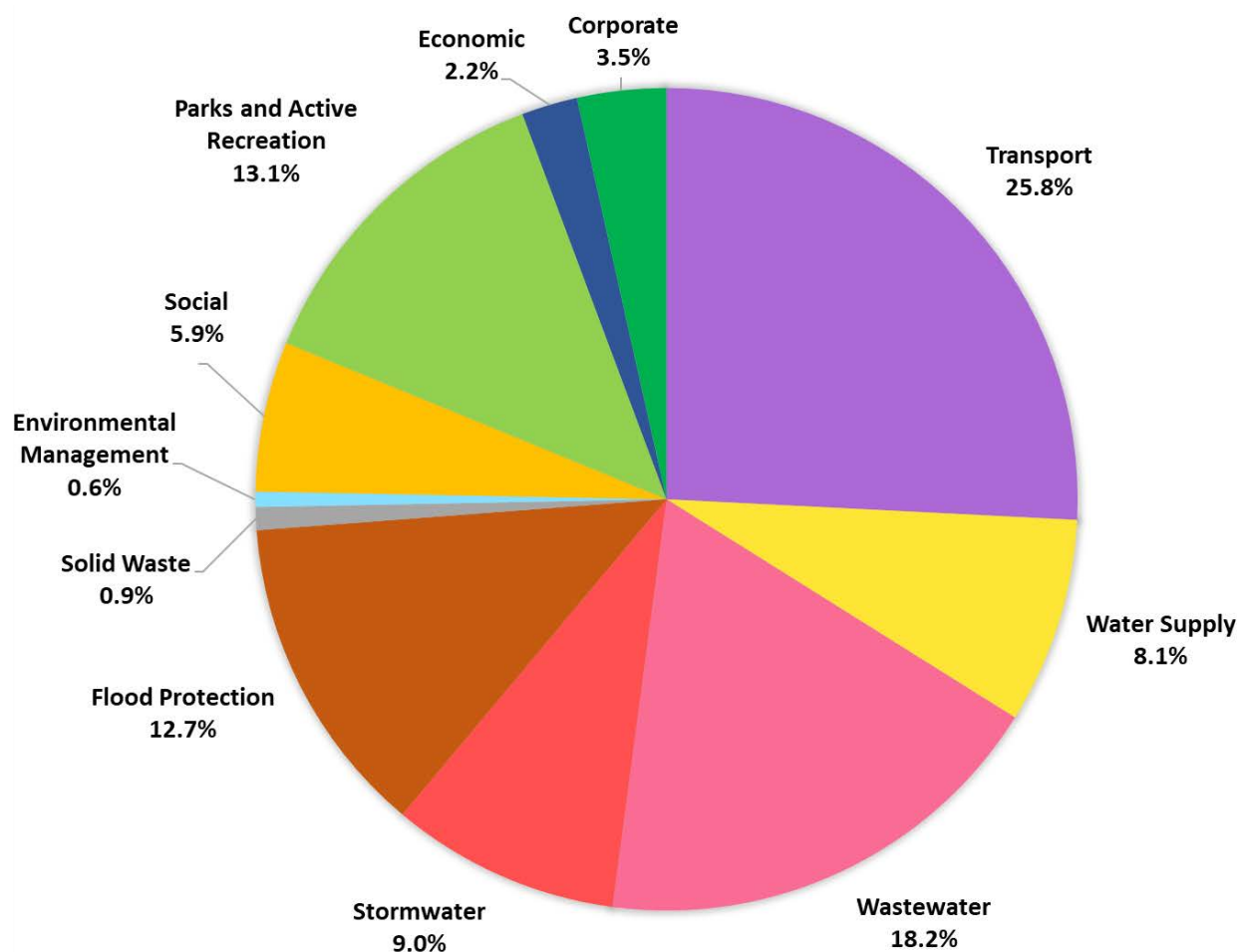
EXPENDITURE SUMMARY

How your rates dollar was spent:



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

COUNCIL'S CAPITAL EXPENDITURE:



PERFORMANCE OF COUNCIL CONTROLLED ORGANISATIONS

HINONGA KAUNIHERA

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



CONTACT US WHAKAPĀ MAI



Visit: Civic House,
110 Trafalgar Street,
Nelson



Post: PO Box 645,
Nelson, 7040



Email:
enquiry@ncc.govt.nz



Phone:
03 546 0200



Online at
nelson.govt.nz

COUNCIL CUSTOMER SERVICE CENTRE

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

FOR A COPY OF FULL ANNUAL REPORT 2020/21

A copy of the full Annual Report 2020/21 is available online at nelson.govt.nz, at all Council Libraries, and from the Customer Service Centre.



CORRESPONDENCE

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

ATTEND A COUNCIL MEETING

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

PUBLIC FORUMS

There is a Public Forum at the beginning of most ordinary Council meetings where up to five minutes will be available for members of the public to speak to Council. You need to book a time before the meeting by contacting a Council Governance Adviser on 03 546 0436.

PETITIONS

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





Civic House, 110 Trafalgar St, Nelson
PO Box 645, Nelson, 7040
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03 546 0200

nelson.govt.nz