



Nelson City Council
Te Kaunihera o **Whakatū**

OPEN

MINUTE ITEM

ATTACHMENTS

**Ordinary meeting of the
Nelson City Council**

Te Kaunihera o Whakatū

**Thursday 26 October 2023
Commencing at 9.00a.m.
Council Chamber**

Floor 2A, Civic House

110 Trafalgar Street, Nelson

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Annual Report updates post final agenda publication

Page	Change					
6	Updated page numbers					
8	Updated 26 October 2023 to 31 October 2023					
15	Updated page numbers					
21	<p>Wording updated:</p> <table border="1"> <tr> <td> <p>Accessibility Providing transport choices via public transport and efficiency to maximise movement of people via public transport.</p> </td> <td> <p>Annual number of bus patrons*</p> </td> <td> <p>Target to be informed by the public transport review† 2022/23 target is 503,000.‡</p> </td> <td> <p>A total of 454,943 trips were taken on the public transport system in the last financial year.¶ ¶ This represents a 42% increase from the patronage in the 2021/22 financial year, where the target was 488,000. It does not meet the 2022/23 target of 503,000 as per the Nelson-Tasman Regional Public Transport Plan 2021-31.‡</p> </td> <td style="background-color: #f4a460;"> <p>Not achieved.</p> </td> </tr> </table>	<p>Accessibility Providing transport choices via public transport and efficiency to maximise movement of people via public transport.</p>	<p>Annual number of bus patrons*</p>	<p>Target to be informed by the public transport review† 2022/23 target is 503,000.‡</p>	<p>A total of 454,943 trips were taken on the public transport system in the last financial year.¶ ¶ This represents a 42% increase from the patronage in the 2021/22 financial year, where the target was 488,000. It does not meet the 2022/23 target of 503,000 as per the Nelson-Tasman Regional Public Transport Plan 2021-31.‡</p>	<p>Not achieved.</p>
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97	Page number reference updated					
197	<p>Wording updates/changes in red:</p> <p>Service performance reporting judgements</p> <p>Council needs to comply with a new Accounting Standard (PBE FRS 48) on service performance reporting, which became effective for reporting periods beginning on or after 1 January 2022. The new standard requires the disclosure of judgements used in the selection, <u>measurement</u> and aggregation of service performance information in Council's Annual Report 2022/23, <u>even though it became effective part way through the 2022/23 financial year.</u></p> <p>In the preparation of the performance framework in the <u>Long Term</u> Plan 2021-2031 and the Annual Plan 2022/23, Council has made the following judgments in the selection of our service performance measures:</p> <ul style="list-style-type: none"> • We have reflected on the extent to which the levels of service we planned to provide to the community were best captured by performance <u>measures</u> • We have retained the levels of service and performance measures consulted on with our community during the preparation of the <u>Long Term</u> Plan 2021-2031, and these were carried through into the Annual Plan 2022/23. They <u>are</u>, therefore, the ones Council needs to report against in this Annual Report 2022/23 • We have analysed the levels of service and performance measures and noted areas where we will propose improving them during the upcoming <u>Long Term</u> Plan 2024-2034 and consult with our community on them through that process • We have surveyed our community on how we are going against some of the performance measures through our residents' survey, and have considered the views and feedback expressed by our <u>residents</u> • We have ensured that the performance measures adequately inform progress towards delivering the outcomes in Council's <u>Long Term</u> Plan. <p>The performance framework links to Council's vision and community outcomes and these can be found in the Long Term Plan 2021-2031 http://www.nelson.govt.nz/assets/Our-council/Images/plans-strategies-policies/long-term-plans/ltp-2021-31/Long-Term-Plan-2021-31-FINAL-FOR-WEB-04-August-2021-updated23March22.pdf</p>					
198	Wording updates/changes in red:					

	<p>Material judgements</p> <p>Material judgements have been applied as follows:</p> <p>Surveys</p> <p>To measure the quality of our outputs, we use residents and occasional customer surveys to obtain customers, citizens and community views on Council services and their experiences with Council. This helps us to assess the quality of the service provided (e.g. Residents' survey 2022/23, Shape Nelson surveys, Flood Level survey, Event Audience survey, Effective Engagement and Road Roughness surveys).</p> <ul style="list-style-type: none"> • These surveys are designed by in-house or external research experts, based on best practice in survey design. They have also been designed to measure changes in perception of service delivery over time. Where neutrality is important, these surveys are independently run (e.g. Key Research) and the analysis from these surveys is used to improve our processes and inform future service level improvements. We balance our measure of service delivery with supplemented direct measures of the quality of our service, which measures the direct observation of the service delivery, this type of measurement is more objective and easily quantifiable • Survey sampling (i.e. recruitment of participants) is conducted in a way that maximises the representativeness of respondents ensure results are representative of the population of interest. Statistical significance testing is used, where appropriate, to assist in identifying meaningful results. Where there is uncertainty in survey results due, for example to sampling error, this is often quantified and stated alongside the results. To minimise the risk of under representative sampling, best practice market research techniques are used across the spectrum of research including statistical weighting of the sampled population to ensure census level representation, we spread our surveys out across the year to reduce likelihood of causing survey fatigue. In addition, questionnaires are regularly reviewed to ensure best practice and fit for purpose. 																														
201	<p>Table now included:</p> <p>PERFORMANCE TARGETS – PORT NELSON LTD</p> <p>As set out in the table below, Port Nelson achieved 52% of the 25 performance measures set out in its Statement of Intent.</p> <table border="1" data-bbox="459 1084 1378 1664"> <thead> <tr> <th>Area</th> <th>Performance Measure</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Customers</td> <td>Cargo volumes revenue tonnes (000)</td> <td>3,308</td> <td>3,245</td> </tr> <tr> <td>Container throughput TEU (000)</td> <td>114</td> <td>105</td> </tr> <tr> <td>Vessel visits (greater than 100 GRT)</td> <td>781</td> <td>769</td> </tr> <tr> <td><u>QuayConnect</u> revenue growth (\$m)</td> <td>1.5</td> <td>5.7</td> </tr> <tr> <td>Average container crane rate per hour</td> <td>>20</td> <td>18.9</td> </tr> <tr> <td>Improved container truck waiting time (mins)</td> <td><15</td> <td>14.7</td> </tr> <tr> <td rowspan="2">Environment</td> <td>Gross reduction on FY19 scope 1 and 2 carbon emissions</td> <td>15%</td> <td>14%</td> </tr> <tr> <td>Gross reduction on FY19 levels in scope 3 carbon emissions (PNL originated)</td> <td>80%</td> <td>72%</td> </tr> </tbody> </table>	Area	Performance Measure	Target	Result	Customers	Cargo volumes revenue tonnes (000)	3,308	3,245	Container throughput TEU (000)	114	105	Vessel visits (greater than 100 GRT)	781	769	<u>QuayConnect</u> revenue growth (\$m)	1.5	5.7	Average container crane rate per hour	>20	18.9	Improved container truck waiting time (mins)	<15	14.7	Environment	Gross reduction on FY19 scope 1 and 2 carbon emissions	15%	14%	Gross reduction on FY19 levels in scope 3 carbon emissions (PNL originated)	80%	72%
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202	Table updated:																														

	Port's significant noise event >89dBh & events >85dbH (at monitor)	0 & 5	0 & 15
	Dust events external complaints	0	0
	Port substance spills >10L reach harbour	0	0
People	High risk events	<=2	1
	Lost time injuries (LTI) greater than 5 days off work	<=2	17
	Lost time injury frequency rate (LTIFR)	<=1.3	3.54
	Critical risk verification reviews	44	44
	Visible safety leadership events	400	406
Community	Utilisation of Slipway – Calwell	85% or 312 days	84%
	Sponsorship (% of underlying NPAT)	>1.2%	1.3%
	Dividend \$ (%underlying NPAT) ex. property revaluations and one-offs	4.0 (51%)	4.0m (52%)
Shareholders	Underlying revenue	\$76.8m	\$82.9m
	Underlying earning before interest rates and taxes	\$12.8m	\$13.9m
	Underlying net profit after tax	\$7.8m	\$7.7m
	Underlying return on assets	2.0%	2.0%
	Underlying return on equity	2.9%	2.8%
	Gearing	21.9%	20.1%
203	Original:		

	Reduced carbon emissions year on year (adjusted for COVID)	Reduce carbon emission compared with 2021 (normalised against revenue) 2020 = 3.17t per \$100k Revenue 2021 = 3.06t per \$100k Revenue	Achieved				
		25% carbon reduction compared to 2020 (normalised against revenue)	Not Measured				
Table figures updated:							
¶ Quality-of-Service	Reduced carbon emissions year on year (adjusted for COVID)	Reduce carbon emission compared with 2022 (normalised against revenue)¶ 2022 = 2.88t per \$100k Revenue¶ 2023 = 2.24t per \$100k Revenue¶	Achieved				
		25% carbon reduction compared to 2020 (normalised against revenue)	On-track-to-Achieve				
204	Original: <div style="border: 1px solid black; padding: 2px;"> The Pulse survey is performed every two years. The result for 2021 was achieved. </div> Disclosure updated: <div style="border: 1px solid black; padding: 2px;"> *Customer Satisfaction Survey is performed every 2 years. **Administered internally, Pulse Survey response rate of 34% in 2023 (2021:55%) ***Employee Turnover – this has significantly improved from 2022 with the implementation of our new Values and ongoing improving Culture. ****Non NCC Work – Company resources were reprioritised from other customers to support the NCC Flood response and clean-up efforts. *****EBIT Return on Equity – the relatively high proportion of Capital is invested in Land and Buildings reduces Nelmac's overall Return on Equity compared with peers but provides the Company with long term security to operate. </div>						
204	Original: <table border="1" data-bbox="450 1541 1343 1653"> <tr> <td data-bbox="450 1541 609 1653"> Non-shareholder Business </td> <td data-bbox="609 1541 928 1653"> Profitable growth in non-NCC work </td> <td data-bbox="928 1541 1184 1653"> Profitable year on year growth in non-NCC work from 2021 to 2022 </td> <td data-bbox="1184 1541 1343 1653"> Not achieved </td> </tr> </table> Years updated:			Non-shareholder Business	Profitable growth in non-NCC work	Profitable year on year growth in non-NCC work from 2021 to 2022	Not achieved
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