Nelson City Council
Te Kaunihera o Whakatū

Your wellbeing, Nelson's future
Oranga Tonutanga



Nelson's Long Term Plan 2021-2031



Contents

Mayor's Foreword 4

Audit Opinion 7

Quick Guide 11

Introduction 13

Rates and charges 16

What we have considered 19

Council's Vision, Priorities and Outcomes 21

Community Outcomes 22

Our Priorities 24

Climate change 26

Statement on Fostering Māori Participation in Council Decision Making 27

Significance and Engagement Overview 29

Regional issues and Tasman District Council shared services 31

Major changes following consultation 34

Financial Strategy 37

Council Activities 53

- Transport 55
- Water Supply 74
- Wastewater 90
- Stormwater 104
- Flood Protection 116
- Solid Waste 128
- Environment 138
- Social 152
- Parks and Active Recreation 168
- Economic 182
- Corporate 190

Accounting Information 203

Accounting Policies 204

Significant Forecasting Assumptions 216

Financial Statements 226

Statement of Comprehensive Revenue and Expense 226

Statement of Changes in Net Assets/Equity 228

Statement of Financial Position 230

Cash Flow Statement 234

Financial Reserves Estimates 238

Report on Financial Prudence 240

Funding Impact Statement 245

Reconciliation between the Surplus in the Statement of Comprehensive Revenue and Expense and Surplus (Deficit) of operating funding in the Funding Impact Statement 258

Commercial wastewater charge – trade waste charges 260

Revenue and Financing Policy 262

Rates Remission Policy 295

Rates Postponement Policy 304

Council Controlled Organisations 305

Variance from Waste management and minimisation plan and Water and sanitary services assessment 309

Appendices 311

Infrastructure Strategy 312

Policy on Development Contributions 2021 418

Significance and Engagement Policy 486

Council committees and portfolios 491

Council management structure 494

Glossary 496

Map of Nelson City Council boundaries 498

Contact us 499

Mayor's Foreword
Kupu Whakataki



Nāu te rourou, nāku te rourou, ka ora ai te iwi

With your basket and my basket, we will sustain everyone

Kia ora koutou

This is a Long Term Plan with your wellbeing and Nelson's future at its heart.

We live in an extraordinary location, a Smart Little City that celebrates the contributions of a resilient, creative, and diverse community. However, the last few years have brought a range of challenges that have tested our mental and physical health; cyclones, forest fires, and COVID-19. Each has impacted Nelson's social, economic, cultural, and environmental wellbeing and changed the lives of many.

That is why wellbeing is our focus for the next ten years. Our community's wellbeing is a factor that runs through all the plans detailed in the pages ahead.

Our Long Term Plan sets out a vision for our City and where we want to be in 10 years. We have listened to the feedback you have given us through previous Annual Plans, Long Term Plan pre-engagement, submissions and hearings, and have included the things you have told us are important to you in this Plan. However, we also need to consider rates affordability and debt levels, so some of the things you have asked for have not been possible to include or are occurring in later years.

The consistent messages we have heard include; providing support to alleviate the housing crisis, taking proactive action on climate change, providing improved facilities, and continuing our work to ensure our core infrastructure is resilient and meets growing demand. You asked us to revitalise our City Centre, care for our environment and encourage employment in our region in the wake of COVID-19.

Our decision-making concluded with strong support for our vision - Nelson - A Smart Little City - He Tāone Tōrire a Whakatū. The priorities and projects to help deliver that vision are set out in this Long Term Plan.

This Long Term Plan highlights Council's commitment to building effective, lasting, and genuine partnerships with all eight Te Tau Ihu iwi at both operational and governance levels. It's important that we continue on this journey to achieve a partnership of strength that will benefit our entire community.

We want to be a good partner to the many organisations we work alongside and support. The award-winning efforts of Project Kōkiri, the region's collaborative economic and social response that is navigating the impacts of COVID-19, deserve special mention. The word Kōkiri means to move forward together, and that is what we are doing in a well organised and agile way across Nelson Tasman.

And what better way to support that recovery than the creation of a new Science and Technology Precinct that has the potential to house 1000 'knowledge workers' in close proximity to our City Centre. Council has provided $5.5 million of financial support to help the Cawthron Institute and Port Nelson get this joint project underway.

The Precinct will support the work we have underway to improve the City to Sea connection and contribute to economic development opportunities. The involvement of Nelson's Cawthron Institute, with its 100 years' of experience delivering world-class science, will blaze a trail for a range of national and international tenants.

In our work we are guided by the concept of Tūpuna Pono (being good ancestors) and have tomorrow in mind when we decide how to act today. That philosophy is at the heart of our work and is particularly relevant when we consider our climate change response.

After declaring a Climate Emergency in 2019, we are at a point where Council's climate change response is embedded into all of Council's decisions. Climate change considerations are a critical part of our decision-making process from the word 'go'.

This also means supporting our community through targeted funding of groups like the Nelson Tasman Climate Forum and Businesses for Climate Action to help local businesses, and the community, make the changes necessary to achieve these goals.

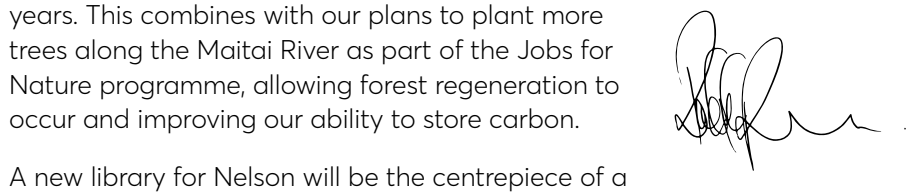
Tackling invasive pest plants on our reserves is another focus, with $11.5 million allocated over ten years. This combines with our plans to plant more trees along the Maitai River as part of the Jobs for Nature programme, allowing forest regeneration to occur and improving our ability to store carbon.

A new library for Nelson will be the centrepiece of a revitalised riverside, expanding the reach of our City Centre and connecting the City to the Sea. Our community will benefit immensely from a climate-resilient building that will hold more public events, showcase our substantial collection, and increase the ways people can expand their horizons.

We are also continuing the momentum by renewing and upgrading our core infrastructure. Major infrastructure investments include upgrading the Awatea Place wastewater pump station, the final stage of the Saxton Creek flood protection project and the Atawhai Rising Main wastewater upgrade. Adjusting our infrastructure programme to bring forward renewals will help create well-paid jobs while also improving our resilience to the heavy rain events we are likely to see more of due to climate change. There is $496 million invested in transport and utility projects over the life of the Plan, a top priority at 73% of Council's total capital expenditure.

This Long Term Plan sets out a busy but deliverable programme focussed on our priorities. But ultimately, at the heart of all these projects are our people. A great city is made by great people, and Nelson has those by the bucketload. By focussing on our wellbeing, I am confident of a bright future for Nelson Whakatū.

Ngā mihi nui



Rachel Reese
Mayor of Nelson: *Te Koromatua o Whakatū*





Audit Opinion
Whakaaro Arotake

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader:

Independent Auditor's report on Nelson City Council's 2021-2031 long-term plan

I am the Auditor-General's appointed auditor for Nelson City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 29 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
    - long-term, integrated decision-making and co-ordination of the Council's resources; and
    - accountability of the Council to the community; and
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 240 to 244 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matter – Uncertainty over three waters reforms

Without modifying out opinion, we draw attention to the disclosure on page 221 outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



John Mackey
Audit New Zealand
On behalf of the Auditor-General, Christchurch, New Zealand



Quick Guide
Aratohu tere

Welcome to Nelson City Council's Long Term Plan 2021-31. This outlines the activities and services Council is planning to fund over the next 10 years.

The Plan has four sections:

Introduction

This includes Council's vision for Nelson and the outcomes we aim to achieve over the next 10 years, the rates we need to collect to fund the work programme and how we will consult and work with others as we implement this plan.

Find out more on page 13

Activities

Council's work programme is divided into 11 activities. This section explains what is to be delivered by each activity, the key projects, challenges, and costs.

Find out more on page 53

Council's financial year runs from 1 July to 30 June the following year. Throughout the text dates are formatted as 2021/22, for example, shorthand for 1 July 2021 to 30 June 2022.

Accounting information

This includes how rates are set, comprehensive income, changes in equity, the balance sheet, cashflows, financial contributions, reserve funds and Council's revenue and financing policy.

Find out more on page 203

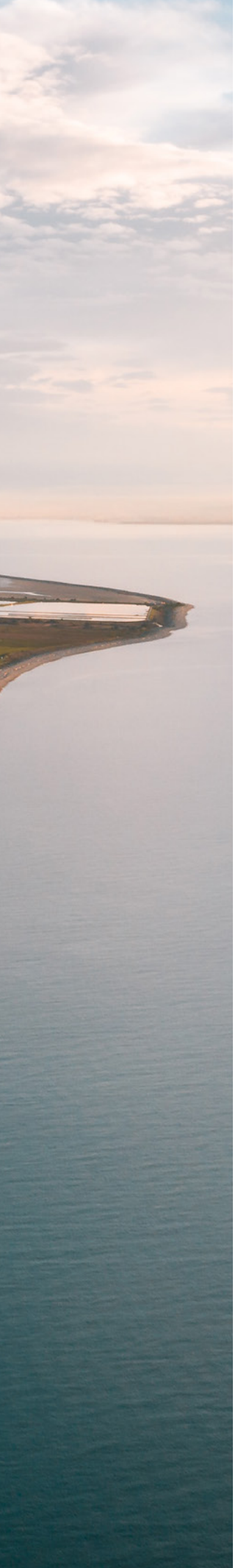
The Appendices

These include the Infrastructure Strategy, Policy on Development Contributions and the Significance and Engagement Policy. They also give an overview of the governance and management structure of Council and provide a Glossary to help explain technical terms.

Find out more on page 310

Introduction





Introduction

Rates and Charges 16

What have we considered 19

Council's Vision, Priorities and Outcomes 21

Community Outcomes 22

Our Priorities 24

Climate change 26

Statement on Fostering Māori Participation in Council Decision Making 27

Significance and Engagement Overview 29

Regional issues and Tasman District Council shared services 31

Major changes following consultation 34

Financial Strategy 37



Introduction
Kupu Whakataki

Every three years we develop a Long Term Plan for our City. This Plan looks at the next 10 years, with a more detailed focus on the first three years, and outlines what Council aims to achieve, how much it will cost and how the activity will be paid for.

We have thought carefully about the feedback we have heard from the community on a broad range of issues, including through the pre-engagement and consultation process. Council consulted on the Long Term Plan through its Consultation Document. Consultation took place over a four and a half week period between 22 March and 21 April 2021. 649 submissions were received over that period, as well as 20 late submissions, with 136 people speaking to their submissions at hearings on 4, 5 and 6 May 2021. Your input has influenced our decisions in this document. It has also helped guide our financial planning and how much money we think needs to be spent to achieve the outcomes you have told us are important to you.

The financial information in this Long Term Plan is forecast information based on assumptions about what Council reasonably expects to occur. Significant assumptions are included in the Accounting Information section (page 203). Each activity section also outlines the assumptions specific to that activity.

Between three yearly reviews, Council produces an Annual Plan outlining activities and services for one year. At the end of each financial year Council produces an Annual Report, which records what Council actually did, compared with what it was planning to do (as set out in the Long Term Plan and Annual Plan).

This Long Term Plan can be viewed and downloaded online at **nelson.govt.nz** and hardcopies can be requested from our Customer Service Centre. You can also view hardcopies of this Plan at Nelson Public Libraries.



About Nelson City Council

Nelson City Council is one of six unitary authorities in New Zealand. This means we have the combined responsibilities of both a district and regional council – involving the management of the environment, as well as delivering local services.

Nelson City Council has 12 elected members and a Mayor. Elections are held every three years, with the next election scheduled for 8 October 2022. As at 31 March 2021, Council had 288 full-time equivalent employees, made up of 324 full-time and part-time staff across 22 business units.

Council owns more than $1.7 billion of assets, and in 10 years this is projected to be $2.5 billion. Approximately $193 million is spent each year to help make Nelson an even better place for everyone.

Achieving our Vision

Council has reflected on what is important to achieving our vision for Nelson and the financial challenges in creating and maintaining assets over the next 10 years. Council is focused on delivering core infrastructure projects, maintaining existing networks, and providing infrastructure to meet Government requirements.

Rates and Charges
Ngā Reiti me ngā Utu



General rates are forecast to increase by an average of 5.2% over the 10 years of this Long Term Plan, with a maximum increase of 5.7% in any one year (year 1). For more on the rates and charges, refer to the Financial Strategy (page 37) and Funding Impact Statement (page 245).

Using the estimates and projections Council has developed, the table following shows how rates and charges will look for the 2021/22 year.

What will my rates be?

Average overall increases in rates in the first three years, adjusting for the impact of growth, will be 5.7%, 5.4% and 5.0% respectively. Over the next seven years, the overall increase in rates required including growth, would average 5.1%. Council has set itself a cap on the overall increase in rates required each year of the Local Government Cost Index plus 2.5%.

This increase includes an assumption of 0.7% in year 1 and 0.6% growth in the rating base from years 2 -10 of the Long Term Plan.



Examples of total impact of general and targeted rates on different land uses and values (GST inclusive)

Property Type	2018 Land Value	2020/21 Rates	2021/22 Rates							
			General Rate	UAGC	Storm-water/ Flood Pro-tection	Waste water	Water Annual Charge	Total Rates	% increase on 2020/21	$ increase on 2020/21
Residential	$147,000	$2,212	$832	$429	$385	$502	$203	$2,351	6.29	$139
	$160,000	$2,280	$905	$429	$385	$502	$203	$2,425	6.37	$145
	$175,000	$2,357	$990	$429	$385	$502	$203	$2,510	6.45	$152
	$220,000	$2,591	$1,245	$429	$385	$502	$203	$2,764	6.67	$173
	$275,000	$2,877	$1,556	$429	$385	$502	$203	$3,075	6.89	$198
	$315,000	$3,085	$1,782	$429	$385	$502	$203	$3,302	7.02	$217
	$370,000	$3,371	$2,094	$429	$385	$502	$203	$3,613	7.18	$242
	$400,000	$3,527	$2,263	$429	$385	$502	$203	$3,783	7.25	$256
	$435,000	$3,709	$2,461	$429	$385	$502	$203	$3,981	7.33	$272
	$495,000	$4,021	$2,801	$429	$385	$502	$203	$4,320	7.45	$300
	$650,000	$4,826	$3,678	$429	$385	$502	$203	$5,197	7.69	$371
	$800,000	$5,606	$4,527	$429	$385	$502	$203	$6,046	7.85	$440
Multi Residential (Two flats - Two UAGC & Wastewater Charges)	$320,000	$4,390	$1,992	$858	$385	$1,005	$407	$4,646	5.83	$256
	$1,100,000	$8,649	$6,846	$858	$385	$1,005	$203	$9,297	7.50	$649
Empty Residential Sec-tion (Water annual charge included if water meter is installed)	$113,000	$1,357	$639	$429	$385			$1,453	7.06	$96
	$295,000	$2,504	$1,669	$429	$385		$203	$2,686	7.29	$182
	$560,000	$3,881	$3,169	$429	$385		$203	$4,186	7.85	$306
Small Holding (Water an-nual charge included if water meter installed)	$370,000	$2,501	$1,884	$429	$385			$2,698	7.89	$196
	$520,000	$3,403	$2,648	$429	$385		$203	$3,665	7.70	$262
Rural (Water annual charge included if water meter installed)	$920,000	$3,543	$3,384	$429				$3,813	7.63	$269
	$2,140,000	$7,865	$7,871	$429			$203	$8,503	8.12	$638
Commercial - Outside Inner City / Stoke - 1 Unit	$475,000	$8,103	$7,359	$429	$385	$126	$203	$8,502	4.92	$399
Commercial - Outside Inner City / Stoke - 1 Units	$530,000	$8,915	$8,211	$429	$385	$126	$203	$9,354	4.92	$439
Commercial - Outside Inner City / Stoke - 3 Units	$205,000	$4,671	$3,176	$858	$385	$251	$203	$4,873	4.34	$203
Commercial - Stoke - 1 Unit	$44,000	$1,556	$703	$429	$385	$126	$0	$1,642	5.53	$86
Commercial - Inner City - 2 Units	$365,000	$7,403	$6,059	$858	$385	$251	$203	$7,756	4.77	$353
Commercial - Inner City - 2 Units	$415,000	$8,191	$6,889	$858	$385	$251	$203	$8,586	4.82	$396
Commercial - Inner City - 1 Unit	$1,450,000	$23,967	$24,069	$429	$385	$126	$203	$25,211	5.19	$1,244

This table does not include water charges based on consumption. For occupied residential properties, this is charged at $2.038 per cubic meter and an average useage of 160 m^3 costing $326.08 (GST Incl).



What have we considered when creating this Long Term Plan?

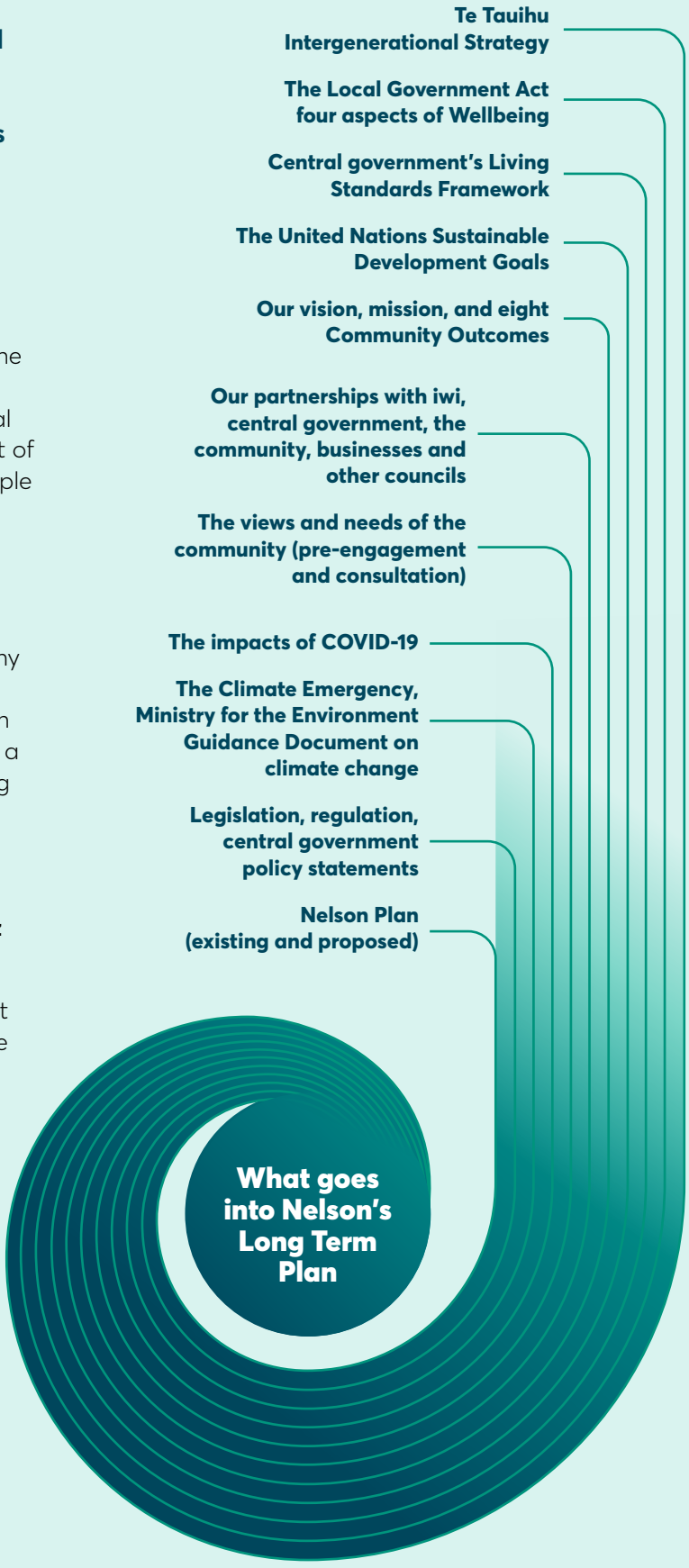
We all want to see Nelson flourish, and for everyone who calls Nelson home to love living here. While that goal underpins the decisions Council makes every day, we also take many other factors into consideration.

An overarching framework that guides our thinking is the *Te Tauihu Intergenerational Strategy,* developed over the last two years through comprehensive engagement with the people and communities at the top of the South Island (Te Tauihu). This is 'Our Regional Strategy for Our People and Place', the start of the design of the future we want as the people of Te Tauihu.

The partnership that built the Strategy was convened by Wakatū Incorporation, in collaboration with ngā iwi o Te Tauihu, the three councils, central government, and many other community and business groups. It developed a strategy that supported a vison – 'Tūpuna Pono, To Be Good Ancestors'. It is a new way of thinking about and approaching regional development, ensuring we leave a legacy we can be proud of.

You can find out more about Te Tauihu Intergenerational Strategy here: **tetauihu.nz**

There are many other important processes, requirements, and guidance documents that we reference. They help us make sure we are honouring our partnership agreements, being good kaitiaki (guardians) of our land and resources, meeting the standards set by central government, and ensuring that the decisions we make today don't negatively impact future generations. We also need to make sure we are being financially responsible, and don't burden future generations with too much debt – this is all part of being good ancestors.





Council's Vision, Priorities and Outcomes
He Whakakitenga, He Whakaarotau

Vision

He Tāone Tōrire a Whakatū

Nelson — A Smart Little City



Mission

We shape an exceptional place to live, work and play

Community Outcomes

- Our unique natural environment is healthy and protected
- Our urban and rural environments are people friendly, well planned and sustainably managed
- Our infrastructure is efficient, cost effective and meets current and future needs
- Our communities are healthy, safe, inclusive and resilient
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity
- Our communities have access to a range of social, educational and recreational facilities and activities
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement
- Our region is supported by an innovative and sustainable economy

Council Priorities

- Infrastructure
- Environment
- City Centre development
- Housing affordability and intensification
- Maitai River Precinct
- Creating a sustainable transport culture

Community Outcomes
Ngā Putanga Hapori

Our eight community outcomes are broad, long term goals that guide our overall direction, and are aligned with those of Tasman District Council to ensure a consistent regional approach. Each Council works towards achieving the outcomes in different ways, reflecting their unique communities.

Our unique natural environment is healthy and protected

Ko tō tātou taiao e hauora ana, e tiakina ana

Nelson is a place of stunning natural beauty and we treasure, protect and restore our special places, landscapes, native species, and natural ecosystems. Our open spaces are valued for recreation and we welcome the many visitors who want to experience our extraordinary natural environment. We recognise the kaitiakitanga (guardianship) role of tangata whenua iwi.

Our urban and rural environments are people friendly, well planned and sustainably managed

Ko ō tātou taiao ā-tāone, ā-taiwhenua e hoahoa ana ki te tangata, kua pai te whakamahere, e toitū ana te whakahaere

Nelson is a well-planned region with a carefully managed urban intensification and a clear urban/rural boundary. The buoyant city centre is celebrated for its distinctive boutique character. Our easy city to sea access provides locals and visitors with a world-class waterfront experience. We work with our partners to support the development of a range of affordable, healthy and energy-efficient housing in our residential areas. Good urban design and thoughtful planning create safe, accessible public spaces for people of all ages, abilities and interests.

Our infrastructure is efficient, cost effective and meets current and future needs

Ko ō tātou hanganga he pai, he pai te utu, he mea whakatutuki i ngā hiahia o nāianei, o muri ake hoki

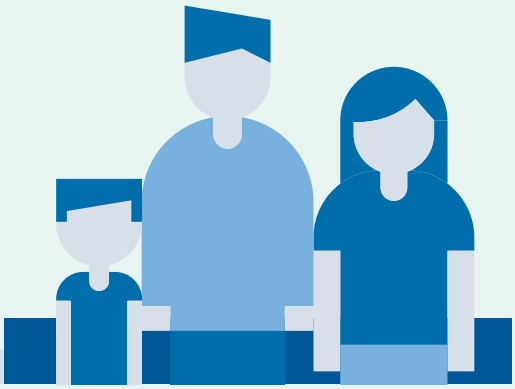
Nelson City relies on its good quality, sustainable, affordable and resilient infrastructure network which supports a growing population and strong regional economy. The community is proud of the many active transport options available and the effective public transport system. We invest in wastewater, stormwater, solid waste and flood protection networks to keep our people safe and healthy, the environment protected and the economy flourishing.

Our communities are healthy, safe, inclusive and resilient

Kō ō tātou hapori e hauora ana, e haumaru ana, he mea whakauruuru, he aumangea hoki

Nelson is a city of strong, and connected people and communities who live, work and play together. We support each other to build individual and community resilience. Our community works in partnership to understand, prepare for and respond to the impacts of natural hazards. We take pride in the warm welcome we give to our visitors and new arrivals and work together to see that our people are safe, and their diversity supported.

Community Outcomes
Ngā Putanga Hapori



Our communities have opportunities to celebrate and explore their heritage, identity and creativity

Kei ō tātou hapori ngā ara hei whakanui, hei torohē i ō rātou taonga tuku iho, tuakiri, auahatanga hoki

We are proud of, and celebrate, our history and heritage and how that contributes to our identity. We have a strong sense of community, enhanced by the wide range of arts, cultural and sporting opportunities on offer.

Our region is supported by an innovative and sustainable economy

Kei te tautokona tō tātou rohe e tētahi ohaoha toitū, auaha hoki

Nelson is a business-friendly City and the commercial centre of Te Tau Ihu, the top of the South Island. Economic activity is sensitive to the environment, heritage and people of Nelson. We are skilled and adaptable, and we see the benefits of high-value industries and businesses. We enjoy a range of employment, education and training opportunities and take pride in being a city where youth can live, learn and work. Innovation and achievement are recognised and celebrated by our community.

Our communities have access to a range of social, educational and recreational facilities

E āhei ana ō tātou hapori ki te whānuitanga o ngā hanganga ā-pāpori, ā-mātauranga, ā-rēhia hoki

Nelson has developed high quality sport and recreation facilities for all ages. There are educational and leisure opportunities for the whole community to enjoy. We protect, enhance and celebrate Nelson's human heritage and historic sites.

Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement

Kei te tuku tō tātou Kaunihera i te ārahitanga, kei te whakatītina hoki i ngā ngātahitanga, i te tirohanga ā-takiwā, i te tūhononga ā-hapori hoki

Our leaders understand our community, are confident in our future, know how to drive success and to work with others to tackle the big issues facing Nelson. Council leaders are strongly connected to our people and mindful of the full range of community views and of the generations that follow. Residents have the opportunity to participate in major decisions and information is easy to access. We support and mentor our young people to be our leaders of the future.

Our Priorities
Ko ō tātou whakaarotau tuatahi

Infrastructure
Te tūāpapa

Infrastructure is about people – our lives, health and wellbeing ultimately depend on it. Infrastructure is critical to the wellbeing of the City, the Nelson Region, its residents, and visitors. Continuing our significant levels of investment in Nelson's core infrastructure is of fundamental importance to Council. Despite being largely unseen, our infrastructure provides the foundation for our city to develop, grow, thrive, and meet central government requirements.

Environment
Te Taiao

Nelson's stunning natural environment is treasured by residents and visitors alike – it is part of what makes Nelson an extraordinary place. A healthy environment is essential to our health and wellbeing and we all have a duty to care for it. The challenge of climate change has made this work all the more important.



City Centre development
Te Whakahou Tāone

The activation and revitalisation of our City Centre is focussed around Six Key Moves that Council has developed to address the significant transformative opportunities in Nelson City: Destination Nelson, Walkable Nelson, Blue-Green Heart, Smart Development, Liveable Centre, and Clever Business.

That transformation will be guided by a spatial plan to define the changes needed to make sure that our city centre meets everyone's needs, now and in the future.

The plan will create a people-focused, place-based vision for the city centre that attracts investment, residents, talent, thriving business, families, and events – the foundations of A Smart Little City.

Housing affordability and intensification
Te āhei o te utu ā-Whare me te whakapiki

Housing is one of the most basic needs for people, and stable housing is linked to positive economic, educational, and social outcomes for individuals and communities. The lack of affordable housing is one of the most significant challenges facing the Nelson region. Council will continue to work with others, including central government, the private sector, and community groups, to address the housing crisis.

Our Priorities
Ko ō tātou whakaarotau tuatahi



Maitai River Precinct
Te Awa o Mahitahi

Key to establishing Nelson as a dynamic destination, a Smart Little City should grow into the future with a series of legible precincts that link our mountains to the sea and Maitai River. Council is investigating opportunities to develop the Maitai River Precinct with new spaces for people to enjoy, particularly through the development of a new library and adjacent civic plaza. Council's vision for the site is to link the river to the heart of Nelson City, and for the adjacent land to be a focal point for the community.

Creating a sustainable transport culture
Te hanga i tētahi ahurea ikiiki toitū

Council is encouraging the community to transition to more sustainable modes – choosing active transport (including walking, cycling, skateboarding, riding scooters), and public transport more often for their journeys. This will support social and environmental wellbeing and reduce the City's greenhouse gas emissions.

Climate change
Te Panoni Āhuarangi

The lens through which all work programmes are considered.

Responding to climate change is our biggest global challenge. We have less than a decade to accelerate our emissions reductions to avoid the full effects of global warming. In Nelson, projected changes to our climate will impact our economy, infrastructure, natural environment, lifestyles, and future.

Acknowledging the need for urgent action, Council declared a climate emergency in May 2019. Our response prioritises working in partnership with iwi, central government, business, schools, community groups, households, and individuals to improve the resilience of the Nelson region. Responding to climate change is central to Te Tauihu Intergenerational Strategy's vision of being good ancestors, as the greatest challenges will be faced by our tamariki.

The data compiled by New Zealand's Climate Change Commission demonstrates that we are already experiencing the effects of climate change and that past emissions have locked in further change. The evidence in the Commission's 2021 report to the Government shows that to limit warming to 1.5°C will require rapid emission cuts to greenhouse gases between now and 2030, then slower reductions until the end of century.

To achieve our goals the response must be multifaceted.

We need to:

- Quickly decrease our emissions to create a zero carbon future
- Consider how we live with the effects of the emissions already in the atmosphere
- Create a safe and secure future for all by implementing strategies which will allow us to both reduce future impacts and adapt to an already changing climate
- Demonstrate leadership by using evidence-based knowledge, prioritising innovation, and embracing a partnership approach.

By making smart choices over the next 10 years, including capitalising on new technology, we can improve our resilience and create a smart, sustainable City.

We see many opportunities in our climate change response because it also allows us to restore local biodiversity, build sustainable urban environments, take better care of our soil and water, promote healthy lifestyle choices, support mental health and improve wellbeing by creating connected communities within a more liveable City.



Statement on Fostering Māori Participation in Council Decision Making
Te Whakatītina i te Urunga o Ngāi Māori ki te Kaunihera

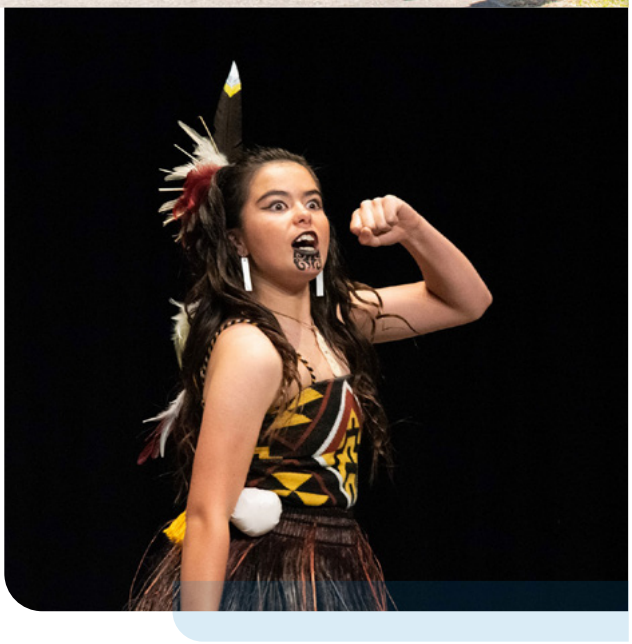
Council is committed to strengthening partnerships with iwi and Māori of Te Tau Ihu and providing opportunities for Māori involvement in Council decision-making processes in a meaningful way. This includes an intention to:

- Build genuine partnerships with all eight Te Tau Ihu iwi at governance, management and operational levels
- Support iwi to participate in local government decision-making
- Increase Council's understanding of te reo Māori me ōnā tikanga (Māori language and culture)
- Support iwi aspirations.

Some of the initiatives in place to support Māori participation in Council decision-making are listed below:

- Continuing to engage with the eight iwi of Te Tau Ihu through the following regular iwi-Council engagement hui:
  - — Iwi-Council Partnership Group to provide guidance related to governance and strategic direction
  - — Nelson City Council and Iwi Managers Forum to provide direction related to management matters
  - — Te Ohu Toi Ahurea involving iwi Cultural Managers to assist and contribute to guidance on arts and heritage
  - — Te Ohu Taiao involving iwi environmental planners to assist and contribute to guidance on environmental management
- Iwi/Māori appointments to the Environment & Climate Committee, Nelson Regional Sewerage Business Unit and the Nelson Tasman Regional Landfill Business Unit
- Make further iwi/Māori appointments to Council committees and subcommittees. In November 2020, Council resolved to establish roles to represent Māori on the Urban Development Subcommittee and the Strategic Development and Property Subcommittee; in May 2021, Council resolved to establish roles to represent Māori in the Community and Recreation Committee, Infrastructure Committee, Audit, Risk and Finance Subcommittee and the Forestry Subcommittee
- Continuing the Iwi Working Group to inform and contribute to the development of Whakamahere Whakatū – the Nelson Plan, who are working together in the interests of the whole of Nelson by:
  - — Identifying the strategic outcomes to lead the development of the Plan
  - — Identifying resource management issues of significance to iwi
  - — Considering and commenting on draft provisions to ensure adequate cultural perspective is provided and outcomes and issues identified by iwi are addressed
- Iwi representatives provide input into Council's activity management plans, as part of the development of its Long Term Plans.





Council recognises that we need to build capacity and capability to have effective and meaningful partnerships.

Key initiatives to build Council capability to engage effectively with iwi and to support iwi engagement in Council decision making include:

- Supporting staff cultural competency development through Te Kāhui Whiria, Māori Partnerships Team
- Supporting the Kaumātua in their role to provide advice to Council on te reo Māori me ōna tikanga (Māori culture and customary practice)
- Developing an Iwi-Council Partnering and Engagement Strategy
- Implementing an Iwi-Council Online Engagement Platform to enable iwi input on Council projects
- Supporting community events and activities to promote te reo Māori me ōna tikanga within the Whakatū Nelson region.

This work recognises Te Tau Ihu Treaty of Waitangi Settlement Acts 2014, including:

- Ngāti Koata, Ngāti Rārua, Ngāti Tama ki Te Tau Ihu and Te Ātiawa o Te Waka ā Mauī Claims Settlement Act, 2014
- Ngāti Apa ki te Rā Tō, Ngāti Kuia, Rangitāne o Wairau Claims Settlement Act, 2014
- Ngāti Toa Rangatira Claims Settlement Act, 2014.

The Acts outline areas of interest, including statutory acknowledgement over land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

Central government passed legislation in February 2021 to make the process for establishing Māori wards for local authorities the same as the process for general wards. Council has previously advocated for a change to this process and made a submission in support of this amendment.

In May 2021 Council resolved to establish a Māori Ward and is implementing this decision as part of its 2021 Representation Review, which will apply for the 2022 local body elections.

Significance and Engagement Overview
Te Hiranga me Tirohanga

Council engagement is an important part of Council's decision making. The Significance and Engagement Policy lets both Council and the community identify the degree of significance attached to particular decisions, to understand when the community can expect to be engaged in Council's decision making processes, and know how this engagement is likely to take place.

Determining significance

Councils must make decisions about a wide range of matters and most will have a degree of significance – but not all issues will be considered 'significant'. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs.

Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- Whether the asset is a strategic asset as listed in schedule two of this policy
- The impact on levels of service provided by Council or the way in which services are delivered
- The degree of impact on Council's debt or the level of rates it charges
- Whether the decision is reversible and the likely impact on future generations
- The impact on the community, how many people are affected and by how much
- Whether the decision or action flows from, or promotes, a decision or action that has already been taken by Council or furthers a community outcome, policy or strategy
- Is there a past history of the issue generating wide public interest within the region or is there a reasonable expectation that it would generate this interest now



- The impact on Council's financial capacity and capability.

Community engagement

The ways engagement can take place are varied and will be in proportion to the significance of the matter being considered.

There are still situations where the Special Consultative Procedure must be used under the Local Government Act 2002 or a number of other statutes.

Outside of matters where it remains mandatory for a special consultative procedure to be undertaken, Council will determine the appropriate level of engagement on a case by case basis.

In any engagement process undertaken with the community, that engagement will be in proportion to the matter being considered. When any engagement takes place, other than simply providing information, we will:

- Seek to hear a range of views on a decision
- Ask for views early in the decision making process so that there is enough time for feedback to be provided, and for this to be considered properly



- Listen and consider views in an open and honest way
- Respect everyone's point of view
- Provide information that is clear and easy to understand
- Consider different ways in which the community can share views with us
- Ensure that the engagement process is efficient and cost effective.

Council will ensure that, when conducting any engagement or consultation process in relation to a significance decision, we provide:

- Clear information on what is being proposed and why it is being proposed
- Sufficient information on which to provide meaningful feedback
- The advantages and disadvantages of each option being considered
- What impacts, if any, will occur if the proposal goes ahead
- How the community can provide its views
- The timeframe for completing the community engagement or consultation
- How submitters and participants can learn about the outcome.

Engagement with Iwi

Council's values of Māori and iwi engagement align with the Treaty principles of partnership, protection and participation. Council will:

- Implement the intent of the Local Government Act 2002
- Work to improve Māori participation in Council's decision-making process
- Provide information for effective and genuine participation in decision-making
- Endeavor to engage iwi early in decision-making processes.

The full Significance and Engagement Policy can be found on page 486 and online at **nelson.govt.nz**

Regional issues and Tasman District Council shared services

Ngā Take ā-Takiwā me ngā ratonga ngātahi ki Te Kaunihera o Te Tai o Aorere

Tasman District Council is our neighbour and many residents who live in Nelson work in Tasman District or vice versa. The councils work closely together to provide joint community benefit. In 2015 the councils jointly developed a set of Community Outcomes. Today they remain virtually identical, indicating that both councils are striving to achieve the same goals for their communities.

The collaboration between councils benefits the wider region and including by provision of better services to ratepayers, improved efficiency, and cost savings.

Examples of shared services, projects and programmes include:

- Joint ownership, for example, the Port Company and Nelson Airport
- Joint capital funding, such as for the development of Saxton Field
- Co-funding of regional services and activities, such as the Nelson Provincial Museum
- Aligning service delivery, such as shared library services
- Co-ordinated strategic planning, such as the development of consistent engineering standards
- The provision of services, such as those in place for hydrological and biosecurity functions.

Some region-wide programmes are led by one council because it has particular expertise, so specialist skills do not have to be duplicated. For example, Tasman District Council implements the Regional Pest Management Strategy.

In other cases, a shared approach benefits customer service, for example the reciprocal lending agreement allows residents to use libraries in both council areas. We also work with other councils, including Marlborough District Council on a range of issues and in areas like shared rainfall measuring sites and the Top of the South Marine Biosecurity Partnership.

Some other joint Nelson Tasman projects, programmes and services are described below, under broad operational headings.

Engineering and infrastructure

Interconnected water supply services provide enhanced security of supply for both councils, especially during an emergency situation.

Nelson City Council can currently provide a small proportion of Tasman's water supply needs but lacks the infrastructure to supply large volumes, and Tasman District Council provides water and wastewater services to some Nelson residents and businesses in Nelson South.

Cycleways between Richmond and Stoke involved the two councils working together at the design stage. The Champion/Salisbury roundabout upgrade project is another example of shared funding, planning and construction.

The Regional Land Transport Plan tells a regional story and is adopted separately by all three of the Councils in Te Tauihu. Regional public transport planning continues to involve both Nelson City and Tasman District Councils through a joint Regional Public Transport Plan.



Nelson City and Tasman District Councils share a joint regional landfill business unit.

The Nelson Regional Sewerage Business Unit (NRSBU) is operated jointly by the Tasman District and Nelson City Councils to treat the municipal wastes (mainly domestic sewerage) from Nelson City, Richmond, Wakefield and Brightwater (the Waimea Basin) and Mapua.

There is a coordination of bylaws where issues span council boundaries, including the Wastewater Bylaw and Water Supply Bylaw.

Community Development

The Saxton Field development is a good example of how the development of one regional facility benefits residents of both Nelson and Tasman. With Tasman, we have invested significantly in the development of the facility and have signalled further commitments to future development in our respective Long Term Plans. A joint committee oversees the development, management and marketing of the Saxton Field complex.

Some community policy development is undertaken collaboratively, for example, the Regional Places and Spaces Strategy.

The Nelson Regional Development Agency runs the 'It's On' website which showcases events in the Nelson Tasman Region.

Nelson libraries work with Tasman and Marlborough libraries on The Prow website, which details historical and cultural stories across the Top of the South. Nelson libraries partner with Tasman and Marlborough libraries and other libraries in the South Island for the purchase of some books and e-books. Nelson libraries, Tasman libraries and Nelson Historical Society have helped fund the digitisation of the Nelson Mail newspaper as part of the National Library's Papers Past service.

Other shared social and community activities with Tasman District Council include the Positive Ageing Expo, Summer Events Guide and the Found Community Directory.

Environment/Planning/Regulation Activities

We are a partner with Tasman District Council in the Nelson Tasman Civil Defence Emergency Management Group (CDEM). The CDEM Group is jointly resourced by the councils and operates a regional Emergency Operations Centre based in Richmond.

The Civil Defence Emergency Management Plan for the Nelson Tasman Region was reviewed and consulted on in 2018.

The two councils work together on aligning monitoring programmes, including estuarine monitoring and industrial land needs. Tasman District Council provides support to Nelson City Council's hydrometric network including the provision of flood warning through a Hydrological Shared Services contract.

Along with Marlborough and Tasman District Councils, Nelson City Council is a partner with the Ministry of Primary Industries in the Top of the South Marine Biosecurity Partnership. The main aim of which is to build systems and processes for the early detection and prevention of marine invasive species. Tasman District Council is the biosecurity management agency for Nelson City Council under the joint Nelson Tasman Regional Pest Management Plan.

We also work together on the management of growth in our region including, combined monitoring and reporting on housing and business trends as required under the National Policy Statement for Urban Development. In addition, the councils work together on the joint Future Development Strategy for the wider Nelson Tasman region. The Strategy must be reviewed every three years and identifies location, timing and sequencing of future development capacity over the long term for urban development.

Together the councils also coordinate coastal oil spill contingency planning and management.

Under the Joint Waste Management and Minimisation Plan, the councils collaborate on a range of community engagement programmes, events and activities such as Secondhand Sunday and Kickstart Compost Month. The purpose is to enable the whole community to reduce waste.



There are a variety of regional environmental forums that both councils participate in such as the Waimea Inlet Coordination Group, the Mount Richmond Forest Park Management Unit Stakeholder Group and Kotahitanga mō te Taiao Alliance, along with other partners.

Corporate and economic activities

Marlborough, Nelson and Tasman Councils have jointly procured insurance including for building assets.

Together with Tasman District Council, we are part of the Aon South Island collective, which is a local government scheme insuring water supply, wastewater, stormwater and flood protection assets.

The councils share our planning and asset information, including for the preparation of our Long Term Plan and strategic plans.

Top of the South maps is a joint initiative between both councils to provide common geographic and map information to the public.

The Nelson Regional Development Agency is owned by Nelson City Council, but funding is provided from both councils.

Major changes following consultation
Ngā panoni nui whai muri i te akoako

Council consulted on the Long Term Plan through its Consultation Document. Consultation took place over a four and a half week period between 22 March and 21 April 2021. 649 submissions were received over that period, as well as 20 late submissions, with 136 people speaking to their submissions at hearings on 4, 5 and 6 May 2021.



Community input on Council proposals is an important part of Council's decision-making process. Following consideration of submissions, Council made the following changes to what was proposed in the Consultation Document (figures exclude inflation):

- Included additional funding for the upgrade of the Awatea pump station of $1.2 million capital expenditure in 2022/23 to meet higher than expected costs reflecting the complexity of the work involved
- Included additional funding for completion of stage 4 of the Saxton Creek project of $4 million capital expenditure over two years to meet higher than expected costs due to the complex nature of the project
- Brought forward funding for the Ariesdale Terrace Project, to investigate subsurface drainage issues, of $40,000 from 2025/26 to 2021/22 and $40,000 from 2026/27 to 2022/23
- Provided additional resources to deliver housing outcomes for Nelson with an additional $128,000 per year operating expenditure for the first three years of the Long Term Plan
- Provided funding for community climate change action projects which are as follows: Nelson Tasman Climate Forum is allocated $100,000 per year ($50,000 existing, $50,000 new) between 2021/22 and 2023/24 to support its work encouraging reductions in community emissions; Businesses for Climate Action is allocated $175,000 ($38,000 from the Climate Change Reserve) over the first three years of the Long Term Plan for its work supporting our local business community to identify and action carbon reductions; Tasman Environmental Trust is allocated $10,000 per year (from the Climate Change Reserve) for three years for its research project on blue carbon stores in our estuarine environments
- Approved up to $80,000 capital expenditure in 2021/22 for extending WiFi coverage for the Brook Waimarama Sanctuary, as well as $9,400 for resealing of the road leading up to the Sanctuary entrance
- To improve our sportsfields including increasing hours of use, Council approved the following: $10,000 for additional maintenance operating expenditure in 2021/22 and an additional $50,000 per year in the following nine years; $870,000 in capital expenditure across the ten years for an investigation into better sportsfield lighting as well as other improvements at a number of reserves

Major changes following consultation

- Reallocated $37,500 within Saxton Field budgets in 2021/22 to go towards upgrading lighting at the hockey fields to meet television broadcasting standards and $18,000 in the same year to go towards the cost of a pole vault facility
- To support improvements at the Wakapuaka Cemetery and the work of volunteers, Council allocated capital of up to $42,500 and an additional $25,000 operational spending over the next ten years
- Approved a further contribution to the Science and Technology Precinct with an additional $500,000 capital expenditure in 2021/22, bringing Council's total contribution to the project to $5.5 million
- Allocated up to $350,000 per annum additional funding from 2021/22 to 2023/24 for implementation of Project Kōkiri 2.0, the region's economic recovery and regeneration plan
- Allocated $84,000 for extra operational costs in 2022/23 at the Brook Valley Holiday Park as well as an additional $510,000 capital expenditure over 2021/22 to 2023/24 for improvements to a toilet block and water and wastewater services
- Approved the investigation and construction of a connecting off-road cycleway route to the Glen and allocated additional capital expenditure of $20,000 in 2021/22 and $100,000 in 2024/25 towards this project
- To address health, safety and security projects at the Marina, Council brought forward the funding for hardstand improvements of $800,000 from 2027/28 and 2028/29 to 2021/22
- Approved $110,000 in 2021/22 in operating expenditure for a review of Marina governance models and transition costs towards a new governance model, if required.

In addition, several changes were made to the Long Term Plan to incorporate adjustments made to the Regional Land Transport Plan (RLTP), which arose following consideration of submissions to that document. These changes included:

- To improve frequency and extend hours of operation of the public transport service, Council is bringing forward service improvements from 2026/27 to 2023/24, dependent on the Waka Kotahi and Tasman District Council share of funding being available
- Approved an additional $38,000 per annum to provide the Living Wage for bus drivers in our public transport service dependent on the successful completion of discussions with the contracted public transport operator.





Financial Strategy
Rautaki Ahumoni

This section outlines Nelson City Council's Financial Strategy (the Strategy) for the 2021-2031 Long Term Plan (LTP). Council must, under the Local Government Act 2002, manage its revenues, expenses and assets, liabilities, investments and general financial dealings prudently. It must manage these in a manner that sustainably promotes the community's current and future interests.

The Financial Strategy demonstrates how Council will:

- Provide for growth in its region and manage changes in land use
- Ensure that the level of rates and borrowing are financially sustainable and are kept within pre-set limits
- Be accountable for maintaining the assets that it owns on behalf of the community
- Fund network infrastructure and maintain levels of service
- Obtain pre-set returns on financial investments and equity securities
- Give securities on borrowing.

The overall direction of this strategy is to:

- Keep the overall rates increases to the Local Government Cost Index (LGCI) + 2.5% across the LTP (previously LGCI + 2%)
- Manage Council's work programme to remain comfortably within a debt to revenue ratio of 175%.

In preparing the LTP and this Strategy, Council has considered:

- Service levels, costs of these services, and money required to achieve these services
- Priorities for expenditure across all activities, including capital expenditure on network infrastructure
- Setting rates and charges across the full 10 year period of this LTP and how to minimise these while achieving the targeted levels of service
- The level of debt that current and future ratepayers would need to fund
- The level of growth and changes in use of land that are expected over the next 30 years and beyond.

Overall, Council considers this LTP to be financially sustainable and will support the most important services to residents, businesses and visitors.

Strategic direction of Council

Council has developed a vision, priorities and community outcomes to guide decision making. More information on these is available on Council's website.

Factors that influence how activities are funded

The following factors are expected to have a significant impact on the LTP:

COVID-19

COVID-19 is one of the biggest challenges the Council has had to face. This Strategy has been developed taking into account issues and potential risks that COVID-19 has presented including the impact on Council's finances, lower economic activity, unknown border restrictions and economic changes. Council has continued to invest in projects that will reinvigorate the economy through job creation.

Providing for existing levels of service and meeting additional demand

Council assessed the funding requirements to meet the levels of service set for each activity and considers that the proposed capital and operating expenditure is sufficient to achieve the planned levels of service.

Council's focus is on leadership, mitigation of greenhouse gas emissions, and adaptation to climate change hazards. Climate change is embedded across all of Council's activities, it is now a critical part of business as usual.

Major capital expenditure planned to maintain or increase levels of service includes the majority of projects in the following Council activities:

- Transport projects
- Water supply
- Wastewater
- Stormwater
- Flood protection, including adaptation to climate change
- Community facilities, including the Elma Turner Library redevelopment.

Major operating expenditure changes to maintain or improve levels of service include:

- Data collection and structure inspection/ maintenance in the transport activity
- Public Transport
- Monitoring of the environment
- City development
- Meeting legislative requirements and changes.

This Strategy has been prepared assuming that there will be a continuing provision of water services by Council. The current central government work programme proposes that new entities be established to manage the Three Waters services (water, waste water and stormwater) by July 2022. If this is implemented, Council will incorporate changes into relevant plans and strategies.

Growth and changes in population

The number of people in Nelson, where they choose to live, and growth in economic activity directly affects demand for infrastructure, Council services and land for development. This growth underpins land use planning, infrastructure developments, where and when new services or facilities are required, and how much things will cost.

An increased number of ratepayers also helps to spread costs so that collectively a greater range of facilities and services can be afforded.

The assumptions section of the LTP describes Council's population estimates, which are based on an expectation that the population will grow by just under 2,500 between 2021 and 2031 for a total population of 57,180. The rate of increase for the first three years of the LTP is expected to be low, increasing to medium growth for the subsequent seven years. There are a large number of variables associated with COVID-19 which will impact migration into and out of Nelson.

Council takes a generally conservative approach in applying population growth estimates in its infrastructure planning, which are updated as new data becomes available.

Council's intention is that the costs of growth be recovered through Development Contributions, primarily from subdivision developments.

More information is set out in the Development Contributions Policy, which is available on Council's website.

Council is conscious of the many variables affecting the rate of development in Nelson. For the purposes of calculating income from Development Contributions we have taken a conservative approach. Rather than make calculations on the basis of high growth, we have assumed a more modest amount in line with historical Development Contribution income and made adjustments for the anticipated longer term impacts of COVID-19, as the effects of growth and timing of revenue do not necessarily directly align with the overall growth forecasts.

The costs of meeting demand for services as a consequence of growth have been included in the LTP. Growth rates will be reviewed when new population projections, based on the 2023 census, are provided by Stats NZ.

Any variance between the budget and actual Development Contributions received for each activity is stated in the Annual Report. In the short term, between LTPs, any shortfall or surplus are offset by higher or lower borrowings (serviced by rates). These variances flow through to the three-yearly Development Contributions recalculations.

Summary by activity of growth component of capital projects

Activity	Greenfield $ per HUD (excl. GST)	Brownfield $ per HUD (excl. GST)
Stormwater[1]	$5,520	$5,520
Wastewater	$6,570	$6,570
Water supply	$3,620	$3,620
Transportation	$1,720	$1,720
Community infrastructure	$2,430	$2,430
Infrastructure Development Contribution Totals	**$19,860**	**$19,860**
General reserves[2]	$730	$730
Neighbourhood Reserves (Greenfield) – Sites outside the urban boundary	$10,725	NA
Neighbourhood Reserves (Intensification) – Sites inside the urban boundary	NA	$130
Reserves Development Contribution Totals	$11,455	$860
Total Development Contribution	**$31,315**	**$20,720**

[1]This includes flood protection capital projects that have a growth-related component within the stormwater collection and management development contribution, and where each relevant flood protection project is required, at least in part, to collect or manage stormwater run-off from developments or to protect developments from stormwater run-off.

[2]General Reserves includes the land and the improvements to that land.

Land use changes

Although some population increases can be met from improved and more intensive land use which is already zoned for residential and business use, there is a requirement to provide further land for houses and businesses. A change in land zoning requires using the Resource Management Act 1991 processes to change the Nelson Resource Management Plan.

Council is part way through a full review of the Draft Nelson Plan (Whakamahere Whakatū Nelson Plan). This review is considering growth and includes focus on:

a) encouraging greater infill in existing residential areas (minimising the cost of growth)

b) enabling greater utilisation of space above ground floor for residential activities in the city centre (minimising the cost of growth)

c) using the Future Development Strategy to guide locations for the future residential and commercial zones.

Information on projects with a growth component is included in the schedules attached to the proposed Development Contributions Policy.

Other factors

In addition to those outlined above, the following factors will also be important:

Urban area

- Nelson City Council covers a relatively compact urban area and a small rural area. This means that the funding of services is largely provided by general rates rather than through rates targeted at separate communities

External factors

- These are factors outside Council's control that have an impact on how we fund our activities. For example, changes in road and transport funding provided by Central Government affect what projects Council carries out

Affordability

- Many residents have low incomes and rates affordability is an important focus for many households. Council looks for every opportunity to reduce costs while not setting back Nelson's progress

Goods and services

- The cost of goods and services that Council provides may increase at a higher rate than the Consumer Price Index (CPI). For example, roading costs are dependent on oil based products

Private/Public split

- Council aims to have costs and fees that are an appropriate reflection of the balance of individual benefit versus public good.

The consequences of these factors are:

- It is not financially sustainable to provide all the services and activities wanted by the community at the same time. Therefore Council has to prioritise its work programme
- Council has spent the last 12 months reviewing its work programme and services to prioritise the needs of the community
- Costs to maintain and deliver Council services will continue to increase in the foreseeable future, mainly due to inflation, managing infrastructure for growth and environmental improvement, interest, and other operating costs associated with capital expenditure.

Financial Prudence

Council is required to ensure each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses, i.e. Council must demonstrate financial prudence. Council may set projected operating revenues at a different level from that required, if Council resolves it is financially prudent to do so.

COVID-19 has had a significant impact on Council's finances.

Council has resolved to have an unbalanced budget (projected operation expenditure exceeding projected operating income) for years 1, 2 and 3 of the LTP to maintain services and integrity of assets. This shortfall will be funded using Council's balance sheet (debt). Council considered a number of options before deciding to operate a scheduled unbalanced budget for these years including:

- Fully funding costs in the respective years. This would result in higher rates increases for the first three years and higher debt at the end of the ten years
- Spreading the repayment of the loan over more or fewer years
- Increasing fees and charges
- Reducing levels of service in some activities.

In assessing a financially prudent position, consideration has been given to:

- The estimated expenses of achieving and maintaining the targeted levels of service. This includes estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life
- The projected revenue available to fund estimated expenses associated with maintaining the service capacity and integrity of assets
- The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life
- The funding and financial policies and this Financial Strategy.

During the development of the information to support the LTP, Council considered how to balance its existing asset renewal programme, increased levels of service, providing for growth and the effects of climate change.

Depreciation and renewals

Council notes that depreciation is greater than renewals and appreciates that this position is not sustainable in the long term. Council's current approach is to repay debt using funding for depreciation, and Council acknowledges that borrowing for renewals will need to be made when this is required.

Following the two yearly revaluation of infrastructure assets performed as at 30 June 2020, the increase in depreciation will be not funded in the first year and spread over the following five years in equal amounts. An exception has been made for the 2021-31 LTP due to the effect of COVID-19 on Council finances and rates affordability. Instead of a one-off increase, spreading the increase will reduce the effect of the revaluation on rates by $8.1 million across the years 2021/22-2026/27.

Council's Infrastructure Strategy considers how we will provide and pay for infrastructure to enable growth. This includes network developments for waste, storm and drinking water, flood protection and transport. Planned operational and capital expenditure shown in the Infrastructure Strategy for years 2031-51 is outside the time period of this Financial Strategy, however Council intends to ensure that these important infrastructure projects can be funded by drawing on depreciation reserves (funded by debt).

Debt vs Rates

Council understands the need to invest in infrastructure, including social infrastructure to support our City to grow and develop. Increasing levels of capital expenditure, as outlined in the Infrastructure Strategy, will lead to increasing debt levels. Because of the growth in the region and the demands for more Council-delivered infrastructure and services, Council is continually looking at how to best fund these demands while keeping rates affordable. Council needs to balance the need for investment now, and the ability for todays and future generations to pay for this investment.

Council is increasing its debt limits to a Debt to Revenue ratio of 175% from 150% to fund this infrastructure investment. This significant capital expenditure programme includes social and community infrastructure such as libraries and other community facilities, transport and water infrastructure.

In order to keep debt at lower levels than it would otherwise be at year 10, and comfortably under the

Debt to Revenue ratio of 175% (which will peak at 157% in year 7), it is proposed to set annual rates increases at the new rates cap of LGCI +2.5%, except for Year 1. In Year 1 the overall rates increase is proposed to be 5.7% (vs 6.2%, which it would be at LGCI +2.5%).

What this results in, is borrowing from the Emergency Fund in years 1-5 to keep the rates increases smooth and lower than they otherwise would be. In years 6-10, Council will repay the Emergency Fund which will come back into funds in year 9, by having higher rates increases than they otherwise would be (and higher operating surpluses).

Summary of planned 10 year financial performance

As part of developing the supporting information for the LTP, Council considered key issues and how to address them. Council looked at how to meet expected population growth, to enhance the environment, respond to climate change and meet the community's social and cultural needs. Council then prioritised the potential activities and projects.

The financial information in the LTP supporting information reflects the activities and projects Council identified as priorities, and is planning to deliver over the next 10 years, while keeping within its limits for rates increases and borrowing.

Council is forecasting capital expenditure of $650 million, of which $232 million would be for renewals, and operating expenditure of $1,631 million over the 10 years of this Long Term Plan. Council's total income, after inflation, would increase from $142 million in 2021/22 to $216 million in 2030/31, year 10.

Rates, overall increase in rates required and rates increase limit

Council has to weigh up requests for more and improved services with keeping rates and charges affordable. According to what is proposed, average overall increase in rates required in the first three years, adjusted for the impact of growth, would be 5.7%, 5.4%, and 5.0%, respectively. Over the following seven years, the overall increase in rates required including growth would average 5.1%.

A reduction in the commercial differential would change the distribution of the rates but not the overall average.

This increase includes an assumption yearly growth in the rating unit base of 0.70% in year 1 and 0.60% in years 2 - 10.

The rates rises are greater than the predicted rate of inflation in all years, reflecting:

- Cost increases faced by Council, particularly for insurance and construction, which are projected to increase at a higher rate than the Consumer Price Index
- Depreciation and interest payments – the increased value of Council's assets and higher capital expenditure programme will mean that there will be a corresponding increase in depreciation and interest charges
- An increased work programme, including changes arising from new central government policies, e.g. Environmental Policy Statements, and community expectations
- Reduce debt to remain under the debt to revenue ratio of 175%
- To rebuild the Emergency Fund for future unexpected events.

Council will continue to consider affordability issues each year when setting rate levels. The Local Government Act 2002 requires a statement on quantified limits on rates increases. Council will limit the increase in Council's 'Total Rate Requirement[3]' to no more than the forecast[4] percentage increase of the Local Government Cost Index (LGCI) plus 2.5% (previously LGCI plus 2%) in each of the 10 years, including an assumption of a 0.70% rating unit base growth in year 1 and 0.60 % in years 2 - 10. Using the LGCI rather than CPI is considered more realistic as LGCI reflects the higher local government costs realities - the cost of doing Council business.

From time to time, Council will need to increase the level of service that it is providing to meet, for example, community expectations.

Individual properties may experience smaller or larger increases depending on movements in property values, the services received, location and the proposed reduction in the commercial differential.

[3]*The 'Total Rate Requirement' includes both general and targeted rates such as water, wastewater, stormwater and flood protection.*

[4]*As provided by Business and Economic Research Limited (BERL)*

Total rates and debt

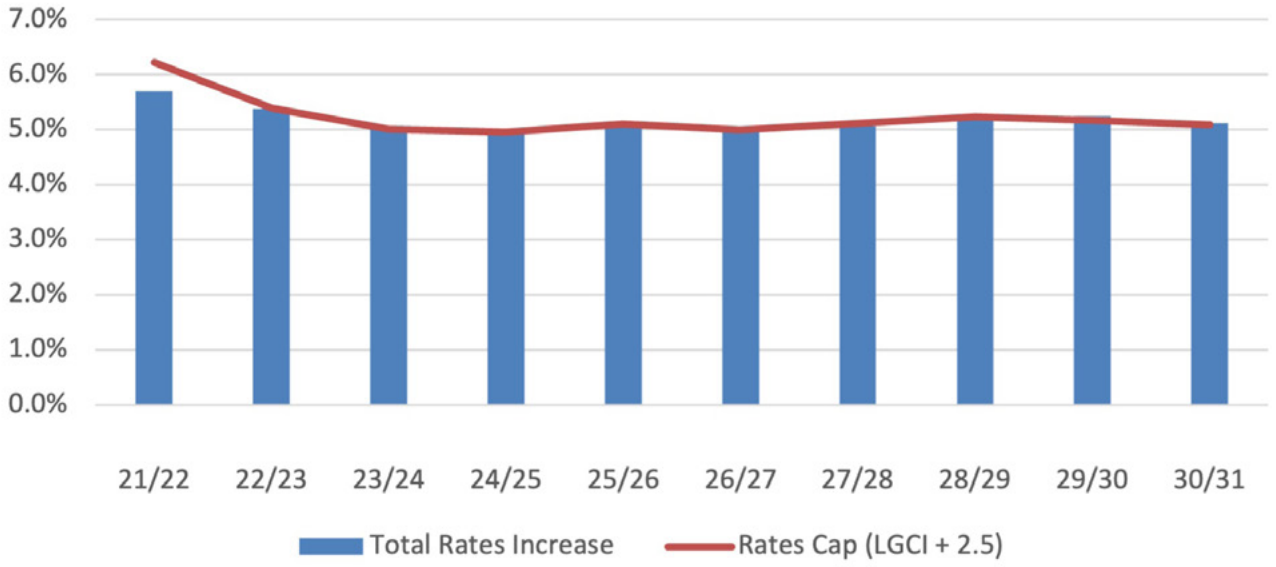
General rates, targeted rates, total rates and total net debt

	Annual Plan 2020/21	LTP Year 1 2020/21	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
General Rates	50,519	53,534	55,783	58,617	61,719	65,656	69,538	73,799	78,027	83,081	87,744
Targeted Rates	27,451	29,228	32,016	34,114	36,204	37,849	39,764	41,733	44,206	46,242	48,952
Total Rates	77,970	82,763	87,799	92,731	97,923	103,505	109,302	115,532	122,233	129,322	136,695
Total Net Debt	115,651	124,123	159,929	191,930	226,766	242,130	260,369	275,936	284,974	290,445	296,413

Net debt, debt/revenue ratio, rates and rates cap

	Annual Plan 2020/21	LTP Year 1 2020/21	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Net Debt	115,651	124,123	159,929	191,930	226,766	242,130	260,369	275,936	284,974	290,445	296,413
Debt to Revenue Ratio	97%	90%	113%	132%	148%	147%	153%	157%	155%	151%	145%
Total Rates Increase	0.0%	5.7%	5.4%	5.0%	5.0%	5.1%	5.0%	5.1%	5.2%	5.2%	5.1%
Rates Cap	4.2%	6.2%	5.4%	5.0%	5.0%	5.1%	5.0%	5.1%	5.2%	5.2%	5.1%

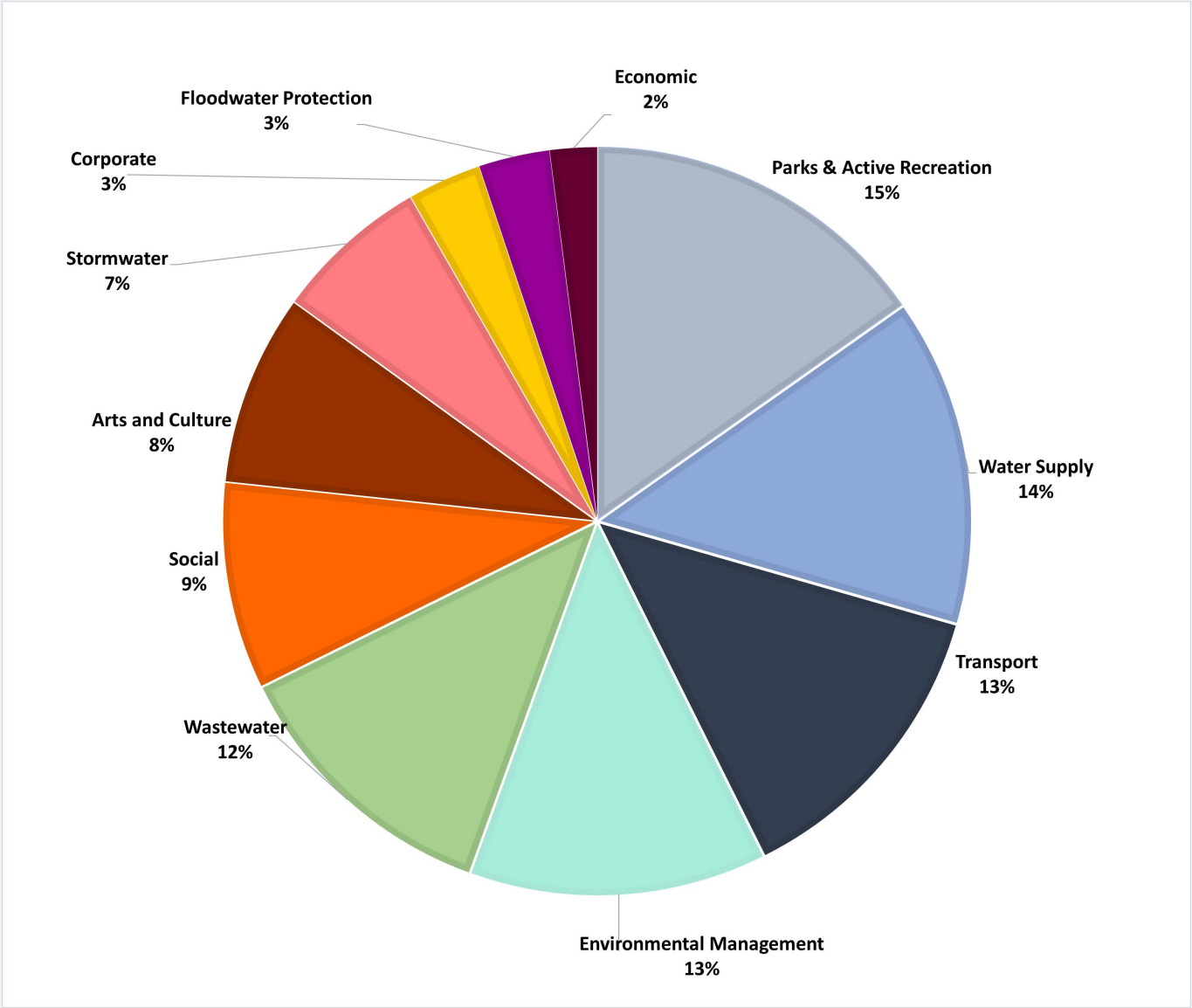
Annual Rates Increase versus Rates Cap





Where the money will go

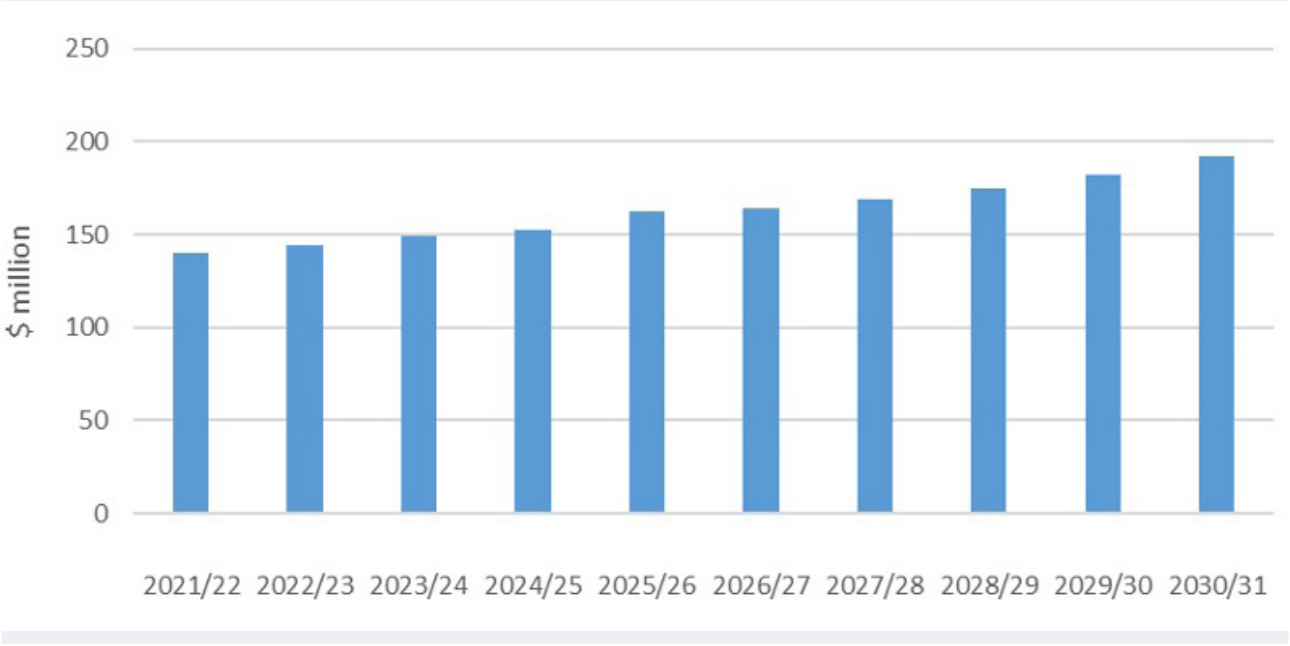
The following diagram shows the proportion of rates anticipated to be collected for Council services over the next 10 years.



Note: this pie chart shows the rates requirement for all activities. Some activities have income from other sources and therefore are not included in the pie chart, for example, Solid Waste receives 100% user charges to cover operations, Corporate receives interest and dividends and Environmental Management receives building and resource consent fees and charges.

Total operating expenditure is budgeted to increase from $140 million in 2021/22 to $192 million in 2030/31, a 38% increase including inflation over the 10 years of the Long Term Plan. This is shown in the following graph.

Annual Operating Expenditure



Funding expenditure

Council funds operating expenditure from the following sources:

- Council levies fees and charges or targeted rates on the basis of direct user pays for the benefit received, however in some cases targeted rates are levied as a proxy for direct user pays
- Council will claim for government grants or subsidies where it is providing services that are part of national programmes or where the government provides subsidies to Council to provide certain services
- Other sources of funding include interest and dividends received, and other operating revenue such as rent received
- A general rate where there is a deemed general benefit across the city.

Each activity uses different sources of funding depending on the services it delivers. All operating costs are funded, with the exception of depreciation on the Waka Kotahi share of subsidised transport projects and some minor assets. However, exceptions can be made to this approach when it is necessary to avoid significant fluctuations in rates on a year to year basis or when an operating expenditure item has multiple year benefits.

Managing risks from natural hazards

In the 2020/21 Annual Plan, Council adopted a 0% rates rise in response to COVID-19. This decision required a drawdown from the Emergency Fund. The fund was projected to be $4.3 million overdrawn at 30 June 2021.

To respond to the ongoing financial impacts of COVID-19 and to spread the impacts of rate movements, Council proposes to draw down a further $10.2 million from this fund in the first five years of the Long Term Plan. In years 6-10, Council will contribute $34.1 million to the fund, with a view to achieving a robust balance of $20.5 million at the end of the period. This reserve is not held as cash.

The timing of disaster and emergency events cannot be known and extreme weather events are expected to increase as a result of climate change. Should an event occur and the Emergency Fund has insufficient funds, Council has made sure it has the ability to borrow the shortfall, which would be repaid from the fund in future years. Council may reconsider, from time to time, the amount transferred to this fund from rates, particularly if a significant event should occur. It is important to note that even with the reserve built up to the desired level, Council will continue to hold appropriate levels of insurance for assets.

Borrowing

Capital expenditure is funded in the following priority order:

- Financial Contributions and Development Contributions (if a growth project)
- Grants and subsidies, for example from Waka Kotahi, Tasman District Council, or community groups
- Cash surpluses after meeting the costs of renewals expenditure, which arise from Councils funding of depreciation
- Loans.

Because the level of borrowing is planned to increase, the management of interest costs is very important.



Council's Treasury Management Policy includes the Investment and Liability Management Policies. These are published separately and are available on Council's website. Council has determined maximum amounts and limits of debt.

The borrowing limits table shows a comparison of the limits in the Treasury Management Policy compared with those set in this Long Term Plan. The policy limits were determined in association with Council's bankers and Treasury Advisor and the Local Government Funding Agency (LGFA). The table also shows that Council is operating within the guidelines contained in the Treasury Management Policy.

Borrowing Limits

The borrowing limits are set as:

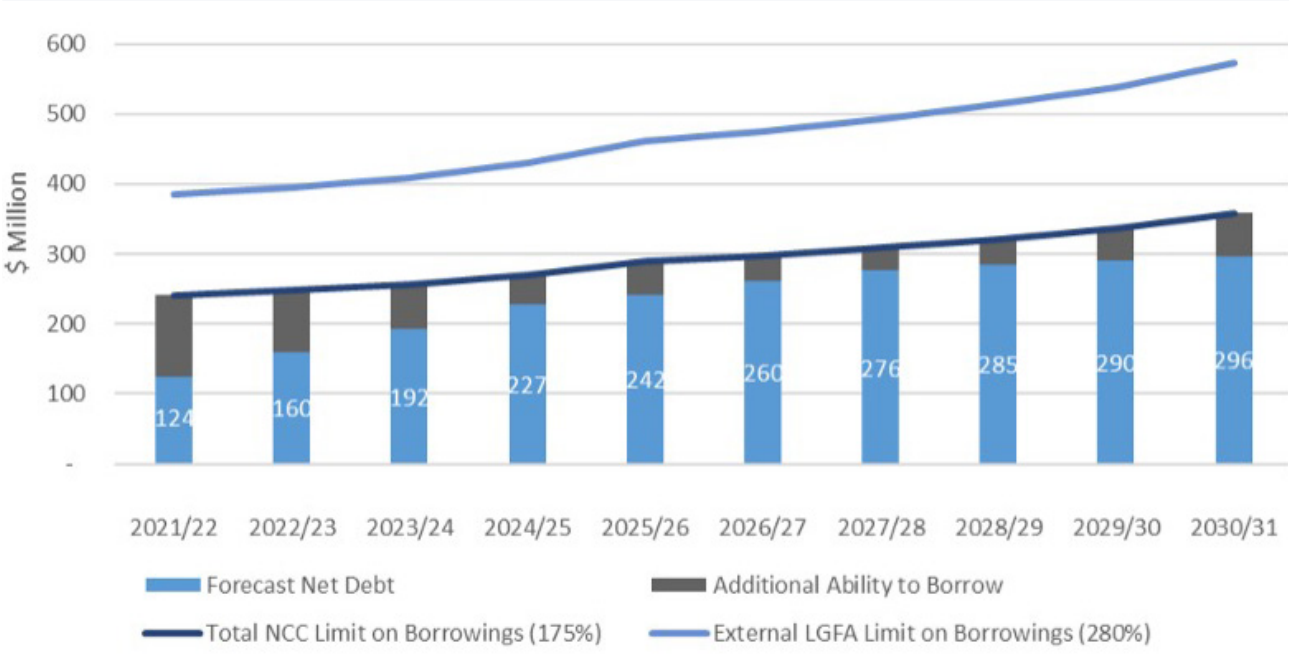
- Net external debt[5] not to exceed 175% of total revenue[6] % (see graph below)
- Net interest expense on external debt as a % of total revenue to be less than 15%
- Net interest expense on external debt as a % of total rates income to be less than 20%.

The following graph shows that Council's net external debt is not expected to exceed 175% of total revenue for the ten years of the LTP.

[5]*Net external debt is defined as total debt less cash, term deposits and borrower notes.*

[6]*Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, and excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment.*

Forecast Debt Levels



The table below shows the net debt, and debt to revenue, interest on external debt to revenue, interest on external debt to rates income over the life of this plan so that they can be compared to the limits set.

Net debt, net external debt, and net interest expense as a % of total rates income

	Annual Plan 2020/21	LTP Year 1 2020/21	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Net Debt	115,651	124,123	159,929	191,930	226,766	242,130	260,369	275,936	284,974	290,445	296,413
Net external debt not to exceed 175% of total revenue	97%	90%	113%	132%	148%	147%	153%	157%	155%	151%	145%
Net interest expense on external debt as a % of total revenue to be less than 15%	2.3%	2.3%	2.9%	3.3%	3.7%	4.1%	4.5%	4.8%	4.9%	4.9%	4.7%
Net interest expense on external debt as a % of total rates income to be less than 20%	3.9%	3.8%	4.6%	5.1%	5.9%	6.6%	7.0%	7.2%	7.4%	7.42%	7.0%

Nelson City Council is a Guaranteeing Local Authority in the LGFA. Access to the LGFA means Council can achieve lower borrowing costs, and therefore funding. Council must ensure that its net interest to rates revenue ratio is below 30% and Net Debt to Total revenue is less than 280% in order to retain the ability to borrow through LGFA.

To fund the LTP capital works programme, net borrowings would peak at $296 million during 2030/31. The borrowing programme is within the three limits imposed under the Liability Management Policy which is available on Council's website.

Although interest rates are currently low, Council has budgeted for average interest rates paid on loans to increase over LTP within a range between 2.67% and 3.19%.

Base interest rate assumptions use the most recent market implied 90-Day Bank Bill Rate (BKBM) curve for the next 10 years. This curve exhibits the current market pricing for the forward BKBM rate over the next 10 years. A credit margin is then added to this BKBM rate. Council's all-up interest rate cost includes the current fixed rate borrower swap hedge portfolio and assumptions regarding future credit margins. In addition to obtaining lower borrowing rates through the LGFA, Council manages the cost and risk of borrowing through its Liability Management Policy.

Investments

Nelson City Council has a portfolio of investments comprising:

- Equity investments
- Asset investments
- Associated organisations.

Council's Investment Policy is published separately and available on Council's website. It contains information on the reasons for holding these investments.

Council's main investments are shareholdings of Council Controlled Trading Organisations, commercial property and forestry investments as outlined below.

COVID-19 has had a significant effect on the dividends and income from Council's investments.

It is acknowledged that in cash terms the investments of Port Nelson Ltd, Nelson Airport Ltd, and the Civic Financial Services Limited will return less than Council's overall objective of receiving a return equal to or greater over time than the average costs of Council borrowing. Council will review the expected return on investments again prior to the 2024-2034 Long Term Plan.



Target return on investments

Investment	Target Return
Port Nelson Limited	Annual dividend of not less than 50% of net profit after tax (shared between two Councils)
Nelson Airport Limited	Annual dividend not less than $850k (shared between two Councils)
Nelmac Limited	Either 50% of taxable profit by way of subvention payment and dividend or 50% of tax paid profit by way of dividend
Civic Financial Services Limited	No return on shareholders' funds

Council also has approximately 610 hectares of commercial forestry which generate a return, while providing recreational opportunities.

Securities for borrowing

Council's external borrowings and interest-rate risk management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under these Deeds, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government (Rating) Act 2002. The security offered by Council ranks equally or 'pari passu' with other lenders, which means on equal terms in all respects, at the same rate, or proportionately.

From time to time, with Council and Trustee approval, security may be offered by providing a charge over one or more of Council's assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset that it funds, for example an operating lease or project finance
- Council considers a charge over physical assets to be appropriate
- Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Trust Deed.

Find out more

For further information on Council's approach to borrowing, please refer to the Liability Management Policy (part of the Treasury Management Policy) at nelson.govt.nz



Contingency funding

Council builds appropriate contingency funding into all of its capital expenditure projects. Contingency funding manages the risk of cost escalations and covers potential cost estimate shortfalls which may arise as a result of unexpected delays, contract complexities and unforeseen conditions that may be encountered on site.

Contingency funding is used to improve our financial stability and our ability to fund projects within their budgets. When projects go through their lifecycle, and as the designs are refined, the need for contingency funding is accordingly reduced to suit.

Based on historical trends of project over and underspends, a larger contingency has been built into capital projects for the 2021-31 LTP.

Council has made an overall downward adjustment to the total capital programme of approximately 10% per year.

This adjustment acknowledges that Council is unlikely to use the full amount of contingency in the programme for every project and enables Council to avoid overfunding the activities.

Variation between the Long Term Plan and actual results

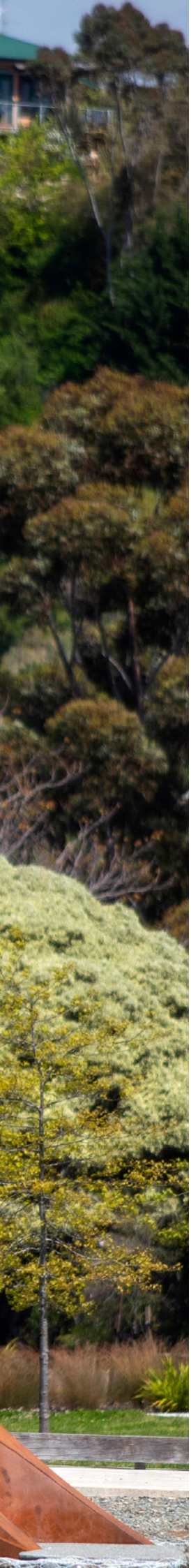
Actual financial results achieved for the period covered by the Long Term Plan may vary from the information presented and the variations may be material.

This means that, while Council will do its best to keep to what is set out in the Long Term Plan, there are legitimate reasons why the final results in the Annual Report at the end of each financial year might be different.

Variables include unanticipated changes in interest rates, market conditions or a disaster event. The Long Term Plan can only be a best estimate of the costs Council will face. Factors outside its control can affect project completion.

Council Activities





Council Activities

- Transport 55
- Water Supply 74
- Wastewater 90
- Stormwater 104
- Flood Protection 116
- Solid Waste 128
- Environment 138
- Social 152
- Parks and Active Recreation 168
- Economic 182
- Corporate 190

Council Activities

Council structures its work programme around eleven activities:



Find out more

If you are interested in finding out more about a particular project the activity sections are a good place to start. The key projects and budgets for the 10 years of the Long Term Plan 2021-2031 are included in the relevant activity sections.

Section overview

The activity sections are set out in a consistent way. There is a brief description of what each activity covers - **what we do**. Then follows discussion of the rationale for Council's involvement - **why we do it.** The **challenges** Council faces in delivering the activity are next and then the priorities give more detail on key projects. The **service levels** explain the standard to which Council aims to deliver and how it measures progress towards targets.

The **drivers of capital expenditure** show where the main capital costs lie. **Assumptions** specific to that activity are followed by a section on **impacts and risks** of the activity and how those risks are mitigated.

At the end of each section is the relevant **summary financial information** that sets out the forecast budget for the next 10 years.

Transport



Transport
Te Ikiiki





What we do

Council provides transport infrastructure for the Nelson region, including the roads and paths used for driving, parking, cycling, and walking.

The services we provide relating to transport include road safety, traffic and parking control, and public transport. Waka Kotahi are responsible for the state highway network that runs through the Nelson City area.

Why we do it

Transport systems are a fundamental component and shaper of cities - they provide vital access for people, goods, and services which are the life blood of our Smart Little City. They also have a significant impact on social, cultural, environmental, and economic outcomes.

Nelson's transport system needs to integrate with our plans for housing intensification and city centre living so that more people can walk or cycle to get around. Council is working to make a well designed and sustainable transport system that is essential to meeting our growth needs and climate change challenges whilst creating a thriving and smarter city.

Te Tau Ihu Interdependence

The three Te Tau Ihu (top of the south) regional councils (Nelson, Tasman and Marlborough) have created a joint RLTP that recognises the interdependencies across the region.

In addition to this, Nelson and Tasman share a common Regional Public Transport Plan (RPTP) that proposes to improve public transport across the Nelson/Tasman region. Both the RLTP and RPTP are consulted on separately to the LTP. All changes to the RLTP and/or RPTP through that consultation process have been feed back into the LTP.

Tasman is our closest neighbour and we work collaboratively with them on several cross boundary transport issues - not just the RLTP and RPTP but also on matters including the Future Development Strategy, the Richmond Programmed Business Case and projects such as the Champion Road roundabout. This joined up approach recognises that Tasman residents work and play in Nelson and vice versa.



Challenges

Funding and Uncertainty

Waka Kotahi are a key funding partner and approximately 50% of our roading activity attracts a subsidy known as the Financial Assistance Rate (FAR). It is assumed that Waka Kotahi will maintain their FAR at 51% over the term of the Long Term Plan, but it is noted the total pool of funding has been reduced. Waka Kotahi have signalled strongly that they face significant financial constraints that may inhibit some of the planned Nelson projects progressing. Waka Kotahi have stated that there will be with very limited funding available for new improvement projects given most of the improvement activity classes will be used to meet existing contractual commitments on projects that have already commenced as well as cost and scope increases for existing projects around the country, public transport services (before dedicated COVID-19 funding was available) and higher than normal emergency works expenditure increases in maintenance and operational costs. As a result, Waka Kotahi have advised that they are not currently approving funding for any new delivery projects in this Long Term Plan period but will continue to monitor and review the situation. Despite this disappointing signal collaboration between Council and Waka Kotahi will continue and remains strong.

Nelson Future Access Project (NFA)

Waka Kotahi has advised that the NFA project (including the Rocks Rd walking and cycling facility) is running significantly behind time and that no decisions on packages of activities have been made yet. This means that Council has been unable to place any specific work related to this project in the LTP (or RLTP) other than general placeholders over the next 10 years. That placeholder funding includes provision for a range of short/medium term activities targeted at making best use of existing infrastructure that will improve safety and increase the attractiveness of public transport, walking and cycling.

Completion of the NFA business case still requires careful consideration of the environmental factors relating to working within the coastal marine area, as well as the feedback from residents, transport system users and other stakeholders and partners.

An agreed package of activities will need to be included in the final business case, and the business case endorsed by Nelson City Council and approved by Waka Kotahi before Waka Kotahi can consider funding. The NFA business case will not be completed before the LTP or RLTP is finalised. Once the business case is completed the RLTP will need to be amended to include the relevant activities and that will then need to be considered by Council for funding. Depending on the significance of the funding requirements a separate consultation process may be required.

Nelson is a community that has embraced active transport and Council's investment in walking and cycling has supported this move to a more liveable city.



Adapting to change

Nelson's current transport system needs to adapt to challenges like climate change, changing demographics and changing technology such as electric vehicles and micro mobility, to provide safe and efficient movement of people and freight around the Nelson region.

The current Government Policy Statement on Land Transport 2021-24 (GPS) has as one of its priorities Climate Change and this features strongly across all Activity Management Plans and the Long Term Plan.

Liveable neighbourhoods

Council is working towards smarter approaches to transport and parking as inner city living, housing intensification, climate change and changing technology demand alternative approaches to help enhance the wellbeing of our communities. The 2018 census results show that Nelson is a community that has embraced active transport and Council's investment in walking and cycling has supported this move to a more liveable city. To grow this even further we need to ensure people feel safe when actively travelling and speed management and Innovative Streets approaches, which employ traffic calming measures will assist with this. In addition, a new parking management strategy and review of the Parking and Vehicle Control Bylaw will help balance the needs and demands placed on road space.

Accommodating natural hazards and climate change

Climate change is increasing the frequency and severity of natural events (e.g. flooding) that affect the resilience of the transport network. In addition, Nelson is in a seismically active area, with a significant fault line near the city (this contributes to the risk of natural disasters such as earthquakes and landslides. The transport network is essential for the distribution of critical supplies (such as water, food and shelter) and for emergency response personnel and equipment in the immediate aftermath of a disaster. It is also essential for maintaining and re- establishing damaged utilities quickly and efficiently in the time following a disaster. It therefore needs to be resilient. Council has responded to this challenge by focusing its resources on strengthening arterial routes (for example already having completed a bridge replacement up Brook Valley and Culvert replacement and flood protection on Main Road Stoke at Saxton and Poorman streams), emergency response systems and working towards integrating Civil Defence Emergency Management Lifelines Plans into the Transport Activity Management Plan. Council's robust inspection and renewals programme uses the best practice lowest carbon construction (e.g. use of emulsion chip seal and reuse of old asphalt milled off existing roads when resurfacing takes place) and Council is constantly striving for improvement in this space.

Pollution and emissions reduction

Pollution from Nelson's transport activity is adversely affecting the climate, environment and people's health. It's important to keep Nelson moving as it grows, and at the same time to reduce CO2 emissions. Our transport system will need to change, to reduce the impact we have on the climate.

Stormwater runoff from our roads degrades our rivers and streams. New fresh water quality limits are expected to be more stringent than those in the current Nelson Resource Management Plan. Council is developing a strategy over the next three years to address the health of streams and rivers in the region that are known to be degraded. More investigation is required but this Long Term Plan signals potential change to the practices and future budgets around road sweeping, sump cleaning and new drainage infrastructure.

Renewal funding

Over recent years, Council has increased investment funding to look after and renew existing assets. In transport the areas of significant expenditure have been sealed road resurfacing and replacement/ renewal of retaining walls and bridges. Council is prioritising renewal spending programmes based on improved monitoring and data analysis to identify where renewals are most needed. Funding applications to central government require robust evidence and data. The development of an improved forward works programme is underway to support future funding bids.



Walking and cycling facilities

Council seeks to increase active travel, and with this comes the challenge of providing pathways and facilities that cater for a wide range of users, including less confident young or returning cyclists, through to fast moving confident commuter cyclists and micro-mobility (including e-scooters and e-bike) users. An aging population and growing numbers of active travellers is putting pressure on existing narrow pathways and the traditional allocation of road space which favours motorised vehicles. Where separate pathways are not provided speed management and intersection improvements for active modes will improve safety. Safe and secure storage for bikes have been provided in the last 12 months and in future Council is planning to provide these at bus interchanges and other key destinations.

Community Outcomes

Council provides transport infrastructure for Nelson City and directly contributes towards achieving Council's Community Outcomes, within the context and scope of Council activities:

- Our unique natural environment is healthy and protected.
- Our urban and rural environments are people friendly, well planned and sustainably managed.
- Our region is supported by an innovative and sustainable economy.
- Our communities have access to a range of social, educational and recreational facilities and activities.
- Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.
- Our infrastructure is efficient, cost effective and meets current and future needs.



Council's priorities for the next three years

Council has identified developing a sustainable transport system as a key triennium focus for the next three years.

This will continue the work currently being undertaken to develop a 10 year transport vision for Nelson that reduces carbon emissions, provides the community with safe and accessible travel choices and supports the economic vitality of the region. This will include recommendations from the Nelson Future Access Project and will recognise the requirements of the Nelson Plan.

The key work for the first three years of the Long Term Plan through to 2023/24 will focus on developing and delivering aligned and integrated strategies to support a sustainable transport vision. Strategy and project work will include:

- An active transport framework.
- A speed management strategy.
- An upgraded and improved regional public transport service.
- A parking management strategy.
- Environmental targets to reduce carbon emissions and transport impacts on freshwater quality.
- A review of the Road Occupation Policy and Structures on Road Reserve Policy.
- Evaluating the outcome of the Nelson Future Access Business Case Project and the funding implication for Nelson. Council is also mindful that the shorter term measures proposed as part of Nelson Future Access will deliver benefits across the transport system, including the state highway network. As the Nelson Future Access progresses, and there is more clarity around the scope of longer term improvements, Council will continue to engage with Waka Kotahi about the extent to which these shorter term measures are deferring significant investment required in the region's state highway network.

  These discussions will include consideration of the current financial assistance rates set by Waka Kotahi for Nelson City, and the need to review these rates to better reflect the value of any deferment benefit as subsidised by Nelson ratepayers.



Priorities for capital improvements in the first three years of the Long Term Plan through to 2023/24 include:

- Road Pavements: Increase testing, and data review as part of the planned renewal programme, including road rehabilitation when required.
- Drainage: Improve freshwater outcomes by:
  - — Developing a freshwater improvement plan and monitoring framework in conjunction with Council utilities;
  - — Mapping secondary stormwater flow paths to inform emergency planning and pavement programmes; and
  - — Gaining more understanding through the Nelson Plan consultation of the climate change impacts for the Nelson region and what adaptation, mitigation and retreat scenarios are supported.
- Structures: Carry out ongoing inspections, maintenance and component replacements. This follows recent improvements to data quality and condition assessments of structures. It also reflects Council's implementation of the Code of Practice and global consent for instream works in order to progressively improve the environmental impacts of works. This work in 2021-2024 includes Akersten Street rock rip rap repairs ($500,000), Trafalgar footbridge from Haven Road to Trafalgar Centre replacement ($900,000) and part one of Coster Street timber crib wall renewal.
- Environmental maintenance: Carry out a safety and condition assessment of all intersections and improve sightlines where possible. Intersection safety is an area of concern in Nelson and is a high priority to address in the Waka Kotahi National Communities at Risk Register. In addition to environmental maintenance education programmes will be run under road safety promotion referred to below.



- Plant more trees and street gardens to enhance the quality of urban environments and encourage more walking and cycling. Trees both absorb CO2 (a greenhouse gas) and provide shade to improve the health and wellbeing of people and the environment.
- Streetlights: The project to replace streetlights with LED lanterns has been completed, and now moves into a maintenance phase and ongoing improvement of network coverage ($100,000 per year).
- Traffic services — signs and markings: Council will identify where any changes to the current approach to signs or road markings could improve transport outcomes. This is a low-cost way to make safety and traffic management improvements across the network. These actions will be integrated with the overall delivery of the Nelson Future Access Project recommendations, resurfacing, active travel, speed management and intersection programmes.

Regional Public Transport Plan service improvements in 2023/24 which include bringing some phased improvements to frequency, coverage and hours of operation forward from year 6 into year 3.

- Minor Improvements: $600,000 per year to address network deficiencies identified through the active travel, speed management and intersection safety programme.
- School speed zones signs: $150,000, in 2023/24, anticipating the rule change to install speed zones at Nelson Christian Academy and Auckland Point Schools.

- Domett Street precinct $1 million, Year 1–5: to connect Maitai path users to Nile Street and address road layout and use issues.
- Toi Toi Street upgrade: currently in detailed design stage $1.3 million.
- Intersection upgrades in coordination with the Future Access Study recommendations.
- Railway Reserve improvements including lighting and upgrade of Songer Street/Railway Reserve intersection.
- Continuation of new and improved shared footpath programme $350,000 per year.
- Quarantine Road Bridge footpath: improvement for walking and cycling: $360,000 budgeted over the first two years of the Long Term Plan.
- Electronic count stations to extend the monitoring of the cycle network and reduce the cost of manual counts and purchase of electrical equipment for pavement testing: $125,000 across years one and two of the Long Term Plan.
- City Centre Enhancement for the city revitalisation project: $1.9 million in the first year of the Long Term Plan.
- Bus shelters — the Plan includes up to 3 new shelters each year and real time bus signage.
- The long term outcomes of the Nelson Future Access Project are not yet known but some short term measures are common to all three of the options presented by Waka Kotahi (the central government agency leading the investigation and business case phases of the project), such as some changes on local roads. These support mode shift and safety and the bulk will be funded through the Low Cost Low Risk (LCLR) funding category. Outside of LCLR category the capital in projects on local roads that support the Nelson Future Access Project are the Washington Valley upgrade and Victory to Waimea Road Active mode connection, both after year 3 of the Long Term Plan.



Priorities for opex improvements in the first three years of the Long Term Plan through to 2023/24 include:

- Regional Public Transport Plan service improvements in 2023/24 which include bringing some phased improvements to frequency, coverage and hours of operation forward from year 6 into year 3. For the first time NCC and TDC have produced a joint Regional Public Transport Plan (RPTP) and TDC are investing more to support this service than in the past. Refer to the Council website for details of the RPTP.
- Alongside TDC the plan proposes an increase to the Total Mobility subsidy fare cap from Year 1. The subsidy will remain at 50%, but the maximum subsidised fare will increase from $20 to $30 per trip to become $15 maximum subsidy per trip.
- Road Safety Promotion – Council will continue to work with Top of the South Councils and Waka Kotahi to deliver road safety programmes focused on older drivers, intersection safety, young drivers, motorcycle and cycle safety, distraction and alcohol. These are high priority areas to address in the Waka Kotahi National Communities at Risk Register.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
A safe road network	Reduction in the number of death and serious injury crashes, per financial year on the local road network to achieve the Vision Zero target of 40% reduction in DSI by 2031	2018-19 One fewer fatality and serious injury crashes on the local road network compared to previous year (2017/18 year total was 20) 2019/20-2020/21 Fewer fatality and serious injury crashes on the local road network compared to previous year	One fewer fatality and serious injury crashes on the local road network compared to previous year Target to reduce risk from high to low in Waka Kotahi produced Communities at Risk Register by 2031			
Smooth sealed road network	Average quality of ride on a sealed local road network, measured by smooth travel exposure by One Network Road Classification	The following Smooth Travel Exposure targets are not exceeded maintained or exceeded in each year: One Network Smooth Travel Exposure Target by road classification: · Regional: 90% · Arterial: 85% · Primary Collector: 80% · Secondary Collector: 80% · Access: 75% · Low Volume: 75%	More than 80% of all journeys are on smooth roads as measured by Smooth Travel Exposure in RAMM			
Maintenance of sealed local road network	Percentage of the sealed local road network resurfaced	Not less than 3% and not more than 8.5% (in length) is resurfaced, in each year	Not less than 3% and not more than 8.5% of the network is resurfaced every year			
Good quality smooth footpath surface	Percentage of footpaths that fall within the level of service standard for condition of footpath, as in Asset Management Plan (i.e. has a condition rating of no greater than 3)	95% or more of the footpath network by length has a condition rating between 1 and 3 (1-excellent/3-good/5-very poor)	80% of the footpath network by length has a condition rating of no greater than 4			
Accessibility Providing transport choices via public transport and, Efficiency – Maximise movement of people via public transport	Annual number of bus patrons	An increase to at least match a 4% increasing trend over time, from a baseline of 2017/18	Target to be informed by the public transport review			
Efficiency Maximise movement of people via walk and cycle modes	Percentage of walking and cycling to school and work Count of pedestrians and cyclists between 7am-9am on a fine weather Tuesday in February and July at The Railway Reserve in Stoke and Bishopdale, Atawhai Cycleway, Rocks Road and Whakatu Cycleway.	2020/21 21% combined of all journeys to work by walking or cycling	2021/22 – 23% 2022/23 – 25% 2023/24 – 27%			
Responsiveness to service requests	Percentage of customer service requests relating to roads and footpaths to which Council responds within five working days	80% of service requests responded to within five working days	80% of service requests responded to within five working days			



Drivers of capital expenditure

The main drivers of capital expenditure for transport over the next three years are:

- Road Safety for network users and also Contractors and operators working on the road corridors
- A resilient and innovative transport network.
- Planning integrated and sustainable developments that respond to demographic and climate shifts.
- Alternative and modal shift projects that encourage communities to choose more active modes of transport such as walking and cycling.

Assumptions

In addition to general forecasting assumptions that apply as the basis for forecasting budgets across Council's work, the following specific assumptions apply to Council's transport activity. It is assumed that:

- Tasman District Council will continue to contribute a fair and equitable share to public transport and Total Mobility services for the Tasman region.
- The public transport SuperGold central government bulk funding allocation will reimburse total costs incurred by Council for administering the scheme.
- Parking meter revenue is assumed to be at a base level of the revenue received in 2019-20 after new pay by plate meters were installed. A continuation of free parking for one hour each day in the City Centre will continue.

Impacts and risks

- Central and local government are under financial strain due to international and national external influences including in a large part COVID-19.
- Funding from Waka Kotahi is a significant risk.
- With the average annual population increase of 700 additional residents (equating to 290 households), plus resurgent business growth of 3.9% relative to the national average of 3%, traffic volume on Nelson's arterial routes has increased. This is an extension of continued upward trends experienced since 2014. This traffic growth is more than the population growth suggesting people continue to use cars as a primary means of travel. If funding is not forthcoming to implement projects and programmes that support mode shift there is a risk that levels of service regarding travel time on key arterial routes will drop.
- Climate change increases the frequency and severity of risk profiles of natural events that affect the resilience of our transport network. The Waka Kotahi Nelson Future Access Project is investigating the potential consequences of this with options for mitigation and adaptation to follow.
- The vulnerability of the network to natural hazards such as landslides and earthquakes. An ongoing programme of inspection, maintenance and renewals is in place to assess and remedy this risk.
- Review of the Road Occupation and Structures on Road Reserve policies could identify many privately built structures that are in poor condition and/or disputed ownership that require renewal or removal. Review of structures and unsubsidised assets will be undertaken in 2021/22 to determine insurance requirements.

Funding impact statement – Transport

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	11,570	11,267	11,566	13,247
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	3,889	4,152	4,225	5,884
Fees and charges	754	1,282	1,354	1,981
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,602	1,577	1,630	1,826
Total Operating Funding	**17,815**	**18,278**	**18,774**	**22,938**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	13,399	13,387	13,697	17,686
Finance costs	0	0	0	0
Internal charges and overheads applied *	532	449	413	398
Other operating funding applications	0	0	0	0
Total applications of operating funding	**13,931**	**13,836**	**14,110**	**18,083**
Surplus (Deficit) of operating funding	**3,884**	**4,442**	**4,665**	**4,855**
Sources of capital funding				
Subsidies and grants for capital	8,956	4,059	4,299	4,994
Development and financial contributions	323	312	321	329
Increase (decrease) in debt	4,962	(492)	(287)	(97)
Gross proceeds from sale of assets	27	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**14,268**	**3,880**	**4,333**	**5,226**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,644	145	101	237
- to improve level of service	12,701	3,687	4,623	4,547
- to replace existing assets	3,807	4,489	4,273	5,297
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**18,152**	**8,322**	**8,997**	**10,081**
Surplus (Deficit) of capital funding	**(3,884)**	**(4,442)**	**(4,665)**	**(4,855)**
Funding balance	**0**	**0**	**0**	**0**

Funding impact statement – Transport — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	13,564	14,300	14,510	15,215	15,769	17,088	18,803
	0	0	0	0	0	0	0
	5,986	6,077	6,067	6,165	6,284	7,375	7,510
	2,181	2,523	2,669	2,820	2,980	3,265	3,471
	0	0	0	0	0	0	0
	1,884	1,925	1,967	2,014	2,064	2,115	2,168
	23,615	**24,824**	**25,213**	**26,214**	**27,099**	**29,844**	**31,953**
	0	0	0	0	0	0	0
	18,159	19,075	19,027	19,558	20,035	22,441	24,202
	0	0	0	0	0	0	0
	415	484	633	819	947	1,018	1,073
	0	0	0	0	0	0	0
	18,573	**19,559**	**19,660**	**20,377**	**20,982**	**23,459**	**25,275**
	5,041	**5,265**	**5,553**	**5,837**	**6,117**	**6,385**	**6,678**
	6,836	7,667	10,328	8,763	6,533	5,558	7,855
	337	346	354	363	373	383	393
	1,363	3,357	6,276	3,794	2,443	404	3,311
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	8,537	**11,370**	**16,958**	**12,920**	**9,350**	**6,345**	**11,560**
	279	809	1,695	2,841	4,135	767	596
	7,360	9,947	14,716	8,808	4,050	4,577	10,154
	5,939	5,879	6,100	7,109	7,281	7,386	7,488
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	13,578	**16,635**	**22,511**	**18,757**	**15,467**	**12,730**	**18,238**
	(5,041)	**(5,265)**	**(5,553)**	**(5,837)**	**(6,117)**	**(6,385)**	**(6,678)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**3,884**	**4,442**	**4,665**	**4,855**
Subsidies and grants for capital expenditure	8,956	4,059	4,299	4,994
Development and financial contributions	323	312	321	329
Vested Assets	4,303	2,322	2,392	2,454
Gains on sale	0	0	0	0
Depreciation	(7,929)	(8,645)	(9,085)	(9,464)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**9,537**	**2,491**	**2,592**	**3,168**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	5,041	**5,265**	**5,553**	**5,837**	**6,117**	**6,385**	**6,678**
	6,836	7,667	10,328	8,763	6,533	5,558	7,855
	337	346	354	363	373	383	393
	2,518	2,586	2,653	2,727	2,803	2,885	2,963
	0	0	0	0	0	0	0
	(9,838)	(10,284)	(10,854)	(11,411)	(11,963)	(12,499)	(13,070)
	0	0	0	0	0	0	0
	4,895	**5,580**	**8,034**	**6,279**	**3,864**	**2,712**	**4,820**

Summary of Capital Expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24
	$	$	$	$
Transport				
Subsidised Roading				
Marsden Valley Ridgeway Upgrade	88,412	-	-	-
Main Rd Stoke/Marsden Rd	33,841	-	-	-
Polstead Main Road Stoke Intersection Upgrade	-	-	-	-
Ngawhatu Suffolk Intersection	-	-	-	-
Arapiki Road Upgrade- Retaining Wall	754,000	53,350	-	-
Railway Reserve/Princes Dr cycle crossing upgrade	274,000	-	-	-
Songer Street signals review	-	-	20,600	105,678
Stoke East West Cycle Connection	10,000	-	-	-
Washington Valley Street Lighting Upgrade	-	120,000	123,600	126,814
Minor Improvements	79,846	600,000	618,000	634,068
School Speed Zone Signs	-	-	-	158,517
Dommett Street LOS Capital	-	50,000	51,500	105,678
Mount Street and Konini Street	-	-	-	422,712
Innovative Streets - Kawai St	40,000	-	10,300	52,839
Quarantine/Nayland intersection	52,224	-	-	-
Toi Toi St upgrade	195,000	550,000	494,400	-
Sharedzone - Beachville Cres	-	-	51,500	211,356
Sharedzone - Wigzell	10,445	-	-	-
Main Road Stoke cycleway Saxton	815,000	-	-	-
Elm Street Intersection safety	-	-	-	-
Nelson Future Access Study	-	850,000	1,133,000	1,690,848
Railway Reserve Improvements	-	20,000	27,475	225,517
Seafield Terrace Road Re-insta	1,239,000	25,000	-	-
Freshwater Improvements programme	-	-	-	-
Seaview Underpass Weir	100,000	-	-	-
Streetlight Improvement	597,000	100,000	103,000	105,678
New Footpaths	589,567	350,000	360,500	369,873
Quarantine Road Bridge Footpath	-	60,000	360,500	-
Waimea Road Retaining Wall at	605,000	10,000	-	-
Railway Reserve Lighting	-	102,041	693,673	215,670
Maitai shared path to Anzac Pa	950,000	10,000	-	-
Tahunanui Cycle Network - SH6	1,020,000	-	-	-
Cross Town Links Brook to Cent	50,000	-	-	-
Atawhai Shared path extension	-	-	-	-
Travel demand management impro	200,000	-	-	-
Curtis Street footbridge (Link	192,962	-	-	-
Nile Street cycle facilities	-	-	-	-
Sealed Pavement Heavy Works	-	150,000	154,500	158,517
Sealed Road Pavement Rehabilit	-	-	-	-
Sealed Road Resurfacing	1,316,045	1,300,000	1,339,000	1,373,814
Cyclepath renewals	122,700	100,000	103,000	105,678
Drainage Renewals	343,367	160,050	164,852	169,138
Trafalgar Centre Footbridge	-	65,000	212,180	636,182
Structures component replacement	-	-	-	-
Structure replacement	109,854	535,000	56,650	58,123
Traffic Services Renewal - Lig	383,324	300,000	309,000	317,034
Renewals: Footpaths	840,615	1,200,000	1,236,000	1,268,136
Associated Improvements	-	200,000	206,000	211,356
Traffic Service Renewals - Sig	115,420	85,000	87,550	89,826
Traffic Service Renewals - Sig	-	63,000	74,160	92,997
Unsubsidised Roading				
Marsden Valley Road Upgrade	10,445	-	-	-
Wastney Terrace cul de sac	-	-	-	-
Street Garden Dev	8,001	150,000	154,500	31,703
Milton St (Grove to Cambria)	-	-	-	-
Halifax (Maitai to Milton)	-	-	-	-
Beach Road Raised Table - PGF	180,000	-	-	-
Nelson College Frontage Franklyn St	-	-	-	-
Road Drainage Improvements	48,676	90,000	154,500	42,271
Maitai Shared Path	660,000	-	-	-
Structures replacement	-	60,000	103,000	634,068

Summary of Capital Expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	86,740	55,677	57,124	1,761,710	1,811,037	-	-
	-	-	-	-	-	99,390	102,073
	54,213	33,406	1,028,235	-	-	-	-
	-	-	-	-	24,147	37,271	255,183
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	22,271	57,124	1,057,026	-	-	-
	-	-	-	-	-	-	-
	650,554	668,119	685,490	704,684	724,415	745,423	765,549
	-	-	-	-	-	-	-
	542,128	556,766	-	-	-	-	-
	-	-	-	-	-	-	-
	650,554	-	-	-	-	-	-
	-	-	-	58,724	60,368	124,237	1,275,915
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	54,213	278,383	-	-	-	-	-
	-	-	-	-	-	-	-
	54,213	55,677	228,497	1,174,473	1,207,358	-	-
	4,445,450	5,567,655	6,854,898	4,697,892	1,207,358	1,863,557	1,913,873
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	2,227,062	2,284,966	-	-	-	-
	-	-	-	-	-	-	-
	108,426	55,677	57,124	58,724	60,368	62,119	63,796
	542,128	556,766	571,242	587,237	603,679	621,186	637,958
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	54,213	55,677	2,170,718	-	-	-	-
	-	11,881	60,951	352,342	60,368	248,474	3,827,745
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	32,528	111,353	1,485,228	-	-	-	-
	162,638	167,030	171,372	176,171	181,104	186,356	191,387
	1,084,256	1,113,531	1,142,483	1,174,473	1,207,358	1,242,371	1,275,915
	1,409,533	1,447,590	1,485,228	1,526,815	1,569,565	1,615,082	1,658,690
	108,426	111,353	114,248	117,447	120,736	124,237	127,592
	173,535	178,221	182,854	187,974	193,238	198,841	204,210
	-	-	-	-	-	-	-
	-	-	-	176,171	-	-	-
	119,268	337,979	391,661	294,558	488,256	103,246	63,796
	325,277	334,059	342,745	352,342	362,207	372,711	382,775
	1,301,107	1,336,237	1,370,980	1,409,368	1,448,830	1,490,845	1,531,098
	216,851	222,706	228,497	234,895	-	-	-
	92,162	94,650	97,111	99,830	102,625	105,602	108,453
	39,033	66,812	26,778	29,362	362,207	111,813	38,277
	10,843	27,838	68,549	105,703	2,414,716	-	-
	-	-	-	-	-	-	191,387
	32,528	33,406	34,274	35,234	36,221	37,271	38,277
	-	-	-	58,724	84,515	559,067	-
	-	-	-	-	-	62,119	127,592
	-	-	-	-	-	-	-
	54,213	55,677	57,124	587,237	-	-	-
	216,851	-	913,986	46,979	48,294	49,695	51,037
	-	-	-	-	-	-	-
	758,979	389,736	525,542	469,789	845,151	621,186	893,141

Summary of Capital Expenditure over $100,000 in any one year — *continued*

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	
	$	$	$	$	
Parking and CBD Enhancement					
CBD Enhancement	3,100,000	-	-	-	
Strawbridge Sq Layout & access improvement	10,445	-	-	-	
Stoke Centre Traffic Calming and Ped Safety Works non sub ae	-	-	-	-	
Stoke Centre Enhancements	-	-	-	-	
Renewals: On and Off St Parking Meter	100,000	-	-	-	
Renewal: CBD aesthetic elements	179,912	160,050	164,852	169,138	
CBD Carpark Resurfacing	-	-	-	-	
Millers Acre					
Building Improvements	850,000	390,640	-	-	
Public Transport					
Stoke interchange	-	-	-	-	
Integrated Ticketing GRETS	80,000	-	-	-	
CBD interchange	266,996	50,000	51,500	105,678	
PT Minor Improvements	-	100,000	206,000	105,678	
Vested Assets	4,303,258	2,322,000	2,391,660	2,453,843	
Projects under $100,000	1,529,670	1,109,092	1,092,152	1,125,263	
Total Transport	**22,455,025**	**11,490,223**	**12,309,104**	**13,573,689**	
Scope Adjustment	-	(846,405)	(920,117)	(1,039,152)	
Total Transport Less Scope Adjustment	**22,455,025**	**10,643,818**	**11,388,986**	**12,534,538**	

Summary of Capital Expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	16,264	55,677	137,098	-	-	-	-
	-	55,677	114,248	822,131	-	-	-
	-	-	-	-	-	124,237	1,913,873
	-	-	-	58,724	-	124,237	-
	-	-	-	-	-	662,805	680,701
	173,535	178,221	182,854	187,974	193,238	198,841	204,210
	108,426	33,406	114,248	939,578	362,207	434,830	382,775
	-	-	-	-	-	-	-
	-	-	-	58,724	60,368	621,186	-
	-	111,353	-	-	-	-	-
	108,426	556,766	571,242	-	-	-	-
	37,949	38,974	39,987	41,107	42,258	43,483	44,657
	2,517,642	2,585,619	2,652,846	2,727,126	2,803,485	2,884,785	2,962,675
	1,179,424	1,196,346	1,072,005	1,109,883	1,214,044	1,161,384	1,219,159
	17,522,523	**20,985,228**	**27,579,557**	**23,481,127**	**19,899,720**	**16,937,886**	**23,133,765**
	(1,426,451)	(1,764,514)	(2,415,739)	(1,996,781)	(1,629,545)	(1,323,412)	(1,933,318)
	16,096,072	**19,220,715**	**25,163,818**	**21,484,346**	**18,270,175**	**15,614,474**	**21,200,447**

Water Supply



Water Supply
Te Ratonga Wai



What we do

Council supplies high quality potable water to households and businesses through a piped network.

The water supply system includes dams and weirs on the Maitai and Roding Rivers, the world class 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.

Why we do it

Water supply is a major part of Council's core business because human health and disease prevention, tourism and other industries require a safe, reliable water supply.

Council aims to balance the reliable and efficient supply of water to residents and businesses by recognising and enhancing the ecological, recreational and cultural values of the Maitai and Roding Rivers.

Challenges

Natural hazards and climate change

Nelson's water supply is dependent on the water in the Maitai and Roding rivers, Maitai dam and Roding weir to supply the treatment plant. The reticulation between the intakes and the city's treatment plant passes through tunnels and in places is constructed above ground. These features make it vulnerable to damage from earthquakes and landslides.

The best advice to date from the Ministry for the Environment and NIWA indicates we can expect more extremes in our weather patterns including increased droughts and extreme rainfall events due to climate change. These events will impact access to water in the rivers and increase our dependency on the Maitai Dam. Summers will likely feature increased water demand with reduced supply.

The Maitai Dam itself is a critical asset. Council is required to regularly review the design to maintain the safety of the structure taking into account changing conditions and improved knowledge of dam construction. The Roding Weir (constructed in the early 1940's) is smaller and has a lower risk

Council collects information on the condition and performance of assets in order to prioritise renewals and upgrades.



factor aside from 200 metres of pipe suspended on piers along the riverbank.

In light of the Christchurch earthquakes, Council has undertaken seismic reviews of critical elements of the above ground network. This continues with the investigation extended to include impacts of liquefaction and long term planning necessitated by climate change.

Ageing assets

Due to a significant proportion of the network reaching the end of its design life, a substantial length of pipeline will need to be replaced within 30 years to address the risk of failures and interruption to the water supply.

Large portions of the network were installed in the 1950s – 1970s as part of a surge in development and growth. This infrastructure is now reaching 50-70 years of age, with some sections already at the end of their service life. There will be a considerable increase in the number of asset renewals required from the mid-2030's onward representing a surge in work and funding required.

In order to ensure financial sustainability some of these assets will be renewed early (coinciding with network upgrades to save costs), and some will be deferred where their condition merits this approach.

The budget approach within this plan incrementally increases expenditure on renewals over the next ten years to help address this issue.

Maintaining, renewing and upgrading

Council collects information on the condition and performance of assets in order to prioritise renewals and upgrades. The network reticulation is made up of a mix of pipe materials and sizes. Some of the materials have not performed as well as expected and Council has been replacing them before the end of their ideal service life. It is expected that this will continue for the next 8 – 10 years before we can return to a more normal renewal strategy.

The original Maitai Pipeline between the Maitai Dam and the Water Treatment Plant is largely constructed on an above ground bench that is vulnerable to slips above and below the structure. In 2014 a duplicate pipeline between the Maitai Dam and the water treatment plant was completed. This pipeline was constructed under the Maitai Valley Road in order to reduce the risk of natural hazards. Council will continue to use the original pipeline for as long as it remains economical to do so. A strategy to renew or repair this section of pipe below the dam will be developed in 2021 - 2023.

The Maitai Dam is considered a high impact structure due to the significant risk it poses to residents in the event of a catastrophic failure. Although the likelihood of this is extremely low Council will continue to meet with various emergency response agencies to review their current emergency and response plans.

Council has three raw water sources, the Maitai Dam, Maitai South Branch and Roding River.



Growth and intensification

In the short term, population growth is projected to be low, largely due to impacts from COVID-19. Beyond this, projected population growth will be higher but raw water supply in Nelson is adequate to cover this increase, although with some issues of access in rural areas of the city. The Long Term Plan provides funding to enable intensification in south Nelson and the City Centre.

Increased capacity is also being installed by Council in the Saxton area to provide sufficient water for intensified residential development there.

Un-accounted for Water

Council is unable to account for 15 – 25% of water supplied through the water supply network. Council monitors the annual water losses as a percentage of annual water production. There is an ongoing project to track actual losses within the network and better quantify the other sources of unaccounted for water. Annual checks for leaks are undertaken and as of 2020 the majority of the public network had been checked with a number of minor leaks repaired, with no substantial leaks found. Early test results suggests piping below the water treatment plant could be the source of multiple leaks, with repairs being challenging and costly due to the difficulties in accessing the pipes. A project is in place in 2021-2022 to identify leak locations and confirm the best way to carry out the repairs.

Council is also well underway with replacing the now aging residential water meters that were installed in the mid-1990's. The installation is due to be completed in 2021 - 2022 which will reduce reading discrepancies. Additional testing of industrial and commercial meters is set to be undertaken during 2021/22-2024/25 in the Long Term Plan.

Maitai Dam water

Council has three raw water sources, the Maitai Dam, Maitai South Branch and Roding River. The Maitai dam is the only one reliably available when river flows are low or unavailable after heavy rain. Accordingly, the Maitai Dam is critically important to Nelson's water supply in dry conditions. A 2017 drought security study concluded the Maitai dam would provide sufficient water to allow the city to withstand a 1:100 year drought into the latter half of this century.

Use of water from the Maitai Dam necessitates the removal of naturally occurring organic material. This is done through a combination of chemical and mechanical cleaning by way of ultra-filtration membranes at the world class water treatment plant. This process requires cleaning of the membranes which reduces their service life but through careful management and choice of water sources the membrane life can be extended.

In 2016 Council undertook a trial of sourcing all water from the Maitai Dam to test the ability of the treatment plant to handle city demand over an extended period. This trial confirmed the ability of the treatment plant to handle demand without loss of functionality, though there was an increase in complaints, especially from hospitality providers in parts of the city, about discoloured water.

In 2019 sampling identified an invasive freshwater algae species, *lindavia intermedia*, which has the potential to clog water treatment membranes if it was to bloom. The water treatment plant has intake screens which reduce this risk, though it is anticipated there will be increased operational costs to de-foul these screens if this becomes an issue.

Discoloured Water

Deposits, predominantly in the cast-iron reticulation, are periodically discolouring the water supply received by some customers. Investigations have been undertaken to better understand the causes of the discolouration and identify options to prevent them occurring. Future work will concentrate on the option to pre-treat water at source to remove organics, or to investigate changing the chemicals used to treat the water so as to reduce the amount of aqueous iron in the system. A way to remove residual iron oxide from inside the pipes is also being investigated.

Maitai River water quality

Council is working with iwi and the wider community to develop environmental standards for streams and rivers in Nelson, based on the National Policy Statement for Freshwater Management. These standards are expected to form the basis of the proposed draft Nelson Plan rules.

Council complies with the resource consents it holds for water abstraction, which require us to increase minimum flows in the Maitai and Roding rivers especially during summer, improve dissolved oxygen levels in the Maitai Dam, implement a fish transfer program and enhance riparian planting.



Council facilitates these conditions through a number of initiatives, including funding of riverbank plantings, support and replenishment of upper catchment fish populations, use of the Maitai Dam to augment river flows, reduction of unaccounted for water levels, and management of water demand through restrictions.

Council is also investigating works to aerate the Maitai Dam, especially in summer months, to mitigate the anoxification (depletion of oxygen) of the lower levels of the water. Minerals can become more soluble in anoxic water, meaning there may be elevated levels of iron and manganese in the water which contributes to discoloured water in the network. This water also presents a more challenging environment for aquatic organisms. Increased work to overcome this is expected to occur between 2022/2023 – 2024/2025.

Community Outcomes

Council's water supply activity contributes primarily to the following community outcomes:

- Our unique natural environment is healthy and protected.
- Our infrastructure is efficient, cost effective and meets current and future demands.
- Our region is supported by an innovative and sustainable economy.
- Our communities are healthy, safe, inclusive and resilient.

Council's priorities for the next three years

Priorities for the first three years of the Long Term Plan until 2023/2024 include:

- Continued focus on natural hazard risk reduction - The piped water supply network is at risk of damage during earthquakes, landslides and flood events.
- Ongoing renewal of the water reticulation.
- Continued review of assets supporting levels of service - Planned levels of service for water supply will not be met unless assets are maintained, renewed and upgraded.
- Further action to reduce water losses.
- Review operation of the water treatment plant to focus on improvements to the performance of the ultra-filtration membranes - Using water from the Maitai Dam increases impacts on the Water Treatment Plant processing system.
- Undertake investigations to reduce the frequency of dis-coloured water complaints from the network.
- Assess the preferred option to improve aeration of the Maitai Dam and enhance water.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Quality ^Good quality water	The extent to which drinking water supply complies with: a) part 4 of the drinking water standards # (bacterial compliance criteria)*, and b) part 5 of the drinking water standards# (protozoal compliance criteria)* c) part 8 of the drinking water standards# (chemical compliance criteria) [1]	Complied a) and b) and c) 2019/20 Complied a) and b) and c) 2018/19 Complied a) and b) and c) 2017/18 Protozoal compliance is not measured for distribution as the treatment plant removes any at source.	100% compliance with parts 4,5 and 8 of the drinking water standards			
	Total number of complaints per 1000 connections about any of the following*: · drinking water clarity · drinking water taste · drinking water odour · drinking water pressure or flow · continuity of supply · Council's response to the above issues expressed per 1,000 connections [2]	18 complaints per 1000 connections in 2019/20 23 complaints per 1000 connections in 2018/19 16 complaints per 1000 connections in 2017/18 21 complaints per 1000 connections in 2016/17	No more than 50 valid complaints per 1000 connections			

Service levels, performance measures and targets — *continued*

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets
Reliability ^A reliable supply of water	Average drinking water standard consumption per day per resident*[3]	300L per person per day 2019/20 286L per person per day 2018/19 259L per person per day 2017/18	Normal demand less than 500L per person per day. This includes both domestic and commercial-industrial
	% real water loss from the system*[4]	24.5% in 2019/20 25.7% in 2018/19 28% in 2017/18	Real water loss less than 25%.
Customer Service ^Prompt response	When attending a call-out in response to a fault or unplanned interruption to the system, the following median response times will be measured*: a) attendance for urgent call-outs: from the time notification is received to the time service personnel reach the site*	**Median** 21 minutes in 2019/20 20 minutes in 2018/19 18 minutes in 2017/18 21 minutes in 2016/17	a) Contractor to attend urgent call- outs in a median time of 30 minutes or less.
	b) resolution of urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption*	**Median** 191 minutes in 2019/20 284 minutes in 2018/19 89 minutes in 2017/18 107 minutes in 2016/17	b) Contractor to resolve urgent call- outs in a median time of 480 minutes or less.
	c) attendance for non-urgent call-outs: from the time notification is received to the time that service personnel reach the site*	**Median** 76 minutes in 2019/20 78 minutes in 2018/19 52 minutes in 2017/18 54 minutes in 2016/17	c) Contractor to attend non-urgent callouts in a median time of 120 minutes or less.
	d) resolution of non-urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption*[2]	**Median** 1164 minutes in 2019/20 449 minutes in 2018/19 330 minutes in 2017/18 330 minutes in 2016/17	d) Contractor to resolve non-urgent call outs in a median time of 24 hours (1440mins) or less.

^L.O.S. included in Long Term Plan.

 # Ministry of Health Drinking-water Standards for New Zealand 2005 (Revised 2018), Wellington, Ministry of Health.

**Performance measures with an asterisk reflect the wording of the Non-Financial Performance Measures of the Department of Internal Affairs (DIA) incorporated into sec261B Local Government Act 2002. This is to allow DIA to compare these measures across councils. Targets have been adjusted where necessary to align.*

Measurement procedures:

[1]South Island Drinking Water Assessment Unit – Nelson

[2]Report from SR system at 1 July

[3]Calculated by metered supply divided by Statistics NZ estimated population

[4]Council uses a water balance methodology developed by Water NZ to track and report on un-accounted for water.



Drivers of capital expenditure

The following factors drive the requirement for capital expenditure on water supply:

- The need to continue to renew older pipes, including reduction of water losses and unaccounted for water.
- Providing acceptable firefighting flows.
- Reducing the higher water pressure areas in the network.
- Microbiological and chemical water quality issues that have been identified as needing improvement.
- Addressing risks of backflow contamination.
- The need to continue to improve security of the network against the risk of hazards.

Assumptions

As well as the general assumptions that apply as the basis for forecasting budgets across Council's work, some specific assumptions apply to Council's water supply activities:

- Renewals will be continued at a rate that is sustainable, based on consideration of both resource and financial aspects.
- It is assumed that Nelson's climate will remain substantially unchanged for the next decade, with enough rain to meet our water needs. Factors such as climate change and population growth will receive increased analysis as the Activity Management Plan and Infrastructure Strategy are reviewed in future years.
- Future resource consents for the existing sources of water supply and abstraction volumes will be granted.



- There will be reductions in un-accounted for water.
- Water supply is expected to continue to be funded from water charges and, consistent with Council's financial policies, most of the capital expenditure will be funded from borrowings.
- Council will provide education and promote the importance of water conservation; however the demand for water is expected to continue to primarily be managed through Council's water charging system.
- Existing treatment plant membranes will continue to operate satisfactorily.

Impacts and risks

Potential negative impacts associated with the water supply network include the following:

- Limitations on land use activities in water supply catchments
- Reduced water levels in rivers
- Fish passage obstructions

Risks and associated mitigations linked to the water supply network include the following:

- To ensure there is a safe supply of water, water supply catchment controls have to limit the range of recreational activities in the Maitai and Roding valleys. For example, no swimming, boating or fishing 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 drinking water requirements.
- 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 adhering to Council's resource consents to extract water.
- Emergency water treatment is provided by a portable chlorinator using sodium hypochlorite held at the water treatment plant. It is a stand-alone unit, run by a small petrol generator and is sufficient to treat the full Maitai daily flow.
- The high risk to trunk main pipes is from earthquakes where sections of key main pipes

All large reservoirs have automatic seismic shut off values. When excess flow from the reservoir is detected, such as from a broken outlet trunk main, the outlet valve is automatically shut and an alarm is triggered.



could be damaged. Council holds replacement pipe stocks to allow single repairs to each main. Aid would be required from other water supply authorities to reinstate trunk mains in the event of multiple major breaks.

- The water treatment plant Clearwater tank plus Stoke, Walters Bluff, and Observatory Hill Reservoirs are constructed to a minimum of importance level 2 earthquake standards (able to withstand in the order of a 1 in 100 year earthquake) with some of the more modern reservoirs designed to importance level 4 (able to withstand a 1 in 1000 year earthquake). All large reservoirs have automatic seismic shut off valves. When excess flow from the reservoir is detected, such as from a broken outlet trunk main, the outlet valve is automatically shut and an alarm is triggered.
- Risks posed to water quality range from low to extreme. Completion of the water treatment plant in August 2004 reduced the risk from source water to very low levels. Proposed central government changes in the Water Supply regulatory environment mean Council will need to continue to monitor the water sources and respond to any new or changed risks or requirements. Extreme risk relates to possible backflow from premises into the water reticulation network, thereby putting other consumers in danger. Dual check valves are fitted to all residential connections. These will be replaced as required as part of the residential water meters renewal programme due for completion in 2021/2022. Backflow preventers have been installed at all Nelson City Council drainage pump stations. Council has a continuing programme to install backflow preventers, in conjunction with replacing commercial and industrial water meters. The backflow prevention devices will be sourced and installed by Council with the costs recovered from all customers connected to the city water mains.
- The Health (Drinking Water) Amendment Act 2007 requires large drinking water suppliers, such as Nelson City Council, to have Water Safety Plans. Nelson City Council has a Water Safety Plan approved by the Ministry of Health that is regularly updated. It includes measures for dealing with deliberate or accidental contamination of the water supply and implementing potential outcomes from the Havelock North contamination investigation.
- Climate change and sea level rise. Subject to several work programmes to ensure Nelson is well placed.

Funding impact statement – water supply

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	12,404	12,666	13,362	13,894
Subsidies and grants for operating purposes	0	261	0	0
Fees and charges	40	38	39	39
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	34	9	9	9
Total Operating Funding	**12,478**	**12,974**	**13,410**	**13,943**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	7,054	7,337	7,489	7,725
Finance costs	0	0	0	0
Internal charges and overheads applied *	1,047	1,093	1,050	1,045
Other operating funding applications	0	0	0	0
Total applications of operating funding	**8,101**	**8,430**	**8,539**	**8,770**
Surplus (Deficit) of operating funding	**4,377**	**4,543**	**4,871**	**5,172**
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	416	431	443	455
Increase (decrease) in debt	62	199	1,274	1,293
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**478**	**630**	**1,718**	**1,747**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	105	434	260	577
- to improve level of service	1,285	1,529	2,376	2,237
- to replace existing assets	3,466	3,210	3,953	4,105
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**4,856**	**5,173**	**6,589**	**6,920**
Surplus (Deficit) of capital funding	**(4,377)**	**(4,543)**	**(4,871)**	**(5,172)**
Funding balance	**0**	**0**	**0**	**0**

Funding impact statement – water supply — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	0	0	0	0	0	0	0
	14,597	15,026	15,680	16,264	16,977	17,601	18,281
	0	0	0	0	0	0	0
	40	41	41	42	43	44	45
	0	0	0	0	0	0	0
	9	9	10	10	10	10	11
	14,647	**15,076**	**15,731**	**16,316**	**17,031**	**17,655**	**18,337**
	0	0	0	0	0	0	0
	8,086	8,191	8,406	8,512	8,825	9,038	9,369
	0	0	0	0	0	0	0
	1,095	1,136	1,220	1,308	1,407	1,509	1,554
	0	0	0	0	0	0	0
	9,181	**9,327**	**9,627**	**9,820**	**10,232**	**10,547**	**10,923**
	5,466	**5,750**	**6,105**	**6,497**	**6,799**	**7,108**	**7,413**
	0	0	0	0	0	0	0
	466	478	490	502	516	530	543
	31	27	2,315	1,757	3,624	838	81
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	497	**505**	**2,804**	**2,259**	**4,140**	**1,368**	**624**
	1,208	601	3,614	2,803	3,668	2,227	3,842
	2,326	2,951	2,980	3,084	4,306	3,091	1,086
	2,429	2,703	2,316	2,869	2,965	3,158	3,109
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	5,963	**6,255**	**8,909**	**8,755**	**10,939**	**8,476**	**8,038**
	(5,466)	**(5,750)**	**(6,105)**	**(6,497)**	**(6,799)**	**(7,108)**	**(7,413)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**4,377**	**4,543**	**4,871**	**5,172**
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	416	431	443	455
Vested Assets	813	1,306	1,345	1,380
Gains on sale	0	0	0	0
Depreciation	(4,377)	(5,007)	(5,237)	(5,440)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,229**	**1,273**	**1,423**	**1,567**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	5,466	**5,750**	**6,105**	**6,497**	**6,799**	**7,108**	**7,413**
	0	0	0	0	0	0	0
	466	478	490	502	516	530	543
	1,416	1,454	1,492	1,534	1,577	1,623	1,666
	0	0	0	0	0	0	0
	(5,635)	(5,821)	(6,078)	(6,372)	(6,674)	(6,983)	(7,288)
	0	0	0	0	0	0	0
	1,713	**1,861**	**2,009**	**2,161**	**2,218**	**2,277**	**2,335**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24
	$	$	$	$
Water Supply				
NCC - TDC Link	100,000	-	-	-
City Centre N270 Maitai Precinct Intensification Growth project	-	-	-	105,678
Intensification City Wide	-	-	-	-
Bayview Development Growth project	-	-	-	105,678
Future growth and Intensification Projects	-	-	-	-
water pump stations - upgrades	-	-	-	116,246
Water Treatment Plant Upgrades	-	285,000	278,100	290,615
Capital: Atawhai Res & pump Ma	-	175,000	-	-
Future Growth Additional Storage	-	-	-	-
Ngawhatu Valley high level reservoir	-	-	-	-
Climate Change Adaptation Projects	-	-	-	-
Headworks Upgrades	-	315,000	355,350	401,576
Toi Toi St water ridermain	10,000	208,816	-	-
Capital: Backflow Prevention	169,362	175,000	180,250	184,937
Capital: Atawhai Trunkmain	-	50,000	51,500	-
Pressure Enhancement	112,908	100,000	-	-
Fire Flow Upgrades	-	-	51,500	105,678
Water Loss Reduction Programme	245,817	150,000	154,500	158,517
Natural Hazards Risk Remediation	112,908	150,000	103,000	105,678
Maitai Pump Station upgrade	-	-	-	-
Capital: Atawhai No.2 Reservoir	175,000	150,000	154,500	105,678
Dam Upgrades	112,648	165,000	1,184,500	1,199,445
Maitai Pipeline Hazard mitigation	-	-	-	-
Telemetry/Control Upgrade	-	20,000	128,750	10,568
Water Treatment Plant Renewals	190,815	20,000	159,650	163,801
Scada Renewal	-	35,000	25,750	-
Renewals: Headworks	67,745	75,000	118,450	79,259
Rutherford St (Little Go Stream) Renewal	-	-	463,500	105,678
Maitai Raw water pipeline renewal	-	-	-	-
Renewals: Water Pipes	917,442	2,400,000	1,854,000	1,690,848
Roding Pipeline	112,908	-	-	-
Konini Street water renewal	25,000	30,000	-	686,907
Hardy (Rutherford-Vanguard) watermain renewal	800,000	-	-	-
Washington (Rentone to Watson) water renewal	72,000	105,000	1,287,500	1,342,111
Washington Road (Hastings to St Vincent) Renewal	-	-	-	-
Renewals: Commercial Meters	156,672	160,000	164,800	169,085
Residential Meters renewals	750,000	430,000	-	-
Renewal: Membranes WTP	-	-	-	-
Reservoir Refurbishment Programme	56,454	55,000	56,650	58,123
Vested Assets	812,605	1,306,000	1,345,180	1,380,155
Projects under $100,000	667,938	472,089	525,799	479,126
Total Water Supply	**5,668,222**	**7,031,905**	**8,643,229**	**9,045,385**
Scope Adjustment	-	(552,996)	(709,155)	(745,558)
Total Water Supply Less Scope Adjustment	**5,668,222**	**6,478,908**	**7,934,074**	**8,299,827**

Summary of capital expenditure over $100,000 in any one year — *continued*

		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		$	$	$	$	$	$	$
		-	-	-	-	120,736	124,237	127,592
		108,426	111,353	1,142,483	2,348,946	2,414,716	993,897	-
		-	-	-	117,447	120,736	62,119	1,913,873
		108,426	55,677	856,862	-	-	-	-
		162,638	55,677	1,428,104	-	-	124,237	127,592
		119,268	55,677	125,673	199,660	205,251	211,203	727,272
		243,958	250,544	228,497	234,895	319,950	62,119	382,775
		-	-	-	-	-	-	-
		542,128	-	-	-	-	-	-
		-	-	-	-	187,140	192,568	197,767
		-	111,353	114,248	117,447	603,679	621,186	637,958
		216,851	345,195	137,098	140,937	325,987	173,932	306,220
		-	-	-	-	-	-	-
		189,745	194,868	199,935	205,533	211,288	217,415	223,285
		-	167,030	57,124	2,254,988	2,318,127	2,385,352	-
		108,426	111,353	114,248	-	-	-	-
		108,426	111,353	114,248	117,447	120,736	124,237	127,592
		162,638	133,624	137,098	140,937	132,809	136,661	140,351
		108,426	111,353	114,248	117,447	120,736	124,237	127,592
		-	111,353	114,248	58,724	1,207,358	-	-
		1,246,894	1,592,349	1,885,097	-	-	-	-
		130,111	-	-	-	-	-	-
		-	122,488	125,673	129,192	-	-	-
		16,264	11,135	11,425	17,617	12,074	12,424	12,759
		130,111	116,921	194,222	211,405	325,987	416,194	114,832
		16,264	-	28,562	176,171	36,221	-	38,277
		8,132	22,271	22,850	82,213	18,110	24,847	25,518
		-	-	-	-	-	-	-
		-	-	-	117,447	120,736	124,237	127,592
		1,789,022	1,781,650	1,885,097	2,114,051	2,173,244	2,236,268	2,296,647
		-	-	-	-	138,846	142,873	146,730
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		271,064	579,036	-	-	-	-	-
		173,481	178,165	182,797	187,916	193,177	198,779	204,146
		-	-	-	-	-	-	-
		-	-	-	-	-	-	127,592
		86,740	89,082	68,549	70,468	72,441	111,813	114,832
		1,416,038	1,454,271	1,492,083	1,533,862	1,576,810	1,622,537	1,666,345
		554,307	506,041	586,134	542,248	628,636	570,624	655,129
		8,017,783	**8,379,819**	**11,366,604**	**11,236,999**	**13,705,530**	**11,013,995**	**10,570,265**
		(638,898)	(670,902)	(965,398)	(947,800)	(1,189,851)	(915,627)	(866,346)
		7,378,885	**7,708,916**	**10,401,206**	**10,289,199**	**12,515,679**	**10,098,367**	**9,703,919**

Wastewater



Wastewater
Te Para Wai

What we do

Council collects, treats and disposes of wastewater for the Nelson region. It operates and maintains a network of pipes and pump stations across the city that carry wastewater from Stoke and Tahunanui for treatment at the regional Bell Island Wastewater Treatment Plant, and from the rest of the city to the Nelson Wastewater Treatment Plant near Wakapuaka.

Nelson generates about 16 million litres of wastewater a day, with the Nelson Wastewater Treatment Plant at Wakapuaka and the Bell Island Wastewater Treatment Plant treating around eight million litres each.

Nelson City Council owns and operates the Nelson Wastewater Treatment Plant. This plant consists of a pre-treatment facility, two oxidation ponds and wetlands to treat wastewater from central Nelson and Atawhai. A separate Wastewater Treatment Plant at Bell Island is managed by the Nelson Regional Sewerage Business Unit of which the Nelson and Tasman councils are each 50% shareholders. This plant consists of a pre-treatment facility and a series of five oxidation ponds to treat wastewater from Stoke, Tahunanui, the Wakatu Industrial Estate, Richmond, Wakefield, Brightwater and Mapua, as well as trade waste from some large industrial operations.

Why we do it

Wastewater infrastructure is a high priority for Council. Providing a piped wastewater system and treatment is a core role of Council in order to prevent people from being exposed to diseases associated with wastewater and avoid contamination of the environment.

Council aims to provide an efficient system that prevents wastewater from harming people, property and the wider environment.



Challenges

Future Wastewater treatment

The current Nelson Wastewater Treatment Plant located adjacent to the Boulder Bank near Wakapuaka is a site that may be susceptible to sea level rise in the long term. Over 10,000 years, the area has been reclaimed from the sea by a combination of sedimentation of the estuary and the formation of the boulder bank.

It is expected the Treatment Plant will continue to operate from the current location for the medium term, however Council will be seeking to define future options during the period of this plan. Given the inherent uncertainties around the site specific impacts of climate change, it is considered prudent to examine options for the future treatment of Nelson's wastewater.

Natural Hazards

The last decade has shown that utility networks can be vulnerable to natural hazard events, and that different natural hazards may impact on different parts of the network. Council has recently undertaken a 3 Waters Natural Hazards study to ascertain the hazards that are likely to impact on



critical assets within the network. Part of this work involved establishing the criticality of the assets within the wastewater network.

The focus of resilience work will be on assets that have a higher criticality rating. Critical assets will be assessed against specific natural hazard events to define how work will be prioritised. This programme is expected to be ongoing and will generate specific upgrade projects that will improve the wastewater networks resilience to natural hazard events.

Ageing Assets

Council collects information on the condition and performance of assets in order to prioritise renewals and upgrades. A significant portion of Nelson's wastewater infrastructure was installed from the 1950s – 1970s as part of a surge in development and growth. This means a significant portion of the network is 60 – 70 years old and approaching the end of its service life. There will be a considerable increase in the number of asset renewals required from the mid-2030s onward, representing a surge in work and funding required.

In order to ensure financial sustainability some of these assets will be renewed early (coinciding with network upgrades to save costs), and some will be deferred where their condition following assessments merits this approach.

The approach within this plan is to increase expenditure on pipeline renewals and have allocated $20 million for network renewals over the next 10 years.

Wastewater Overflows

Overflows occur when the capacity of the existing wastewater network is exceeded and wastewater escapes from the network. Overflows are generally linked to wet weather events but can also be attributed to blockages (from items such as wet wipes) and breakages within the network. Inflow and infiltration is the entry of water (usually stormwater or groundwater) into the wastewater network. As sea levels rise and rainfall intensity increases, there will be an increasing focus on addressing this issue.

The Ministry for the Environment has outlined, through the Action for Healthy Waterways, its intention to develop a National Environmental Standard – Wastewater. This will provide guidance as to how wastewater overflow management should be approached by Council.

The issue of broken or misconnected pipes (stormwater pipes connected to the wastewater network) on private property remains a challenge for Council, one where education and/or regulation are the primary solutions. This reflects the challenges of replacing privately owned pipes and upgrading capacity of our pump stations.

Over the next ten years, Council will be continuing to focus on this key issue and the plan is to continue with the following programmes, Overflow Reduction (Inflow and infiltration investigation), Hydraulic Model Upgrade, Pump Station Resilience, System Performance Improvements and Wastewater pipeline renewals.

Atawhai Rising Main replacement

There is one pressured pipeline (rising main) between Nelson City (Neale Park) and the Nelson Wastewater Treatment Plant near Wakapuaka. This concrete pipeline was installed in the mid-1960s and the inside of the concrete pipes have suffered from acid attack. In the early 1990's the full pipeline was inspected and sections were repaired or replaced with more durable material. The repairs were expected to allow the pipeline to remain operational until approximately 2040-50. In recent years, there have been the occasional minor failure of the pipeline resulting in discharges of small volumes of wastewater into the Haven. Council considers any discharge into the Haven should be avoided and is supporting a range of projects aimed at inspecting and repairing any areas of weakness in the pipeline in the short term. Council have already upgraded, as part of the strategy, the two main pump stations at Corder Park and Neale Park to reduce pressures in the existing pipeline and improve operational performance, particularly during wet weather.

The renewal of the Atawhai rising main will be split into three stages, with the first stage being started in the next 10 years with a budget of $23 million.

Growth and Intensification

Nelson's population is expected to reach over 66,000 by 2050 under post-COVID projections. The need to respond to growth and intensification will be factored into planning in order to ensure our work programme remains responsive and cost effective.

Because a lot of growth is market driven, future wastewater infrastructure development will need to be flexible in order to match capital works with demand requirements. The use of Council's wastewater hydraulic model will be key to understanding where and when upgrades take place.

Nelson Regional Sewerage Business Unit (NRSBU)

The NRSBU was established in 2000 by the Nelson City Council and Tasman District Council, with costs shared between the councils and the major industrial users. Its purpose is to manage and operate the wastewater treatment facilities at Bell Island and the associated reticulation network efficiently and in accordance with resource consent conditions to meet the needs of its customers.

Priorities for the NRSBU include the commitment to measure and reduce gas emissions, increased capital expenditure over the next ten years for infrastructure renewals, pipeline upgrades to accommodate future growth and pond desludging and increased operational expenditure to cater for maintenance contract costs. Total capital expenditure for the next ten years is $58.8 million and operating costs are approximately $10.5 million per annum.

Community Outcomes

Council's wastewater activity contributes primarily to the following community outcomes:

- Our unique natural environment is healthy and protected.
- Our infrastructure is efficient, cost effective and meets current and future demands.
- Our region is supported by an innovative and sustainable economy.
- Our urban and rural environments are people friendly, well planned and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

Council's priorities for the next three years



Priorities for the first three years of the Long Term Plan until 2023/2024 include:

- Continued focus on overflow reduction – this key work will continue to be a priority area with a focus on parts of Nelson that have high levels of wet weather overflows.
- Completing the upgrade of the wastewater hydraulic model – the model is key to a number of work areas and in particular it is essential to good long term planning. It is expected that field work associated with the upgrade will be completed by the end of 2021 and the upgrades will be finalised thereafter.
- The Atawhai Rising Main – continued investigation work will enable us to understand the pipe's condition. Planning work will commence for the renewal of this pipe with a view to providing early answers to key questions (such as whether alternate routes are feasible), with construction beginning later in the 10 year programme.
- Awatea Pump Station – the Awatea Pump Station Upgrade will be completed in the first three years of this Long Term Plan. This large pumping station will replace two older pump stations.
- Increasing the rate of wastewater pipe renewals – a large portion of Nelson's wastewater pipes were installed in the period between 1950 and 1970. Over the next two decades a large portion of this pipework will be due for renewal; to manage this large volume of work Council is increasing its renewals programme.
- Undertaking the Washington Valley Infrastructure upgrade – this significant infrastructure upgrade for the Washington Valley area involves renewing and upgrading the trunk main down Washington Valley and Hastings Street.
- Natural Hazard Network Resilience Improvements – a continuation of a programme commenced in the last Long Term Plan. This work will increase the resilience of the wastewater network. Work to date has focussed on identifying where key assets interact with different types of natural hazards. Work over the period of this Long Term Plan will focus on providing greater resilience to those key assets.
- Pump Station resilience and upgrade programmes – in order to protect the environment and community from overflows associated with pump station failures and to ensure the network is keeping pace with growth and development there is a need to review our pump station operations and either increase their resilience (by increasing operational redundancy) or upgrade them.
- Nelson Wastewater Treatment Plant Resource Consent Renewal – The current resource consent is due to expire in December 2024, and work commenced in 2019 to prepare for its renewal. The proposal is to ensure that the existing plant continues to operate in its existing location until its long term future is decided.
- Nelson Regional Sewerage Business Unit (NRSBU) - Priorities for the NRSBU for the next three years include the commitment to measure and reduce gas emissions, pipeline upgrades from Beach Road Pump Station to Saxton Pump Station and increased operational expenditure to cater for maintenance contract costs.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Reliability A fully operational wastewater treatment system	Level of compliance of treatment plant with resource consent conditions	100% compliance in 2019/20 12 odour complaints in 2018/19 100% compliance in 2017/18	100% compliance			
	Number of dry weather overflows from sewerage system, per 1000 connections	3 in 2019/20 3 in 2018/19 6 in 2017/18	Fewer than 15 dry weather overflows per 1000 connections			
Response Appropriate response to reported network issues	Median response times are measured for overflows resulting from a blockage or other fault in the sewerage system: a) attendance time: from when notification is received to the time service staff reach the site b) resolution time: from the time notification is received to the time service staff confirm resolution of the blockage or fault	24 minutes in 2019/20 25 minutes in 2018/19 28 minutes in 2017/18 195 minutes in 2019/20 194 minutes in 2018/19 189 minutes in 2017/18	Contractor to attend in median time of 60 minutes or less. Contractor to resolve issues in a median time of 480 minutes or less			
Quality Environmental protection	Compliance with territorial authority's resource consents for discharge from the sewerage system measured by number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions in relation to those resource consents	100% compliance in 2019/20 100% compliance in 2018/19 100% compliance in 2017/18	100% compliance			
	The total number of complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) Council's response to issues with the sewerage system, expressed per 1000 connections to the sewerage system	17 complaints per 1000 connections in 2019/20 16 complaints per 1000 connections in 2018/19 20 complaints per 1000 connections in 2017/18	No more than 20 valid complaints a year per 1000 connections			



Drivers of capital expenditure

The following factors drive the requirement for capital expenditure on wastewater:

- Renewing ageing wastewater assets to avoid accumulating assets that are past their service life and risk accidental discharges if they fail.
- Reducing wastewater overflows from the network.
- Reducing the risk of failure of the Atawhai Rising Main.
- Placing Nelson on the best possible footing with respect to climate change.
- Ensuring sufficient capacity in the network to enable urban development.
- Ensuring the network is as resilient as reasonably possible to natural hazard events and to operational failures.
- The appropriate resource consents are in place and that adequate future proofing is considered for the Nelson Wastewater Treatment Plant.
- The tools used for the management and future planning of the wastewater network are continuously updated
- Nelson Regional Sewerage Business Unit (NRSBU) - Increased capital expenditure for infrastructure renewals, pipeline upgrades to accommodate future growth and pond desludging.

Assumptions

As well as the general assumptions that apply as the basis for forecasting budgets across Council's work, some specific assumptions apply to Council's wastewater activities:

- It is assumed that Nelson's climate will remain substantially unchanged for the next decade. Factors such as climate change and population growth will receive increased analysis as the Activity Management Plan and Infrastructure Strategy are reviewed in future years.
- It is assumed wastewater activities will continue to be funded from wastewater charges, and in line with Council financial policy, most funding will be borrowed. Development and financial contributions will fund the increased provision of services over the next 10 years.
- Wastewater treatment facilities to the North and West of the city will remain the most effective, efficient and cost effective means of disposing of wastewater.



- The long term future location of the Nelson Wastewater Treatment Plant will be in the vicinity of its current location and that the Atawhai Rising Main is a key asset that will need to be renewed.
- The surge of renewal work commencing around mid-2030 may require some work to be brought forward or pushed back in order to make the work programme manageable.

Ensuring the network is as resilient as reasonably possible to natural hazard events and to operational failures.

Impacts and risks

Potential negative impacts associated with the wastewater network include the following:

- Construction works can impact on roads and private property.
- Odour issues from the network, pipe breaks and blockages.
- Overflows of dilute wastewater into the environment.

Risks and associated mitigations linked to the wastewater network include the following:

- The risk of wastewater overflows into waterways or onto land that could pose a hazard to the environment or public health will be managed by strategies to upgrade key assets in the network, develop responses to climate change affects, implementation of emergency plans, the strategy of overflow reduction, use of data and technology to optimise the network and increasing the pump station and natural hazard resilience of the network. Maintenance and response contracts are monitored for compliance to ensure problems are addressed promptly.
- Hot weather events increase the likelihood of odours. Where parts of the network are identified as having ongoing issues specific solutions will be developed to minimise/eliminate the odour issue.
- Climate change and sea level rise. Subject to several work programmes to ensure Nelson is well placed.
- Condition of the Atawhai Rising Main. Mitigation includes ongoing investigation work that refines the understanding of the condition of this pipe and commencing the planning for the renewal of this pipe later in the Long Term Plan.

Funding impact statement – wastewater

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	8,814	9,361	10,271	11,075
Subsidies and grants for operating purposes	0	353	0	0
Fees and charges	2,949	3,227	3,303	3,363
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,185	1,302	1,451	1,617
Total Operating Funding	**12,948**	**14,243**	**15,025**	**16,055**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	7,396	8,843	9,041	9,514
Finance costs	0	0	0	0
Internal charges and overheads applied *	434	44	75	107
Other operating funding applications	0	0	0	0
Total applications of operating funding	**7,830**	**8,887**	**9,116**	**9,621**
Surplus (Deficit) of operating funding	**5,118**	**5,356**	**5,909**	**6,434**
Sources of capital funding				
Subsidies and grants for capital	0	3,473	0	0
Development and financial contributions	694	667	686	704
Increase (decrease) in debt	5,315	3,830	6,373	1,643
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**6,009**	**7,971**	**7,059**	**2,346**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,757	46	263	452
- to improve level of service	6,062	9,011	8,741	3,828
- to replace existing assets	3,309	4,269	3,965	4,501
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**11,128**	**13,327**	**12,968**	**8,781**
Surplus (Deficit) of capital funding	**(5,118)**	**(5,356)**	**(5,909)**	**(6,434)**
Funding balance	**0**	**0**	**0**	**0**

Funding impact statement – wastewater — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	0	0	0	0	0	0	0
	11,939	12,664	13,389	14,196	15,363	16,199	17,385
	0	0	0	0	0	0	0
	3,583	3,864	4,049	4,238	4,654	5,528	5,973
	0	0	0	0	0	0	0
	1,737	1,916	1,978	1,977	2,014	1,503	1,591
	17,258	**18,444**	**19,416**	**20,410**	**22,031**	**23,229**	**24,949**
	0	0	0	0	0	0	0
	10,287	11,027	11,522	11,930	13,014	13,680	17,345
	0	0	0	0	0	0	0
	112	118	157	292	482	654	850
	0	0	0	0	0	0	0
	10,399	**11,145**	**11,679**	**12,222**	**13,496**	**14,333**	**18,195**
	6,859	**7,299**	**7,737**	**8,189**	**8,535**	**8,896**	**6,754**
	0	0	0	0	0	0	0
	721	739	758	777	798	820	841
	598	767	5,617	8,187	6,700	6,924	8,795
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,319	**1,506**	**6,374**	**8,964**	**7,498**	**7,744**	**9,636**
	1,688	1,947	2,387	3,143	2,948	4,188	4,894
	2,283	2,016	3,269	4,665	4,199	3,882	3,642
	4,208	4,842	8,455	9,345	8,886	8,570	7,855
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	8,178	**8,805**	**14,112**	**17,153**	**16,034**	**16,639**	**16,390**
	(6,859)	**(7,299)**	**(7,737)**	**(8,189)**	**(8,535)**	**(8,896)**	**(6,754)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**5,118**	**5,356**	**5,909**	**6,434**
Subsidies and grants for capital expenditure	0	3,473	0	0
Development and financial contributions	694	667	686	704
Vested Assets	843	627	646	663
Gains on sale	0	0	0	0
Depreciation	(5,045)	(6,301)	(6,684)	(7,040)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,610**	**3,822**	**557**	**761**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	6,859	**7,299**	**7,737**	**8,189**	**8,535**	**8,896**	**6,754**
	0	0	0	0	0	0	0
	721	739	758	777	798	820	841
	680	698	716	736	757	779	800
	0	0	0	0	0	0	0
	(7,294)	(7,564)	(7,833)	(8,114)	(8,461)	(8,821)	(9,201)
	0	0	0	0	0	0	0
	966	**1,172**	**1,379**	**1,588**	**1,630**	**1,673**	**(806)**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24
	$	$	$	$
Wastewater				
Gracefield Sewer Diversion	1,669,422	-	-	-
Ngawhatu Valley TM - Stage 2	-	-	-	-
Intensification City Centre (Maitai Precinct) N270	-	-	-	52,839
Intensification City Wide	-	-	-	-
Pump Station upgrades	-	50,000	206,000	317,034
Climate Change - Emissions Reduction Strategy Implementation	-	-	77,250	105,678
Climate Change - Vulnerability Assessment Implementation	-	-	-	-
Climate Change - Adaptation Strategy Implementation	-	-	-	-
Washington Valley Sewer Upgrade	-	1,672,363	1,586,200	929,966
Natural Hazards Risk Remediation	56,471	-	51,500	211,356
Neale Park PS	160,000	-	-	-
Awatea Place Pump station	1,000,000	5,240,000	4,655,600	-
Pump station resilience improvement programme	183,484	50,000	154,500	211,356
NWWTP Minor Upgrades	31,334	100,000	103,000	105,678
System Performance Improvements (Overflow Reduction / I&I)	104,448	100,000	103,000	211,356
SCADA Upgrade	-	18,500	126,175	5,284
Wastewater model calibration	420,000	410,000	154,500	26,420
Wastewater Pipe Renewals	510,000	1,800,000	1,545,000	2,113,560
Washington Rd (wolfe - arrow) sewer renewal	224,393	-	-	-
Rutherford St (Little Go Stream) Renewal	-	-	515,000	211,356
Rising/swallows renewals	73,324	100,000	103,000	105,678
Atawhai Rising Main - Stage 1	-	50,000	51,500	105,678
Capital WW network small upgrades	-	50,000	77,250	105,678
Renewals Pump stations	259,362	280,000	288,400	295,898
Nelson Regional Sewerage	5,506,000	3,147,226	2,776,339	2,966,713
NWWTP renewals	306,672	280,000	314,150	322,318
NWWTP Wetlands Plant renewal	-	100,000	257,500	264,195
WWW - NWWTP Resource Consent Monitoring Programme	276,000	570,000	515,000	317,034
Wastewater Overflows Resource Consent renewal	-	-	-	-
Vested Assets	842,895	627,000	645,810	662,601
Projects under $100,000	346,865	416,042	414,962	416,661
Total Wastewater	**11,970,670**	**15,061,130**	**14,721,636**	**10,064,337**
Scope Adjustment	-	(1,107,236)	(1,107,611)	(620,858)
Total Wastewater Less Scope Adjustment	**11,970,670**	**13,953,894**	**13,614,026**	**9,443,478**

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	-	-	-	-	-	-	-
	-	-	-	-	-	62,119	255,183
	151,796	222,706	456,993	880,855	905,519	931,778	956,936
	-	-	-	58,724	169,030	745,423	1,531,098
	1,355,320	1,391,914	1,428,104	1,468,091	603,679	1,552,964	1,594,894
	271,064	278,383	-	293,618	301,840	-	318,979
	-	167,030	571,242	587,237	603,679	621,186	-
	-	-	114,248	117,447	603,679	621,186	637,958
	-	-	-	-	-	-	-
	542,128	55,677	228,497	1,174,473	60,368	248,474	1,275,915
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	108,426	222,706	1,142,483	117,447	241,472	1,242,371	127,592
	108,426	118,814	121,903	125,316	132,809	136,661	140,351
	216,851	556,766	114,248	234,895	1,207,358	248,474	255,183
	11,927	5,568	5,712	12,919	6,037	6,212	14,035
	27,106	27,838	342,745	29,362	30,184	31,059	31,898
	2,168,512	2,449,768	2,513,463	2,525,117	2,487,157	1,987,794	1,275,915
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	216,851	334,059	1,142,483	1,174,473	120,736	124,237	127,592
	108,426	445,412	2,284,966	4,697,892	4,829,432	4,969,484	5,103,660
	108,426	111,353	114,248	117,447	120,736	124,237	127,592
	249,379	256,112	262,771	270,129	277,692	285,745	293,460
	2,145,245	2,130,944	3,573,875	3,796,205	3,415,199	2,963,993	2,830,982
	357,804	367,465	377,019	387,576	398,428	409,982	421,052
	10,843	11,135	11,425	11,745	12,074	12,424	12,759
	216,851	-	-	-	-	-	-
	-	-	-	-	301,840	310,593	-
	679,829	698,184	716,337	736,395	757,013	778,967	799,999
	447,917	366,795	449,738	529,674	579,194	494,495	535,221
	9,503,125	**10,218,628**	**15,972,500**	**19,347,036**	**18,165,154**	**18,909,856**	**18,668,251**
	(644,861)	(715,633)	(1,144,505)	(1,457,251)	(1,374,577)	(1,491,466)	(1,477,956)
	8,858,264	**9,502,995**	**14,827,995**	**17,889,785**	**16,790,577**	**17,418,389**	**17,190,295**

Stormwater



Stormwater
Te Wai Āwhā



What we do

The stormwater network includes pipes, open channels and overland flow paths that convey stormwater to receiving rivers and streams, or directly to the sea. In many parts of the city a fully reticulated system is not provided and individual properties discharge stormwater to on-site soakage or to roads as part of the primary drainage system.

The stormwater system also includes two pump stations and 20 detention systems. Detention dams are an increasing feature of stormwater management and play a vital role in holding back stormwater for gradual release into pipes and streams after a heavy rainfall event, when the system has more capacity to take the additional flows.

Why we do it

Stormwater management is important to prevent accumulation of stormwater in low-lying areas (ponding) and potentially causing harm to people or damage to buildings, property and the environment.

By maintaining the network we reduce the risk of stormwater exiting the reticulation system and entering the wastewater system, leading to wastewater overflows. Expanding the stormwater network provides people with disposal options and reduces the likelihood of overland secondary flow paths as well as stormwater inflows to the wastewater system. Controlling the flow of stormwater on hillsides helps address land instability and reduces the risk of landslides.

Council aims to manage stormwater runoff in a way that prevents harm to people, property and the environment. Any response will be based on what is feasible and affordable in any specific location.

Challenges

Changing Weather Patterns

The level of service provided by existing stormwater assets will progressively reduce over time due to more intense storms and sea level rise projected with climate change.

Nelson is located on a number of flood plains, close to the coast and surrounding hills, meaning it is vulnerable to the impacts of climate change that cause more intense storms, increased stormwater flows and reduced network capacity resulting from sea level rise.

Natural Hazards

Nelson is vulnerable to network hazards such as flooding, earthquake fault line rupture and liquefaction. Earthquake damage can cause significant and long term community disruption and loss of service to affected areas. Hazard assessment for the stormwater network was initiated in 2019 and is being carried out in stages leading to prioritisation of resilience projects in 2024 and implementation of upgrades following on from then.

Maintaining, Renewing and Upgrading

Council collects information on the condition and performance of assets in order to prioritise renewals and upgrades. Nelson's stormwater pipe infrastructure has an average age of 30 years. Pipe renewals are expected to remain at a low level of less than $100,000/year for the period of this plan. During this time, Council is looking to develop a Stormwater Renewal Strategy to address an anticipated surge in renewals from the 2050s onwards. This reflects urban growth and stormwater upgrades from the 1960s onwards. Stormwater strategies are being developed to identify and prioritise stormwater upgrades required to meet levels of service across the city. Work on stormwater strategies for Stoke, Central Nelson and Tahunanui / Port Hills are now in progress.

Council also receives a number of requests for assistance in maintaining open drains and channels on private land. Council has updated criteria for determining private/public drain ownership which it will begin applying over the first three years of this Plan to align with the Nelson Tasman Land Development Manual. This may increase the number of drains Council holds responsibility for.

Growth and intensification

Future population growth that results in new development proposals will bring with it a requirement to consider the capacity of existing stormwater networks. This will in turn potentially require upgrades or the use of on-site detention devices serving single or multiple properties for stormwater disposal. Council will work to ensure new developments control stormwater at source so as not to exacerbate downstream stormwater issues where capacity in the network is lacking. Sustainable development must underpin all stormwater activities to ensure the city can accommodate future growth affordably while recognising wider environmental, cultural and social values.

New regulatory requirements

New freshwater quality objectives and standards set under the draft Whakamahere Whakatū Nelson Plan (currently under development), National Policy Statement for Freshwater Management and the National Environmental Standard for Freshwater Management will require improvements to water and environmental quality. Increased consultation with tangata whenua will be needed to implement an approach that aligns with the principles of 'Te Mana o te Wai' (conceptually described as the integrated and holistic well-being of the water), avoiding further waterway degradation and working towards targets for fish species. Council will monitor and report annually on freshwater issues through its State of the Environment reporting, with an aim to release five yearly comprehensive reports and respond to any deterioration.

Council will progress work on a Stormwater Quality Improvement Strategy and set objectives through consultation with iwi and the wider community to work towards a number of freshwater targets on aspects such as clarity, E.coli levels, dissolved nutrient levels and water temperature.

Community Outcomes

Council's stormwater activity contributes primarily to the following community outcomes:

- Our unique natural environment is healthy and protected.
- Our infrastructure is efficient, cost effective and meets current and future demands.
- Our region is supported by an innovative and sustainable economy.
- Our urban and rural environments are people friendly, well planned and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

Council's priorities for the next three years

Priorities for the first three years of the Long Term Plan until 2023/2024 include:

- Completing major stormwater upgrades in Washington Valley, Konini Street, Rutherford Stage 1 and Wastney Terrace, and progressing stormwater upgrades for the Tahunanui Hills catchments.
- Progressing stormwater strategies for the City Centre, and Tahunanui areas. These will be supported by network modelling to establish the existing system capacity and identify upgrade requirements.
- Completing a Stormwater Quality Improvement Strategy to respond to freshwater quality targets set in the Nelson Plan and the aims of the National Policy Statement – Freshwater Management 2020.
- Completing design of the Haven Road/ St Vincent box culvert renewal, and York Terrace / Waimea Road stormwater upgrade.
- Developing a stand-alone activity management plan for the stormwater activity, and separating out assets from flood protection assets.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Environmental protection	Compliance with resource consents for discharge from the stormwater system, measured by number of: a) abatement notices b) infringement notices c) enforcement orders, and d) successful prosecutions received in relation to those resource consents	No contraventions in 2018/19 and 2019/20 2 infringement notices in 2017/18 No contraventions in 2016/17	100% compliance with resource consents for discharge			
Customer Response Minimise justifiable complaints	Number of complaints received about the performance of the stormwater system, per 1000 properties connected to the stormwater network	7 complaints per 1000 properties in 2019/20 11 complaints per 1000 properties in 2018/19 31 complaints per 1000 properties in 2017/18 10 complaints per 1000 connections in 2016/17	No more than 20 complaints per 1000 connections per year			
Customer service Protection from damage to property	a) The number of flooding events that occur b) For each flooding event, the number of habitable floors affected per 1000 properties connected to the stormwater network	No flooding event in 2019/20 No habitable floor damage in 2019/20	No more than 10 per 1000 properties with habitable floor damage in any one year			
Customer service Response to stormwater system issues	Median response time to attend a flooding event, measured from the time that notification is received to the time service personnel reach the site	**Median response time** 20 minutes in 2019/20 42 minutes in 2018/19 41 minutes in 2017/18 25 minutes in 2016/17	Median response time less than 60 minutes			



Drivers of capital expenditure

The following factors drive the requirement for capital expenditure on Stormwater:

- Council level of service for flooding of habitable floors in a 5% Annual Exceedance Probability (AEP) (Q20, 1 in 20 year) flood event.
- The Nelson Tasman Land Development Manual sets standards for the capacity of both the primary stormwater system (future Q15 flow for piped networks and open channels), and secondary system (future Q100 flow for secondary flow paths). These standards apply primarily to new development and stormwater upgrades. Council is currently assessing the extent of the network that achieves the primary system standard. The design flows incorporate an allowance for climate change up to 2090 (design life of stormwater pipes is approximately 50 – 90 years).
- Issues of land stability, neighbour to neighbour relationships and public health risks arise where stormwater ponding occurs. These issues, in addition to aesthetic and economic costs of maintaining open ditches has previously led to programmes of providing reticulated piping infrastructure. Though current practice is to minimise the piping of open ditches. Extensions of the piped network have been determined based on their appropriateness as measured against a number of criteria.
- Future population growth that results in new development proposals will bring with it a requirement to consider the capacity of existing stormwater networks and either upgrade these as necessary or require developers to install on-site detention devices for stormwater disposal.
- The National Policy Statement – Freshwater Management sets a higher standard for freshwater quality, and stormwater discharges will need to be improved over time to enable new freshwater quality objectives to be met.

Assumptions

As well as the general assumptions that apply as the basis for forecasting budgets across Council's work, some specific assumptions apply to Council's stormwater activity:

- The most efficient, equitable, safe and cost-effective means of disposing of stormwater is a Council-provided system for the Nelson urban area.
- Stormwater reticulation will be designed for a future 2090 storm event with a 6.67% probability of occurring in any one year; that is an event occurring on average once every 15 years.
- It is assumed that Nelson's climate will remain substantially unchanged for the next decade, with no significant change to stormwater intensity or sea levels. Factors such as climate change and population growth will receive increased analysis as the Activity Management Plan and the Infrastructure Strategy are reviewed in future years.



Council holds a resource consent to manage the quantity and quality of discharges from Council's stormwater network.

Impacts and risks

Potential negative impacts associated with the stormwater network include the following:

- Construction works can impact on roads and private property.
- Stormwater becoming contaminated by substances on the land over which it flows. Non-point discharges, such as oil, rubbish, paint, tyre residues on roads and sediment are examples of contaminants which can subsequently end up in urban waterways. Council holds a resource consent to manage the quantity and quality of discharges from Council's stormwater network. Council uses a range of approaches to manage non-point discharges. Non-regulatory methods to help reduce non-point discharges in the urban area include environmental education programmes such as the Drains to the Harbour programme. Regulatory controls are imposed via the Nelson Resource Management Plan, and the Nelson Tasman Land Development Manual that requires on-site stormwater controls to reduce sediment entering the stormwater network. Council's compliance team have a comprehensive programme for responding to pollutants and use enforcement powers that are available through the Resource Management Act 1991. Council also undertakes regular monitoring of waterways to assess water quality and has identified priority streams to improve water quality. These waterways have been prioritised in this Long Term Plan for network improvements and education programmes. Funding for improving stormwater quality from road run-off has also been provided in the Transportation AMP.

Risks and associated mitigations linked to the stormwater network include the following:

- Large parts of Nelson still do not have access to a reticulated stormwater system. Where these areas discharge onto clay based sites, overland flows have the potential to result in downstream flood risks. These are mitigated through processes including:
  - Risk based approaches to upgrading and extending the network
  - Identification and inspection of secondary flow paths
  - Development of stormwater strategies to identify capacity constraints and prioritise network upgrades.
- Climate change and sea level rise that will reduce the capacity of low lying networks over time: New stormwater assets are designed for 2090 climate and sea level.
- Land instability resulting from saturated soils: Stormwater upgrades have been prioritised in order to minimise uncontrolled secondary flows in areas where there are known land stability issues.
- Inflow and infiltration (I&I) of stormwater into the wastewater network: Instances of where this is occurring are being progressively identified and addressed through the I&I reduction project.

Funding impact statement - stormwater

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	4,504	4,964	5,530	6,053
Subsidies and grants for operating purposes	0	194	0	0
Fees and charges	0	5	5	5
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	**4,504**	**5,163**	**5,535**	**6,058**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	1,687	2,210	2,107	2,174
Finance costs	0	0	0	0
Internal charges and overheads applied *	354	409	585	704
Other operating funding applications	0	0	0	0
Total applications of operating funding	**2,041**	**2,619**	**2,692**	**2,878**
Surplus (Deficit) of operating funding	**2,463**	**2,544**	**2,843**	**3,180**
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	388	368	379	388
Increase (decrease) in debt	1,970	7,595	5,264	5,181
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**2,358**	**7,963**	**5,643**	**5,570**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	45	95	99	193
- to improve level of service	4,554	10,261	8,120	8,202
- to replace existing assets	221	151	267	355
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**4,820**	**10,507**	**8,486**	**8,749**
Surplus (Deficit) of capital funding	**(2,463)**	**(2,544)**	**(2,843)**	**(3,180)**
Funding balance	**0**	**0**	**0**	**0**

Funding impact statement - stormwater — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	0	0	0	0	0	0	0
	6,609	7,056	7,421	7,859	8,217	8,573	9,094
	0	0	0	0	0	0	0
	5	5	5	6	6	6	6
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	6,615	**7,061**	**7,426**	**7,865**	**8,222**	**8,579**	**9,100**
	0	0	0	0	0	0	0
	2,230	2,304	2,322	2,410	2,457	2,497	2,574
	0	0	0	0	0	0	0
	842	935	1,028	1,081	1,171	1,255	1,403
	0	0	0	0	0	0	0
	3,072	**3,240**	**3,350**	**3,491**	**3,628**	**3,752**	**3,977**
	3,542	**3,821**	**4,076**	**4,373**	**4,594**	**4,827**	**5,123**
	0	0	0	0	0	0	0
	398	408	418	429	440	452	464
	2,465	1,398	828	2,173	1,850	4,054	3,819
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	2,863	**1,806**	**1,246**	**2,601**	**2,291**	**4,506**	**4,283**
	1,205	256	265	957	1,379	2,212	3,682
	4,992	3,564	3,182	5,199	5,256	6,511	5,477
	208	1,807	1,876	819	250	610	246
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	6,405	**5,627**	**5,323**	**6,975**	**6,885**	**9,334**	**9,405**
	(3,542)	**(3,821)**	**(4,076)**	**(4,373)**	**(4,594)**	**(4,827)**	**(5,123)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**2,463**	**2,544**	**2,843**	**3,180**
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	388	368	379	388
Vested Assets	1,179	816	840	862
Gains on sale	0	0	0	0
Depreciation	(2,462)	(3,256)	(3,436)	(3,654)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,568**	**473**	**626**	**776**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	3,542	**3,821**	**4,076**	**4,373**	**4,594**	**4,827**	**5,123**
	0	0	0	0	0	0	0
	398	408	418	429	440	452	464
	885	909	932	958	985	1,014	1,041
	0	0	0	0	0	0	0
	(3,898)	(4,058)	(4,195)	(4,373)	(4,594)	(4,827)	(5,123)
	0	0	0	0	0	0	0
	927	**1,079**	**1,232**	**1,387**	**1,426**	**1,466**	**1,505**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24
	$	$	$	$
Stormwater				
York Terrace	40,000	100,000	103,000	63,407
Intensification AP N270 City Centre	-	-	-	105,678
Intensification City Wide	-	-	-	-
Atawhai SW Strategy Implementation	-	-	-	-
Capital: Poynters Cres	31,334	-	41,200	31,703
Capital: Shelbourne St s/w upgrade	56,454	-	-	-
Capital: Freshwater Improvement Programme	52,224	80,000	154,500	264,195
Washington Valley Stormwater Upgrade	128,000	2,954,802	2,255,700	2,303,780
Main Road Stoke / Arapiki / Maitland Stormwater Upgrade	41,805	25,000	25,750	105,678
Capital: Milton: Grove-Cambria	28,235	-	-	-
Capital: Mount St / Konini St	1,310,000	140,000	41,200	2,113,560
Airlie St	100,000	970,000	51,500	-
Bellevue Heights Stormwater	-	50,000	30,900	317,034
Tahunanui Hills Stormwater Catchment 9 - Moana Ave to Rocks	150,000	50,000	103,000	105,678
Tahunanui Hills Stormwater Catchment 4 - Bisley Ave	30,000	60,000	61,800	31,703
Brooklands	103,384	30,000	51,500	31,703
Cawthron Crescent	62,761	95,877	30,900	21,136
Examiner	50,000	140,000	10,300	-
Kowhai	-	-	-	-
Mahoe/Orsman/Matipo	-	-	-	-
Port Hills SW Strategy Implementation	-	-	-	-
Rutherford Stage 1 - Stormwater Upgrade	100,000	50,000	3,605,000	2,652,518
Rutherford Stage 2 - Box Culvert	52,224	-	-	-
Central Nelson SW Strategy Implementation	-	-	-	-
Stoke SW Strategy Implementation	-	-	-	-
Tahunanui Hills Stormwater Catchment 3 - Days Track	500,000	40,000	978,500	52,839
Tahunanui SW Strategy Implementation	-	-	-	-
Totara/Hutcheson	45,000	-	61,800	31,703
Trafalgar Square	-	-	-	-
Natural Hazards Risk Remediation	-	-	-	-
Orakei/Tamaki/Rangiora Intersection	-	-	-	-
Beatson Road	-	-	-	31,703
Toi Toi St Upgrade	30,000	49,400	206,000	21,136
Strawbridge Sq Stormwater improvements	40,000	50,000	30,900	21,136
Emano Reserve Stormwater	145,445	-	-	-
Vanguard Street LOS	-	40,000	309,000	31,703
Haven Road Fountain Place to Saltwater Creek	-	2,800,000	-	-
Tosswill to Tahuna Stormwater Upgrade	50,000	100,000	-	-
Ashdonleigh Grove Storm water	-	-	-	-
Nile St East Storm water	120,000	-	-	-
Annesbrook Drive Storm Water	-	-	41,200	63,407
Railway Reserve (Bishopdale - St Vincent) stormwater improve	-	-	-	31,703
Wastney Terrace stormwater (pvt drain prgm)	115,000	1,550,000	103,000	-
Bisley Avenue	96,600	50,000	72,100	264,195
Kauri Street	120,500	-	-	-
Haven Rd open channel upgrade	-	-	-	-
Nikau Rd open channel upgrade	-	-	-	-
Centennial Park pump station outfall and stormwater treatment	-	1,350,000	103,000	-
Stormwater Renewals	15,667	30,000	41,200	63,407
Haven/St Vincent Culvert renewal	-	50,000	154,500	126,814
Stormwater Pump Station Renewals	161,334	80,000	51,500	105,678
Vested Assets	117,9218	816,000	840,480	862,332
Project under $100,000	104,3949	697,323	666,838	684,664
Total Stormwater	**5,999,134**	**12,448,402**	**10,226,268**	**10,540,195**
Scope Adjustment	-	(1,125,008)	(899,705)	(928,381)
Total Stormwater Less Scope Adjustment	**5,999,134**	**11,323,394**	**9,326,563**	**9,611,813**

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	1,084,256	55,677	-	-	36,221	24,847	446,570
	108,426	167,030	114,248	587,237	905,519	931,778	637,958
	-	-	57,124	176,171	181,104	1,242,371	1,422,645
	-	-	57,124	176,171	241,472	62,119	1,275,915
	325,277	11,135	-	-	-	-	-
	32,528	133,624	11,425	-	-	-	-
	325,277	334,059	342,745	352,342	362,207	372,711	255,183
	108,426	-	-	-	-	-	-
	216,851	222,706	228,497	1,996,604	3,718,663	3,478,639	1,020,732
	65,055	111,353	79,974	822,131	60,368	993,897	-
	108,426	-	-	-	-	-	-
	-	-	-	-	-	-	-
	32,528	-	-	-	-	-	-
	54,213	1,670,297	1,713,725	1,174,473	120,736	-	-
	542,128	55,677	-	-	-	-	-
	1,626,384	111,353	-	-	-	-	-
	433,702	55,677	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	36,221	12,424	637,958
	-	44,541	45,699	234,895	24,147	-	-
	-	-	-	-	60,368	124,237	127,592
	108,426	-	-	-	-	-	-
	-	-	114,248	234,895	241,472	124,237	1,913,873
	-	-	-	-	120,736	248,474	255,183
	-	-	-	-	90,552	186,356	191,387
	-	-	-	-	-	-	-
	-	-	-	117,447	301,840	310,593	899,520
	487,915	44,541	-	-	-	-	-
	21,685	111,353	-	-	-	-	-
	-	-	-	-	60,368	248,474	127,592
	-	55,677	22,850	234,895	24,147	-	-
	65,055	22,271	399,869	35,234	-	-	-
	-	-	-	-	-	-	-
	422,860	33,406	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	62,119	127,592
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	36,221	24,847	102,073
	-	-	-	-	-	-	-
	32,528	567,901	45,699	-	-	-	-
	54,213	22,271	137,098	11,745	-	-	-
	-	-	-	-	-	-	-
	21,685	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	28,562	29,362	30,184	434,830	25,518
	-	-	-	35,234	12,074	186,356	12,759
	-	-	-	-	-	-	-
	65,055	89,082	91,399	93,958	96,589	99,390	102,073
	75,898	1,670,297	1,713,725	117,447	-	-	-
	21,685	-	-	528,513	96,589	472,101	89,314
	884,752	908,641	932,266	958,369	985,204	101,3774	104,1146
	632,372	617,310	664,150	744,290	743,987	681,132	729,094
	7,957,606	**7,115,877**	**6,800,427**	**8,661,413**	**8,586,985**	**11,335,707**	**11,441,677**
	(667,360)	(580,150)	(545,536)	(728,208)	(717,171)	(988,306)	(995,214)
	7,290,246	**6,535,728**	**6,254,891**	**7,933,205**	**7,869,814**	**10,347,401**	**10,446,463**

Flood Protection



Flood Protection
Te Ārai Waipuke



Why we do it

The proximity of the Nelson foothills, and the location of the commercial and residential development on the flood plains and close to waterways, mean that during heavy rainfall events stream and river flows can rise rapidly and cause flash flooding to occur.

Low lying areas within the city are also exposed to coastal inundation from storm surges similar to that which occurred during Cyclone Fehi in February 2018.

What we do

Council flood protection works include physical upgrades to rivers and streams to increase the volume of flood water they can carry, increasing the size of culverts, and removing accumulated gravel where flow capacity is reduced.

Council also undertakes flood modelling and land use planning to identify and manage the risks associated with flooding from rivers and streams during heavy rainfall events. A new component of the flood protection activity is the assessment of, and response to coastal hazards including inundation from storm surge, coastal erosion and sea level rise.

Council's flood protection activity relates to the rivers, streams and the coastal environment in Nelson's urban area. This activity has historically been funded alongside the stormwater activity from a special general charge levied on properties that benefit from these activities. This excludes properties greater than 15ha in area, and all properties located on the eastern side of the Gentle Annie Saddle.

Council's flood protection system is designed to protect people and property from harm during extreme rainfall events and storm surge events while minimising the negative impacts of flood protection activities on the recreational and environmental values of waterways and the coastal environment.

Council has been building on work already undertaken and follows a risk based approach that balances affordability against risk impact, recognising that to provide complete protection for all properties would be unaffordable for our community. Flood models that have been developed since 2016 will inform the draft Nelson Plan which directs Council's wider work programme.

Coastal inundation and coastal erosion will become an increasingly significant hazard for low lying coastal areas as sea level rise occurs. New coastal inundation mapping released by Council in late 2020 shows how this risk may evolve over time. Previous Long Term Plans did not include funding for infrastructure to manage coastal hazards, but provision has been made in this Long Term Plan for this work which will be finalised after extensive consultation with the community. This provision is separate to Council's flood and river protection work.

Challenges

Changing weather patterns

The level of service provided by existing flood protection assets will progressively reduce over time due to more intense storms and sea level rise projected with climate change.

Flood management in Nelson has primarily sought to address the risk associated with stream and river flooding. Council has made a considerable investment in addressing flood risk, including in flood modelling to predict future events. These can show potential flood risk in the city where stream and river overflows may occur. Proposed new developments will also be informed by this as a greater understanding of flood risk is established. Council is committed to a high standard of resilience for urban rivers and streams, however there are financial challenges in achieving this. Accordingly a risk based approach is being undertaken to ascertain areas of particular vulnerability. This risk based approach will enable Council to prioritise work programmes and identify the appropriate sequence of options for implementation as flood risk increases over time.

It is likely that a similar risk based approach may be adopted to respond to coastal hazards. Council proposes to develop a climate change adaptation framework that will guide future response to coastal hazards and sea level rise.

Maintaining, renewing and upgrading

A number of flood protection works are currently underway with various finishing dates ranging from 2023 – 2025. These include a number of channel upgrades and repairs, primarily for Saxton Creek, Orphanage Stream and Little Go Stream. Flood protection assets which need to be maintained include stream bank protection structures, lined channels, large culverts, stop banks and flood walls.

New regulatory requirements

RMA reforms may have far reaching implications for this activity, in particular the proposed 'Climate Change Adaptation Act', which is likely to inform and/or direct Council and community response to coastal hazards and climate change.

Investment will be required to meet new freshwater objectives and standards that will be set under the draft Nelson Plan (currently under development), National Policy Statement for Freshwater Management and the National Environmental Standard for Freshwater Management. Flood protection needs to be undertaken in a manner consistent with sustainable development. One such example is stream bank riparian planting to increase resilience to floods and enhance amenity and ecological values. Providing for fish passage is also a key outcome from this activity.

Community Outcomes

Council's flood protection activity contributes primarily to the following community outcomes:

- Our unique natural environment is healthy and protected.
- Our infrastructure is efficient, cost effective and meets current and future demands.
- Our region is supported by an innovative and sustainable economy.
- Our urban and rural environments are people-friendly, well planned and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.



Council's priorities for the next three years

- Completion of flood protection works at Saxton Creek, Orphanage Stream and Little Go Stream.
- Developing a new programme of works in line with a risk based approach for the Maitai River and Brook Stream, with York Stream, Jenkins Creek and Poormans Valley Stream progressing from 2024/25 onwards.
- Undertaking feasibility assessments and public engagement to inform a response to coastal inundation and flood protection.
- Implement Council's Code of Practice when undertaking works in streams and rivers.
- Developing a stand-alone activity management plan for the flood protection activity, and separating out assets from stormwater assets.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Environmental protection, damage to people and property minimised, and a reliable flood protection network	The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the Stormwater and Flood Protection Activity Management Plan.	No loss of current service potential in any urban streams between 2017/18 and 2019/20	Network maintained to current service potential			
		No flood events occurred which required repairs between 2017/18 and 2019/20.	Flood event damage identified, prioritised and repair programme agreed between Council and the community			
		No flood events occurred which required repairs between 2017/18 and 2019/20.	High priority work completed as soon as practicable			
		Between 2017/18 and 2019/20 only minor flood protection repairs were required to maintain waterways.	Network components renewed to continue provision of original design service potential			
	Develop risk based Maitai flood response options.	Flood analysis completed in 2018/19 Response options identified in 2019/20	**Year 1:** Consult with the Community and refine options and initiate business case **Year 2:** Develop concept designs for quick win projects **Year 3:** Initiate Resource consent process **Years 4-10:** Detailed design and Implementation			
	Develop city wide flood protection strategies	2018/19 Complete flood models for major streams 2019/20 Prioritise flood response based on results of risk based analysis	**Year 1:** Identify flood management options in priority catchments **Year 2:** Engage with the community in priority catchments **Year 3:** Develop concept designs for quick win projects **Years 4-10:** Consultation, Resource consent, design and implementation			
Customer service Protection from damage to property	a) The number of flooding events that occur b) For each flooding event, the number of habitable floors affected per 1000 properties	No flooding event in 2019/20 No habitable floor damage in 2019/20	No more than 10 per 1000 urban properties with habitable floor damage in any one year.			



Drivers of capital expenditure

- Council level of service for flooding of habitable floors in a 5% Annual Exceedance Probability (AEP) (Q20, 1 in 20 year) flood event.
- A risk-based approach that sets priorities based on existing and future flood hazard, and the predicted impacts of flooding.
- Open channel flood capacity constraints are reflected in the flood mapping which will be used for land use planning and other purposes.
- Climate change is predicted to significantly increase flood risk over time, and Council will need to take pre- emptive action to manage risks in low lying urban areas.

Assumptions

In addition to the general accounting forecasts that apply to all Council activities, the following assumptions apply to the flood protection activity:

- New environmental legislation may be imposed in the next decade that would require changes for this activity, including level of service for flood protection assets.
- It is assumed that Nelson's climate will remain substantially unchanged for the next decade, and impacts on storm rainfall will not be significant over this period. Factors such as climate change and population growth will receive increased analysis as the Activity Management Plan and the Infrastructure Strategy are reviewed in future years.

Impacts and risks

There are potential negative impacts from providing flood protection such as:

- Channel upgrading works have the potential to affect instream habitats and stream water quality.
- Flood Protection works may alter land use and ownership if property is required for the work. Risks and associated mitigations linked to the flood protection activity include the following:
- A storm event with more than a Q50 (1 in 50 year) stream or river flow would be very likely to cause major flood damage and would have to be managed by emergency management systems.
- Extreme and high risks associated with flood events and secondary flow paths from streams and rivers. These are mitigated through processes including:

  — Risk based approaches to creating and upgrading flood protection infrastructure.

  — Land use planning controls, and design for new development in flood risk areas informed by the Inundation Practice Note.

  — Identification and inspection of secondary flow paths.

  — Gravel management to maintain channel capacity.

Funding impact statement – flood protection

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	1,725	2,237	2,852	3,091
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	**1,725**	**2,237**	**2,852**	**3,091**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	437	746	1,023	968
Finance costs	0	0	0	0
Internal charges and overheads applied *	675	783	963	1,084
Other operating funding applications	0	0	0	0
Total applications of operating funding	**1,112**	**1,529**	**1,986**	**2,052**
Surplus (Deficit) of operating funding	**613**	**708**	**866**	**1,039**
Sources of capital funding				
Subsidies and grants for capital	0	3,756	2,830	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	4,300	8,138	7,473	1,263
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**4,300**	**11,893**	**10,302**	**1,263**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	4,914	12,601	11,139	2,266
- to replace existing assets	0	0	29	35
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**4,914**	**12,601**	**11,168**	**2,301**
Surplus (Deficit) of capital funding	**(613)**	**(708)**	**(866)**	**(1,039)**
Funding balance	**0**	**0**	**0**	**0**

Funding impact statement – flood protection — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	0	0	0	0	0	0	0
	3,058	3,103	3,274	3,414	3,649	3,869	4,193
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	3,058	**3,103**	**3,274**	**3,414**	**3,649**	**3,869**	**4,193**
	0	0	0	0	0	0	0
	823	723	706	712	780	766	736
	0	0	0	0	0	0	0
	1,145	1,234	1,360	1,435	1,531	1,657	1,859
	0	0	0	0	0	0	0
	1,968	**1,956**	**2,066**	**2,148**	**2,311**	**2,423**	**2,595**
	1,090	**1,147**	**1,207**	**1,266**	**1,337**	**1,447**	**1,598**
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,589	1,802	1,733	1,617	3,150	5,337	5,976
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,589	**1,802**	**1,733**	**1,617**	**3,150**	**5,337**	**5,976**
	0	0	0	0	0	0	0
	2,644	2,913	2,904	2,845	4,451	6,748	7,537
	35	35	36	38	36	36	37
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	2,679	**2,949**	**2,940**	**2,882**	**4,488**	**6,784**	**7,574**
	(1,090)	**(1,147)**	**(1,207)**	**(1,266)**	**(1,337)**	**(1,447)**	**(1,598)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**613**	**708**	**866**	**1,039**
Subsidies and grants for capital expenditure	0	3,756	2,830	0
Development and financial contributions	0	0	0	0
Vested Assets	173	0	0	0
Gains on sale	0	0	0	0
Depreciation	(615)	(708)	(866)	(1,039)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**171**	**3,756**	**2,830**	**(0)**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	1,090	**1,147**	**1,207**	**1,266**	**1,337**	**1,447**	**1,598**
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(1,090)	(1,147)	(1,207)	(1,266)	(1,337)	(1,447)	(1,598)
	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**(0)**	**0**	**0**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	
	$	$	$	$	
Flood Protection					
Capital: York Stream Channel Upgrade	52,224	-	-	-	
Maitai flood management	150,000	200,000	257,500	369,873	
Capital: Oldham Creek	-	-	-	-	
Capital: Arapiki Stream	-	-	-	-	
Coastal Inundation Modelling	-	200,000	206,000	52,839	
Coastal Erosion Modelling	-	-	51,500	105,678	
Coastal Response Strategy Implementation	-	-	103,000	105,678	
Capital: Todds Valley Stream upgrade	-	-	-	-	
Brook Stream fish passage	167,117	60,000	41,200	105,678	
Jenkins & Arapiki (airport) - Flood Protection	121,433	110,000	30,900	475,551	
Saxton Creek upgrade	2,350,000	-	-	-	
Orchard Stream	-	-	-	-	
Jenkins Stream stormwater upgrade	-	-	-	-	
Poormans Stream	-	-	-	-	
Maire Stream Upgrade Stage 2	-	-	51,500	84,542	
Whakatu Drive (Storage World)	80,000	300,000	-	-	
Saxton Creek Stage 4 Upgrade	300,000	12,602,500	10,757,320	-	
Orphanage Stream - bunding Saxton Road East	970,000	70,000	-	-	
Brook Stream Catchment Improvements	50,000	100,000	118,450	317,034	
Inventory of Urban Streams	104,448	115,000	77,250	158,517	
Flood Mitigation	165,165	80,000	154,500	158,517	
Upgrade Urban Streams	-	70,000	82,400	105,678	
Secondary Flow Paths	-	-	-	-	
Trafalgar Park and Hathaway Terrace	-	30,000	41,200	73,975	
Project under $100,000	403,855	362,006	400,038	406,608	
Total Flood Protection	**4,914,242**	**14,299,506**	**12,372,758**	**2,520,168**	
Scope Adjustment	-	(1,397,750)	(1,204,482)	(218,753)	
Total Flood Protection Less Scope Adjustment	**4,914,242**	**12,901,756**	**11,168,276**	**2,301,414**	

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	-	-	91,399	93,958	60,368	621,186	382,775
	813,192	1,113,531	1,142,483	1,174,473	1,207,358	1,863,557	2,551,830
	-	-	34,274	117,447	120,736	124,237	510,366
	-	-	-	35,234	84,515	37,271	765,549
	-	-	-	176,171	181,104	-	-
	108,426	-	-	-	-	124,237	-
	325,277	556,766	571,242	587,237	603,679	993,897	1,275,915
	-	-	-	-	36,221	124,237	127,592
	108,426	111,353	114,248	-	-	-	-
	43,370	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	36,221	124,237	191,387
	54,213	100,218	159,948	117,447	905,519	931,778	637,958
	54,213	111,353	171,372	117,447	965,886	1,056,015	637,958
	65,055	445,412	45,699	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	271,064	111,353	171,372	176,171	120,736	683,304	637,958
	108,426	33,406	34,274	35,234	36,221	248,474	38,277
	86,740	89,082	171,372	93,958	78,478	80,754	82,934
	108,426	-	-	-	-	-	-
	54,213	111,353	91,399	-	-	-	-
	325,277	33,406	-	-	-	-	-
	413,154	420,875	429,034	438,327	508,834	483,382	532,851
	2,939,470	**3,238,109**	**3,228,117**	**3,163,104**	**4,945,874**	**7,496,566**	**8,373,349**
	(260,221)	(289,518)	(287,906)	(280,699)	(458,192)	(712,500)	(799,361)
	2,679,249	**2,948,591**	**2,940,212**	**2,882,405**	**4,487,682**	**6,784,066**	**7,573,988**

Solid Waste



Solid Waste
Ngā Para Totoka

What we do

The solid waste activity is focussed on waste minimisation and waste management, aiming to divert waste before it reaches landfill, as well as supporting activities which reduce or avoid the creation of waste.

The local municipal landfills at York Valley and Eves Valley are managed by the Nelson Tasman Regional Landfill Business Unit, on behalf of the Nelson City and Tasman District Councils. The solid waste activity includes, collection of litter from on-street bins, kerbside recycling collection, and operation of the Nelson Waste Recovery Centre (NWRC) which provides collection of recycling, the delivery of activities and events which reduce or avoid waste, hazardous disposal, green waste diversion and waste disposal. It is funded through a closed account using income from gate fees and levies, meaning it is independent of residential rates.

Why we do it

Waste is produced by almost every activity in Nelson, and it is important that it is dealt with appropriately and sustainably to protect public health and wellbeing, alongside supporting our whole community to reduce waste.

The solid waste activity is designed to ensure that waste services are cost effective, but also environmentally and culturally appropriate. Responsible approaches to waste promote Nelson's residents' health, preserve the natural and built environments, and contribute to Nelson's image, making it a pleasant place to live and visit.

The waste levy funds projects like a grants programme to support everyone in our community to reduce waste

Challenges

Reducing waste and emissions

The Nelson Tasman Joint Waste Management and Minimisation Plan 2019 (JWMMP) aims to reduce per capita waste to landfill by 10%, by 2030. This will require significant community engagement to avoid waste, as well as reduce and reuse and an increased uptake of recycling. Council will engage in activities to promote changes in behaviour, as well as providing better waste disposal choices to reduce waste going to landfill.

As construction and demolition creates significant waste, Council is developing plans and business relationships to reduce waste to recover and reuse materials.

The gas produced from the decomposition of organic material in landfills is roughly 50% methane and 50% CO2. Methane traps approximately 30 times more heat in the atmosphere over a 100-year period than CO2 so it is important we reduce methane emissions. The following projects are funded from the fees paid at the refuse centre (waste levy):

- Allocating $13.3 million in the Plan for collection of kitchen waste at the kerbside for composting, if our current trial is successful. This is part of Council's commitment to supporting Nelson as a Good Food City.
- Encouraging reuse of products e.g. through our Second Hand Sunday, other events and workshops
- Supporting home composting of food and green waste through education and use of subsidies, as part of our overall approach to diverting organic materials and better use of resources.
- Establishing a grants programme to support everyone in our community to reduce waste
- Delivering a range of workshops and activities through the Rethink Waste programme, including support for schools.

Climate change

Solid waste services will not be significantly affected by climate change in the medium term, however Council is giving consideration to the impacts beyond this. There is an opportunity through working with contractors to reduce emissions from vehicles operating for collection of kerbside recycling and emptying of on-street litter bins. In addition Council is actively planning to divert and process organic materials from landfill where they will produce landfill gas.

Product stewardship

Product stewardship is a central government policy that intends that whoever designs, produces or sells a product becomes responsible for reducing the product's environmental impact, including end of life management. The government is proposing to apply this to a number of products, which can result in classes of objects which previously held little to no value, gaining value. One example of this is 'container deposit'. This carries with it a challenge to Council that only low value items are put out at the kerb for recycling collection, which could lead to higher contract costs. Council will work with local community groups to expand recycling capabilities.

Community expectations and government priorities

With growing awareness of the impacts of waste, and increased understanding of how waste can be minimised, reused or recycled, community expectations and priorities are changing. Council needs to respond to these adequately and appropriately, all the while providing cost effective and sustainable solutions that are consistent with changes to funding and policy direction from central government.

Recycling

In line with the community outcomes, Council now only collects plastics for which there are established New Zealand based processors. These include plastics number 1, 2 and 5. Processing to a pure product stream ensures the appropriate reuse of the materials. The international commodity markets for plastics influences the national and local value and this could increase financial risk to Council, however council is engaging with suppliers, processors, and end users, to ensure ongoing recycling options for Nelson.

Community Outcomes

Council's solid waste activity contributes primarily to the following community outcomes:

- Our unique natural environment is healthy and protected.
- Our urban and rural environments are people-friendly, well planned and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our region is supported by an innovative and sustainable economy.
- Our communities are healthy, safe, inclusive and resilient.
- Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.

Council's priorities for the next three years

- Through the Nelson Tasman Joint Waste Management and Minimisation Plan 2019 Council is prioritising:
  - — Reducing waste per capita by 10% by 2030.
  - — Supporting a culture where people avoid the creation of waste.
  - — Supporting the development of a circular economy approach where resources are reused.
  - — Council walking the talk on waste minimisation.
  - — A focus on diverting specific waste streams from landfill, including food waste and construction and demolition.
- Working with the construction industry to encourage the diversion of material from landfill and the deconstruction of buildings rather than demolition.
- Continuing to support effective domestic recycling through kerbside collection and through advocacy with government.
- Replacing inner city street litter bins with solar powered bins to reduce collection frequency, collection vehicle emissions and traffic disruption.
- Implementing collection of kitchen waste at kerbside for composting, if our current 12 month trial is successful. $13.3 million has been allocated in the Long Term Plan for this work. This is funded from the proposed Waste Disposal Levy. This is part of Council's commitment to supporting Nelson as a Good Food City.



Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Measures to encourage the community to reduce waste to landfill	Reduction of waste per capita by 10% by 2030	Maintain or decrease the amount of waste (kg) per capita to landfill, per year	**Year 1:** Total waste less than 565kg/ capita **Year 2:** Total waste less than 545kg/ capita **Year 3:** Total waste less than 525kg/ capita			
Measures to encourage the community to increase composting of food and garden waste	Quantifiable diversion of general organic material from landfill	Increase the % of composting food and garden waste as measured by the SWAP	**Year 1:** Reduction of 2% from previous year **Year 2:** Reduction of 3% from previous year **Year 3:** Reduction of 5% from 2019 JWMMP organic **Years 4-10:** Reduction of 6% from 2019 JWMMP organic			
Support for the collection and recycling of e-waste	Increase in diverted tonnes through e-waste, reuse shops, etc.	New Measure	**Year 1:** Create 2021 baseline **Year 2:** Increase of 2% above 2021 baseline **Year 3:** Increase of 3% above 2021 baseline **Years 4-10:** Ongoing 4% above 2021 baseline			





The solid waste activity is designed to ensure that waste services are cost effective, and also environmentally and culturally appropriate.

Drivers of capital expenditure

The solid waste activity is primarily based on operational expenditure with no major capital expenditure.

Assumptions

In addition to the general assumptions that apply to all Council activities, the following specifically apply to the solid waste activity:

- Where there is insufficient revenue within the closed solid waste account, activities will be slowed, stopped, or modified until they are affordable.
- That the proposed increase to the Waste Disposal Levy will be implemented in the timeframe that was required by the Ministry for the Environment.
- That the current kitchen waste trial will yield the expected results and that Council progress with a residential kerbside kitchen waste service.
- That the current user-pays refuse and green waste companies in the Nelson region will continue to be available to residents and Council. Council is dependent on private companies to achieve green waste diversion.

Impacts and risks

Impacts and risks to be considered over the next three years include the introduction of mandatory product stewardship programmes which may have a material impact on activities such as collection of domestic kerbside recycling; the capacity of organisations in New Zealand to recycle materials such as plastics and fibre on-shore, and legislative changes relating to climate change and greenhouse gas emissions.

Financially solid waste is a closed account and Council relies on income from the central government waste levy. Council has based its budgets on central government plans to increase the waste levy, so if there is any unforeseen change in direction, Council will adjust its spending accordingly.

Funding impact statement – solid waste

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24
	($000)	($000)	($000)	($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	199	200	1,027	1,473
Fees and charges	3,156	5,518	6,386	7,289
Internal charges and overheads recovered	2,466	2,687	2,472	3,102
Local authorities fuel tax, fines, infringement fees, and other receipts	2,415	2,700	3,087	3,482
Total Operating Funding	**8,236**	**11,105**	**12,971**	**15,346**
	0	0	0	0
Applications of operating funding				
Payments to staff and suppliers	5,435	7,601	9,523	11,253
Finance costs	0	(18)	6	21
Internal charges and overheads applied *	2,470	2,717	2,498	3,126
Other operating funding applications	0	0	0	0
Total applications of operating funding	**7,905**	**10,300**	**12,027**	**14,400**
Surplus (Deficit) of operating funding	**331**	**805**	**944**	**946**
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	533	1,796	(67)	(698)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**533**	**1,796**	**(67)**	**(698)**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	288	477	193	237
- to improve level of service	561	923	495	66
- to replace existing assets	15	1,235	475	78
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	(35)	(287)	(134)
Total applications of capital funding	**864**	**2,600**	**877**	**247**
Surplus (Deficit) of capital funding	**(331)**	**(805)**	**(944)**	**(946)**
Funding balance	**0**	**0**	**(0)**	**(0)**

Funding impact statement – solid waste — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,507	1,544	1,582	1,621	1,665	1,708	1,752
	7,480	7,510	7,744	8,002	8,284	8,571	8,860
	3,144	3,241	3,110	3,172	3,256	3,345	3,431
	3,567	3,660	3,752	3,848	3,953	4,059	4,165
	15,699	**15,955**	**16,188**	**16,642**	**17,159**	**17,684**	**18,208**
	0	0	0	0	0	0	0
	11,511	11,670	12,137	12,487	12,870	13,260	13,650
	13	5	7	19	31	38	29
	3,165	3,260	3,127	3,188	3,273	3,362	3,449
	0	0	0	0	0	0	0
	14,689	**14,934**	**15,271**	**15,694**	**16,174**	**16,660**	**17,128**
	1,010	**1,020**	**917**	**948**	**985**	**1,024**	**1,080**
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(565)	(834)	276	(26)	88	(371)	(957)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(565)	**(834)**	**276**	**(26)**	**88**	**(371)**	**(957)**
	243	96	1,151	879	681	607	77
	34	0	0	0	270	0	0
	160	82	33	34	113	36	37
	0	0	0	0	0	0	0
	8	8	9	9	9	9	9
	445	**186**	**1,193**	**922**	**1,073**	**653**	**123**
	(1,010)	**(1,020)**	**(917)**	**(948)**	**(985)**	**(1,024)**	**(1,080)**
	0	**(0)**	**(0)**	**0**	**(0)**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**331**	**805**	**944**	**946**
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(382)	(525)	(678)	(720)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(51)**	**279**	**266**	**226**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21 $	2021/22 $	2022/23 $	2023/24 $
Solid Waste				
Joint Landfill Upgrade	832,500	2,634,750	1,131,589	315,709
Project under $100,000	31,334	-	36,050	72,918
Total Solid Waste	**863,834**	**2,634,750**	**1,167,639**	**388,627**
Scope Adjustment	-	0	(3,605)	(7,292)
Total Solid Waste Less Scope Adjustment	**863,834**	**2,634,750**	**1,164,034**	**381,335**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	1,010	1,020	917	948	985	1,024	1,080
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(749)	(780)	(807)	(836)	(871)	(911)	(966)
	0	0	0	0	0	0	0
	261	240	110	112	115	113	115

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	402,893	178,544	1,183,990	913,116	1,063,713	643,423	113,859
	37,949	-	-	-	-	-	-
	440,842	178,544	1,183,990	913,116	1,063,713	643,423	113,859
	(3,795)	0	0	0	0	0	0
	437,047	178,544	1,183,990	913,116	1,063,713	643,423	113,859

Environment



Environment
Te Taiao



What we do

Council has both regional council and territorial authority responsibilities in relation to environmental management. This means Council considers all aspects of the environment, such as air, freshwater, marine and coastal environments, biodiversity and biosecurity and land management, as well as the built environment, urban development and regional growth.

Council's environmental responsibilities are important for a healthy and protected environment (both natural and built environment) in Whakatū Nelson and for community wellbeing into the future.

Delivery on a healthy and protected environment is woven through Council's activities such as infrastructure management and through our planning framework, monitoring of the environment, management of resource consents including compliance, delivery of environmental projects, delivery of a regulatory biosecurity programme and reporting of information on natural resources. The City Centre programme amongst other activities is working to deliver a people friendly, well planned and sustainably managed Whakatū Nelson.

Delivery on urban development capacity and coordination of infrastructure to support growth are part of the environment activity, with integration across a range of other activities and given effect to through multiple Activity Management Plans.

In the maritime context, Council's responsibilities in navigational safety are delegated to Port Nelson Ltd and are managed by a Harbourmaster. Council is responsible for the marine environment extending 12 nautical miles out into Tasman Bay from the Waimea Estuary to Cape Soucis.

Why we do it

A healthy natural and built environment is a key aspect of achieving and sustaining wellbeing within the Nelson community.

Nelson has a strong environmental identity which Council works to promote, and there are a large number of legislative and policy directions informing Council's work programme in this area. There are a range of growth and development and housing priorities that are given effect to through this Activity Management Plan to deliver economic and social wellbeing outcomes.

Challenges

Government legislation and requirements

Environmental legislation and various regulations are the subject of government review, with any resultant provisions requiring implementation by Council. Each implementation process requires a different approach, and Council faces the challenge of implementing them in the most cost-effective manner while still achieving the intended goal. A number of National Policy Statements (NPS) and National Environmental Standards have recently been completed, or are planned by government. These include the NPS on Urban Development, a new National Policy Statement for Freshwater Management 2020 with a significant focus on the concept of Te Mana o te Wai, new National Environmental Standards for Freshwater, a National Policy Statement for Indigenous Biodiversity, a National Policy Statement for Highly Productive Land, and an updated National Environmental Standard for Air Quality, among others.

In addition, the Resource Management Act is facing a significant overhaul, which will require implementation by Council. The signaled Resource Management Act repeal and replacement by three proposed new pieces of legislation (Natural and Built Environments Act, Strategic Planning Act, and Climate Change Adaptation and Managed Retreat Act) will create significant uncertainty for Council's review of its resource management plan (the Draft Whakamahere Whakatū Nelson Plan) currently underway.

Climate Change

Work to address climate change within the Environmental Management activity includes:

- Providing for climate change adaptation through the Whakamahere Whakatū- Nelson Plan, and responding to national directions for climate change mitigation.
- Applying the Dynamic Adaptive Pathways Planning (DAPP) approach for working with the community on sea level rise hazards.
- Working with landowners to support climate change resilience through sustainable land management.



- Protecting and building resilience for our natural environment and biodiversity.
- Planning and responding to biosecurity incursions that occur as the climate alters.
- Supporting, implementing, and seeking grant funding for projects to increase carbon sequestration, such as large scale indigenous plantings and blue carbon saltmarsh/seagrass restoration projects. These projects will be delivered through council work programmes and partnerships, including with the Tasman Environment Trust and the Kotahitanga mō te Taiao Alliance. The Tasman Environmental trust has been granted some seed funding through this LTP to progress blue carbon projects for the Nelson region.



Marine and coastal environments are of high significance for Whakatū Nelson.

Marine and coastal environments

Marine and coastal environments are of high significance for Whakatū Nelson. The eight iwi of Te Tau Ihu have Statutory Acknowledgements over the coastal marine area which provides recognition of cultural, spiritual, historical and traditional associations with the coastal and marine environments. These environments are also of fundamental importance to the Nelson experience, economy and recreational activities. Council is seeking to respond to an increasing number of marine and coastal matters, including sea level rise, coastal erosion, water quality, biodiversity and marine biosecurity. Council will also be introducing a new marine water quality monitoring programme and investigating potential coastal/marine restoration projects during the term of this Long Term Plan.

Monitoring data

Council produces a significant amount of environmental management data which can be used for issues analysis, such as consent data for understanding growth in housing. Council's successes in gathering data outpace abilities to use it across the entire work programme. Council has identified the resources required to harness this data and is working on implementation.

Collaboration with regional partners

Many environmental issues do not recognise regional boundaries, requiring regional collaboration to address them. There is a recent trend of large-scale governmental stimulus projects which promote regional collaboration to best leverage funds received. With this in mind, there are likely to be further opportunities for cooperation, meaning Council must ensure it has capacity to act accordingly.

In particular, Council will be working with Te Tau Ihu iwi to implement the Te Mana o te Wai concept under the new National Policy Statement for Freshwater 2020 (NPS-FM). The new NPS-FM provides stronger direction on how Te Mana o te Wai should be applied when managing freshwater. This is a significant change and will affect how council will manage freshwater and apply provisions in council's resource management plan. Te Mana o te Wai refers to the vital importance of water, and when managing freshwater, it ensures the health and well-being of water is protected and human health needs are provided for before enabling other uses of water.

Biosecurity

The new Tasman Nelson Regional Pest Management Plan became operative on 1 July 2019. Following this, Council must now ensure successful implementation and operation of the Plan, and allow for response to new biosecurity threats Additionally, the Biosecurity Act 1993 is being overhauled, which will bring about a number of new obligations for Council to respond to. Pests such as Old Man's Beard which are not covered by the Regional Pest Management Plan will be addressed by non-regulatory programmes, including increased weed management on Council land detailed on page 169.

Affordable housing and urban development capacity

Council has housing affordability, capacity and intensification as key focus areas. To support intensification, sufficient planning and policy development must be done by Council and implementation of the Intensification Action Plan that gives effect to the Future Development Strategy is a mechanism to achieve this. Likewise sufficient infrastructure planning to support growth and enable a range of housing types and in a range of locations is required to meet the needs of the community.Working closely with central government agencies such as Kainga Ora is also crucial to ensuring Nelson receives as much help as possible.

Council is supporting Kāinga Ora in the development of its strategic plan for Te Tauihu for potential development projects. Council also provides guidance and staff time to assist property owners undertaking intensification projects. Council will also be considering methods of making some of its own landholdings available for intensification projects and mixed-use developments. Council has also 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. These actions will help achieve integrated and smart development for Nelson.

City Centre Programme Plan

Developing the Nelson City Centre is one of four priorities identified for Council in the Long Term Plan.

The activation and revitalisation of our City Centre is focused around Six Key Moves that Council has developed to address the significant transformative opportunities in Nelson City:

- Destination Nelson
- Walkable Nelson
- Blue-Green Heart
- Smart Development
- Livable Centre
- Clever Business

That transformation will be guided by a spatial plan to define the changes needed to make sure that our City Centre meets everyone's needs, now and in the future. The plan will create a people-focused, place-based vision for the City Centre that attracts investment, residents, talent, thriving business, families, and events - the foundations of A Smart Little City.

Work on the Spatial Plan and a Parking Strategy for the City is ongoing but has been delayed by COVID-19. They are essential for understanding



how to best invest in our City Centre. Until they are complete, Council's $15.3 million provision for developing the City Centre will not be allocated to specific projects. The exceptions to this are the Streets for People programme ($2.7 million), which is currently being implemented, and the urban park ($1.4 million). As part of the Spatial Plan engagement process, Council will hold a variety of sessions with the Nelson community.

Successful urban centres are destinations that are not just recognised for their retail and services offerings but also for the unique experiences they deliver: great food, arts and culture, and vibrant events. Underlying all experience is one factor - people. People walking, shopping, enjoying a snack and great coffee at an outdoor café, chatting to friends on a bench under a street tree canopy, make the City Centre come alive.

When complete, the Spatial Plan will present a direction that also incorporates climate resilience, high quality developments which embrace intensification opportunities, transport modal shift, iwi partnership, Nelson's arts legacy, and our locally celebrated hospitality and retail sectors. It will help connect Nelson's thriving City Centre to our stunning natural landscapes.

The Spatial Plan will consider the needs of new residents living in and around Nelson's City Centre. This will include integrating urban greening measures and play spaces for families. Trial projects under the City Centre Streets for People programme will continue in from 2021/22 to 2023/24, to investigate ideas for spatial development and determine what works for the community. From 2024/25 to 2026/27 we will begin implementing more permanent solutions.

Overall customer focus and quality assurance

Enhancing Council's reputation in a climate of increased customer experience expectations is both a challenge and an opportunity. Customer engagement should be as stress free as possible for the customer while maintaining the integrity of the process and statutory timeframes. This will be done across the regulatory services through a number of processes including building staff capacity, improving coordination between teams for service delivery improvement and maintaining and reinforcing statutory timeframe compliance.

Council is undertaking a number of work streams to improve customer experience including having better information about regulatory processes on our website, dedicated points of contact including a proposed navigator role to assist people particularly with inner city residential development and having more face to face meetings with developers and their agents. As a Building Control Authority, Council is committed to ensuring its processes uphold building regulations and IANZ accreditation is retained.

Community Outcomes

Council's environmental teams contribute primarily to the following community outcomes:

- Our unique natural environment is healthy and protected.
- Our urban and rural environments are people friendly, well planned and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity.
- Our communities have access to a range of social, educational and recreational facilities and activities.
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.
- Our region is supported by an innovative and sustainable economy.





Council's priorities for the next three years

Partnerships

Council has been successful in obtaining Government funding of $5.1 million primarily through the Jobs for Nature programme and Ministry for Primary Industries' Hill Country Erosion fund. Embedding and delivering these programmes will continue over the next four years, and further opportunities for partnerships and funding applications will be explored.

Freshwater

Implementing the significant changes on Government's freshwater policy requires increased budget in the order of $6.3m over 10 years across the freshwater planning, monitoring and science, and compliance activities. These Government changes will result in additional work programmes for delivery across the Council, including working in partnership with Te Tauihu iwi to implement the new freshwater obligations for Te Mana o Te Wai. This will mean introducing new rules to prioritise the health of water. A collaborative approach with the Te Tauihu iwi and the three Top of the South Councils has been initiated to develop a shared understanding of Te Mana o Te Wai across the various catchments and how the concept will be translated into resource management plans and functions of Council.

Biodiversity and Nelson Nature programme

This programme provides direction for non-regulatory biodiversity and biosecurity activities including pest control programmes for sites of high ecological value, bio-corridor management and habitat restoration. However, with the development of the draft National Policy Statement for Biodiversity, additional statutory requirements for biodiversity are proposed, meaning the Nelson Nature Programme will require further funding in the future to meet these requirements and fulfil Council's statutory regional council functions.

Housing

The National Policy Statement for Urban Development requires an increase in housing capacity along with Council's focus on improving housing intensification. Changes to planning rules to enable greater housing density are to be proposed via the Whakamahere Whakatu Nelson Plan.

Good Food City

Council supports Nelson Marlborough Health (NMH) leading the work on Nelson becoming a Good Food City – a city that supports sustainable and healthy food, champions its local producers and works to reduce food waste. Council has many projects that contribute to the Good Food City objectives, particularly through reducing food waste and supporting a food resilient community. Examples of projects in the Long Term Plan that support the aims of this work include a proposed kitchenwaste collection scheme (dependent on the results of a trial and government funding), edibles in our reserves, encouraging home composting and initiatives that focus on better use of food.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets
Compliance with National Environmental Standards for Air Quality for PM10	Number of exceedances in any of the airsheds do not exceed one in a calendar year	**Airshed A** No exceedances recorded for 2019/20. **Airshed B1** No exceedances recorded for 2019/20. **Airshed B2 & C** No exceedances recorded for 2019/20.	**Year 1** | **Year 2** | **Year 3** | **Years 4-10** No more than one exceedance in any calendar year in any airshed. Reported to Council each year.
Information on safe recreational bathing sites, marine and freshwater	% of key bathing sites monitored and public advised if water quality standards are breached	100%	100% of key bathing sites are monitored
Compliance with the Biosecurity Act 1993 (amended 2015)	Compliance with the Tasman Nelson Regional Pest Management Plan reporting requirement s for operational plans	New Measure	100% delivery of operational plan reported to Council each year
Provision of easily accessible, accurate, up to date and fit for purpose state of the environment monitoring data for all environmental domains	Five yearly comprehensi ve State of the Environment report is published to achieve compliance with section 35 of the Resource Management Act 1991	Altered measure. 100%	**Years 1-3:** Five yearly report due by December 2023. **Years 4-10:** Five yearly report due by December 2028.
Ensure Resource consent decision-making is robust and legally defendable	No decisions are over turned by the High Court upon judicial reviews	New measure	No decisions are over turned by the High Court upon judicial reviews
Food safety and public health comply with legislative requirements	Respond to food safety complaints within one working day	Altered measure	100%
Resource consent processes that comply with statutory timeframes	All resource consents are processed within statutory timeframes. All resource consents requiring monitoring are monitored at least annually.	Altered measure Previous measure and result: · % non-notified processed within 20 working days — 97% were processed within 20 day timeframe. This figure was 83% in 2018/19. · % fast track consents within 10 working days — 100% of fast track consents were processed within 10 working days. This figure was 95% in 2018/19.	100%
Provision of dog and animal control services	Respond to reports of dog attacks that have just occurred within 60 minutes.	Altered measure. Previous measure and result: · % of all complaints responded to within one day — 1619 out of 1741 dog and animal control service requests to Council were responded to within one day in 2019/20 (93%). This does not specify which requests were for complaints.	90%

Service levels, performance measures and targets — *continued*

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Navigation safety is delivered to meet all legislative requirements	Safety checks are conducted for recreational vessels (boats, kayaks, stand-up paddle boards etc)	New measure	At least 1,000 annually			
	Inspect navigation safety aids and maintain, replace or provide additional aids as required	New measure	At least annual inspection			
Sale of alcohol complies with legislative requirements	Inspect high risk premises at least two times each year	New measure	100%			
Provide building control services in a professional and timely manner, to ensure building work is safe and in accordance with the Building Code	% building consents and code compliance certificated issues within 20 working days	Altered measure. Previous measure and result: · % building consents (BC) and code compliance certificates (CCC) issued within 20 working days — 902 Building Consents were received in 2019/2020, with 96% being issued within 20 days. — 688 Code Compliance Certificates were issued in 2019/2020, 97% within 20 days	100%			
Maintain current and enforceable environmental bylaws for dogs, urban environments, city amenity and navigation safety	Bylaw reviews are completed within timeframes set out in the Local Government Act	New measure	**Year 1:** 100%. Urban Environment Bylaw (expires 02/06/22) **Year 2:** 100%. City Amenity Bylaw (expires 11/09/2024) **Year 3:** 100% **Years 4-10:** 100%. Dog Control Bylaw (expires 27/07/32) Navigation Safety Bylaw (expires 01/10/31)			
Create and implement a city centre programme	Monitor performance every three years with a public life survey	New measure	**Years 1-2:** Monitoring due in years 2023/24 and 2028/29 **Year 3:** Monitoring completed and reported to Council **Years 4-10:** Monitoring due in years 2031/32			
Urban Development Capacity is sufficient to meet future demand	Report annually on Urban Developmen t capacity and how the requirement s of the NPS urban Development are met	New measure	100%. Reported to Council each year.			
The Compliance Strategy is reviewed for effectiveness	The effectiveness of the Compliance Strategy is reported to Council annually	New measure	Reported to Council each year.			



Drivers of capital expenditure

- Council has made a provision of $15.3 million for developing the City Centre. Work on the Spatial Plan and a Parking Strategy for the City is ongoing but has been delayed by COVID-19. They are essential for understanding how to best invest in our City Centre. Until they are complete, this will not be allocated to specific permanent projects. The exception to that is $2.7 million of that budget which is allocated for the Streets for People programme - this is currently being implemented.
- Existing air quality monitors are reaching the end of their life and will need to be replaced over a 3 year period. This will be done once the new National Environmental Standard for Air Quality is confirmed, to ensure the new monitors are fit for purpose under the new regulations.
- Environmental planting projects on council land are funded from capex, and much of the Environment activity capex is spent on riparian and restoration planting on Council land related to the Healthy Streams programme.

Assumptions

As well as the general assumptions that apply as the basis for forecasting budgets across Council's work, some specific assumptions apply to Council's environment activities:

- Population remains as per growth projections. However, projections must be carefully tracked to ensure that they remain a reliable indicator of likely future trends.
- Government regulation changes are not yet fully known. While aspects of the changes have been anticipated e.g. the National Policy Statement on Indigenous Biodiversity, wider Resource Management Reform is likely to require a review of Council's resource management functions and associated budgets.
- Future budgets are based on a similar level of effort required to respond to the demands of this activity, but with growth and increasing contests over resource use, the outlook is for a slow increase in effort required over the ten year period.
- We understand the values held by our community.
- We understand the growing impacts of climate change, and the science of adaptation and mitigation.

Impacts and risks

High levels of risk in the environment activity include:

- Extreme weather conditions, increasing erosion, flooding, natural disasters, rising sea levels, fires, drought and extreme wind due to climate change.
- New regulatory controls, such as new legislation, National Policy and or Environmental Standards introduced by Government.
- Increased biosecurity incursions due to changing climate.
- Loss of reputation due to a number of factors including poor customer experiences and decision making.
- Not meeting urban development capacity requirements

Funding impact statement – environment

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	9,661	11,285	11,981	12,804
Targeted rates including water by meter	4	0	0	0
Subsidies and grants for operating purposes	443	1,809	1,356	364
Fees and charges	241	243	247	251
Internal charges and overheads recovered	50	50	51	53
Local authorities fuel tax, fines, infringement fees, and other receipts	3,830	4,611	4,689	4,799
Total Operating Funding	**14,229**	**17,997**	**18,325**	**18,271**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	15,740	19,120	20,860	17,880
Finance costs	0	0	0	0
Internal charges and overheads applied *	365	410	522	636
Other operating funding applications	0	0	0	0
Total applications of operating funding	**16,105**	**19,530**	**21,383**	**18,516**
Surplus (Deficit) of operating funding	**(1,876)**	**(1,533)**	**(3,057)**	**(245)**
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	2,147	3,248	5,289	604
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**2,147**	**3,248**	**5,289**	**604**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	324	1,610	2,154	342
- to replace existing assets	118	175	78	17
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	(170)	(70)	0	0
Total applications of capital funding	**272**	**1,715**	**2,231**	**359**
Surplus (Deficit) of capital funding	**1,876**	**1,533**	**3,057**	**245**
Funding balance	**0**	**0**	**0**	**0**

Funding impact statement – environment — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	12,993	13,259	14,079	14,526	14,920	15,412	15,631
	0	0	0	0	0	0	0
	307	72	73	75	77	79	80
	256	260	265	271	278	284	291
	54	55	57	58	60	61	63
	4,884	4,977	5,075	5,186	5,307	5,428	5,553
	18,493	**18,624**	**19,550**	**20,117**	**20,641**	**21,264**	**21,618**
	0	0	0	0	0	0	0
	17,157	17,495	17,975	17,665	18,122	18,471	18,744
	0	0	0	0	0	0	0
	675	755	927	1,030	1,047	1,034	1,021
	0	0	0	0	0	0	0
	17,831	**18,250**	**18,902**	**18,695**	**19,169**	**19,505**	**19,764**
	662	**374**	**648**	**1,421**	**1,472**	**1,759**	**1,854**
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,220	4,726	3,560	(335)	(996)	(1,265)	(1,305)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,220	**4,726**	**3,560**	**(335)**	**(996)**	**(1,265)**	**(1,305)**
	0	0	0	0	0	0	0
	1,829	5,085	4,189	1,030	461	474	487
	53	14	19	57	15	20	62
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,882	**5,099**	**4,208**	**1,087**	**476**	**494**	**549**
	(662)	**(374)**	**(648)**	**(1,421)**	**(1,472)**	**(1,759)**	**(1,854)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**(1,876)**	**(1,533)**	**(3,057)**	**(245)**
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(83)	(117)	(190)	(238)
Other non-cash income / Expenditure	2	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(1,957)**	**(1,650)**	**(3,247)**	**(483)**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21 $	2021/22 $	2022/23 $	2023/24 $
Environmental management				
Monitoring The Environment				
Plant & Equipment	181,005	173,711	173,772	151,871
Healthy Streams	142,908	115,392	118,854	121,944
Renewals: Monitoring Equipment	107,061	187,736	83,095	11,281
City Development				
Streets for People	-	1,200,000	1,545,000	-
Upper Trafalgar Street Stage 2	-	-	-	-
CBD Enhancements	-	300,000	503,670	105,678
Project under $100,000	10,800	6,800	55,002	7,820
Total Environmental Management	**441,774**	**1,983,639**	**2,479,393**	**398,594**
Scope Adjustment	-	(198,364)	(247,939)	(39,859)
Total Environmental Management Less Scope Adjustment	**441,774**	**1,785,275**	**2,231,454**	**358,735**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	662	**374**	**648**	**1,421**	**1,472**	**1,759**	**1,854**
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(282)	(453)	(696)	(830)	(863)	(880)	(898)
	0	0	0	0	0	0	0
	380	**(80)**	**(49)**	**591**	**609**	**879**	**956**

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	117,871	121,053	124,200	127,678	131,253	135,059	138,706
	125,114	128,493	131,833	135,525	139,319	143,360	147,230
	54,945	11,887	12,196	59,516	12,889	13,262	64,657
	-	-	-	-	-	-	-
	1,084,256	111,353	-	-	-	-	-
	650,554	5,289,272	4,398,560	880,855	241,472	248,474	255,183
	57,899	3,786	8,454	3,993	4,105	9,194	4,338
	2,090,639	**5,665,844**	**4,675,244**	**1,207,567**	**529,038**	**549,349**	**610,114**
	(209,064)	(566,584)	(467,524)	(120,757)	(52,904)	(54,935)	(61,011)
	1,881,575	**5,099,260**	**4,207,719**	**1,086,811**	**476,134**	**494,414**	**549,103**

Social


DORA
EXPLORER
Dora's Hot Air Balloon Adventure
Dora, Boots, and Benny need to find Benny's hot air balloon. Press 10 buttons and see 10 animations to join the adventure.
When you see a picture in the story, press the matching button!
Watch the story come to life!
publications international, ltd.

Social
Te Pāpori



What we do

The social activity supports community wellbeing. It achieves this through the provision of social, cultural, arts and heritage facilities such as Founders Heritage Park, cemeteries (operational and historic) and our libraries.

Council also invests in and supports the work of community facilities such as the Theatre Royal, Tasman Bays Heritage Trust (Nelson Museum), Suter Art Gallery and the Nelson Centre of Musical Arts and supports events such as the Arts Festival, kapa haka and Te Ramaroa (Light Nelson). Campgrounds are also provided under the Social section of the Long Term Plan. Community development is also funded, including in the form of grants to community groups providing social services and support to the community. This activity helps the most vulnerable in our community, contributes to making Nelson an attractive and vibrant city, supports opportunities to celebrate and explore our heritage and creativity, and it creates opportunities for the community to connect and strengthen feelings of belonging, identity and a sense of pride in Nelson.



Why we do it

Arts and heritage assets and a calendar of festivals and events contribute to identity and civic pride.

Grants assist community groups who support vulnerable members of the community, and Council partners with agencies to support the provision of assets and programmes to help the community, as well as delivering some important city assets such as public toilets and libraries. All of these activities contribute to the wellbeing of Nelson residents and help increase the cohesiveness of the community.



Challenges

Social isolation

Council recognises that social interactions are important, particularly for older adults and those living alone. Isolation and loneliness are also issues for new arrivals to Nelson and many people in our diverse community. Council is committed to assisting groups and agencies that help deliver programmes to reduce social isolation.

Council is committed to assisting groups and agencies that help deliver programmes to reduce social isolation.

Housing vulnerability

Nelson's housing affordability situation is contributing to a rise in housing vulnerability and homelessness. Council has a housing intensification action plan and a new Housing Reserve to help address affordability problems. It also partners with agencies and community groups working to mitigate issues of housing supply, and housing vulnerability.

Access to work and learning opportunities

Young people, women and ethnic minorities are over-represented in the category of people not in work, education or training. Many people in these groups have been especially affected by COVID-19. Council is seeking to address this issue by supporting and collaborating with agencies that provide job and training opportunities, and connecting to region-wide economic strategies that create work and learning opportunities.

Poverty

Within our community there are sectors that are impacted by poverty. This compounds other issues, such as the risk of becoming homeless. Council has the challenge of supporting community organisations that deliver front-line services and which work to alleviate poverty.

Much of Council's support for these communities of greatest need is provided through the Community Investment Fund, which will prioritise funding for community groups working in these areas.



Presenting the whole picture of our history

Chronicling the history and stories of iwi and Māori is an area that Council plans to develop further. Council is working with our community to develop the Taonga Tuku Iho Heritage Strategy to foster platforms and funding to promote the telling of iwi and Māori stories.

Tuku / Heritage Month events are run by local organisations with the support of Council. It provides a platform for an increasingly diverse range of groups to share their stories with their local community.

Founders Heritage Park

Founders Heritage Park is a popular historic park that tells stories, displays historic items, entertains visitors, hosts events and is home to a range of artisans and tenants. Council has created the Founders Heritage Park Strategic Plan to outline continued growth and establish programmes to best utilise the park.

Heritage Buildings

The historically significant buildings of Broadgreen, Isel and Melrose houses require maintenance to ensure that they are preserved for future generations, and that opportunities are provided for the community to enjoy them.

Council is working to foster private sector use and investment in heritage assets, and recognition of the City Centre precinct's heritage values.

Arts

Council supports projects and initiatives that protect our heritage and strengthen the artistic and cultural life of Nelson. Council has an ongoing programme of art projects including partnering with other organisations to promote art in the City Centre and Council continues to explore opportunities for a community arts centre in Nelson with Arts Council Nelson as part of work to review and update Nelson's arts policy guidance documents

COVID-19 impact

The impact of COVID-19, including reduced tourism and few international artists is expected to continue for the first few years of the Long Term Plan. This impacts on Council and the community's access to arts, culture and heritage funding sources and events. Council is reviewing and updating the calendar of Council delivered events to ensure events are popular, accessible and celebrate our diverse community. The effects of COVID-19 have been particularly challenging for the Arts community, which is expected to take some time to recover.

Nelson Provincial Museum archive facility

Council and Tasman District Council are both proposing contributions to the Tasman Bays Heritage Trust's project to build a new Archive, Research and Collections facility for the Nelson Provincial Museum. Council has allocated $3.165 million to this project in 2023/24.

Redevelopment of the Elma Turner Library

Information on this project is set out on the following page.

Cemetery Capacity

A 2020 study on the region's cemeteries found that the City's cemeteries will reach capacity for burial interments within the next 10-20 years. Due to the long lead times for procuring and developing new cemeteries (typically 4-7 years) and the need to ensure sufficient capacity for future use and potential pandemics, Council is investigating options for a regional cemetery in Moutere or Wakefield with Tasman District Council to secure sufficient space for the long term future of cemeteries within the region.

Campgrounds

Work is underway to make the Brook Camp compliant with legislation for the long term occupants, this includes some infrastructure upgrades and minor capital upgrades.

Community Outcomes

Within the social activity, the Community Partnerships team contribute to the following Community Outcomes:

- Our communities are healthy, safe, inclusive and resilient.
- Our communities have access to a range of social, educational and recreational facilities and activities.
- Our council provides leadership and fosters partnerships, a regional perspective, and community engagement.
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity.



Council's priorities for the next three years

- Redevelopment of the Elma Turner Library.
- Supporting community groups that work with communities of greatest need.
- Telling diverse stories in our arts and heritage activities.
- Assessment of options for cemetery capacity.
- Delivering, and supporting our community to deliver a diverse calendar of fun community events alongside high calibre events attracting visitors to our city.





Currently Elma Turner Library is located in a converted space, which was previously a car sales office.

Council is planning to build a new library on the corner of Halifax Street and Trafalgar Street. This will require a land exchange with Wakatū Incorporation involving that site and the current library site.

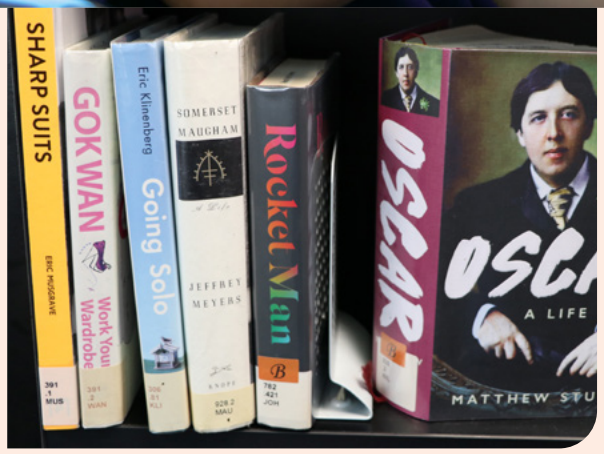
This significant project would revitalise and open up the Maitai River Precinct, and provide a modern library space for the whole community to use. Delivering on our vision for Nelson as A Smart Little City, the new library will use innovation and clever design to deliver a climate change-resilient building, and a vibrant, functional place for the community to gather together, learn, and enjoy. It will also be a significant construction project for our City, providing jobs.

A modern library is not a nice-to-have, it is a need-to-have. At their best, libraries offer people the chance to expand their horizons. They are a gateway to opportunity and a great equaliser for our community.

Council proposes to build an iconic Nelson library that:

- Demonstrates a range of sustainable and climate resilient features. For example:
  - Low embodied carbon design
  - Passive heating/ventilation
  - Solar power generation
- Is adaptable to sea level rise and river flooding for more than 100 years
- Is resilient to earthquakes
- Reflects the importance of the location to mana whenua.





Why do we need a new library?

Currently Elma Turner Library is located in a converted space, which was previously a car sales office. Parts of the building date back to 1973, with a new extension and internal refurbishment undertaken in 2005 and 2012. It has served us well but is no longer suitable for the amount of use it receives, and the expanding role libraries play in our community. The library currently receives over 300,000 visitors each year.

A new, modern library would better serve the changing needs of our community. The facility would provide more space for us to deliver the full range of activities and programmes that a library should offer. There would be more space available to be booked for individuals and community groups, a greater connection to the natural environment, and a layout that meets modern standards. There are opportunities to develop the Maitai River Precinct with new spaces for people to enjoy.

Budget and Timeline

We have made provision of $46.3 million ($44.4 million uninflated) for a new library precinct, which includes an appropriate contingency budget. This development would be funded through borrowing, with the cost spread over 65 years – as it will benefit Nelsonians for years to come. Design work is proposed to start in the 2021/22 financial year, with the aim of lodging the necessary consents in 2022/23 and commencing construction in 2023/24.

A new library is expected to result in greater usage and an increase in operational costs of $51,000 in 2022/23, increasing to $136,000 per year by 2026/27. It is expected there will be annual energy savings of at least 30 percent but potentially as high as 70 per cent compared to a non-sustainable and climate resilient build. The proposed increase in costs does not include any change to opening hours, which may require additional staff.



Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Community partnerships address community needs and issues	Community Investment Fund agreements and grants are allocated as per advertised timeframes.	Council provided a number of funding initiatives to organisations such as the Alzheimer's Society Nelson, and Age Concern Nelson.	One new project funded per year that achieves the outcomes of the funding agreement.			
Council provides support for the arts sector to provide arts advice, advocacy and promotion, to strengthen the sector	Creative Community Scheme funding is allocated successfully to community art projects.	Funding allocations lead to improved community art outcomes.	Creative Communities scheme funding fully allocated each year.			
Council's heritage facilities provide heritage activities to experience, celebrate and learn about Nelson's history and stories	Number of visitors/users of the facility.	89,628 visitors 2019/20 (affected by COVID-19).	Visitor numbers >100,000			
High quality, popular and accessible arts events	To deliver a diverse and accessible variety of events that are well attended and enjoyed by audiences.	Over 80% satisfaction of attendees was recorded at Council events.	At least 12 events per annum are delivered celebrating our community's performing skills and creativity and support at least 10 free or low cost events. Event audience surveys indicate satisfaction of 70%.			



There is a need to refurbish and expand public toilets at key sites.

Drivers of capital expenditure

The main drivers of capital expenditure on Council's social activity are:

- Elma Turner Library proposed redevelopment
- Renewals of community facilities; including, public toilets, Stoke Hall and Brook Camp.
- The need to refurbish and expand public toilets at key sites to service growth. Toilets are ageing and some facilities will be in need of significant renewal during the ten years of this plan. Budget has been allocated to carry out these renewals, with the priority and scope of the renewals yet to be confirmed. Sites will be assessed on individual requirements and any associated demand changes. This will include accessibility, sustainability and artistic opportunities.

Assumptions

As well as the general assumptions that apply as the basis for forecasting budgets across Council's work, some specific assumptions apply to Council's social activities:

- Council will continue to be involved in community partnerships and arts, heritage and events activities.
- That Council's social objectives will be supported by community partners.
- The Brook Campground will be leased from 2023/24.

Impacts and risks

The impacts and risk to Council's social activity include:

- Community groups receiving Council grants do not deliver the expected outcomes.
- Inability to meet needs as increasing pressures mount on individuals and communities due to COVID-19, and the housing crisis.
- Taonga at our heritage houses and Founders Park are not adequately cared for. Diverse stories remain untold.



Funding impact statement – social

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	14,072	14,523	15,392	15,885
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	154	197	200	204
Fees and charges	855	969	898	857
Internal charges and overheads recovered	0	1	1	1
Local authorities fuel tax, fines, infringement fees, and other receipts	1,371	867	919	1,046
Total Operating Funding	**16,452**	**16,557**	**17,411**	**17,992**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	13,725	14,720	14,849	15,203
Finance costs	0	0	0	0
Internal charges and overheads applied *	1,509	1,041	1,115	1,330
Other operating funding applications	0	0	0	0
Total applications of operating funding	**15,234**	**15,761**	**15,963**	**16,534**
Surplus (Deficit) of operating funding	**1,218**	**796**	**1,447**	**1,459**
Sources of capital funding				
Subsidies and grants for capital	384	24	437	26
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(5,510)	4,377	5,919	19,087
Gross proceeds from sale of assets	8,383	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**3,257**	**4,401**	**6,356**	**19,113**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,391	568	1,748	552
- to improve level of service	2,811	3,794	5,696	16,494
- to replace existing assets	466	1,028	552	554
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	(193)	(193)	(193)	2,972
Total applications of capital funding	**4,475**	**5,197**	**7,804**	**20,572**
Surplus (Deficit) of capital funding	**(1,218)**	**(796)**	**(1,447)**	**(1,459)**
Funding balance	**0**	**0**	**0**	**(0)**



Funding impact statement – social — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	17,344	18,782	18,950	19,486	19,770	20,468	20,644
	0	0	0	0	0	0	0
	207	211	215	220	225	230	235
	786	908	838	968	898	1,036	964
	1	1	1	1	1	1	1
	1,093	1,115	1,139	1,165	1,193	1,221	1,250
	19,432	**21,018**	**21,143**	**21,839**	**22,087**	**22,956**	**23,095**
	0	0	0	0	0	0	0
	15,673	16,410	16,391	17,035	17,220	18,068	18,159
	0	0	0	0	0	0	0
	1,896	2,391	2,521	2,560	2,607	2,607	2,639
	0	0	0	0	0	0	0
	17,569	**18,801**	**18,911**	**19,595**	**19,827**	**20,676**	**20,798**
	1,862	**2,216**	**2,232**	**2,244**	**2,260**	**2,280**	**2,297**
	26	27	28	28	29	30	31
	0	0	0	0	0	0	0
	20,120	(376)	(152)	(388)	(727)	(701)	225
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	20,147	**(349)**	**(124)**	**(360)**	**(698)**	**(671)**	**256**
	958	681	636	680	1,043	1,244	1,305
	19,481	773	1,255	128	155	15	14
	1,762	607	335	1,170	458	444	1,327
	0	0	0	0	0	0	0
	(193)	(193)	(118)	(93)	(93)	(93)	(93)
	22,009	**1,868**	**2,108**	**1,884**	**1,562**	**1,610**	**2,553**
	(1,862)	**(2,216)**	**(2,232)**	**(2,244)**	**(2,260)**	**(2,280)**	**(2,297)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**1,218**	**796**	**1,447**	**1,459**
Subsidies and grants for capital expenditure	384	24	437	26
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,287)	(1,355)	(1,393)	(1,412)
Other non-cash income / Expenditure	702	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,017**	**(534)**	**491**	**73**



Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	1,862	**2,216**	**2,232**	**2,244**	**2,260**	**2,280**	**2,297**
	26	27	28	28	29	30	31
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(1,755)	(2,112)	(2,138)	(2,159)	(2,174)	(2,193)	(2,208)
	0	0	0	0	0	0	0
	134	**132**	**122**	**114**	**115**	**117**	**120**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	
	$	$	$	$	
Social					
Managing Heritage & Arts					
Art Works Programme	84,705	86,532	89,128	91,445	
Broadgreen House					
Renewal:Structures	1,671	60,000	25,750	8,454	
Founders Park					
Collection Store	-	150,000	576,800	-	
Energy centre venue development	-	-	54,075	98,281	
Granary venue development	-	-	-	-	
Cultural space development	-	25,000	25,750	105,678	
Nelson Library					
Book Purchases	390,057	360,000	370,800	391,009	
Elma Turner Library Extension/ Relocation	1,048,000	2,950,000	3,368,100	17,764,472	
Structural Improvements	-	200,000	-	-	
RFID circulation (Radio Frequency ID)	80,000	-	-	-	
Stoke library					
Stoke Library structural improvements	55,000	-	-	52,839	
Nellie Nightingale Library Memorial					
Nightingale roof repair	-	-	41,200	204,381	
Marsden Valley Cemetery					
Cemetery Capacity Purchase	-	-	1,339,000	-	
Cemetery Capacity development	-	-	-	-	
Toilets (Free)					
Growth: Millers Acre Toilet	717,000	-	-	-	
Tahunanui Lions Toilet Upgrade	880,000	-	-	-	
Toilet Renewals Program	41,779	42,680	92,700	45,103	
Toilets (Charge)					
Toilet Renewals Program	15,667	-	-	10,568	
Stoke Hall					
Stoke Hall Remediation	120,000	100,000	2,013,650	-	
Community Properties					
Refinery Gallery EQ strengthening	452,000	448,000	-	-	
Capital: Buildings	67,530	250,000	51,500	52,839	
Brook Camp					
Brook Camp Building Renewals	-	310,000	-	-	
Project under $100,000	715,086	971,344	800,192	692,979	
Total Social	**4,668,495**	**5,953,556**	**8,848,645**	**19,518,048**	
Scope Adjustment	-	(563,161)	(852,102)	(1,918,479)	
Total Social Less Scope Adjustment	**4,668,495**	**5,390,396**	**7,996,544**	**17,599,569**	



Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	93,822	96,356	98,861	101,629	104,475	107,505	110,407
	-	13,362	-	8,221	-	-	103,349
	-	-	-	-	-	-	-
	109,510	69,039	358,168	103,354	-	-	-
	-	122,488	39,987	-	-	-	-
	108,426	111,353	-	-	-	-	-
	401,175	456,548	422,719	434,555	446,722	459,677	472,089
	21,056,252	399,758	763,179	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	120,736	-	-
	596,341	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	433,702	-	-	-	271,656	422,406	574,162
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	704,766	100,218	48,761	763,407	108,662	53,024	829,345
	271,064	222,706	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	16,264	-	-	5,872	-	89,451	-
	-	-	-	-	-	-	-
	839,772	659,257	702,267	739,789	745,668	717,764	808,062
	24,631,093	**2,251,085**	**2,433,942**	**2,156,827**	**1,797,919**	**1,849,828**	**2,897,414**
	(2,429,221)	(190,564)	(208,162)	(179,669)	(142,931)	(147,275)	(251,155)
	22,201,872	**2,060,520**	**2,225,780**	**1,977,158**	**1,654,988**	**1,702,553**	**2,646,258**

Parks and Active Recreation



Parks and Active Recreation
Ngā papa rēhia me ngā mahi rēhia



What we do

Council manages approximately 11,250 hectares of parks and reserves for the city, which includes over 10,000 hectares of conservation reserve.

Parks and Reserves provide recreation opportunities, with a range of sporting assets such as Saxton Field, and more natural environments such as the Maitai Esplanade Reserve. Council also supports a range of international and national sporting and entertainment events hosted in Nelson, which contribute to our local identity and provide economic and social benefits to the city.

Why We Do It

Access to open space is increasingly important for residents' and visitors' quality of life as Nelson's population grows.

Having increasing amounts of green space to balance the expanding built environment is also important. Parks and reserves promote healthy lifestyles through the provision of opportunities for exercise and recreation. The value of Nelson's character and image is increased by parks and reserves, being recognised as part of the Nelson brand.

Beyond amenity values, there are environmental merits to having parks and reserves; for example, planting new trees, protecting the trees we have, and allowing for forest regeneration is an important part of Council's actions to help mitigate climate change. Additional benefits also includes protecting biodiversity, improving air and water quality and reducing the impact of flood events and noise pollution.

Challenges

The parks and active recreation activity faces a range of challenges, including the following:

Biodiversity outcomes

Parks and reserves are important bastions of biodiversity, and enhancement of biodiversity values will be a key focus of our ongoing management. Conservation and landscape reserves in particular have large areas of weed infestation which degrades biodiversity values. Ecological restoration plans have been drafted to restore the biodiversity of these areas. Implementing these plans with a focus on controlling weeds and planting with native species will be a key focus area. Council is also converting selected plantation forest into alternative use and is conscious of the need to mitigate pest and weed incursion in these areas.

Levels of service

As expectations of levels of service increase but resources remain limited, Council must prioritise certain assets and decisions over others to ensure the parks and active recreation activity remains cost effective.



Appropriate provision of assets

Council will need to determine what is required to achieve community goals, and also the extent to which it should be responsible for providing high performance assets for elite users, when assessed against overall community benefit.

Climate change effects and network resilience

Climate change presents a challenge to the parks and reserves network, meaning Council must assess the ways in which the network is vulnerable to its effects (e.g. coastal erosion, increased drought and fire risk). These assessments will then inform management responses to reduce impacts.

Balancing competing uses

The parks and reserves network is enjoyed by a large number of different users for a range of activities. Council has the challenge of balancing these uses to adequately cater for different types of user.

Defining strategic outcomes

Council continues to undertake the strategic role and outcomes desired from the parks and reserves network, particularly insofar as it contributes to community outcomes and what can be achieved post COVID-19.

Asset management

Good data is essential to managing assets as they move through their lifecycles. Council is working to develop more robust and useful asset information systems to effectively manage the parks and reserves network.

Carbon emission reduction

As part of the overall challenge of reducing carbon emissions, Council is continuing to investigate and implement reduction approaches within the parks and reserves network. Energy audits on strategic assists will help inform this work.

Community Outcomes

Council's parks and active recreation activity contributes to the following Community Outcomes:

- Our unique natural environment is healthy and protected.
- Our urban and rural environments are people-friendly, well planned and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities have access to a range of social, educational and recreational facilities and activities.
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity.
- Our region is supported by an innovative and sustainable economy.



Council's priorities for the next three years

- Continue developing Ecological Restoration Plans for key reserves, and progress implementation; for example, weed control in landscape reserves. Current funding for weed control is around $250,000 per year on average, which has not been sufficient to manage pest plants, especially vine species including Old Man's Beard, Banana Passionfruit, and Climbing Asparagus. The Long Term Plan includes $250,000 in Year 1, $669,000 in Year 2, rising to $1.7 million in Year 7 (inflation adjusted). This funding is for widespread pest plant control work on Council land – totalling $11.5 million over the next 10 years, with many significant benefits to both biodiversity and the wellbeing of our community.
- Progress the development of the Stoke Youth Park.
- Develop the relationship with Ngāti Koata as a key recreation landowner.
- To improve planning and recording of asset data within the activity, and continue developing strategies to provide high level direction and assist with investment priorities.
- **Nelson Marina**
  The Marina will be directly managed as a separate business unit of Council from 2021 replacing the management contract model previously in place. A draft master plan concept for marina land was developed in 2021 and needs to be finalised. A further master plan for marina water space is to be developed in 2021/22, alongside a comprehensive review of governance. Fees and charges will be reviewed in detail in 2021/22.
- **Investigate a sea sports building at the marina**
  Sea sports at the Nelson Marina include a range of popular activities such as Scouts, Cadets, canoe, surf skis, rowing, waka ama and kayaking. However there is no adequate building to either store equipment or to be a base for activities. The proposed building is expected to cost $8.3 million (2022/23 – 2025/26), with design and consenting work commencing in 2022/23. 80% of the project's construction costs are proposed to be funded from Council, with an expectation that the sports groups who will use the facility will make a 20% contribution.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Parks and recreation service that meets or exceeds residents' expectations	Residents (%) that are satisfied with Council provided parks and recreation	82% of respondents were 'satisfied' or 'very satisfied' with parks and recreation in Nelson in the 2020 Residents' Survey. This is up from 81% in 2018/19.	80%			
Sufficient open space provided in the City	Area in hectares of Neighbourhood Parks per 1,000 residents[1]	In 2019/20 there were 1.6 hectares of neighbourhood parks per 1,000 residents.[2]	1.0 – 1.2 ha			
Conveniently located open space i.e. neighbourhood park, public garden or sportsground	Urban residential properties (%) within 800m walking distance of publicly accessible open space	99.04 % of residential houses were within 800 m of neighbourhood parks. This was 99% in 2018/19.	99%			
Play facilities that are conveniently located	Urban residential properties (%) within 1000m walking distance of a playground	97.4% of residential properties were within 1000m of a playground in 2019/20. This figure was 95% in 2018/19.	95%			
Marina managed to meet demand	Occupation for marina berths (both permanent and visitors)	Berth occupancy at the Marina was 96%.	Greater than 95%			

[1] *Calculation excludes the five largest neighbourhood parks.*

[2] *Different calculation methodology used in 2018 LTP.*



Drivers of capital expenditure

The main drivers of capital expenditure for Council's parks and active recreation activity are:

- Population growth and residential development in Nelson and surrounding areas.
- Responding to the needs of user groups; for example the development of a sea sports building, improved lighting for sportsgrounds, the Maitai Recreation Hub and new trails.
- The development of a recreational space at Modellers Pond which includes extending the model train track, landscaping and enhancement of the area along with treatment of storm water upstream of the pond.
- Renewal of assets that are at the end of useful life such as play equipment, facilities, and other infrastructure (including the Wakefield Quay seawall)
- The marina health safety and security upgrades in the first year.

Assumptions

In addition to the general assumptions that apply to all of Council, the parks and active recreation activity assumes that:

- Tasman District Council will continue to fund 50% of Saxton Field capital and operational spend.

Impacts and risks

- Fire risk in reserves over the dry summer months. In extreme seasons reserve closures may be necessary.
- Escalating pest and weed control, particularly in landscape reserves.
- New and increasing use of parks and reserves can result in conflict between different users. This is monitored by staff and booking systems. Bylaws, engagement, communication, booking systems and meetings may be adjusted in response.
- Increase in popularity of and demand for mountain biking needs may require additional management work by Council.
- Trees, vegetation and tree roots can encroach on roads, footpaths and interfere with power or telephone wires. Council applies good practice principles to ensure vegetation planning 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.
- Seismic assessments to better understand public safety in and around Council facilities, and to mitigate earthquake risk, have been carried out which follow Building Act timeframes.
- COVID-19 government restrictions place pressure on the facilities ability to operate a full capacity or under level 4 some are required to close.

Funding impact statement – parks and active recreation

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	12,965	14,132	14,679	15,258
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	0	45	46	47
Fees and charges	2,324	576	601	611
Internal charges and overheads recovered	469	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,447	3,622	3,806	3,909
Total Operating Funding	**17,205**	**18,375**	**19,132**	**19,825**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	12,523	13,456	13,742	14,297
Finance costs	0	0	0	0
Internal charges and overheads applied *	1,795	1,901	1,879	1,861
Other operating funding applications	0	0	0	0
Total applications of operating funding	**14,318**	**15,357**	**15,621**	**16,157**
Surplus (Deficit) of operating funding	**2,887**	**3,018**	**3,511**	**3,668**
Sources of capital funding				
Subsidies and grants for capital	810	734	444	336
Development and financial contributions	1,716	1,850	1,904	1,952
Increase (decrease) in debt	4,758	2,613	1,940	1,350
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**7,284**	**5,197**	**4,288**	**3,637**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	3,267	2,398	3,133	2,286
- to improve level of service	4,751	2,188	652	1,607
- to replace existing assets	2,153	3,630	4,013	3,413
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**10,171**	**8,216**	**7,798**	**7,306**
Surplus (Deficit) of capital funding	**(2,887)**	**(3,018)**	**(3,511)**	**(3,668)**
Funding balance	**0**	**0**	**0**	**(0)**

Funding impact statement – parks and active recreation — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	15,757	16,209	17,108	17,361	17,157	17,498	17,648
	0	0	0	0	0	0	0
	49	0	0	0	0	0	0
	674	686	700	715	732	749	766
	0	0	0	0	0	0	0
	3,982	4,115	4,207	4,299	4,432	4,540	4,673
	20,462	**21,011**	**22,014**	**22,376**	**22,320**	**22,786**	**23,087**
	0	0	0	0	0	0	0
	14,811	15,250	16,058	16,349	16,262	16,719	17,310
	0	0	0	0	0	0	0
	1,968	2,148	2,275	2,271	2,289	2,244	2,223
	0	0	0	0	0	0	0
	16,780	**17,398**	**18,332**	**18,620**	**18,551**	**18,963**	**19,533**
	3,682	**3,613**	**3,682**	**3,756**	**3,769**	**3,823**	**3,555**
	1,570	484	326	91	881	736	864
	2,000	2,050	2,102	2,155	2,214	2,274	2,333
	4,752	275	(1,949)	(1,491)	(1,914)	(2,012)	(1,339)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	8,322	**2,809**	**478**	**755**	**1,182**	**998**	**1,857**
	8,309	3,402	2,076	1,985	2,123	2,173	2,240
	2,164	801	206	690	969	1,180	1,833
	1,530	2,218	1,877	1,837	1,859	1,468	1,339
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	12,004	**6,421**	**4,160**	**4,511**	**4,951**	**4,821**	**5,412**
	(3,682)	**(3,613)**	**(3,682)**	**(3,756)**	**(3,769)**	**(3,823)**	**(3,555)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**2,887**	**3,018**	**3,511**	**3,668**
Subsidies and grants for capital expenditure	810	734	444	336
Development and financial contributions	1,716	1,850	1,904	1,952
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(3,663)	(3,774)	(3,872)	(3,946)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,750**	**1,828**	**1,986**	**2,010**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	3,682	**3,613**	**3,682**	**3,756**	**3,769**	**3,823**	**3,555**
	1,570	484	326	91	881	736	864
	2,000	2,050	2,102	2,155	2,214	2,274	2,333
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(4,090)	(4,253)	(4,327)	(4,368)	(4,409)	(4,466)	(4,545)
	0	0	0	0	0	0	0
	3,162	**1,893**	**1,782**	**1,634**	**2,456**	**2,367**	**2,207**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	
	$	$	$	$	
Parks & Active Recreation					
Public Gardens					
Isel park bridge upgrade	5,000	295,000	-	-	
Miyazu Garden Pond Relining	10,000	10,670	128,750	132,098	
Neighbourhood parks					
Land Purchase: General Reserve	1,833,795	853,600	879,208	902,067	
Capital: Fences and Walls	10,445	126,700	10,990	11,276	
Reserve Development Programme	52,224	153,350	439,604	162,057	
Atawhai Reserve Improvements	230,000	-	-	-	
Landscape reserves					
2247 Landscape Reserves	-	10,000	108,150	10,568	
Capital: Mountainbike Tracks	-	207,000	271,580	169,085	
Maitai MTB Hub	769,896	900,000	-	-	
Marsden Valley MTB Hub	-	-	20,600	211,356	
MTB Trail Maitai camp to Maitai Dam	100,000	-	-	-	
Retired forestry block conversion programme	205,000	205,000	145,230	293,785	
Esplanade & Foreshore reserves					
Esplanade & Foreshore Planting Prgm	85,881	163,350	54,951	56,379	
Almond Tree flats to Maitai track connection	-	-	-	-	
Dog exercise park	158,720	-	-	-	
Poormans walkway (Main rd - Neale ave)	985,000	-	-	-	
Jenkins Stream (Pascoe to Airport)	-	-	-	-	
Wakapuaka Sandflats Esplanade shared path	285,089	-	-	261,118	
Glen - boulder bank pathway (P7)	15,667	20,000	-	-	
Wakefield Quay sea wall renewal	50,000	75,000	2,060,000	-	
Modellers Pond Solution	105,000	2,000,000	236,900	-	
Renewals: Structures	125,667	16,005	16,485	16,914	
Walkways					
Tahuna Beach to Great Taste Trail (airport)	370,757	270,762	-	-	
Sports Parks					
Capital: Trafalgar Park Stand Removal	-	15,000	181,074	-	
Guppy Park Facility	-	-	-	147,949	
Rutherford Park - Saltwater Cr path landscaping	-	-	-	-	
Capital: Minor Development	70,168	10,670	103,000	11,276	
Saltwater Cr bridge (Haven Rd - Traf Park)	105,000	105,000	212,180	-	
Trafalgar Park - tower lights renewals	-	12,804	-	-	
Neale Park Training Lights	-	-	51,500	10,568	
Renewals: Access/Carparks	94,003	10,670	98,911	11,276	
Trafalgar Park Field renewal	-	-	-	22,552	
Trafalgar Centre					
Trafalgar Centre storage solution	-	5,000	103,000	-	
Renewals: Minor Assets	14,745	10,670	10,300	112,758	
Saxton Field Statium					
Basketball hoops	-	20,000	-	274,763	
Pools					
Riverside Pool water heating system renewal	270,000	53,000	51,500	739,746	
Renewals: Minor Assets	185,830	110,631	133,900	68,691	
Renewals: Riverside	61,320	-	-	-	
Play Facilities					
Playground Development Programme	36,557	200,000	32,970	216,640	
Stoke Youth Park	250,000	345,107	-	-	
Rutherford playground	10,000	20,390	-	-	
Macrocarpa play structure	-	-	-	107,369	
Renewals: Play Equipment	183,296	50,000	30,900	90,207	
Marina					
Capital: Minor Development	-	100,000	103,000	105,678	
Water Sports Building	-	-	556,200	412,144	
Public boat ramp improvements	35,000	50,000	-	528,390	

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	925,521	950,510	975,223	1,002,530	1,030,601	1,060,488	1,089,121
	11,569	11,881	12,190	12,532	12,883	13,256	13,614
	466,230	170,760	496,980	62,658	531,238	66,280	567,782
	-	-	-	-	-	-	-
	5,421	11,135	5,712	11,745	6,037	12,424	6,380
	11,569	111,353	12,190	117,447	12,883	124,237	13,614
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	13,011	87,969	14,852	11,745	12,074	12,424	12,759
	57,845	59,407	60,951	62,658	64,413	66,280	68,070
	115,690	501,089	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	55,677	57,124	587,237	-	-	-
	-	-	-	-	-	-	-
	108,426	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	17,354	17,822	18,285	18,797	19,324	19,884	20,421
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	325,277	-	-	-	-	-	-
	216,851	11,881	12,190	12,532	12,883	13,256	13,614
	-	-	-	-	-	-	-
	43,370	445,412	-	-	-	-	-
	542,128	-	-	352,342	-	-	-
	104,121	11,881	91,399	234,895	-	-	-
	-	475,255	-	-	-	-	-
	-	-	-	-	-	-	-
	17,354	11,881	121,903	125,316	19,324	19,884	20,421
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	70,477	72,380	171,372	117,447	78,478	80,754	82,934
	-	-	-	-	-	-	382,775
	34,707	233,842	34,274	252,512	36,221	273,322	38,277
	-	-	-	-	-	-	-
	289,225	835,148	-	-	-	-	-
	-	-	-	-	-	-	-
	115,690	178,221	243,806	250,633	120,736	248,474	127,592
	108,426	111,353	114,248	117,447	120,736	124,237	127,592
	6,700,702	678,140	-	-	-	-	-
	-	-	-	-	-	-	-

Summary of capital expenditure over $100,000 in any one year — *continued*

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	
	$	$	$	$	
New Trailer Boat Storage Yard	102,200	70,000	-	-	
Health & Safety Improvements	-	800,000	-	-	
Marina Hardstand LOS improvements	1,201,000	-	51,500	211,356	
Travel Lift renewal	-	-	51,500	845,424	
Marina: Pontoon renewal programme	41,330	137,000	146,260	134,211	
Saxton Field					
Capital: General Development	135,983	35,000	15,450	15,852	
Media towers	-	-	-	-	
Harekeke Green car park and paths	-	-	-	-	
Champion Green facility	-	-	-	-	
Harekeke Green levelling, irrigation and drainage	-	-	-	-	
Harekeke Green toilets and changing rooms	-	-	-	-	
Play facilities	-	-	-	26,420	
Lighting improvements	-	-	-	-	
New cycle/path development	20,890	5,000	206,000	-	
Entrance development	-	-	51,500	-	
Cricket block renewal	2,500	-	-	-	
Cricket oval surface renewal	-	20,000	288,400	-	
Renewal: Athletic Track	-	-	-	-	
Hockey Turf No 2 resurface (renewal)	-	-	-	-	
Renewals: replace hockey turf	-	-	-	-	
Hard surface renewals	-	-	-	158,517	
Netball surface renewal	-	-	-	21,136	
Regional Community Facilities					
Water sports building at Marina	365,000	-	374,286	-	
Project under $100,000	1,588,233	1,594,238	1,395,162	1,573,378	
Total Parks & Active Recreation	**10,171,196**	**9,086,617**	**8,620,941**	**8,073,001**	
Scope Adjustment	-	(871,067)	(822,693)	(767,249)	
Total Parks & Active Recreation Less Scope Adjustment	**10,171,196**	**8,215,550**	**7,798,248**	**7,305,752**	

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,084,256	-	-	-	-	-	-
	-	-	-	-	-	-	-
	123,605	126,943	24,381	25,063	25,765	26,512	27,228
	16,264	16,703	17,137	17,617	18,110	18,636	19,139
	-	-	-	-	30,184	316,805	-
	-	-	-	-	-	124,237	1,148,324
	-	-	-	-	-	62,119	654,927
	271,064	-	-	-	-	-	-
	-	-	91,399	33,238	845,151	372,711	-
	-	222,706	-	-	-	-	-
	-	-	-	-	24,147	248,474	-
	-	-	-	-	-	-	-
	108,426	-	-	-	-	-	-
	-	-	-	-	-	124,237	-
	-	-	-	-	-	-	-
	-	-	-	23,489	422,575	-	-
	32,528	-	456,993	-	-	-	-
	-	-	57,124	-	482,943	-	-
	-	-	-	-	-	248,474	-
	-	222,706	-	-	-	-	-
	-	-	-	-	-	-	-
	1,354,982	1,456,743	1,485,370	1,514,725	1,525,674	1,629,007	1,527,559
	13,292,087	**7,088,800**	**4,575,106**	**4,964,605**	**5,452,376**	**5,306,413**	**5,962,142**
	(1,288,510)	(667,418)	(415,243)	(453,275)	(501,052)	(485,462)	(549,997)
	12,003,578	**6,421,382**	**4,159,864**	**4,511,329**	**4,951,325**	**4,820,951**	**5,412,146**

Economic



Economic
Te Ohaoha



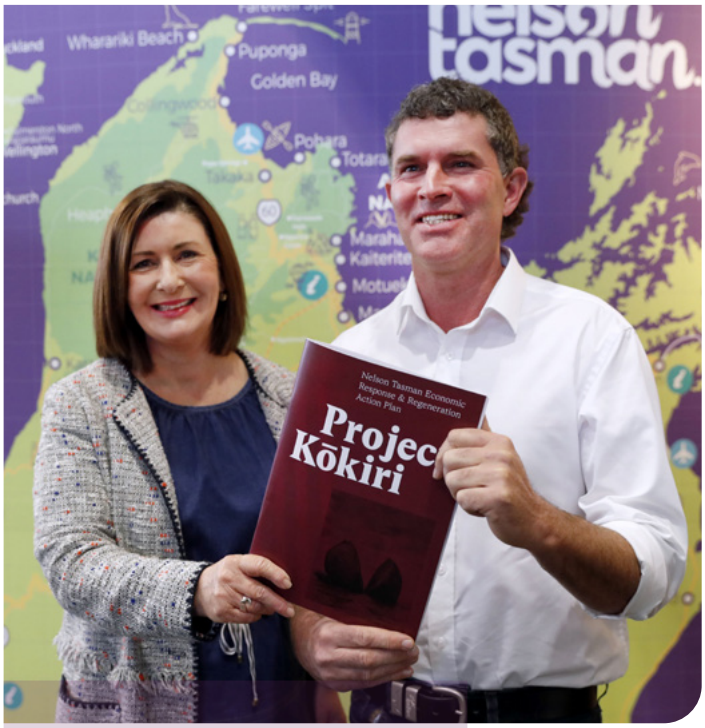
What we do

Council fosters economic development in Nelson through the provision of city infrastructure and funding a number of economic development services.

It supports Uniquely Nelson, Businesses for Climate Action, and the Nelson Tasman Business Trust, to provide support to local businesses in a range of ways. Council's main economic development activity is delivered through the Nelson Regional Development Agency (NRDA) a Council Controlled Organisation. Nelson City Council is the sole shareholder and Tasman District Council also contributes funding. A key focus of NRDA's current work is the implementation of Project Kōkiri, the Nelson Tasman region's post COVID-19 economic recovery plan. Project Kōkiri is a collaboration involving Nelson and Tasman councils, iwi, the Chamber of Commerce, business and relevant government agencies. Through the Project Kōkiri recovery, NRDA are supporting businesses respond to COVID-19, stimulating local spending and attraction of visitors, promotion of events, ensuring there is a match between workforce labour requirements and local skills, and developing a new strategy for the tourism sector.

A regional economic development strategy is being developed that will set out a plan for how the region can achieve the economic outcome of the Te Tauihu Intergenerational Strategy: "Our resilient economy allows out people, places, communities and business to thrive". This work will support the transition towards a more resilient and productive local economy. Through Uniquely Nelson, Council supports the promotion of Nelson City as a unique place to work, shop and enjoy spending time in.

Council invests in a range of arts activities, facilities and events, recognising that the arts are essential to the region's economy. A strong economy is a diverse economy and is supported by a diverse, dynamic arts community. Some of the arts projects Council proposes to support in this Long Term Plan include the Nelson Festivals Trust and Te Ramaroa (Light Nelson).



Why we do it

The wellbeing of Nelson's community is linked to the performance of the local economy. Council recognises that Nelson businesses require the right economic environment to flourish.

Local people require training and skills development to be able to respond to the workforce requirements of the future. The region requires investment in infrastructure, skills and knowledge, technology and innovation to thrive. Attraction, and retention of, businesses, investment and people to our region is important in making the most of our natural resources, innovation and creativity.

Challenges

Post COVID-19 Economic Recovery

COVID-19 brought the biggest economic challenge to Nelson in a generation and with that comes significant pressures on Nelson businesses, particularly those involved in tourism and hospitality and those relying on seasonal labour. The visitor season without international visitors was much shorter and the domestic visitor spend is considerably lower.

Council is committed to supporting local businesses and people. Information on Council's city centre programme is outlined in the Environment section of this document.

Ongoing border closures and uncertainty around global vaccination roll-out and economic growth will continue to have an impact on our businesses and community. The global recovery will be long, uneven and uncertain. This uncertainty puts pressure on business planning, investment, and future job prospects for young people. Nelson Tasman's export- driven economy is extremely vulnerable to COVID-19 – including but not limited to the disruption of both supply chains and international demand, especially in our primary sector.

COVID-19 has highlighted existing economic challenges faced by the region that need to be solved; including low productivity, income inequity, declining working age population, housing affordability and access, seasonal demand for labour, resilience of our small and medium enterprises, visitor seasonality, and the impact of climate change. COVID-19 has also presented a once in a lifetime opportunity to rebuild and regenerate the economy in new ways, so that the economy underpins regional wellbeing and supports better intergenerational outcomes.

Community Outcomes

Council's economic activity contributes primarily to the following community outcomes:

- Our region is supported by an innovative and sustainable economy.
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.

Council's priorities for the next three years

- The focus for the next three years will be the regeneration and recovery of our local economy from the effects of COVID-19. Regeneration of the economy will deliver prosperity through a shift towards a low emissions future that restores our environment, provides high value jobs and harnesses the creativity and innovation of our local businesses. A framework for regeneration will be provided by Project Kōkiri and the regional economic development strategy that it will develop. The Strategy will set the overall direction for our economy and include a range of strategic initiatives to improve the region's wellbeing. Council has allocated an additional $350,000 (uninflated) per year to the Nelson Regional Development Agency for the first three years of the Long Term Plan, in addition to existing annual funding of $912,000 to implement Project Kōkiri - ensuring that our economic response to COVID-19 supports our people and environment to thrive.
- Delivering an increased capital works programme over the next ten years will bring multiple benefits to the community, including the provision of local employment opportunities. While being mindful of the need to save where it can, Council has not retrenched but invested in ways that directly support our local businesses and people. A streamlined procurement process has also allowed faster approval of tenders to keep money circulating in the economy.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Events funding that provides a sound return on investment for Nelson	Economic event attendees through events programme activities and percentage of out of town attendees	15 approved economic events of which six were cancelled or postponed due to COVID-19. Out of town attendees estimated at 14,234 out of 36,903 total attendees (38%).	The closing of New Zealand's international borders and the risk COVID-19 alert levels being increased requires that 2021/22 be treated as the base year for this measure.			
	Return of NCC economic events fund	31:1	>20:1			

Drivers of capital expenditure

Most Council expenditure on economic development is operational spending.

Assumptions

There are no assumptions specific to the economic activity other than the general assumptions that apply to all Council activities.

Impacts and risks

- Ongoing impacts of COVID-19, including potential lockdowns in New Zealand and sustained border closures could require a lengthened focus on the recovery and response aspects of COVID-19. This could draw resources and focus away from addressing medium to long term economic challenges.

Funding impact statement – economic

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	2,219	2,570	2,574	2,656
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	310	320	326	331
Fees and charges	0	10	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	90	0	0	0
Total Operating Funding	**2,619**	**2,900**	**2,900**	**2,987**
	0	0	0	0
Applications of operating funding				
Payments to staff and suppliers	7,542	6,123	2,659	2,754
Finance costs	0	0	0	0
Internal charges and overheads applied *	66	71	135	127
Other operating funding applications	0	0	0	0
Total applications of operating funding	**7,608**	**6,194**	**2,794**	**2,881**
Surplus (Deficit) of operating funding	**(4,989)**	**(3,294)**	**106**	**106**
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	5,913	3,294	(106)	(106)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**5,913**	**3,294**	**(106)**	**(106)**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	924	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**924**	**0**	**0**	**0**
Surplus (Deficit) of capital funding	**4,989**	**3,294**	**(106)**	**(106)**
Funding balance	**0**	**0**	**(0)**	**0**

Funding impact statement – economic — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	2,312	2,395	2,426	2,510	2,543	2,633	2,664
	0	0	0	0	0	0	0
	336	343	350	357	366	374	383
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	2,649	**2,738**	**2,775**	**2,867**	**2,909**	**3,007**	**3,046**
	0	0	0	0	0	0	0
	2,415	2,503	2,536	2,629	2,671	2,772	2,812
	0	0	0	0	0	0	0
	127	129	133	132	132	130	128
	0	0	0	0	0	0	0
	2,543	**2,632**	**2,669**	**2,761**	**2,803**	**2,901**	**2,940**
	106	**106**	**106**	**106**	**106**	**106**	**106**
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(106)	(106)	(106)	(106)	(106)	(106)	(106)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(106)	**(106)**	**(106)**	**(106)**	**(106)**	**(106)**	**(106)**
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**
	(106)	**(106)**	**(106)**	**(106)**	**(106)**	**(106)**	**(106)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)	
Surplus/(Deficit) of operating funding from Funding Impact Statement	**(4,989)**	**(3,294)**	**106**	**106**	
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Vested Assets	0	0	0	0	
Gains on sale	0	0	0	0	
Depreciation	(11)	(38)	(38)	(38)	
Other non-cash income / Expenditure	0	0	0	0	
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(5,000)**	**(3,332)**	**68**	**68**	

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	
	$	$	$	$	
Economic					
CBD Enhancements	924,000	-	-	-	
Project under $100,000					
Total Economic	**924,000**	**-**	**-**	**-**	
Scope Adjustment					
Total Economic Less Scope Adjustment	**924,000**	**-**	**-**	**-**	

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	106	106	106	106	106	106	106
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(38)	(38)	(38)	(38)	(38)	(38)	(38)
	0	0	0	0	0	0	0
	68	68	68	68	68	68	68

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Corporate



Corporate
Te Rangapū

What we do

Council's corporate activity includes a range of necessary services to ensure the smooth operation of the organisation, ranging from managing Council's information technology to running three yearly Council elections.

Council also manages a small portfolio of properties, including the following:

- Anchor building at 258 Wakefield Quay.
- Former Four Seasons building at 250 Wakefield Quay.
- Former Reliance Engineering building at 236 Wakefield Quay.
- Zumo site at 42 Rutherford Street.
- Former Hunting & Fishing building at 81 Achilles Avenue.
- Four Seasons building at 105 Achilles Avenue.

Council relies on a range of companies and trusts to help it achieve community outcomes. These include:

- The Port Company (50% ownership with Tasman District Council).
- Council Controlled Trading Organisations including Nelson Airport Ltd (50% ownership with Tasman District Council) and Nelmac Ltd.
- Council Controlled Organisations including the Nelson Regional Development Agency, Tasman Bays Heritage Trust (Nelson Provincial Museum – 50% ownership with Tasman District Council) and the Bishop Suter Trust.

Council follows the Local Government Act 2002 requirements for the development of Statements of Expectations and Statement of Intents for its CCTOs. Six monthly and annual reports are provided by the companies and trusts. Director and trustee appointments are made in line with Council's policies on appointments.

The corporate activity also includes civil defence emergency management where Nelson City and Tasman District councils work together with local emergency services to promote the resilience of our communities in response to the region's hazards and risks.

A New Company Model for Nelson Airport and Port Nelson

Nelson Airport and Port Nelson provide key gateways to the Nelson Tasman Region.

Both are essential partners for many businesses, with most exports leaving the region either by sea or air. Jointly owned by us and Tasman District Council, they are important strategic assets that are vital to the ongoing economic and social wellbeing of our communities.

It has been decided that the most appropriate way of providing financial benefits for Airport, Port and shareholders is to establish a new company as a funding vehicle only. If a funding company is established, the Port and Airport could access reduced borrowing costs through the Local Government Funding Agency, saving an estimated $900,000 per year which is expected to lead to an increased dividend to each shareholder. Operational and governance aspects of the entities would remain the same. The transition period is likely to be twelve months.



Why we do it

Council actively encourages the community to get involved in the democratic processes that result in the election of Council members. These opportunities range from providing feedback on representation proposals through standing as a candidate or voting as an elector.

Long term planning and decision making are fundamental to local government, and there are a number of ways Council involves the community in these processes, including providing information to residents and businesses through Our Nelson, social media and Council's website as well as public forums before Council and committee meetings.

The public also has the opportunity to make submissions on many of Council's plans. Council supports mana whenua to have input into Council's decision making processes, including through the iwi-Council Partnership Group and appointments to Council committees and subcommittees. Further information on some of these processes is available on our website. Support systems, risk management, transparency and accountability processes are in place to ensure that Council is doing the best it can in these important connections with the community, and regular reviews are undertaken for improvement purposes.

Central government passed legislation in March 2021 to make the process for establishing Māori wards for local authorities the same as the process for general wards. Council has previously advocated for a change to this process and made a submission in support of this amendment.

In May 2021 Council resolved to establish a Māori Ward and is implementing this decision as part of its 2021 Representation Review. The intention is to implement this change in time for the which will apply for the 2022 local body elections.

Council has agreed Statements of Intent for each of the organisations it controls. Overseeing these organisations is important to ensure good governance arrangements are in place and to ensure they deliver outcomes that contribute to the wellbeing of the Nelson community.

Council's support for civil defence emergency management helps our community become more resilient by preparing for hazards and risks. It also provides systems to help recover from hazard events. Recent disasters such as the 2019 Nelson fires and the Kaikoura earthquake demonstrate the major impact that even quite localised events can have.

Council's support for civil defence emergency management helps our community become more resilient by preparing for hazards and risks.



Challenges

Strategic Properties

Council owns a number of buildings in strategic sites which have been purchased with future development in mind. Council will review these holdings and identify if the purpose of the purchase is still valid.

This work is overseen by the Strategic Development and Property Subcommittee which was established in 2020, and is responsible for work relating to the Haven and Marina Precincts, campgrounds, strategic properties and commercial development proposals. The work of the sub-committee includes reassessing the Strategic Property review that was undertaken in 2016, with the view to identify assets that are surplus to requirements and which can be sold. An asset sale proceeds budget has been included in the Long Term Plan from 2022/23 at $1.5m uninflated every second year.

Civic House

Council's main office at Civic House has a history of under-investment, with the result that working conditions in some areas are seriously substandard and in urgent need of improvement. Staff struggle to work efficiently in noisy, cramped, and outdated office space and this impacts on Council's ability to recruit in a competitive labour market.

Council is planning on refurbishing Civic House (for an estimated $18.3M over eight years) to improve its environmental performance, its functionality, and to create a healthy working environment. Our focus will be on reducing the carbon footprint of the building, decreasing energy use (through efficiency and design measures), and increasing its resiliency to climate change.

Civil Defence Emergency Management

Preparing for the range of hazard and risks that might occur in the region is a focus for the Nelson Tasman Civil Defence Emergency Management Group.

For example it is closely involved in planning for a response to a South Island wide rupture of the Alpine Fault and planning for tsunami response has become a higher priority in recent years. Floods and fires are the most commonly occurring natural hazards in the Nelson Tasman region. Council staff are trained to respond during emergencies, coordinated through the regional Emergency Operations Centre based in Richmond.

COVID-19 and Council Controlled Trading Organisations (CCTOs)

COVID-19 has had a significant effect on the local and national economy, including the Port and Airport. Effects include lower freight volumes through the Port and fewer airline customers. There is a consequential impact on the level of dividends that these companies can pay shareholders Nelson and Tasman Councils.



Community Outcomes

Council's corporate activity contributes to the following Community Outcomes:

- Our region is supported by an innovative and sustainable economy.
- Our communities are healthy, safe, inclusive and resilient.
- Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity.

Council's priorities for the next three years

Priorities for first three years of the Long Term Plan through to 2023/24 include:

- Civic House – A top priority for Council over the term of the Long Term Plan is to address underinvestment in working conditions and bring office space at Civic House up to an appropriate standard.
- Staffing – Council is below capacity in some key areas resulting in risks to project delivery. Additional staffing is required to respond to new legislation, as well as delivering on priorities.
- Information Technology – maintaining and enhancing key information technology systems and services to enable customer access to information and modern work practices. $4.7 million is budgeted across the next three years for these projects.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Effective engagement and consultation	% of participants in Council engagements and consultations processes are satisfied with the information provided and opportunity to provide feedback as measured by survey of stakeholders/recent participants.	New measure	**Year 1:** Create baseline **Year 2:** 2% increase in satisfaction level from year 1 baseline **Year 3:** 3% increase in satisfaction level from year 1 baseline **Years 4-10:** Maintain satisfaction level			
Council Controlled Organisations (CCOs) that deliver net benefit to the community	Council satisfied with CCO operations and reporting	Six monthly reports from CCO's were received in February 2020. They were reported to either the Governance Committee (if 100% Council owned) or Joint Shareholders Committee (if jointly owned) in May 2020. The targets were largely met across the CCOs.	Council receives six monthly reports from all CCOs and is satisfied with attainment of targets.			
Promotion of Te Tau Ihu Māori/iwi participation in decision-making processes.	Collaboration between iwi and council is promoted and resourced.	The Iwi-Council Partnership Group was established in 2019/20 and a meets on a regular basis. The Group includes the Mayor, Deputy Mayor, two councillors, and iwi chairs from each of the eight Te Tau Ihu (Top of the south) iwi (Ngāti Toa Rangatira, Ngāti Rārua, Ngāti Koata, Te Ātiawa, Ngāti Tama, Ngāti Kuia, Rangitāne and Ngāti Apa ki te Rā Tō). As of 2019/20, opportunities for Māori participation and involvement in decision making has been progressed through appointments to a number of Council Committees and Business Units.	Expert staff to provide advice and engage with iwi.			
Effective Civil Defence Emergency Management (CDEM) response via regional Emergency Operations Centre (EOC)	Ability to operate an effective Emergency Operations Centre and meet Ministry CDEM requirements	EOC met MCDEM requirements at its previous review.	EOC meets Ministry of CDEM monitoring and evaluation requirements.			

Drivers of capital expenditure

The most significant capital spending is on Civic House improvements and renewing IT systems, both driven by organisational requirements.

Assumptions

As well as the general assumptions that apply to all Council activities, it is assumed that there will be no by-election during the current term of office.

Impacts and risks

Sometimes decisions made for the community have a perceived negative impact on the actions or wellbeing of some groups or individuals. Council weighs up the competing demands of different interest groups and aims to make decisions that are in the long term best interests of the city as a whole, taking into account its vision, priorities and strategies. Council ensures its decisions are consistent with the Local Government Act and other legislation.

Funding impact statement – corporate

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	(617)	(495)	(668)	(1,498)
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	5	121	5	6
Fees and charges	0	4,105	5,089	2,186
Internal charges and overheads recovered	6,688	6,719	7,386	8,052
Local authorities fuel tax, fines, infringement fees, and other receipts	3,457	4,583	5,357	6,569
Total Operating Funding	**9,533**	**15,033**	**17,169**	**15,314**
		0	0	0
Applications of operating funding				
Payments to staff and suppliers	7,542	11,823	12,769	11,038
Finance costs	3,011	3,189	4,072	4,749
Internal charges and overheads applied *	426	652	785	900
Other operating funding applications	0	0	0	0
Total applications of operating funding	**10,979**	**15,664**	**17,626**	**16,687**
Surplus (Deficit) of operating funding	**(1,446)**	**(631)**	**(457)**	**(1,373)**
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	28,380	41,952	38,430	35,197
Gross proceeds from sale of assets	800	0	1,526	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**29,180**	**41,952**	**39,955**	**35,197**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	395	355	342	345
- to improve level of service	379	398	104	228
- to replace existing assets	1,739	4,197	3,257	2,892
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	25,220	36,372	35,796	30,359
Total applications of capital funding	**27,733**	**41,322**	**39,498**	**33,825**
Surplus (Deficit) of capital funding	**1,446**	**631**	**457**	**1,373**
Funding balance	**0**	**(0)**	**0**	**0**

Funding impact statement – corporate — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	(523)	433	2,180	4,409	7,570	9,675	12,038
	0	0	0	0	0	0	0
	6	6	6	6	6	7	7
	415	4,662	0	0	0	0	736
	9,174	10,372	11,462	12,179	12,855	13,201	13,560
	6,829	7,417	7,822	8,340	8,814	9,016	9,319
	15,900	**22,890**	**21,471**	**24,934**	**29,245**	**31,898**	**35,660**
	0	0	0	0	0	0	0
	9,865	13,429	10,245	10,434	10,953	10,907	11,805
	5,747	6,803	7,681	8,356	8,984	9,295	9,600
	1,044	1,195	1,365	1,412	1,406	1,260	982
	0	0	0	0	0	0	0
	16,656	**21,427**	**19,290**	**20,202**	**21,342**	**21,461**	**22,386**
	(756)	**1,463**	**2,180**	**4,732**	**7,903**	**10,437**	**13,274**
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	38,428	18,198	17,806	13,460	3,866	(3,870)	(6,844)
	1,577	0	1,638	0	1,713	0	1,793
	0	0	0	0	0	0	0
	40,005	**18,198**	**19,444**	**13,460**	**5,579**	**(3,870)**	**(5,052)**
	361	361	373	388	393	415	449
	153	212	433	216	289	188	199
	3,067	4,365	3,011	4,323	3,827	1,714	816
	0	0	0	0	0	0	0
	35,669	14,723	17,807	13,263	8,973	4,251	6,757
	39,249	**19,661**	**21,624**	**18,191**	**13,482**	**6,567**	**8,222**
	756	**(1,463)**	**(2,180)**	**(4,732)**	**(7,903)**	**(10,437)**	**(13,274)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24
	($000)	($000)	($000)	($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**(1,446)**	**(631)**	**(457)**	**(1,373)**
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,509)	(1,524)	(1,441)	(1,419)
Other non-cash income / Expenditure	28	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(2,927)**	**(2,155)**	**(1,897)**	**(2,791)**

Reconciliation between the net surplus/(deficit) of operating funding in the funding impact statement and the net surplus/(deficit) in the cost of service statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	(756)	1,463	2,180	4,732	7,903	10,437	13,274
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(1,375)	(1,374)	(1,347)	(1,342)	(1,373)	(1,408)	(1,421)
	0	0	0	0	0	0	0
	(2,132)	90	834	3,390	6,530	9,029	11,852

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	
	$	$	$	$	
Corporate					
Civic Expenses					
Christmas decorations CBD	100,000	50,000	51,500	52,839	
Civic House					
Chamber Sound System Upgrade	-	-	-	-	
Security System Upgrades	-	20,500	2,575	2,642	
Back Alleyway - Cycle Compound Shelter	-	149,260	-	-	
Ground Floor - Science Monitoring Lab	-	114,690	-	-	
Civic House Refurbishment	-	1,100,000	2,266,000	2,324,916	
Civic House Roof renewal	95,000	944,632	-	-	
Civic House Renewal Program	135,898	107,500	175,100	-	
Civic House Ceiling Tiles	400,000	200,000	-	-	
Capital: Furniture & Fittings: Renewals	120,000	168,000	43,260	44,385	
Floor 6 fit out/ upgrade	100,000	-	-	-	
Rental Properties					
Anchor building strengthening	-	-	-	-	
Administration					
Core Systems enhancement	282,010	288,090	296,733	304,448	
Meeting / Agenda / Action Mgmt System	-	45,990	-	105,678	
Capital: Motor Vehicles	150,000	100,000	103,000	105,678	
Computer Hardware - Client devices	10,445	900,000	83,430	87,713	
Computer Hardware - Network Devices	-	160,050	43,960	45,103	
Capital: Telephone System	-	-	-	-	
IT Infrastructure Hosting Investigation	-	-	566,500	-	
Asset Management System enhancements	45,720	27,000	103,000	28,190	
Aerial Photography and LiDAR	152,000	55,000	16,480	89,826	
EDRMS Replacement	-	533,500	-	-	
Upgrade TOTSM	104,448	-	-	105,678	
Building Systems Upgrade	4,500	-	-	105,678	
Project under $100,000		**524,954**	**347,659**	**436,433**	
Total Corporate	**1,700,021**	**5,489,166**	**4,099,197**	**3,839,206**	
Scope Adjustment	-	(539,079)	(396,545)	(373,459)	
Total Corporate Less Scope Adjustment	**1,700,021**	**4,950,087**	**3,702,652**	**3,465,748**	

Summary of capital expenditure over $100,000 in any one year — *continued*

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$	$	$	$	$	$	$
	54,213	55,677	57,124	58,724	60,368	62,119	63,796
	-	-	285,621	-	-	-	-
	27,106	22,827	2,856	117,447	3,018	3,106	3,190
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	2,385,363	2,449,768	2,513,463	2,583,841	2,656,188	-	-
	-	-	-	-	-	-	-
	227,694	445,412	-	93,958	235,435	-	-
	-	-	-	-	-	-	-
	45,539	46,768	47,984	49,328	50,709	52,180	53,588
	-	-	-	-	-	-	-
	45,376	276,280	-	-	-	-	-
	312,363	320,797	329,138	338,354	347,719	357,803	367,464
	-	-	-	-	120,736	-	-
	108,426	111,353	114,248	117,447	120,736	124,237	127,592
	97,583	1,085,693	102,823	105,703	108,662	1,252,558	114,832
	46,276	-	182,854	187,974	-	49,695	51,037
	-	-	-	117,447	-	-	-
	-	-	-	763,407	-	-	-
	28,923	29,703	114,248	31,329	32,599	33,544	34,450
	121,437	94,650	18,280	131,541	102,625	19,878	142,902
	-	-	-	-	664,047	-	-
	-	-	-	117,447	-	-	-
	-	-	-	117,447	-	-	-
	466,024	**532,734**	**460,626**	**531,357**	**490,835**	**605,009**	**655,356**
	3,966,322	**5,471,663**	**4,229,266**	**5,462,752**	**4,993,677**	**2,560,128**	**1,614,206**
	(385,993)	(532,980)	(411,865)	(534,968)	(484,172)	(244,172)	(149,304)
	3,580,329	**4,938,683**	**3,817,401**	**4,927,785**	**4,509,505**	**2,315,956**	**1,464,901**

Accounting Information





Accounting Information

Accounting Policies 204

Significant Forecasting Assumptions 216

Financial Statements 226

Statement of Comprehensive Revenue and Expense 226

Statement of Changes in Net Assets/Equity 228

Statement of Financial Position 230

Cash Flow Statement 234

Financial Reserves Estimates 238

Report on Financial Prudence 240

Funding Impact Statement 245

Reconciliation between the Surplus in the Statement of Comprehensive Revenue and Expense and Surplus (Deficit) of operating funding in the Funding Impact Statement 258

Commercial wastewater charge – trade waste charges 260

Revenue and Financing Policy 262

Rates Remission Policy 295

Rates Postponement Policy 304

Council Controlled Organisations 305

Variance from Waste management and minimisation plan and Water and sanitary services assessment 309

Accounting Policies

Reporting entity

The Nelson City Council Group consists of Nelson City Council, its subsidiaries, associates and joint ventures.

The information provided in these prospective financial statements includes the operation of Nelson City Council ('Council') only, as Council considers that this provides the clearest and most relevant information about the cost of services provided to ratepayers and consequently the rates income that is required to fund those services. The level of rates funding required to provide core services is not affected by other members of the group except to the extent that Council receives distributions from, or further invests in, those other members. The effects of such transactions are included in the prospective financial statements of the Council.

Basis of preparation

These prospective statements of Nelson City Council are for the 10 years from 1 July 2021. The draft forecast information was authorised for issue by Council on 18 March 2021.

This prospective financial information is based upon the financial statements as published in the June 2020 Annual Report, and adjusted to incorporate updated assumptions and council decisions made for the purpose of this Long Term Plan. Actual financial results are likely to be different from these Prospective Financial Statements, and that difference may be material.

Statement of compliance
This forecast information has been prepared in accordance with the requirements of the Local Government Act 2002. With the exception of the Funding Impact Statements this forecast information has also been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) as it relates to prospective financial information and PBE FRS 42 – prospective financial statements. They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS), and other applicable financial reporting standards, as appropriate for public benefit entities.

The prospective financial statements have been prepared in accordance with Tier 1 PBE standards.

The Funding Impact Statements (FIS) do not comply with GAAP as they do not recognise depreciation and movements in the valuation of assets and also they do not show capital income (Subsidies and Development Contributions) as operating income. A reconciliation is provided between the FIS surplus/(deficit) of operating funding and the Statement of Comprehensive Revenue.

Presentation currency and rounding
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the Council is New Zealand dollars.

Summary of significant accounting policies

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

The following particular accounting policies, which materially affect the anticipated results, have been applied.

Revenue

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

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

Rates revenue
Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. All rates with the exception of water by meter are non-exchange transactions. Water by meter charges are exchange transactions.

Government grants
Council receives government grants, in the main

from the Waka Kotahi, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Government grants are generally non-exchange transactions.

Provision of commercially based services
Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. These are exchange transactions and include rents and resource and building consents.

Vested assets
Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained. This is non-exchange revenue.

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

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

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

Development contributions
Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such a time as the Council provides, or is able to provide, the service. Development contributions are non-exchange transactions.

Expenditure

Borrowing costs
Borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign currency transactions
Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ$ (the functional currency) using the spot rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Grants
Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award in receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant. Council's grants awarded have no substantive conditions attached.

Operating leases
An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Any lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include 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.

Receivables

Short term debtors and other receivables are recorded at their face value, less an allowance for expected credit losses (ECL). The Council and group apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and

assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Derivative financial instruments

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

Swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are taken directly to the surplus or deficit for the year.

The fair value of interest rate swaps is determined by reference to market values for similar instruments. The net differential paid or received on interest rate swaps is recognised as a component of interest expense or interest revenue over the period of the agreement.

Swaps are classified as non-current if the remaining maturity is more than twelve months, and as current if the remaining maturity is less than twelve months.

Although some members of the Group do so, the Council (parent) does not apply hedge accounting for its derivative financial instruments.

The Council and group have elected to not adopt the new hedge accounting requirements of PBE IPSAS 41 as permitted under the transitional provisions of PBE IPSAS 41. This means the Council and group continues to apply the hedge accounting requirements of PBE IPSAS 29 Financial Instruments: Recognition and Measurement until 1 July 2022.

Fixed assets

Property, plant and equipment consist of the following categories:

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

Revaluation
All asset classes are carried at depreciated historical cost with the exception of infrastructure assets (apart from land under roads and operational and restricted land classes). These are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference then those asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class of asset basis. The net revaluation results are credited or debited to other comprehensive revenue or expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other

comprehensive revenue and expense but is recognised in the surplus or deficit.
Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions
The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably. Work in progress is measured at cost less impairment and is not depreciated.

New Council assets that are added between valuations are recorded at cost except when acquired through a non-exchange transaction. Where an asset is acquired through a non-exchange transaction, such as vested assets, it is recognised at fair value as at the date of acquisition. Vested assets are infrastructural assets such as roads, sewers and water mains, paid for by subdividers and vested in the City on completion of the subdivision. The fair value is based on the actual quantities of infrastructure components and the current "in the ground" cost of providing identical services.

Disposals
Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When re- valued assets are sold or otherwise disposed of, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs
Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation
Depreciation has been provided on a straight line basis on all fixed assets, other than forestry, heritage, operational land, restricted land, land under roads and the marina basin at rates that will write off the cost or valuation of the assets to their estimated residual values over their useful lives.

Assets depreciable lives are as follows:

Asset	Depreciable Life (years)
Operational	
Buildings	50 – 100
Improvements	Nil – 20
Motor vehicles	7
Plant and equipment	2 – 30
Library books	3 – 10
Marina	30 – 50
Restricted	
Buildings	50 – 100
Improvements	Nil – 20
Roading	
Roads formation	n/a
Sub-base	n/a
Basecourse	5 – 80
Surfacing (sealed)	1 – 50
Surfacing (unsealed)	n/a
Bridges	20 – 100
Retaining/sea walls	30 – 100
Box culverts	60 – 90
Footpaths	5 – 100
Streetlights	20 – 60
Signs	15
Water Supply	
Pipeline	55 – 120
Manholes	58 – 110
Reservoirs and tanks	100
Dams	10 – 200
Wastewater	
Pipeline	40 – 120
Manholes	80
Pump stations	10 – 50
Oxidation pond	15 -151
Stormwater	
Pipeline	50 – 90
Bank protection	25 – 100
Manholes	90
Solid Waste	
Pipes	60 – 90
Ponds and dam	100
Gas flare	20
Resource consents	24

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired, and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Other fixed assets including biological assets, intangible assets, investment property, and work in progress

Biological assets

Forestry assets are valued annually at fair value less estimated costs to sell for one growth cycle. The valuation methodology adopted is net present value based on the age and condition of the trees. The valuation was undertaken by PF Olsen on 30 June 2020. Changes in the valuation of the forestry assets are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

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 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.

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 the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Intangible Asset	Useful life (years)	Amortisation rate
Computer software	3 – 10	10 – 33%

Inventory

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

Work in progress

Profits on contracts are recognised progressively over the period of each contract. The contract amount included in the surplus or deficit, and the value of work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results. When it is intended at the inception of the contract that contract costs are to be fully recovered from the parties to that contract, foreseeable losses on contracts are recognised immediately.

Investment property
Investment property is valued initially at its cost, including transaction costs.

Council's investment property is valued annually at fair value as at 30 June. Investment properties were valued based on open market evidence.
The latest valuation was performed by Telfer Young (Nelson) Limited and changes in valuation are recognised in the surplus or deficit.

Other financial assets
Financial assets are initially recognised at fair value. They are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost
Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE
Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council and group do not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD
Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Instruments in this category include the Council and group's investment fund portfolio

(comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

Expected credit loss allowance (ECL)
The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance date, which are included in non-current assets.

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

Loans made to community organisations if at nil or below market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the current value and the face value of the expected future cash flows of the loan is recognised in the surplus or deficit.
The loans are subsequently measured at amortised cost using the effective interest method.

Held to maturity investments
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than twelve months after balance date, which are included in noncurrent assets.

With the exception of shares in the Local Government Insurance Corporation, which are recorded at their net asset value, investments other than in associated entities are measured after initial recognition at amortised cost, using the effective interest method, less impairment. Gains or losses when the asset is impaired or derecognised are recognised in surplus or deficit.

Financial Assets at fair value through other comprehensive revenue and expense
Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified into any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within twelve months of balance date. The Council and group may include in this category:

- investments that it intends to hold long term, but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and

expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets
At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Impairment of a loan or a receivable is established when there is objective evidence that 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, receivership, or liquidation 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 surplus or deficit. 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 Council will not be able to collect amounts due according to the original terms of the instruments. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Financial assets at fair value through other comprehensive revenue and expense
For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Borrowings

Borrowings are initially recognised at their face value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least twelve months after balance date.

Creditors and other payables

Short term creditors and other payables are recorded at the amount payable their face value.

Employee entitlements

Provision is made in respect of the Council's liability for annual leave, long service leave and retirement gratuities. Provision has been made for annual leave due and retirement gratuities calculated on an actual entitlement basis at current rates of pay. The provision for long service leave is based on an actuarial calculation at balance date.

Superannuation schemes

Defined contribution schemes
Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Provisions

The Regional Landfill Business Unit (a joint activity with Tasman District Council) has a legal obligation to provide ongoing maintenance and monitoring services at 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 resource consent conditions for closure and post-closure treatment. Nelson City Council has consolidated its 50% share of this provision.

Income tax

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

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

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

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

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

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

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

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST except for debtors and creditors which are presented on a GST inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds
- restricted reserves
- Council created reserves
- property revaluation reserves.

Reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be:

Restricted reserves
Restricted reserves are those subject to specific conditions accepted as binding by Council, and which may not be revised by Council without reference to the courts or a third party. Transfer from these reserves may be made only for certain specified purposes or if certain specified conditions are met.

Council created reserves
Part of the accumulated balance established at the will of Council. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Revaluation reserves
The results of revaluing land, infrastructural assets are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve for any class of asset, this is expensed in the surplus or deficit. To the extent that increases in value offset previous decreases debited to the surplus or deficit, the increase is credited to the surplus or deficit.

Statement of cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council or group invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the group and record the cash payments made of the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise activities that change the equity and debt capital structure of Council and group.

Changes in accounting policies

PBE IPSAS 41 will apply from 1 July 2022, and the accounting policies have been updated to reflect this.

Critical accounting estimates and assumptions

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

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

Landfill after care costs
The Regional Landfill Business Unit (a joint activity with Tasman District Council) has a legal obligation

to provide ongoing maintenance and monitoring services at the landfill site after closure.

The landfill post closure provision is recognised in accordance with New Zealand PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post closure costs into present day value.

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

Nelson City Council has consolidated its 50% share of this provision.

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

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



Significant Forecasting Assumptions

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
COVID-19			
New Zealand avoids a widespread outbreak of COVID-19 and is at Alert Level 1 throughout 2021. Vaccination is rolled out across all groups by the end of 2022. Strict border restrictions remain in place until at least the end of 2021. The trans-Tasman bubble remains in place with some disruptions due to isolated outbreaks. From the September quarter 2020, New Zealand's economy begins to recover. There is continued uncertainty for export businesses due to ongoing disruption to overseas markets and supply chains.	A resurgence of the virus in New Zealand requiring a return to a higher Alert Level. This would cause major impacts on Council service delivery, especially if Alert Levels 3 or 4 were returned to.	High	Technology is in place to support essential services. Risk to personnel is minimised and mitigated through contact management with those displaying symptoms. Continued investment in, and implementation of remote working capacity and organisational procedures to enable contactless service delivery will help minimise the risk of transmission and assist in continuous service delivery. Developing and refining continuity and response plans to quickly adapt to pandemic and Alert Level changes will further assist in workflow and service delivery.
Population growth			
Nelson's population is expected to increase by just under 2,500 between 2021 and 2031 to 57,180. The rate of increase for the first three years of the Long Term Plan is expected to be low. This is forecast to increase to the medium rate for the subsequent seven years. The rates of growth are based on projections combining Statistics New Zealand and commissioned demographic analysis data. There are a large number of variables associated with the COVID-19 crisis, which will impact migration into and out of Nelson, including border closures and increasing unemployment.	That growth is higher than projected, putting pressure on Council services and infrastructure or that growth over the term of the Long Term Plan is lower than projected.	Low	Council is careful when applying population growth estimates to its infrastructure planning, given the uncertainties, so there is generally a good margin for error should growth be higher than projected. Growth projections are reassessed for each Long Term Plan and adjustments made to Council's work programme to affect the new forecasts. New infrastructure is usually built for the medium to long term so there is the ability to draw on that future capacity if population growth is higher than projected. This limits the risk exposure.
Ageing population			
The proportion of the population aged 65 years and over is projected to increase from 21.8% in 2021 to 27.75% in 2031. Conversely, the proportion of the population aged under 15 years is projected to decrease from 17.8% in 2021 to 16.3% in 2031. All net future growth in Nelson is forecast to be within the over 65 age bracket. In the other direction, young people may leave Nelson in greater numbers as a challenging job market may result in making larger cities or educational opportunities more attractive. As the population ages, it is assumed the proportion of our population on fixed incomes will increase, with a corresponding pressure on Council to limit rates increases. An ageing population also requires a different balance of services/facilities/activities and changes in spending patterns across Council activities.	The age profile may vary from the forecast, with accelerated ageing putting pressure on Council to change the type of facilities and services that it provides.	Medium	Risks can be mitigated by Council working with the community to prepare for these changes, and appropriately modifying investments in assets and provision of services.

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Climate change			
Climate Change Hazards Council relies on scientific advice from NIWA and governmental advice from the Ministry for the Environment. The frequency and intensity of some types of natural disaster, e.g. flooding and fire, will increase due to the impacts of climate change. This is consistent with recent experience and with scientific predictions of climate change impacts. Increased risk to low lying land of inundation from sea level rise will occur. Temperatures rising will contribute to increased storm rainfall intensity, and total sea level rise by 2090 is projected to be 0.6m-0.9m above pre-industrial levels, with the rate of rise increasing over this time, and additional rise ongoing well beyond 2100. Vulnerabilities to cultural, environmental and social impacts exist for areas of Nelson including, but not limited to, Nelson Central, The Wood, Monaco Peninsula, Rocks Road, the Maitai River, Matangi Awhio/Auckland Point and the Glen. When preparing the Whakamahere Whakatū Nelson Plan the Dynamic Adaptive Pathways Approach will be incorporated for engagement with the community on coastal and climate change impacts. New policy and strategy frameworks will be prioritised and developed to inform adaptation responses. The most likely scenario for Nelson is a 2.2 degrees Celsius increase of temperatures by the end of the century, and days above 25 degrees Celsius increasing from 17 days a year to 61. Correspondingly, annual rainfall will increase by 16%, and the amount of rainfall experienced in a one-in-100 year event will increase by 22%. Conversely, higher temperatures will bring about periods of more intense drought, which has associated fire risks. For the period of the Long Term Plan it is assumed that existing levels of service are sufficient to respond to the effects of climate change, and will continue at current levels.	**Climate Change Hazards** Increased numbers or severity of increased extreme weather events, such as heavy rainfall with flooding and slip consequences, and dry weather resulting in drought and fire, lead to increased costs for Council in both responding to the events and building greater resilience into infrastructure. There is a risk that inadequate assessment of the likelihood and impact of more frequent higher intensity natural hazard events leaves the Council unprepared to respond appropriately. Underestimation of the impacts will lead to greater disruption to the community and essential services, and increased costs to Council. Over estimation of the impacts may result in Council having over-spent in preparing for risk factors. Continued investment in at-risk areas means that the total value of the property and/or infrastructure that is exposed to such risks could increase, unless part of this investment includes risk mitigation.	High	**Climate Change Hazards** A characteristic of Nelson is the concentration of lifelines infrastructure (road network, port, airport, wastewater treatment ponds etc.) located in low-lying areas. Council relies on the Ministry for the Environment's guidance, together with our own assessments and those of experts (e.g. scientific advice from the National Institute of Water and Atmospheric Research - NIWA) in estimating sea level rise, and reviews assumptions when the Ministry for the Environment releases updated guidelines to inform mitigation initiatives. Mitigation efforts include work identifying hazards in the draft Nelson Plan and advising affected landowners. In addition, Council intends to commence work with iwi partners, the community and key stakeholders to discuss areas of concern, and consider a range of potential mitigation options and their feasibility. Council is developing Civil Defence Emergency Plans that include climate change considerations. Additionally, Council supports landowners on farming, production and forestry land to minimise/reduce erosion. This is occurring through advice and funding for riparian and coastal planting, as well as investigations into which planting approaches will be best suited for future climate change scenarios. Council is also undertaking a Dynamic Adaptive Pathways Planning Approach through the development of the Nelson Plan. This will allow consideration of risks, values and response options to climate change.

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Climate change			
Greenhouse Gas Emissions Council has adopted central government targets and the five year budgets (yet to be determined) for reducing greenhouse gas (GHG) emissions by 5% by 2025. The cost of this sits within each Council activity. After all reasonable and cost-effective emissions reduction opportunities have been explored, a Council-wide offsetting approach will be developed. The contribution of renewable energy sources to the national grid will progressively increase over time. This is expected to contribute to a steady reduction in the carbon footprint of Council assets that draw on mains power. It is also assumed that Central Government will introduce national-level emissions reductions initiatives that will assist Council in achieving its own carbon emission targets. Council should be able to achieve its emissions targets of net zero GHG emissions other than biogenic methane by 2050, and a 24 to 47 percent reduction below 2017 biogenic methane emissions by 2050, including 10 percent reductions below 2017 biogenic methane emissions by 2030.	**Greenhouse Gas Emissions** Should emissions reduction targets be regarded as too low, public perceptions may be that Council is not taking a leadership position. Conversely, if targets are too high, there is a risk of a failure to meet them, with a corresponding loss of credibility and failure to meet community expectations. Lack of commitment and resource allocation may also result in a failure to achieve targets on time. Failure to directly achieve reductions in emissions could then require offsetting to reach budgets/targets. This could be accommodated through either purchasing carbon credits or sequestration through planting, both of which would increase costs.	High	**Greenhouse Gas Emissions** Engagement undertaken with the community to set targets that are both attainable and supported by the community at large. Appropriate allocation of financial and staffing resources to achieve targets. Regular reporting of progress to Council. There is also work to address climate change through · Investing in modal shifts towards public and sustainable transport options such as walking and cycling · Increasing Nelson's liveability through development and implementation of an Urban Greening Plan and CBD activities · Promoting waste minimisation by working with the community to reduce waste and increasing organic matter composting, including food waste and green matter, and supporting recycling of plastics 1, 2 and 5.
Useful lives of significant assets			
It is assumed triennial reassessments of the useful lives of significant assets during the ten year period covered by this plan will continue. Significant assets will have lifespans that are consistent with initial assessments. The detail of useful lives for each asset category is covered in the Statement of Accounting Policies.	Assets wearing out earlier than predicted and funding needs to be found for replacements.	Low	Changes would be made to underlying capital expenditure programmes to allocate funding for replacement assets.
Vested Assets			
Vested Assets are engineering assets such as roads, sewers and water mains, paid for by developers and vested to Council on completion of the subdivision. It is assumed that vested assets will remain the same over the term of the Plan as projects from the previous five years are completed. If required, additional budget can be added to the plan on account of private development agreements. However as these agreements occur as and when private developers undertake work, this figure is largely indeterminable in advance. Council assumes that the impact of vested assets will be neutral, in that the costs associated with the additional assets will be offset by a proportionate increase in rates revenue. The impact of higher or lower growth is not considered significant.	Given that forecasts of growth, particularly in the first three years of the Long Term Plan, are lower than the 2018-2028 Long Term Plan, vested assets are also expected to be lower.	Low	Vested assets must be maintained by Council and depreciation provided for, therefore if growth is higher than forecast Council will increase its budget to maintain those assets.

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Inflation/Price changes			
Due to the effects of COVID-19 and the Alert Level lockdowns, New Zealand entered into a recession in June 2020. Economic activity bounced back in the following quarters due to stimulatory government fiscal and monetary policy designed to offset any potential slow down in business investment, and consumer spending. Stimulatory government support is expected to continue over the short term to support government targeted inflation and employment levels. There may be particular sectors of the economy such as housing and construction that will experience higher price increases.	Inflation higher than expected, increasing costs for Council.	Medium	There is likely to be some variation in actual rates of inflation, but Council will continue to rely on current parameters the Reserve Bank is required to operate under in terms of inflation being held within the range of 1%-3%. Current inflation is sitting at 1.5%.
The economy			
The COVID-19 pandemic has had a significant impact on the New Zealand and Nelson economies and will continue to do so over the Long Term Plan period. Lockdowns over the April to June quarter of 2020 led to a quarterly fall in GDP of 12.9%. The number of people on the Jobseekers benefit nationally rose to 204,116 in September 2020, an increase of 43% on the same period last year. The situation remains dynamic and we will not have a settled understanding of the impact for some time. Economic impacts have been defying expectations with stock markets remaining strong, houses prices experiencing record sales and prices, and the labour market has become tight due to increased demand for seasonal labour usually met by migrant workers. In part, this is due to the successful implementation of monetary and fiscal stimulus packages from Central Government, including the wage subsidy, increased government spending and decreased interest rates. The impact of COVID-19 on the economy is heavily sector related at this stage. Sectors associated with tourism such as recreation, hospitality and retail will continue to be adversely impacted as long as New Zealand's international borders remain closed. Tourism numbers are expected to still be at 75% of pre-COVID-19 levels in 2030. Other sectors such as agriculture, construction and manufacturing are largely able to operate as normal. Exports have remained at similar levels throughout the COVID-19 pandemic. The ability of other countries to manage ongoing COVID-19 outbreaks will affect the global economic outlook with some of New Zealand's markets expected to be hard hit as COVID-19 waves unfold while others rebound as vaccination programmes are rolled out. Any ongoing economic downturn will affect ratepayers and businesses' ability to pay for Council services. Furthermore, it is assumed that the impact of COVID-19 on the economy is likely to disproportionately affect young people and women, due to these groups being more likely to be employed in sectors impacted by COVID-19 as well as part time employment. COVID-19 is also assumed to have an impact on people's wellbeing.	A downturn in the regional economy may exacerbate affordability issues in the community, with some residents and businesses finding it more difficult to meet financial commitments including rates.	Low	A focus on affordability and support for initiatives such as the work of the Nelson Regional Development Agency, combined with ongoing Council investment in maintaining Nelson's attractiveness as a destination for talent and focus on investment by supporting the regional economy. Continued Council investment in projects which will help reinvigorate the economy. It is also expected that the proportion of older adults remaining in the workforce will continue to rise, improving incomes at older ages and somewhat mitigating against forecast workforce shortages. Working with external stakeholders to facilitate ease of job seeking and recruitment outcomes in Nelson, coupled with ensuring economic catalyst projects occur, will support the retention and establishment of jobs. These will be targeted at a range of demographics across the Nelson population.

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Labour market			
There are significant labour market shortages that make it difficult for Council to hire staff with appropriate technical qualifications it needs to deliver work programmes. In the long term sustained labour market shortages are expected, which may be compounded by a decreasing proportion of the population in Nelson being of working age. Shortages in particular skill areas are likely. COVID- 19 may further impact this with access to overseas job markets being significantly hindered, potentially offset by skilled returnees increasing the labour market.	A more competitive marketplace with accompanying labour shortages. Council may not be able to deliver work programmes on time due to the absence of enough sufficiently qualified staff. Social requirements, such as balancing demographics among new staff, may increase recruitment costs and timeframes. Greater reliance on consultants to fill temporary workforce gaps may increase costs.	High	Reconsidering service delivery to address skills shortages, and to help maintain work programmes. Remote working options may increase the pool of expertise to recruit from. Changing the work programme to help Council implement a targeted variety of employment scenarios and working arrangements.
Growth in rating units			
The estimated growth in the City's ratings units across the ten years of Long Term Plan is as follows: Year - Growth - Number of rating units - Year on year increase 2021/22 - 0.7% - 22755 2022/23 - 0.6% - 22914 - 159 2023/24 - 0.6% - 23051 - 137 2024/25 - 0.6% - 23189 - 138 2025/26 - 0.6% - 23328 - 139 2026/27 - 0.6% - 23468 - 140 2027/28 - 0.6% - 23609 - 141 2028/29 - 0.6% - 23751 - 142 2029/30 - 0.6% - 23893 - 143 2030/31 - 0.6% - 24037 - 143	Growth in rating units is higher or lower than projected.	Low	Council has used current property information from its valuation service provider (Quotable Value) to assess the level of growth in rating units, along with an assessment of year on year increases from recent years.
Natural disasters			
It is assumed that natural disasters will occur independently of climate change in the Nelson area during the life of the Long Term Plan. Nelson is located on a faultline meaning a major earthquake is not a matter of if but when. Other hazards such as landslides and flood events also exist – but may be exacerbated by climate change. Fire risk, particularly in summer, presents a risk to housing and infrastructure in Nelson. Droughts may impact on community water supplies and are also likely to contribute to the frequency and intensity of fire hazards.	Greater than anticipated magnitude or frequency of natural disaster events resulting in greater costs for Council in both recovery and building greater resilience into infrastructure.	High	A characteristic of Nelson is the concentration of lifelines infrastructure (road network, port, airport, wastewater treatment ponds etc.) on or near hazards such as fault lines, vulnerable soils, low-lying ground and the coast. Increasing awareness of Earthquake Prone Buildings through legislative requirements will increase understanding of earthquake resilience in buildings and infrastructure. Priority has been given to identification (completed) and remediation (over 50% completed as of quarter two 2020/21) of unreinforced masonry buildings in Nelson's central city. Strategic transport routes for emergency response have been identified and approved. Identification of potentially earthquake prone buildings along these routes is to be completed by 2022. Owners of these prioritised buildings will be required to complete seismic work within 12.5 years of identification. Identification of other potentially earthquake prone buildings is to be completed by 2027. Owners of these will have 25 years to complete seismic work. Another mitigation effort is the work identifying potential hazards in the draft Nelson Plan and advising affected landowners of potential fault rupture, liquefactions, slope instability and inundation hazards. Plans are made through the Nelson Tasman Civil Defence Emergency Management Group which illustrate the degree of risk faced by Nelson in terms of natural disasters including earthquakes (infrequent but high consequence) and flooding (likely but lower consequence).

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Earthquake prone buildings			
It is assumed Council will face ongoing costs with regard to earthquake prone building assets, particularly Council premises in relation to those around Civic House. It is assumed Civic House remains at 100% code compliance. However, decisions about work to be undertaken and the timing of any necessary work will allow costs to be adequately spread. Council as a Territorial Authority is required to identify Earthquake Prone Buildings (EPB) and issue EPB notices. Identification of all priority buildings is completed by 30 June 2022, and all EPB by 30 June 2027.	New work is identified, or required work is more significant than anticipated. Risk that if there is a greater number of actual and potential Earthquake Prone Buildings than anticipated, and that legislative deadlines may not be met. Significant additional expenditure on earthquake strengthening buildings may not be met by assigned budgets.	Medium	Managing staff tasks and time budgets in order to optimise efficiency in dealing with increased workloads. Produce a report evaluation and plan to review buildings and upgrade by the legally required deadline. Review high risk buildings first.
Upcoming Central Government Legislative and Regulatory Changes			
Changes to legislation impacting local government and the economy are likely to take place during the period of the Long Term Plan. It is assumed that central government will work with councils to ensure any legislative and regulatory changes are managed appropriately, and to ensure benefits from its commitment to partnership with the local government sector are realised. It is assumed that any changes will result in increased costs to ratepayers. These changes are in addition to already declared changes below: National Policy Statements on Urban Development, Indigenous Biodiversity, Air Quality, Highly Productive Land, Discharge to Air of Greenhouse Gases, and Freshwater Management National Environmental Standards on Freshwater and Marine Aquaculture Resource Management (Measurement and Reporting of Water Takes) Regulations and Resource Management (Stock Exclusion) Regulations Repeal of the Resource Management Act.	Central Government's proposed changes will significantly increase Council's work programme and need to be funded through either changes in budgets, increased efficiency, support from central government or higher rates. Increased services, for example in environmental monitoring, should benefit current and future generations. The changes to the National Policy Statement for Freshwater Management will impact monitoring and reporting requirements, plan development and implementation effects for infrastructure and the natural environment. Council's work programme in this area will change correspondingly to respond. Additional information will be included in the final Long Term Plan assumptions.	High	By working closely with central government, Council can best understand its obligations under upcoming regulatory and legislative changes. This will allow Council to best forecast what resources will need to be included in the final Long Term Plan.
Amalgamation of water services - Three Waters			
Council's budgets for the Long Term Plan 2021-2031 have been prepared assuming that there will be a continuing provision of water services by Council. The current central government work programme proposes that new entities be established to manage the Three Waters services by July 2022. If this arises, Council will incorporate changes into the relevant Annual Plan and/or Long Term Plan.	Amalgamation of water provision into a regional entity would require adjustments to the Long Term Plan in regards to water services.	High	Council will continue to engage with central government and neighbouring councils as the policy direction for the Three Waters activities continues. On 13 August 2020, Council entered a Memorandum of Understanding with Central Government to secure funding as well as Council participation. In October 2020, the Department of Internal Affairs (DIA) and Crown Infrastructure Partners (CIP) approved Council's delivery plan for the 'Three Waters Stimulus Package', resulting in approximately $5.7m of external funding being awarded to Council

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Cost to deliver Capital projects			
A competitive local market / impact of COVID-19 means tenders are being received with prices above expectations. Furthermore, additional requirements and compliance issues that are included in contractual terms, such as carbon and freshwater requirements and waste minimisation, may increase prices further. It is assumed that this escalation of prices will continue in the medium term. Annual budgets are assumed to be slightly higher from 2024-2031, relative to 2021- 2023. Therefore it is assumed that major projects will be completed on time and within budget.	Increases in project prices results in higher costs, with potential upward pressure on rates and debt. Delays in project completion or additional costs may result in other major projects being reassessed in terms of both available budget and timeframes for completion. Important projects that run into significant cost increases, that are deemed essential, may require rates or borrowing increases or reallocation of funds from other projects to offset the higher costs.	High	Increased flexibility in the capital works programme around timing of projects could help mitigate this trend. Reassessing Council's work programme to ensure adequate consultation and analysis prior to work commencing is undertaken so that Council has the best information available.
Delivery of the Capital programme			
New capital budgets have been prepared assuming that they will be delivered. However, Council has made an overall downward adjustment to the total capital programme of approximately 10% per year. This adjustment acknowledges that Council is unlikely to use the full amount of contingency in the programme for every project and enables Council to avoid overfunding the activities.	Delays in project delivery within the capital programme that are greater than the 10% lag assumed. Alternatively that more than 90% of projects within the capital programme are delivered on time than assumed through the 10% lag. If more projects are delivered on time than anticipated, Council's debt will be higher than forecast with an associated increase in interest costs. Delays in project completion or additional costs may result in other major projects being reassessed in terms of both available budget and timeframes for completion. Important projects that run into significant cost increases, that are deemed essential, may require rates or borrowing increases or reallocation of funds from other projects to offset the higher costs.	High	Increased flexibility in the capital works programme around timing of projects could help mitigate this trend. Reassessing Council's work programme to ensure adequate consultation and analysis prior to work commencing is undertaken so that Council has the best information available.
Interest rates			
In preparing the Long Term Plan Council has assumed the following interest rates: **Financial Year** 2021/22 - 2.94% 2022/23 - 2.78% 2023/24 - 2.67% 2024/25 - 2.73% 2025/26 - 2.83% 2026/27 - 3.00% 2027/28 - 3.05% 2028/29 - 3.12% 2029/30 - 3.14% 2030/31 - 3.19%	Higher interest rates will increase costs for Council. Lower interest rates will decrease costs.	High	Base interest rate assumptions use the most recent Reserve Bank of New Zealand 90 day bank bill rate forecasts, and long term historical 90 day bank bill averages. Council's all-up interest rate cost includes the current fixed rate borrower swap hedge portfolio and assumptions regarding future credit margins. If actual interest rates are higher than the assumed rate, this cost would be rated for, or future borrowing requirements adjusted. A degree of protection against fluctuating interest rates has been provided through the use of interest rate swaps. Council is also a member of the Local Government Funding Agency, which provides access to loans at a lower rate than Council could obtain directly from banks.

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Loan arrangements			
It is assumed that the Local Government Funding Agency (LGFA) will be able to meet our borrowing requests within their Policy Covenants set by the LGFA Shareholders.	Access to committed loan facilities less than expected.	Medium	The Local Government Funding Agency should allow Council to diversify funding sources away from the local banks, as well as being able to borrow for longer terms.
Insurance costs			
It has been assumed that insurance premiums continue at current levels plus inflation and that Council can obtain 100% of the cover it is required to hold (40% for infrastructure assets/60% covered by Central Government). It is assumed there will be an increase in the region of 10% for the first year of the Long Term Plan; this will continue but taper off over years 3 to 5. It is also assumed that the 40/60% split continues.	Premiums increasing above inflation and/or Council cannot obtain 100% cover.	Medium	Council may reassess levels of service to reduce costs and provide more funds for covering premiums.
Return on investments			
It is assumed that the return on investments, including dividends from Council Controlled Trading Organisations and retained earnings on subsidiaries, will be lower in the first three years of this Long Term Plan as the economy recovers from COVID-19. Then it is assumed it will recover to pre-COVID-19 levels.	Returns lower than expected.	Low	Council could increase rates to provide more capital, or it could consider reducing levels of service.
Revaluation of Non-Current Assets			
Nelson City Council's accounting policy provides for its most significant asset classes (infrastructure assets and land, excluding land under roads) to be revalued with sufficient regularity that the carrying value does not differ materially from fair value. The revaluations will be taking place in the following years: 30 June 2022 30 June 2024 30 June 2026 30 June 2028 30 June 2030 We revalue Property Plant and Equipment (PPE) every year of the plan based on Local Government Cost Index (LGCI) Capex. Depreciation is calculated based on revalued PPE each year – depreciation on existing assets therefore increases each year starting in Year 2 (as a result of the prior year revaluation). Nelson City Council's accounting policy provides for its most significant asset classes (infrastructure assets and land, excluding land under roads) to be revalued with sufficient regularity that the carrying value does not differ materially from fair value.	Actual revaluation results differ significantly from those forecast in this Long Term Plan.	Medium	Maintaining best practice in accounting policies to minimise risk of assets' carrying value differing significantly from fair value.

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Waka Kotahi NZ Transport Agency funding			
Waka Kotahi has confirmed the Financial Assistance Rate (FAR) will remain at the same rate (51%) over the term of the Long Term Plan, but that the total pool of funding has been reduced. This means fewer capital projects may be carried out. Council's assumption is that Waka Kotahi funding will return to levels consistent with pre 2021 funding, from year 4.	Less funding from Waka Kotahi means Council's share of project costs may increase, or projects may need to be changed.	Medium	Changes to the funding priorities of the Waka Kotahi are outside Council's control, however any significant change to the FAR may require Council to reassess its transport work programme in order to reduce costs and make up capital shortfalls.
Co-funding arrangements			
It is assumed that for projects where other partners are contributing part of the funding, this funding will continue to be available. It is assumed that where Council could be eligible for Government funding, e.g. Three Waters, COVID-19 recovery and infrastructure and community projects, Council will also seek this funding. Council will seek co-financing where available from Central Government towards implementation of climate change projects.	Partners may no longer be in a position to provide funding which may result in an increased level of funding from Council, or the termination of the project.	Medium	Viability of projects would be reviewed and Council would need to consider its ongoing commitment. Funding for projects may be sought from other sources.
Sources of funds for the future replacement of assets			
It is assumed that funding for the replacement of existing assets will be obtained from the appropriate sources as detailed in Council's Revenue and Financing Policy.	That a particular funding source is unavailable.	Low	Depreciation is used to fund renewals and is funded mainly through rates and user charges. Should other sources of capital funding such as subsidies or development/financial contributions differ from levels forecast in a particular activity, Council is able to access borrowings through its central treasury function.
Relationship with iwi			
Strengthening an authentic partnership between Council and iwi of Te Tau Ihu is central to improving outcomes for iwi/Māori and the Whakatū/Nelson community. It is assumed that Council will resource activities to support greater opportunities for: · Meaningful engagement between iwi and Council (i.e. regular meetings at governance, management and operational levels) · Increased iwi participation in Council decision making · Staff and elected members will continue to develop their understanding of iwi and Māori priorities, legislation, te reo Māori and tikanga Māori.	Establishing ways of working with iwi/Māori requires resources that may not be available. For example (i) iwi may not always be reimbursed for their time to provide advice and guidance on a project, so there is a personal and financial cost to iwi; (ii) staff may not have time available to attend professional development courses to improve understanding of cultural differences The risk of not resourcing opportunities to strengthen an authentic Council iwi partnership are: · It is perceived as an insincere relationship · Unrealistic expectations from both Council and iwi, which leads to tensions · A competing requirement of iwi staff time that is under resourced · Council working reactively with iwi · Project delays	High	The allocation of adequate staffing and resources to enhance the relationship with iwi and provide opportunities for iwi (or iwi endorsed representatives) to be included in the planning stages reduces the risk for project delays. The inclusion of iwi engagement principles in planning and strategic documents sets the levels of expectation for Council in its relationship with iwi. Ensuring these are well understood and outlined at the beginning of the process will mitigate the risk of misunderstanding and highlight the sincerity of the relationship.

Significant Forecasting Assumptions — *continued*

Forecasting Assumption 2021-31	Description of Risk 2021-31	Impact if assumption not correct 2021-31	Mitigation 2021-31
Resource consents			
It is assumed that any resource consents held by Council due for renewal during the life of the plan will obtain consent. It is assumed, however, that the consents will be subject to a more rigorous process, given national direction in areas such as freshwater. Work has commenced on the project to secure a new consent for the Nelson Wastewater Treatment Plant which is required in December 2024.	Conditions of resource consents altered and significant new compliance costs or consents cannot be renewed as expected.	Medium	Budgets are in place for resource consents.
Emissions Trading Scheme (ETS)			
Council has assumed that ETS costs will rise as a result of the Climate Change Response (Emissions Trading Reform) Amendment Act 2020. Council has assumed the cost of carbon will be: · $37.50 per NZU for 2021/2022 · $42.50 per NZU for 2022/2023 · $47.50 per NZU for 2023/3024 · $50.00 per NZU from 2024/2025 to 2030/2031 The potential ETS liability from the Nelson Tasman Regional Landfill Business Unit is combined with that of Tasman District Council.	That ETS costs are higher than assumed, costing Council more than forecast through the Regional Landfill Business Unit.	Medium	If the increase in ETS costs are materially higher than assumed, Council may need to increase waste management fees and charges further or increase rates to fund these costs or reduce waste minimisation funding. The Business Unit is proposing to mitigate the increase by improving landfill gas collection and destruction, pre-purchasing units to fix the cost, and to pass the remaining cost to consumers through landfill charges.
Local Government Review			
The government has established a Ministerial Inquiry into the future for local government. The overall purpose of the review is to "identify how our system of local democracy needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody the treaty partnership." The review includes, but is not limited to, roles and functions of local government, as well as representation, governance, funding and financing. Council considers it unlikely that any recommendations would take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are made will be incorporated in the next Long Term Plan. Therefore, Council has prepared this Long Term Plan on the assumption that its existing roles and functions will continue over the next three years.	Significant changes to how Council works and is funded may occur. This may have ramifications for work programmes, operational and capital expenditure, and budgeting, as well as other areas that come out of the review. It may also have impacts on costs for Council or changes to the way Council delivers services.	High	Council will engage with central government throughout the review. The terms of reference and timetable for the review have been released, with public consultation opening in September 2022. If change does arise earlier than the expected timeframe, Council will incorporate changes into the relevant Annual Plan and/or Long Term Plan.

Financial Statements

Statement of Comprehensive Revenue and Expense

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)
Revenue				
Rates other than metered water, net of remissions	68,640	73,643	78,185	82,739
Subsidies and grants	15,149	19,699	15,195	13,665
Fees and charges including metered water	28,425	39,303	42,731	42,761
Other Revenue	17,553	13,576	14,141	15,781
Interest received	2	1	1	1
Other gains/losses	30	(4,010)	1,128	1,106
Total Revenue	**129,799**	**142,211**	**151,381**	**156,052**
Expenses				
Personnel costs	22,932	26,894	28,280	28,959
Finance costs	3,011	3,171	4,078	4,770
Depreciation and amortisation	27,364	31,250	32,918	34,409
Other expenses	69,549	78,497	79,193	81,343
Total Expenses	**122,856**	**139,813**	**144,470**	**149,481**
Net Surplus/(Deficit) before Taxation	**6,942**	**2,398**	**6,911**	**6,571**
Taxation	0	0	0	0
Net Surplus/(Deficit)	**6,942**	**2,398**	**6,911**	**6,571**
Increase in asset revaluation reserves	20,153	38,076	36,072	27,977
Total Other Comprehensive Revenue and Expense	**20,153**	**38,076**	**36,072**	**27,977**
Total Comprehensive Revenue and Expense	**27,095**	**40,475**	**42,983**	**34,548**

Statement of Comprehensive Revenue and Expense — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	87,433	92,709	98,042	103,856	110,051	116,696	123,586
	16,830	16,430	18,974	17,327	16,066	16,096	18,717
	42,595	48,557	45,343	46,987	48,937	50,995	53,735
	16,232	16,999	17,454	18,115	18,702	19,075	19,556
	1	1	1	1	1	1	1
	1,086	0	0	0	0	0	0
	164,176	**174,695**	**179,813**	**186,285**	**193,756**	**202,864**	**215,593**
	29,716	30,281	30,875	31,553	32,288	33,024	33,787
	5,760	6,808	7,688	8,376	9,015	9,334	9,630
	36,044	37,885	39,519	41,109	42,757	44,472	46,356
	81,106	87,593	86,116	87,826	90,568	95,232	102,548
	152,626	**162,567**	**164,199**	**168,865**	**174,628**	**182,062**	**192,321**
	11,551	**12,127**	**15,614**	**17,421**	**19,128**	**20,802**	**23,272**
	0	0	0	0	0	0	0
	11,551	**12,127**	**15,614**	**17,421**	**19,128**	**20,802**	**23,272**
	29,261	49,840	31,684	35,718	62,141	40,483	39,196
	29,261	**49,840**	**31,684**	**35,718**	**62,141**	**40,483**	**39,196**
	40,812	**61,967**	**47,298**	**53,138**	**81,269**	**61,285**	**62,468**

Statement of Changes in Net Assets/Equity

	Annual Plan 2020/21 ($000)	Long-term Plan 2021/22 ($000)	Long-term Plan 2022/23 ($000)	Long-term Plan 2023/24 ($000)	
Equity at beginning of year	1,544,305	1,659,247	1,699,722	1,742,705	
Total comprehensive revenue and expense	27,095	40,475	42,983	34,548	
Equity at end of year	**1,571,400**	**1,699,722**	**1,742,705**	**1,777,253**	

Statement of Changes in Net Assets/Equity — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	1,777,253	1,818,065	1,880,033	1,927,330	1,980,468	2,061,737	2,123,021
	40,812	61,967	47,298	53,138	81,269	61,285	62,468
	1,818,065	**1,880,033**	**1,927,330**	**1,980,468**	**2,061,737**	**2,123,021**	**2,185,490**

Statement of Financial Position

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24
	($000)	($000)	($000)	($000)
Current Assets				
Cash and cash equivalents	5,056	6,617	6,101	5,586
Inventories	0	0	0	0
Trade and other receivables	15,659	11,369	11,849	12,276
Other financial assets	2,981	1,063	1,063	1,063
Taxation	0	0	0	0
Derivative financial instruments	0	0	0	0
Total Current Assets	**23,696**	**19,049**	**19,013**	**18,925**
Non Current Assets				
Trade and other receivables	0	0	0	0
Investments accounted for using the equity method	36,663	36,663	36,663	36,663
Investment in subsidiaries	8,200	8,200	8,200	8,200
Investment properties	1,234	955	983	1,008
Other financial assets	3,724	5,447	5,842	6,390
Intangible assets	2,897	3,579	3,579	3,579
Biological assets	4,411	6,390	5,533	5,181
Property, plant, and equipment*	1,644,992	1,799,238	1,878,047	1,943,270
Derivative financial instruments	0	0	0	0
Total Non Current Assets	**1,702,121**	**1,860,471**	**1,938,846**	**2,004,289**
Total Assets	**1,725,817**	**1,879,520**	**1,957,859**	**2,023,215**
Current Liabilities				
Bank overdraft	0	0	0	0
Trade and other payables	17,272	22,667	22,647	22,576
Employee benefit liabilities	2,478	2,363	2,431	2,493
Provisions	148	0	0	0
Taxation payable	0	0	0	0
Current portion of borrowings	5,592	43,705	55,639	66,318
Derivative financial instruments	290	997	975	954
Total Current Liabilities	**25,779**	**69,731**	**81,692**	**92,341**

Statement of Financial Position — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	5,071	4,560	4,052	3,550	3,054	2,562	2,074
	0	0	0	0	0	0	0
	12,708	13,161	13,614	14,082	14,596	15,110	15,624
	1,063	988	963	963	963	963	963
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	18,843	**18,709**	**18,629**	**18,596**	**18,613**	**18,635**	**18,661**
	0	0	0	0	0	0	0
	36,663	36,663	36,663	36,663	36,663	36,663	36,663
	8,200	8,200	8,200	8,200	8,200	8,200	8,200
	1,032	1,059	1,086	1,114	1,144	1,175	1,205
	7,080	7,345	7,760	8,051	8,217	8,258	8,300
	3,579	3,579	3,579	3,579	3,579	3,579	3,579
	5,043	4,397	4,397	4,397	4,397	4,397	4,236
	2,017,456	2,094,672	2,160,381	2,228,885	2,319,146	2,385,396	2,452,907
	0	0	0	0	0	0	0
	2,079,053	**2,155,915**	**2,222,066**	**2,290,888**	**2,381,345**	**2,447,668**	**2,515,089**
	2,097,896	**2,174,624**	**2,240,695**	**2,309,484**	**2,399,958**	**2,466,302**	**2,533,750**
	0	0	0	0	0	0	0
	22,505	22,468	22,431	22,411	22,442	22,473	22,505
	2,554	2,620	2,686	2,755	2,831	2,906	2,982
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	77,932	82,956	88,980	94,065	96,965	98,647	100,495
	933	933	933	933	933	933	933
	103,924	**108,977**	**115,030**	**120,164**	**123,171**	**124,960**	**126,915**

Statement of Financial Position — *continued*

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24	
	($000)	($000)	($000)	($000)	
Non Current Liabilities					
Trade and other payables	572	863	863	863	
Provisions	2,480	3,849	4,116	3,676	
Employee benefit liabilities	197	163	167	172	
Derivative financial instruments	10,273	16,458	15,351	14,266	
Non-current portion of borrowings	115,115	88,734	112,964	134,644	
Total Non-Current Liabilities	**128,637**	**110,067**	**133,462**	**153,621**	
Total Liabilities	**154,416**	**179,798**	**215,154**	**245,961**	
Net Assets	**1,571,401**	**1,699,722**	**1,742,705**	**1,777,253**	
Ratepayer's Equity					
Accumulated comprehensive revenue and expense	554,284	458,940	466,666	471,474	
Other reserves	1,017,116	1,240,782	1,276,039	1,305,779	
Total Ratepayer's Equity	**1,571,400**	**1,699,722**	**1,742,705**	**1,777,253**	

Statement of Financial Position — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	863	863	863	863	863	863	863
	3,441	2,944	3,429	3,617	3,924	3,773	3,042
	176	181	185	190	195	200	205
	13,201	13,201	13,201	13,201	13,201	13,201	13,201
	158,225	168,425	180,656	190,980	196,867	200,283	204,034
	175,906	**185,614**	**198,335**	**208,851**	**215,050**	**218,321**	**221,346**
	279,830	**294,591**	**313,365**	**329,015**	**338,221**	**343,281**	**348,260**
	1,818,065	**1,880,033**	**1,927,330**	**1,980,468**	**2,061,737**	**2,123,021**	**2,185,490**
	481,646	492,020	507,248	524,002	543,140	563,664	586,861
	1,336,419	1,388,012	1,420,082	1,456,467	1,518,597	1,559,357	1,598,629
	1,818,065	**1,880,033**	**1,927,330**	**1,980,468**	**2,061,737**	**2,123,021**	**2,185,490**

Cash Flow Statement

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24
	($000)	($000)	($000)	($000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from rates revenue	77,323	82,509	87,539	92,465
Subsidies and grants received	15,149	19,699	15,195	13,665
Receipts from other revenue	22,709	31,058	31,078	33,747
Development and financial contributions	3,537	3,628	3,733	3,828
Interest Received	2	1	1	1
Dividends Received	2,756	2,450	2,771	3,619
	121,476	**139,346**	**140,317**	**147,325**
Cash was disbursed to:				
Payments to suppliers	69,227	78,994	79,194	81,408
Payments to employees	22,882	26,894	28,207	28,894
Interest Paid	3,011	3,171	4,078	4,770
Tax Paid/(refund)	0	0	0	0
	95,121	**109,060**	**111,479**	**115,072**
Net Cash Flows from Operating Activities	**26,356**	**30,286**	**28,838**	**32,253**
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Other Investments	0	519	267	(440)
Sale of Investments and properties for resale				
Repayment of LGFA borrower notes	0	0	0	0
Sale of biological assets	179	3,491	4,233	1,833
Sale of fixed assets	9,209	0	1,526	0
Repayment of community loans and advances	397	193	193	193
	9,785	**4,203**	**6,219**	**1,586**
Cash was disbursed to:				
Investments in LGFA* borrower notes	640	591	588	741
Community loans advanced	0	0	0	0
Other investments	0	74	0	0
Purchase of biological assets	144	18	46	30
Purchase of intangible assets	0	0	0	0
Purchase of fixed assets:				
Renewals	15,294	22,464	20,879	21,209
New works - growth	8,892	4,554	6,151	4,908

Cash Flow Statement — *continued*

	Long-term Plan 2024/25 ($000)	Long-term Plan 2025/26 ($000)	Long-term Plan 2026/27 ($000)	Long-term Plan 2027/28 ($000)	Long-term Plan 2028/29 ($000)	Long-term Plan 2029/30 ($000)	Long-term Plan 2030/31 ($000)
	97,652	103,227	109,018	115,241	121,935	129,017	136,382
	16,830	16,430	18,974	17,327	16,066	16,096	18,717
	34,734	36,816	37,014	38,320	39,918	41,508	43,275
	3,922	4,020	4,121	4,227	4,343	4,459	4,575
	1	1	1	1	1	1	1
	3,744	4,083	4,436	4,743	4,854	4,964	5,079
	156,882	**164,578**	**173,564**	**179,858**	**187,116**	**196,045**	**208,029**
	81,119	87,657	86,180	87,785	90,568	95,232	102,548
	29,650	30,210	30,804	31,480	32,208	32,943	33,706
	5,760	6,808	7,688	8,376	9,015	9,334	9,630
	0	0	0	0	0	0	0
	116,529	**124,675**	**124,672**	**127,641**	**131,790**	**137,508**	**145,883**
	40,353	**39,902**	**48,892**	**52,217**	**55,326**	**58,537**	**62,146**
	(234)	(422)	510	188	307	(150)	(731)
	0	0	0	0	0	0	0
	277	4,016	0	0	0	0	574
	1,577	0	1,638	0	1,713	0	1,793
	193	193	118	93	93	93	93
	1,813	**3,787**	**2,266**	**281**	**2,113**	**(57)**	**1,728**
	883	383	509	384	259	134	134
	0	0	0	0	0	0	0
	0	75	25	0	0	0	0
	83	0	0	89	0	0	0
	0	0	0	0	0	0	0
	19,386	22,698	24,172	27,877	26,026	23,615	22,437
	14,298	8,084	12,283	13,756	16,361	13,781	17,045

Cash Flow Statement — *continued*

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24	
	($000)	($000)	($000)	($000)	
New works - Increased level of service	39,266	45,889	44,072	39,826	
	64,236	**73,588**	**71,736**	**66,714**	
Net Cash Flows from Investing Activities	**(54,451)**	**(69,385)**	**(65,517)**	**(65,128)**	
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Proceeds from borrowings	19,760	38,612	36,164	32,360	
Cash was applied to:					
Repayment of borrowings	5,000	0	0	0	
Net Cash Flows from Financing Activities	**14,760**	**38,612**	**36,164**	**32,360**	
Net Increase/(Decrease) in Cash Held	(13,335)	(487)	(516)	(516)	
Add Opening Cash Balance	18,391	7,104	6,616	6,101	
Closing Balance	**5,056**	**6,617**	**6,101**	**5,586**	
Represented by:					
Cash and Cash Equivalents	5,056	6,617	6,101	5,586	

Cash Flow Statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	43,225	28,187	32,934	26,306	24,080	26,544	30,349
	77,875	**59,426**	**69,923**	**68,412**	**66,726**	**64,074**	**69,966**
	(76,062)	**(55,640)**	**(67,657)**	**(68,132)**	**(64,613)**	**(64,131)**	**(68,237)**
	35,194	15,224	18,255	15,409	8,787	5,098	5,599
	0	0	0	0	0	0	0
	35,194	**15,224**	**18,255**	**15,409**	**8,787**	**5,098**	**5,599**
	(515)	(513)	(510)	(505)	(500)	(496)	(493)
	5,587	5,073	4,562	4,055	3,554	3,058	2,567
	5,071	**4,560**	**4,052**	**3,550**	**3,054**	**2,562**	**2,074**
	5,071	4,560	4,052	3,550	3,054	2,562	2,074

Financial Reserves Estimates

The Local Government Act 2002 (The Act) defines reserve funds as "money set aside by a local authority for a specific purpose". For example, Council holds bequests for specific facilities. Self-funded activities such as dog control and parking are also managed through reserve funds for each of those specific purposes.

Reserve funds are part of equity that may or may not be physically back by cash or investments. These reserves are often used to separate a funding surplus of an activity. The Act requires Council to identify each reserve fund, specify the purpose of the fund, the activities to which the fund relates, the amount expected to be in the fund at the commencement of the Long Term Plan and at the end of the Long Term Plan period the amount expected to be deposited in the fund, and the amount expected to be withdrawn from the fund over the 10 year period that this Long Term Plan covers. This information is set out in the following table.

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



Financial Reserves Estimates — *continued*

Name	Activity	Purpose	Projected Balance July 2021	Deposits	Withdrawals	Balance June 2031
			$	$	$	$
Nelson Institute Funds	Nelson Library	Bequest to Nelson Institute	8,891	455		9,346
L C Voller Bequest (ETL)	Nelson Library	Youth Section of Elma Turner Library	24,429	1,249		25,678
Nelson 2000 Trust	Esplanade Reserves	Wakefield Quay Development	164,607			164,607
Insurance Reserve	Investment Management	To fund Insurance claim excess	648,871	1,872,161		2,521,031
Health & Safety Reserve	Admin and Meeting Support	OSH Compliance	31,529	1,612		33,142
Roading Contributions	Roading	Financial Contribution for capital works	117,486			117,486
Walker bequest	Parks		10,019	512		10,531
Dog Control Reserve	Dog Control	Self funded activity balance	(246,375)	26,000		(220,375)
Sport & Rec Grants Reserve	Physical Activity Fund	Ex Hillary Commission fund for Sport and Recreation	8,203			8,203
Art Council Loan Fund	Physical Activity Fund	Ex Sport & Rec Grants	10,000			10,000
Events Contestable Fund Reserve	Economic Development	Unspent allocation held for eligible events	(108,669)			(108,669)
Housing Reserve	Community Housing	Self funded activity balance	12,233,514	443,580		12,677,095
Founders Park Reserve	Founders	Founders development	197,996	424,921		622,917
Forestry Fund	Forestry	Self funded activity balance	2,140,618		(1,139,752)	1,000,866
Landfill	Solid Waste	Share of development of new landfill when required	4,548,192	232,595		4,780,787
Solid Waste	Solid Waste	Self funded activity balance	1,097,711	143,697		1,241,409

Report on Financial Prudence

Long-term plan disclosure statement for the period commencing 1 July 2021

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

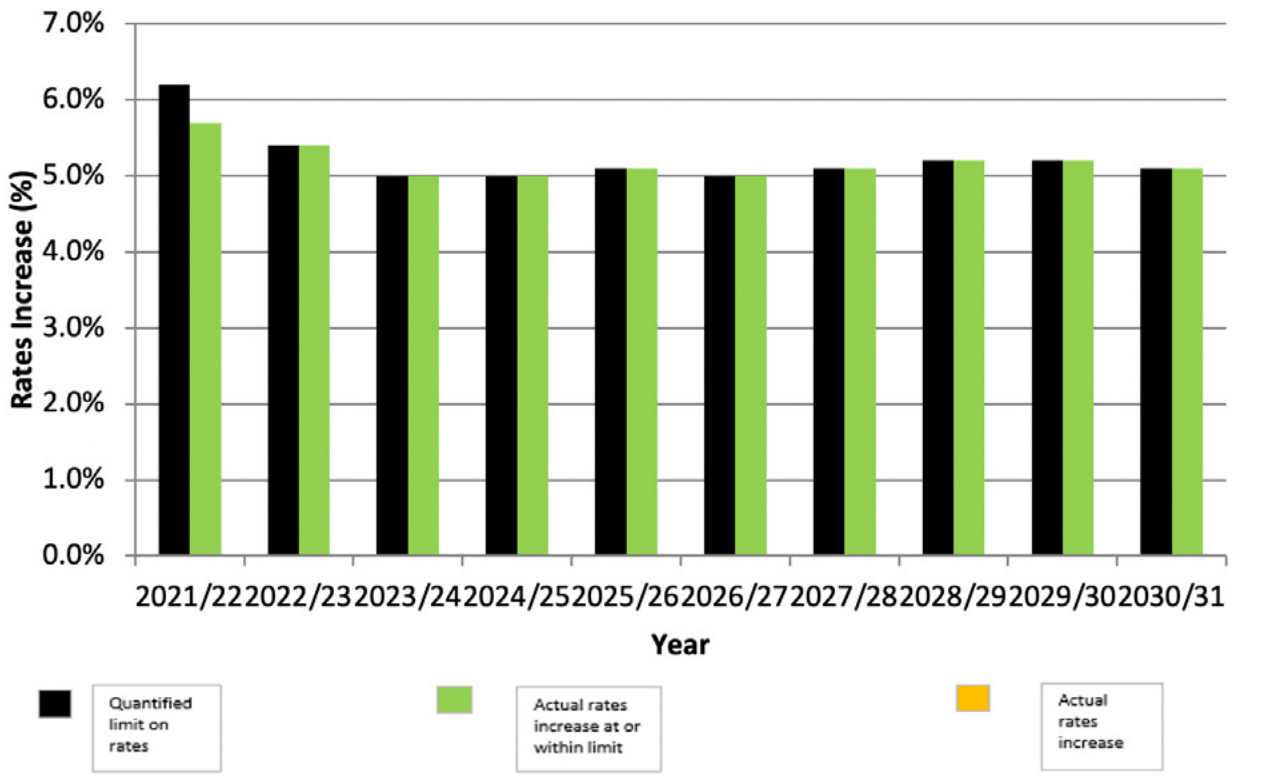
The Council meets the rates affordability benchmark if –

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (increases) affordability

The following graph compares the Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in this long-term plan (LTP). The quantified limit is the local government cost index plus 2.5% for each year of the LTP.

Rates (increases) affordability

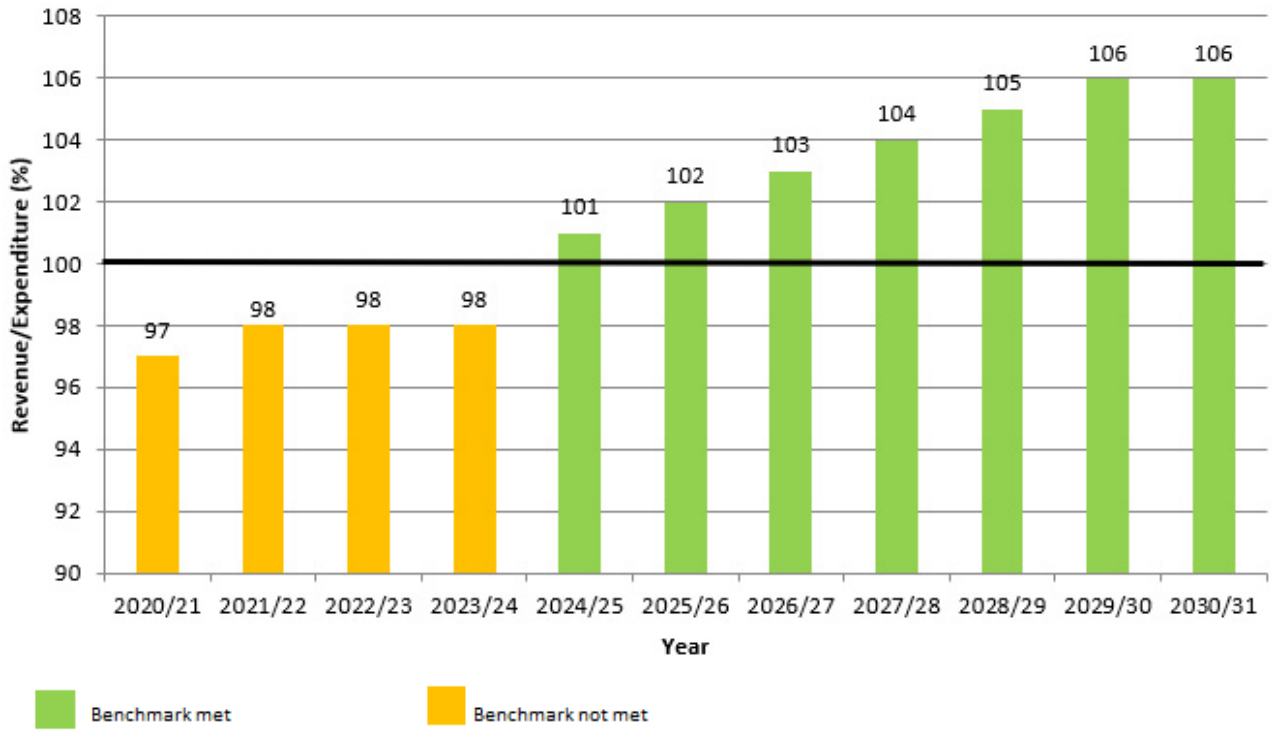


Balanced budget benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.

Revenue/Expenditure

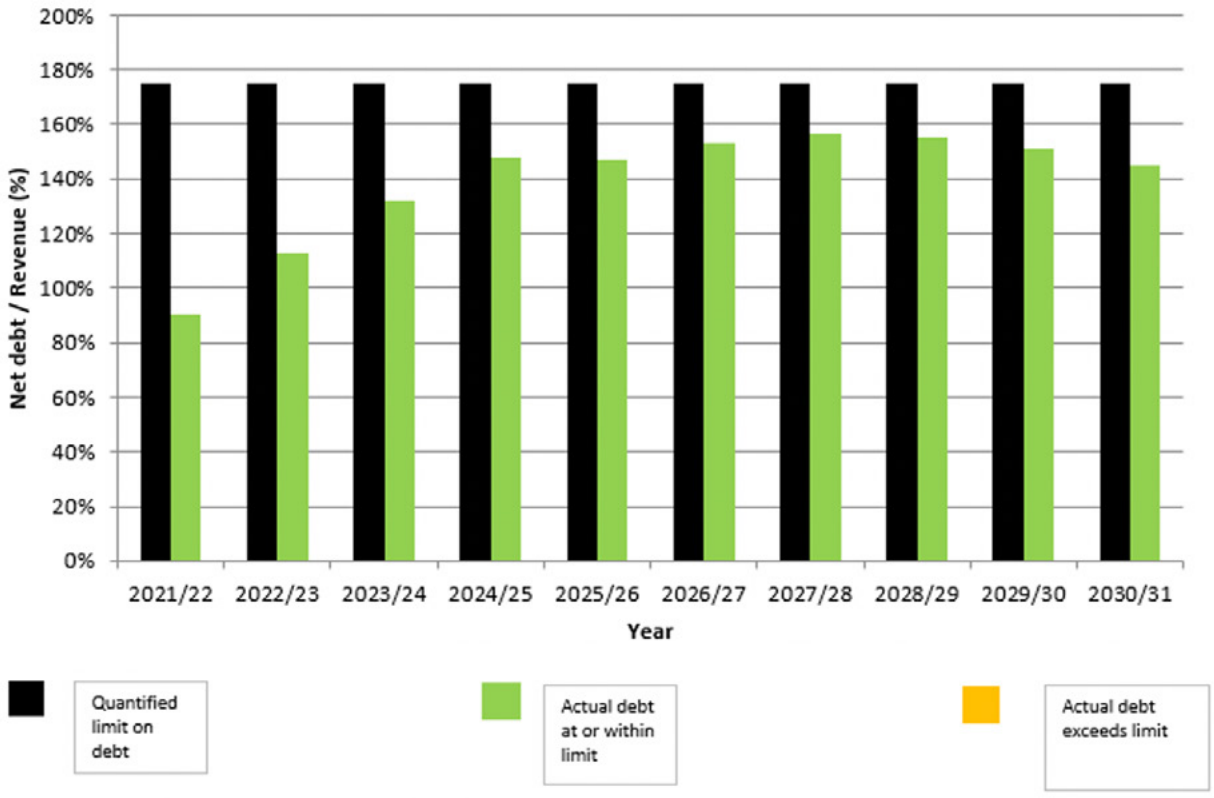


Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that net external borrowings are not to exceed 175% of revenue. Net external borrowings are defined as external debt and overdraft less cash balances, term deposits and borrower notes.

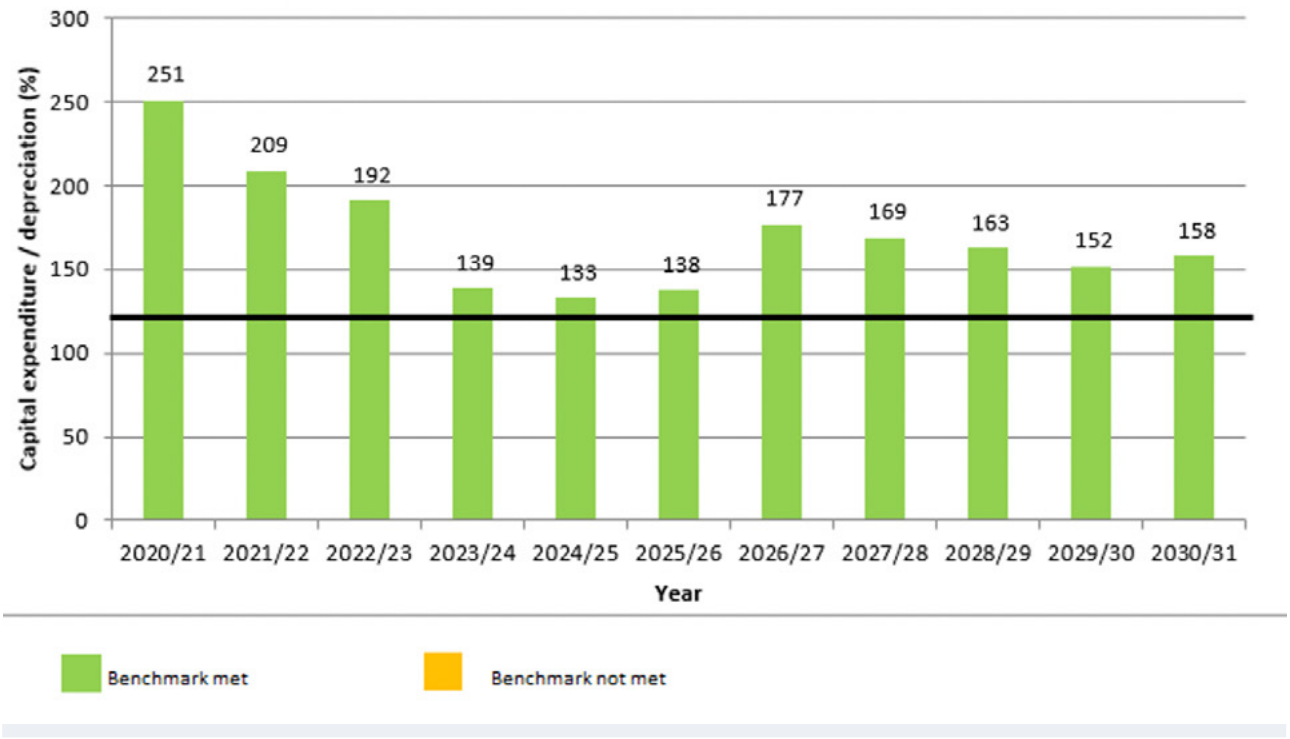
Net Debt/Revenue



Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services. The council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Capital Expenditure/Depreciation

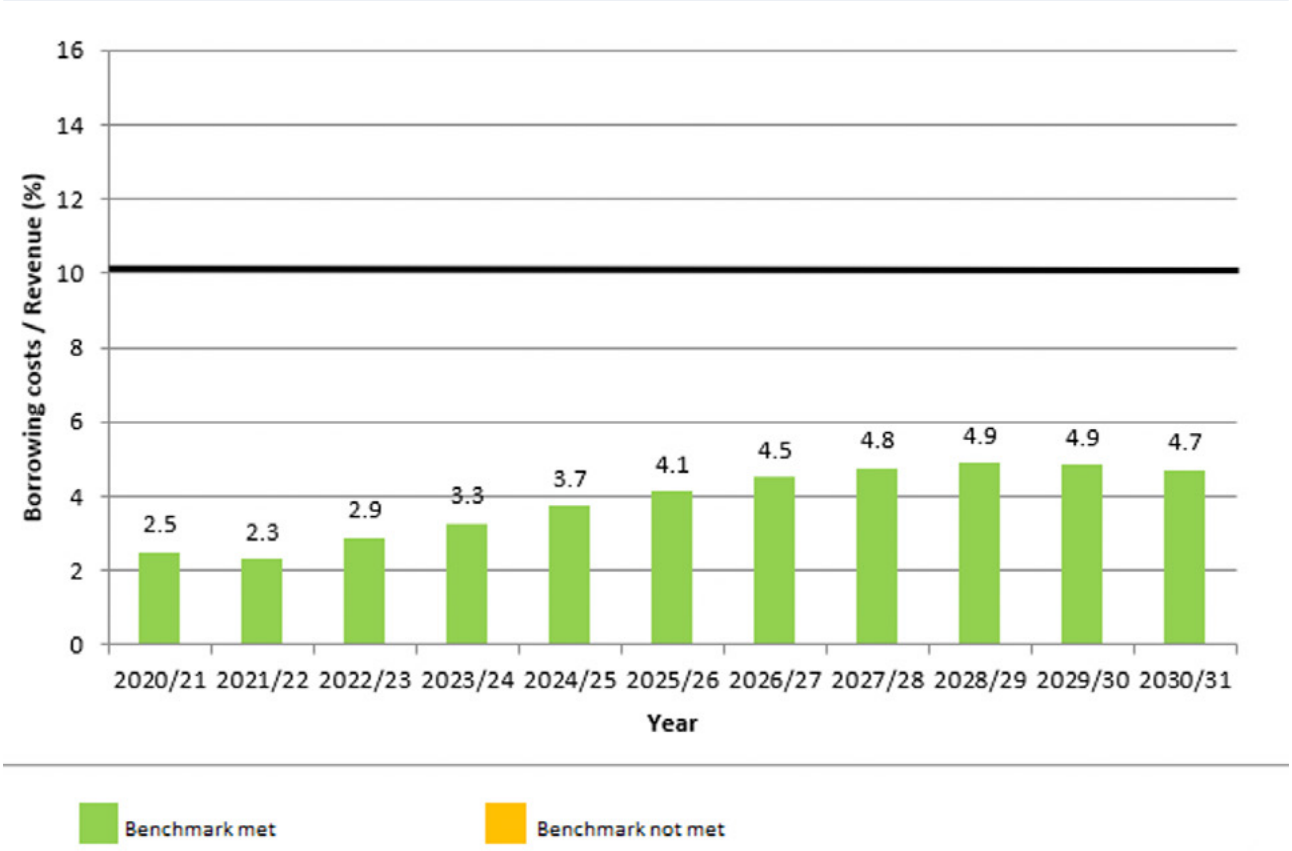


Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

A local authority meets the debt servicing benchmark for a year if its borrowing costs for the year equal or are less than 10% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) for the year.

Borrowing/Revenue



Funding Impact Statement

How much will my rates cost?

Total rates on each property in nelson include payment for local authority (city council) and regional council services. Council is a unitary authority combining both of these functions. The final figure is made up of a combination of whichever of the following apply to your rating unit(s):

- general rate, which includes the uniform annual general charge (uagc)
- stormwater and flood protection charge
- wastewater charge or commercial wastewater charge for sewage disposal
- water annual charge
- water volumetric rate

If part of scheme:

- clean heat warm home targeted rate
- solar hot water targeted rate
- postponement application charge
- postponement interest.

Differentials

Some rates are set on a differential basis, which adjust rates upwards or downwards, typically depending on whether more or less council services are provided, for example commercial, rural or multi-unit properties.

Rates and charges

The 'funding impact statement' sets out the rates and charges that are planned for the next year. Unless otherwise stated, rates and charges are shown including gst. The rates included in this funding impact statement will be set and assessed for each year of the long term plan 2021-2031, except the last year of the clean heat warm homes rate will be 2021-2022, the last year of the solar saver rate will be 2021-2022.

Rating units

The projected number of rating units within Nelson at 30 June 2021 is 22,755.

The projected total capital value of rating units within Nelson at 30 June 2021 is $16,394,881,750.

The projected total land value of rating units within Nelson at 30 June 2021 is $7,522,691,200.

Rating of separately used or inhabited parts (suip) of a rating unit

Definition
A separately used or inhabited part of a rating unit includes any part separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, license or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used' by the owner for this separate purpose. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.



The following are considered to be separately used or inhabited parts of a rating unit where the above requirements are met.

- flats or apartments (including flats that share kitchen or bathroom facilities)
- separately leased commercial areas of a rating unit
- where there is multiple use of a single rating unit, such as a shop with a dwelling.

The following are not considered to be separately used parts of a rating unit:

- a residential sleep-out or granny flat without independent kitchen facilities
- a hotel room with or without kitchen facilities
- a motel room with or without kitchen facilities
- a bed and breakfast room with or without kitchen facilities
- individual offices or premises of business partners
- individually leased carparks
- storage units
- properties subject to declarations for unoccupied or second residential units not being used as separate units.

Examples of rates for 2021/22

To further clarify the rates changes from 2020/21 to those for the 2021/22 rating year a selection of properties has been shown to provide a guide. The following table is GST inclusive.

Examples of Total Impact of General and Targeted Rates on Different Land Uses and Values (GST Inclusive)

Examples of Total Impact of General and Targeted Rates on Different Land Uses and Values (GST Inclusive)										
Property Type	2018 Land Value	2020/21 Rates	2021/22 Rates							
			General Rate	UAGC	Stormwater / Flood Protection	Waste water	Water Annual Charge	Total Rates	% increase on 2020/21	$ increase on 2020/21
Residential	$147,000	$2,212	$832	$429	$385	$502	$203	$2,351	6.29	$139
	$160,000	$2,280	$905	$429	$385	$502	$203	$2,425	6.37	$145
	$175,000	$2,357	$990	$429	$385	$502	$203	$2,510	6.45	$152
	$220,000	$2,591	$1,245	$429	$385	$502	$203	$2,764	6.67	$173
	$275,000	$2,877	$1,556	$429	$385	$502	$203	$3,075	6.89	$198
	$315,000	$3,085	$1,782	$429	$385	$502	$203	$3,302	7.02	$217
	$370,000	$3,371	$2,094	$429	$385	$502	$203	$3,613	7.18	$242
	$400,000	$3,527	$2,263	$429	$385	$502	$203	$3,783	7.25	$256
	$435,000	$3,709	$2,461	$429	$385	$502	$203	$3,981	7.33	$272
	$495,000	$4,021	$2,801	$429	$385	$502	$203	$4,320	7.45	$300
	$650,000	$4,826	$3,678	$429	$385	$502	$203	$5,197	7.69	$371
	$800,000	$5,606	$4,527	$429	$385	$502	$203	$6,046	7.85	$440
Multi Residential (Two flats - Two UAGC & Wastewater Charges)	$320,000	$4,390	$1,992	$858	$385	$1,005	$407	$4,646	5.83	$256
	$1,100,000	$8,649	$6,846	$858	$385	$1,005	$203	$9,297	7.50	$649
Empty Residential Section (Water annual charge included if water meter is installed)	$113,000	$1,357	$639	$429	$385			$1,453	7.06	$96
	$295,000	$2,504	$1,669	$429	$385		$203	$2,686	7.29	$182
	$560,000	$3,881	$3,169	$429	$385		$203	$4,186	7.85	$306
Small Holding (Water annual charge included if water meter installed)	$370,000	$2,501	$1,884	$429	$385			$2,698	7.89	$196
	$520,000	$3,403	$2,648	$429	$385		$203	$3,665	7.70	$262
Rural (Water annual charge included if water meter installed)	$920,000	$3,543	$3,384	$429				$3,813	7.63	$269
	$2,140,000	$7,865	$7,871	$429			$203	$8,503	8.12	$638
Commercial - Outside Inner City / Stoke - 1 Unit	$475,000	$8,103	$7,359	$429	$385	$126	$203	$8,502	4.92	$399
Commercial - Outside Inner City / Stoke - 1 Units	$530,000	$8,915	$8,211	$429	$385	$126	$203	$9,354	4.92	$439
Commercial - Outside Inner City / Stoke - 3 Units	$205,000	$4,671	$3,176	$858	$385	$251	$203	$4,873	4.34	$203
Commercial - Stoke - 1 Unit	$44,000	$1,556	$703	$429	$385	$126	$0	$1,642	5.53	$86
Commercial - Inner City - 2 Units	$365,000	$7,403	$6,059	$858	$385	$251	$203	$7,756	4.77	$353
Commercial - Inner City - 2 Units	$415,000	$8,191	$6,889	$858	$385	$251	$203	$8,586	4.82	$396
Commercial - Inner City - 1 Unit	$1,450,000	$23,967	$24,069	$429	$385	$126	$203	$25,211	5.19	$1,244

This table does not include water charges based on consumption. For occupied residential properties, this is charged at $2.038 per cubic meter and an average useage of 160 m^3 costing $326.08 (GST Incl).

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 ratable value for different categories of ratable land. The general rate is 0.56582 cents in the land value dollar (including GST) for the 2021/22 rating year for the base differential category. An explanation of the differential categories, the relative differentials for each category and the amount in the land value dollar for each category is set out at the end of this funding impact statement.

This compares to the previous year's rate of 0.51973 in the land value dollar in the 2020/21 rating year for the base differential category.

Uniform annual general charge

A uniform annual general charge (UAGC) is set under section 15 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit.

It is assessed:

- As a charge for services which have an equal element of benefit irrespective of property value
- To ensure a minimum charge on all properties
- To reduce the extremes of rates paid by the highest and lowest valued rating units
- In recognition that land valuation-based rating does not necessarily reflect a ratepayer's ability to pay.

Council will collect 13% of rates, excluding Solar Saver and Clean Heat Warm Homes targeted rates and water annual charge and water volumetric rate, through the UAGC.

The UAGC is $429.14 including GST per separately used or inhabited part of a rating unit for the 2021/22 rating year. The charge for 2021/22 is $5.50 less than the charge of $434.64 for the 2020/21 rating year.

The rates revenue sought from the uniform annual general charge and certain targeted rates set as a fixed amount has resulted in 19.77% of the total revenue from all rates sought by Council. This is well within the 30% limit set by Section 21 of the Local Government (Rating) Act 2002.

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.

Categories of differentials based on land use

These differential categories are defined in accordance with the provisions of Schedule Two of the Local Government (Rating) Act 2002. The same definitions are also used to calculate the liability for some other rates. The differential categories are as follows:

General Rate
Residential – all rating units that are primarily used for residential purposes or undeveloped rating units zoned for future residential use.

Multi Residential – all rating units that contain more than one residential dwelling that are capable of being used primarily for residential purposes.

Commercial – any rating unit which is used primarily for commercial use. Properties that have a portion of residential use shall have a reduced commercial differential.

Inner City Commercial – any rating unit which is used primarily for commercial use that is located within the Inner City Zone, as defined in the Nelson Resource Management Plan. Properties that have a portion of residential use shall have a reduced inner city commercial differential.

Stoke Commercial – any rating unit which is used primarily for commercial use that is located within the Stoke commercial zone, as defined in the Nelson Resource Management Plan. Properties that have a portion of residential use shall have a reduced Stoke commercial differential.

Rural – any rating unit having an area greater than 15 hectares which is used primarily for dairy, fattening and grazing, quarries, forestry or horticultural use and is recorded as rural on the District Valuation Roll.

Small Holding – any rating unit which is primarily used as a small holding and having an area greater than 0.5 hectares but is less than 15 hectares and is recorded as a small holding on the District Valuation Roll.

Rating categories

Council has adopted the following differentials:

- Single residential category with non-rateable portion and Multi Residential category have an additional 10% general rate differential
- Rural have a negative 35% general rate differential
- Small holdings have a negative 10% general rate differential

Commercial rates are set to collect 23.1% of the total rates excluding water annual charge and water volumetric rate, Clean Heat Warm Homes and Solar Saver charges. This has decreased from 23.6% in the Annual Plan 2020/21 and the reduction affects all commercial properties. 22.124% of this is funded from inner city commercial properties, 1.619% from Stoke commercial properties while 76.257% is funded from commercial excluding inner city and Stoke commercial properties. This would result in commercial properties paying a total of $19,005,452 (including water annual charge) in rates for the 2021/22 rating year compared to $18,063,800 the previous year. Council will continue to reduce the proportion of rates collected from commercial properties by 0.5% per year (to be reviewed annually) for the first three years of the 2021/31 Long Term Plan. The commercial zones of inner city and Stoke are defined in the Nelson Resource Management Plan.

Differential rates for the general rate

Council's general rate is assessed on a differential basis.

Category 2021/22	Differential %	Cents in the dollar
Residential – single unit	0.0	0.56582
Residential empty section	0.0	0.56582
Single residential unit forming part of a parent valuation, the remainder of which is non-rateable	10.0	0.62240
Multi Residential	10.0	0.62240
Rural	-35.0	0.36778
Small holding	-10.0	0.50924
Commercial – excluding inner city and Stoke commercial		
100% commercial and industrial (occupied and empty)	173.8	1.54924
25% residential/75% commercial	130.4	1.30365
50% residential/50% commercial	86.9	1.05752
75% residential/25% commercial	43.5	0.81195
Commercial – inner city		
100% commercial and industrial (occupied and empty)	193.4	1.65992
25% residential/75% commercial	145.0	1.38626
50% residential/50% commercial	96.7	1.11297
75% residential/25% commercial	48.3	0.83911
Commercial – Stoke		
100% commercial and industrial (occupied and empty)	182.3	1.59703
25% residential/75% commercial	136.7	1.33930
50% residential/50% commercial	91.1	1.08128
75% residential/25% commercial	45.6	0.82383

The categories that are to be used for applying the general rate differential and the amount of total revenue (excluding volumetric water) to be collected from each category, for 2021/22, is as follows:

Category	Total Revenue to be collected ($)
Residential	58,856,333
Multi-residential	4,942,186
Commercial (Inner City, Stoke and other)	19,005,452
Rural	500,483
Small holding	1,776,041

Properties that have more than one use identified above will be placed into a rating category subject to the rating unit's majority use as determined by Council. The neutral base from which differentials are calculated is a residential property with a single dwelling.

Note: Objections to the Rating Information Database under Section 29 of the Local Government (Rating) Act 2002 will be reviewed by Council and Council is the sole determiner of rating categories.

Stormwater and flood protection charge

The stormwater and flood protection charge is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 per rating unit and is $384.62 for the 2021/22 rating year. It recovers the funding required by Council for stormwater and flood protection purposes. It is assessed on all rating units excluding:

- Rural rating units
- Rating units east of the Gentle Annie saddle
- Saxton's Island
- Council's stormwater network

The charge for 2021/22 is $49.26 higher than the charge of $335.36 for the 2020/21 rating year.

Targeted rates for clean heat warm homes

The Clean Heat Warm Homes (CHWH) rates are targeted rates under Section 16 of the Local Government (Rating) Act 2002 and are assessed on each separately used or inhabited part of a rating unit that has been provided with home insulation and/or a heater to replace a non-complying solid fuel burner in accordance with agreement of the original ratepayer. CHWH targeted rates are a source of funding for years 1 – 4 of the long term plan when all repayments under the scheme are scheduled to have been received.

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

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

For CHWH agreements dated on or after 1 July 2011, the targeted rate for each year for 10 years is the total cost of the installed works excluding GST, divided by 10, plus GST at the current rate.

The table below details the loan assistance bands:

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

Targeted rate for solar hot water systems

The Solar Saver charge is a targeted rate collected under Section 16 of the Local Government (Rating) Act 2002 on each separately used or inhabited part of a rating unit where the owner has been provided with financial assistance to install a Solar Hot Water System (SHWS).

The targeted rate applying to any participating property is determined on the extent of provision of service by the net cost of the work including GST, after deducting EECA grants, plus the funding cost. The full cost of the works and Council's costs of borrowing and administering the scheme are paid over a 10 year period by the homeowner receiving the service.

Solar Saver targeted rates are a source of funding for years 1 – 4 of the long term plan when all repayments under the scheme are scheduled to have been received.

Calculation factors:

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

The CHWS scheme closed to new applicants from 30 June 2012.

Wastewater charge

A targeted rate is set under Section 16 of the Local Government (Rating) Act 2002 to recover the costs required for Council's wastewater and sewage disposal system. This charge is assessed to all rating units to which Council's wastewater and sewage disposal service is connected.

The wastewater charge for residential, multi-residential, rural and smallholding properties is $502.29 per separately used or inhabited part of a rating unit including GST for the 2021/22 rating year compared to the previous year's rate of $477.33. The same definition of the differential categories for the general rate is used for the wastewater charge.

The wastewater charge for commercial properties is set at $125.57 per separately used or inhabited part of a rating unit being 25% of the charge for the residential, multi- residential, rural and smallholding properties. Commercial properties are also assessed wastewater charges based on Council's Trade Waste Bylaw. These charges are set out in the Commercial Wastewater Charge – Trade Waste Charges section of this Long Term Plan 2021-31.

Water rates

Nelson's water rates are targeted rates for water supply set under sections 16 and 19 of the Local Government (Rating) Act 2002 which together recover the funding required by Council to supply water.

Water annual charge

A fixed annual charge set per connection under Section 16 of the Local Government (Rating) Act 2002 on all rating units where a water meter is installed on the property.

The annual rate for 2021/22 is $203.29 per connection including GST compared with $200.60 in the previous year.

Water volumetric rate

A charge for the quantity of water provided set under Section 19 of the Local Government (Rating) Act 2002 according to the following scale. These charges are invoiced separately from the other rates.

The cost per cubic meter is set out in the table below:

Amount/type	Cost ($ per m3) 2020/21	Cost ($ per m3) 2021/22
Usage up to 10,000m^3 per year	2.092	2.038
Usage from 10,001 to 100,000m^3 per year	2.006	1.708
Usage over 100,000m^3 per year	1.584	1.348
Summer irrigation usage over 10,000m^3 per year	2.049	1.873

The water rates represent an average increase of 1.1% for the 2021/22 year for a residential water user based on 160m^3 per annum.

Lump sum contributions will not be invited in respect of any targeted rate.

Payments, penalties and discounts

Payment methods for rates
Payment for rates can be made by Cash, EFTPOS, Direct Debit, Direct Credit and Credit Card.

Penalty on unpaid rates (excluding water volumetric rates)
In accordance with Sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 5% is added to each instalment or part thereof that is unpaid after the last date for payment. Previous year's rates that remain unpaid will have a further 5% penalty added.

Penalty dates
The penalty dates will be confirmed in Council's annual Rates Resolution.



Funding Impact Statement

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24
	($000)	($000)	($000)	($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	49,872	53,281	55,523	58,351
Targeted rates including water by meter	27,451	29,228	32,016	34,114
Subsidies and grants for operating purposes	4,999	7,652	7,186	8,308
Fees and charges	10,319	15,989	17,939	16,600
Interest and dividends from investments	2,758	2,451	2,925	4,086
Local authorities fuel tax, fines, infringement fees, and other receipts	12,670	16,873	17,698	18,944
Total Operating Funding	**108,069**	**125,475**	**133,287**	**140,403**
Applications of operating funding				
Payments to staff and suppliers	92,481	105,391	107,473	110,302
Finance costs	3,011	3,259	4,166	4,860
Other operating funding applications	0	0	0	0
Total applications of operating funding	**95,492**	**108,651**	**111,640**	**115,162**
Surplus (Deficit) of operating funding	**12,576**	**16,824**	**21,648**	**25,241**
Sources of capital funding				
Subsidies and grants for capital	10,150	12,047	8,009	5,356
Development and financial contributions	3,537	3,628	3,733	3,828
Increase (decrease) in debt	28,266	40,179	35,706	34,356
Gross proceeds from sale of assets	9,209	0	1,526	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**51,162**	**55,854**	**48,974**	**43,540**

Funding Impact Statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	61,448	65,378	69,254	73,508	77,729	82,775	87,430
	36,204	37,849	39,764	41,733	44,206	46,242	48,952
	8,397	8,252	8,292	8,445	8,623	9,773	9,967
	15,435	20,477	16,330	17,080	17,895	19,501	21,131
	4,218	4,566	4,929	5,246	5,369	5,491	5,618
	19,536	20,327	20,647	21,209	22,026	21,999	22,699
	145,238	**156,850**	**159,216**	**167,220**	**175,847**	**185,781**	**195,798**
	110,822	117,874	116,991	119,380	122,857	128,256	136,335
	5,852	6,901	7,783	8,472	9,113	9,433	9,731
	0	0	0	0	0	0	0
	116,674	**124,775**	**124,774**	**127,852**	**131,970**	**137,689**	**146,066**
	28,564	**32,075**	**34,443**	**39,369**	**43,878**	**48,092**	**49,732**
	8,433	8,178	10,681	8,882	7,443	6,324	8,750
	3,922	4,020	4,121	4,227	4,343	4,459	4,575
	34,229	14,511	18,396	15,377	9,006	4,982	4,899
	1,577	0	1,638	0	1,713	0	1,793
	0	0	0	0	0	0	0
	48,160	**26,709**	**34,837**	**28,487**	**22,505**	**15,765**	**20,016**

Funding Impact Statement — *continued*

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24	
	($000)	($000)	($000)	($000)	
Applications of capital funding					
Capital Expenditure					
- to meet additional demand	8,892	4,501	6,130	4,882	
- to improve level of service	39,266	45,752	44,019	39,817	
- to replace existing assets	15,294	22,654	20,953	21,244	
Increase (decrease) in reserves	0	0	0	0	
Increase (decrease) in investments	286	(228)	(480)	2,838	
Total applications of capital funding	**63,738**	**72,679**	**70,622**	**68,781**	
Surplus (Deficit) of capital funding	**(12,576)**	**(16,824)**	**(21,648)**	**(25,241)**	
Funding balance	**0**	**0**	**0**	**0**	

Funding Impact Statement — *continued*

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	14,271	8,073	12,155	13,658	16,285	13,714	17,036
	43,207	28,178	32,930	26,302	24,067	26,540	30,345
	19,431	22,718	24,304	27,978	26,114	23,686	22,450
	0	0	0	0	0	0	0
	(185)	(185)	(109)	(84)	(84)	(84)	(84)
	76,724	**58,783**	**69,280**	**67,855**	**66,383**	**63,856**	**69,748**
	(28,564)	**(32,075)**	**(34,443)**	**(39,369)**	**(43,878)**	**(48,092)**	**(49,732)**
	0	**0**	**0**	**0**	**0**	**0**	**0**

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

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24	
	($000)	($000)	($000)	($000)	
Surplus/(Deficit) of operating funding from Funding Impact Statement	**12,576**	**16,824**	**21,648**	**25,241**	
Subsidies and grants for capital expenditure	10,150	12,047	8,009	5,356	
Development and financial contributions	3,537	3,628	3,733	3,828	
Vested Assets	7,311	5,071	5,223	5,359	
Gains on sale	0	0	0	0	
Depreciation	(27,364)	(31,250)	(32,918)	(34,409)	
Other non-cash income	732	0	1,128	1,106	
Other non-cash expenditure	0	(3,922)	88	90	
Net Surplus (Deficit) before taxation in Statement of Comprehensive Revenue and Expense	**6,942**	**2,398**	**6,911**	**6,571**	

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

	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
	28,564	**32,075**	**34,443**	**39,369**	**43,878**	**48,092**	**49,732**
	8,433	8,178	10,681	8,882	7,443	6,324	8,750
	3,922	4,020	4,121	4,227	4,343	4,459	4,575
	5,498	5,647	5,794	5,956	6,123	6,300	6,470
	0	0	0	0	0	0	0
	(36,044)	(37,885)	(39,519)	(41,109)	(42,757)	(44,472)	(46,356)
	1,086	0	0	0	0	0	0
	91	93	95	96	98	100	101
	11,551	**12,127**	**15,614**	**17,421**	**19,128**	**20,802**	**23,272**

Commercial wastewater charge – trade waste charges

Wastewater charges for commercial properties are set according to Council's Trade Waste Bylaw. The methodology for calculating the charges to commercial producers is complicated, but in summary Council examines the flow rates and effluent strength during the previous three years to calculate charges for the following year.

Two methods are used for commercial properties:

- Method A is applied to the largest trade waste contributor and the charge is calculated on both discharge rates and effluent strength. Charges are highest for the most concentrated and larger volumes
- Method B applies to all other trade waste contributors, of which there are approximately 1300 in Nelson city. The charge is calculated based on the estimated volume of effluent discharged. The estimate assumes the amount of wastewater is 80% of the volume of incoming water
- Total trade waste revenue for 2021/22 is estimated to be $2,194,000

For 2021/22, the GST inclusive trade waste charges are:

- Trade waste A conveying charge $733.00 per litre per minute
- Trade waste A treatment charge $1,212.33 per kg BOD* per day
- Trade waste B combined charge $2.22 per m^3
- Wastewater charge $125.57 per year.

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

For the previous year, 2020/21, the GST inclusive trade waste charges were:

- Trade waste A conveying charge $663.96 per litre per minute
- Trade waste A treatment charge $1,137.18 per kg BOD* per day
- Trade waste B combined charge $2.06 per m^3
- Wastewater charge $119.56 per year.

Method A: quality/quantity approach

The largest commercial contributor is monitored every three months and the waste stream sampled over four days to measure the discharge rate and effluent strength as BOD, the biochemical oxygen demand. The trade waste charge is then calculated using the conveyance, which is the amount discharged, and treatment rates from the method of charging schedule. These rates are determined annually. The conveyance rate is calculated by dividing the estimated conveyance costs for the coming financial year by the average of the previous three year's average flows. The treatment rate is calculated by dividing the estimated treatment costs for the coming financial year by the average of the previous three year's BOD loadings.

The 2021/22 charges compared with the previous year's charges are:

Conveying ($/Annum/Litre/Minute), Including GST

Year	Total Cost ($)	Average Flow Rate (litres / minute)	Cost/Litre/ Minute ($)
2020/21	6,678,520	11,567	663.96
2021/22	7,917,615	12,422	733.00

Treatment ($/KG BOD/Day), Including GST

Year	Total Cost ($)	Average BOD loading (kg/day)	Cost/kg/ BOD/ day ($)
2020/21	4,218,864	4,266	1,137.18
2021/22	4,666,150	4,426	1,212.33



Method B: quantity approach

For all other commercial premises, the tradewaste charge is simply based on the volume of effluent assessed as being discharged from the premises.

This effluent volume is calculated by multiplying the volume of water supplied into the premises by a correlation factor. The correlation factor is usually set at 0.8 unless another figure is agreed. It is assumed that 80% of the water that is distributed to a commercial property is subsequently discharged as wastewater. The trade waste charge is then calculated using a combined conveyance and treatment rate. This rate is determined annually by dividing the estimated cost of operating the sewerage system for the coming financial year by the average of the previous three year's total effluent volume. Initially, all trade waste ratepayers pay the wastewater rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

The 2021/22 charges compared with the previous year's charges are:

Conveying and Treatment, Including GST

Year	Total Cost ($)	Total effluent volume (m3)	Cost/m3 ($)
2020/21	10,897,385	6,079,864	2.06
2021/22	12,583,766	6,528,991	2.22

Revenue and Financing Policy

This Revenue and Financing Policy contains Council's preferred options, having considered all reasonably practicable options in accordance with Section 82 of the Local Government Act 2002.

1.Purpose

The Revenue and Financing Policy explains 'who pays and why' for each of the Council's activities, such as transport and water supply. The policy is based on an assessment of who benefits, and the timeframe over which the benefit occurs. The tables on pages 272-293 provide a summary of the Council's assessment for each activity.

Council's goal is to set affordable and predictable rates over the long term. To do this Council has to strike a balance between providing levels of service that meet customer and legislative requirements, and the public's ability to pay for these services.

Council has a number of funding options. The main ones are: general rates, targeted rates, fees and charges, borrowing, development contributions and subsidies. Council's approach to these funding options is summarised on pages 266-267.

An aspect of this policy is Council's approach to operating and capital expenses. Operating expenditure pays for the work Council does on an annual basis. An example of this type of spending is maintenance and running costs for existing infrastructure. Capital expenditure pays for new items, such as new buildings, pipes and roads.

2.Legislative Requirements

Under section 102(2)(a) of the Local Government Act 2002 (LGA), Council must adopt a Revenue and Financing Policy. Section 103 sets out what the policy must contain for funding operating expenditure and capital expenditure. It must do this in relation to the sources of funding:

(a) general rates, including—

(i) choice of valuation system

(ii) differential rating

(iii) uniform annual general charges.

(b)targeted rates

(ba) lump sum contributions

(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

(j) any other source.

Section 101(3) says that:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

(a) in relation to each activity to be funded,

(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 community.

3. Related Policies

A number of Council policies have relationships with the Revenue and Financing Policy:

- Financial Strategy - this Strategy facilitates prudent financial management by Council by providing a guide for it to consider proposals for funding and expenditure against, and it makes transparent the overall effects of those proposals on the Council's services, rates, debt, and investments
- Liability Management Policy – this Policy outlines Council's policies in respect of the management of both borrowing and other liabilities
- Investment Policy – this Policy outlines Council's policies in respect of investments
- Development and Financial Contributions Policy – the Local Government Act 2002 and the Resource Management Act 1991 each permit Council to require developers to provide or make financial contributions for the provision of community infrastructure. This is a potential source of funding for Council
- Rates Remission and Postponement Policies – these policies detail those circumstances under which Council will give consideration to the remission or postponement of rates on properties.

4. Operating Expenditure Funding

Council funds operating expenditure from the following sources:

General - General rates are used where there is deemed to be a general community benefit across all ratepayers

- Targeted rates - Council levies targeted rates to fund specific activities where there are groups of ratepayers that benefit from the activity, however in some cases targeted rates are levied as a proxy for direct user pays
- Fees and charges - Fees and charges are set to recover the direct user pays for the benefit received. In some cases Council is limited by legislation, collection costs or the impact on the community and fees and charges are set at a lower level than the assessment of private benefits would indicate
- Grants and subsidies - Where the Council is providing services that are part of national programmes or the Government provides subsidies to the Council to provide certain services then Council will claim for these Government grants/subsidies
- Other income - Other sources of funding include interest and dividends received, and other operating revenue such as rent received.

Operating expenditure is generally funded on an annual basis from money received in that year, apart from depreciation on the Waka Kotahi share of subsidised transport projects and some other minor community assets.

However, exceptions can be made to this approach when it is necessary to avoid significant fluctuations in rates on a year to year basis or when an operating expenditure item has multiple year benefits. An example of this approach is loan funding the School of Music refurbishment grant. Repaying of these loans are funded from income over the life of the underlying assets.

The Council has divided its business into 11 activities. Some of these activities have a number of sub-activities, each with their own funding policies, as shown on pages 272-293.

5. Depreciation

Managing depreciation ensures we have funds in the future to replace assets when they reach the end of their life. Depreciation is based on an estimate of the average wearing out, consumption, or other loss of value of an asset.

Spreading the replacement cost of a long-life asset over the expected life of that asset means that current and future users of the asset contribute towards the eventual replacement of the asset, rather than just those paying rates at the time the asset needs replacing or major renewal.

Council raises cash through rates and charges to pay for current operating expenses which include depreciation. The cash raised for depreciation is used to purchase replacement assets or repay loans within that activity.

In the Funding Impact Statement depreciation does not appear as an expense line, but is included in the Statement of Comprehensive Income. These

funds raised will, over time, fund the renewals that are required to maintain the assets at their required operational level. Each year's renewals are funded from this depreciation, but in most activities there is currently excess depreciation. This is because a majority of Council assets are in good condition and the required renewals in the period under review are less than the level of depreciation being funded. Renewals are normally low in the first few years of an asset's life, and then increase later in their life, for example when pipes need replacing after 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 the return on investments is likely to be 1% to 2% less than the interest rate on borrowings.

Nelson City Council, like many other councils, uses the depreciation fund to repay debt. This has resulted in more efficient management of funds. Internal loans are used to ensure that depreciation for individual activities is correctly accounted for.

A surplus can arise if an asset costs less to renew than expected. If this happens, any excess is used to fund new capital expenditure within that activity, and if there is still a surplus it is used to repay loans in that activity. In some activities there may still be money left over. In these cases the excess money is held in reserve for future years.

5.1. Depreciation not funded

These are assets where Council does not intend to fund or is not responsible for funding the replacement in the future. It therefore does not fund depreciation for these assets:

- Founders heritage assets
- Wakapuaka Hall
- Natureland Wildlife Trust
- Camp grounds
- Waka Kotahi (NZTA) share of subsidised assets
- Non-Council funded Saxton Field assets.

Full depreciation may not be required on Saxton Field assets that are on Council land because it is likely that when the assets come to be renewed, they will be part funded by non-Council sources.

5.2. Capital expenditure funding

Capital expenditure is spending on assets such as new buildings, pipes and roads. The Council must outline in the Long Term Plan what capital expenditure is prudent, and within the guidelines it has set itself in the Financial Strategy.

Council funds capital expenditure in the following priority order from:

1. Financial contributions and development contributions, if funding is required for a growth project

2. Grants and subsidies, for example NZ Transport Agency, Tasman District Council, or charitable trusts

3. Cash surpluses after meeting the costs of renewals expenditure, which arise from Council's funding of depreciation

4. Loans.

Asset management plans are maintained for all infrastructural services and these provide information about asset condition and asset renewals required to maintain desired service levels.

Renewals are funded from subsidies and grants (when available), depreciation, asset sales and lastly from borrowing if necessary.

New capital developments are funded from subsidies and grants (when available), user contributions, reserves, asset sales, and where necessary from borrowing.

Through the application of its Development and Financial Contributions Policy the Council receives contributions to fund infrastructure that is required due to growth.

Borrowing is an appropriate funding mechanism to smooth the peaks in capital expenditure. It also enables the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community over the period during which benefits from that expenditure accrue. It is not prudent or sustainable for all capital expenditure to be funded from borrowings and Council must balance prudence against equity. The overriding limits on borrowing are set out in the Financial Strategy.

6. 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.

6.1. General Rates

General rates are used where there is community wide public benefit or no other appropriate funding source. The general rate is used to fund all Council activities other than water supply, wastewater, stormwater and flood protection, which are targeted rates and are explained below. All ratepayers should bear the cost of these non-targeted activities based on their land values because they benefit the community as a whole.

Every property is charged a baseline amount, which is called the uniform annual general charge (UAGC) per separately used or inhabited part of a rating unit (SUIP). The rest of the general rate is based on the land value of the property, depending on its use. Single residential properties are the baseline and have no differential.

As shown in the tables on pages 272-293, the 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. In most years fees and charges, excluding water charges and development contributions, raise approximately 50% of total Council revenue, and rates around 50%.

6.2. Differentials

Differentials are a percentage adjustment to the rates to reflect differences in levels of services received. For example, rural property owners pay lower general rates, reflecting the lower level of services, such as fewer or no street lights.

The Council has set differentials to collect higher rates from commercial properties, and where there are two or more residential units on one assessment. Lower differentials are used to collect lower rates on rural properties and small holdings.

Council has adopted a policy that commercial rates are set to collect 23.1% of the total rates, excluding water and voluntary targeted rates. This has decreased from 23.6% in the Annual Plan 2020/21 and the reduction affects the inner city and Stoke commercial properties.

6.3. Targeted rates

The Council charges targeted rates in the form of uniform annual charges and demand related charges. These are for the recovery of the cost of providing water, wastewater and stormwater and flood protection.

6.4. Voluntary targeted rates

- Clean Heat Warm Homes - Council operates the Clean Heat Warm Homes scheme to assist ratepayers in replacing non-complying solid fuel burners in parts of the city where air quality can be a problem. The scheme was funded through loans and the cost of the interest paid by Nelson City Council on the borrowing for the scheme is met from general rates. Council ceased to accept new entries to the scheme beyond 30 June 2012.
- Solar hot water systems - Council operates the Solar Hot Water systems scheme to assist ratepayers to install a solar hot water system (SHWs). The scheme was funded through loans and the cost of the interest and administration costs of $400 per installation is included in the total paid by the ratepayers using the scheme. Council ceased to accept new entries to the scheme beyond 30 June 2012.

Source of Funding	Policy for Funding Operating Expenditure	Policy for Funding Capital Expenditure
General Rates		
General rates are currently set at rates of cents in the dollar of land value, calculated differentially based on the following classifications of property: · Single Unit Residential · Multi-unit Residential · Commercial Inner City and Stoke · Commercial general · Rural · Small Holdings. Its incidence is changed by the uniform annual general charge (UAGC).	General rates will be primarily used to fund those activities, or parts of activities, that benefit the community in general and where no identifiable individuals or groups benefit in a significantly different way to the rest of the community. General rates may also be used where the use of direct charging would discourage use, where it is impractical, or too administratively expensive, to fund the activity from other funding sources. General rates are currently apportioned according to the land value and deemed use of each property. The UAGC is a fixed charge per rating unit which Council treats as a part of the general rate. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high value properties.	Generally not used for capital expenditure directly. General rates can be used to fund depreciation.
Targeted Rates		
Targeted uniform rates are set to cover the net cost of Water, Wastewater, Stormwater and Flood Protection for those groups of ratepayers that receive the services. Targeted rates, reflecting the actual costs from individual properties, are also set for Clean Heat Warm Homes scheme and the Solar Hot Water rate.	Targeted rates may be used to fund activities which identifiable categories of ratepayer, or ratepayers in identifiable locations, receive benefits from the activity to be funded in a significantly different way from other ratepayers. Targeted rates may be set as a fixed annual charge, or based on some other legally permissible basis such as land or capital value. They may be set differentially depending on the location or classification of ratepayer or the nature of the service being provided.	Generally not used for capital expenditure directly. Targeted rates can be used to fund depreciation.
Fees and Charges		
Various fees and charges are set to cover all or parts of the cost of delivering activities.	Fees and charges will generally be used for those services where the benefit is entirely, or in part, to the direct user of the service and where the use of the service is at the discretion of the user. This includes fees for various regulatory services, facilities operations or administrative services. Where Council uses charges to ration the use of an activity, it may charge at a level above that which would be necessary to recover the costs of the activity. Fees and charges may be in the form of fines, penalties or similar and used where Council wishes to modify the behaviours that impose cost, or inconvenience, on other members of the community.	Fees and charges may be used to reduce debt levels in the activity related to the fees and charges. User charges may be used to purchase physical assets used in that activity where prudent to do so.
Interest and Dividends from Investments		
Council receives interest and dividends from its investments, such as Nelmac, Port Nelson and Nelson Airport Ltd, and short-term cash management.	Ordinary budgeted interest and dividends, along with any other investment income, is treated as general revenue.	Interest and dividends may be used to retire debt. Special dividends are used to reduce debt.

Source of Funding	Policy for Funding Operating Expenditure	Policy for Funding Capital Expenditure
Borrowing		
Debt is used to help fund long life infrastructure assets and other physical assets.	The Council will not normally borrow to fund operating costs, except for: · Larger emergency events · Large operating expenses which have multiple year benefits i.e. de- sludging of wastewater treatment ponds · Some capital grants to external organisations which are classified as operating expenditure under Accounting Standards e.g. the School of Music refurbishment grant.	Borrowing is used to fund long life infrastructure assets and other physical assets after available funds from development / financial contributions, grants and depreciation reserves have been utilised.
Proceeds from Asset Sales		
Income received from selling surplus assets after paying for selling costs.	Operating costs are not funded from asset sales.	Proceeds from asset sales are an appropriate source for purchasing assets or retiring debt. Council will aim to ensure that the ratepayers who benefit from the use of funds match the group of ratepayers who paid for the asset.
Development Contributions		
Development contributions are sums payable, or assets transferred, to Council by developers or new service users. They are contributions to pay for Council infrastructure that result from growth.	Operating costs are not funded from Development Contributions.	Development contributions are a first choice for the funding of capital expenditure costs that result from development growth. The expenditure must be consistent with the purpose for which the development contributions were levied. Contributions will be calculated in accordance with Council's Development and Financial Contributions Policy.
Financial Contributions under the Resource Management Act		
Financial contributions are sums payable, or assets transferred to Council, by developers or new service users to enable mitigation, avoidance or remedying of adverse effects arising from subdivision or development	Operating costs are not funded from financial contributions	Financial contributions may be used to fund that proportion of new asset expenditure that is made necessary by the effects of subdivision and development. The contribution may be required as a condition of consent, in accordance with any relevant rule in the District Plan.
Grants and Subsidies		
These are payments from external agencies and are usually for an agreed, specified purpose. The main source of these is NZ Transport Agency subsidies for road maintenance, renewals and improvements.	Grants and subsidies will be used for operating expenses only when this is consistent with the purpose for which they were given.	Grants and subsidies will be used for capital expenditure only when this is consistent with the purpose for which they were given.

7. Funding targets

Council's funding targets set the level of revenue that is appropriate for users to contribute for each Council activity, as shown in the right hand column of the tables on pages 272-293. Council has reviewed these targets as required by section 101 of the Local Government Act 2002.

The specified funding source proportions are indicative only. In any given year there may be justification for variation from these proportions. This could be due to changes in market conditions, government policy or in the demand for a Council service. Most of the targets consist of a range rather than a precise number to reflect this uncertainty.

8. Process for determining funding source

The Council has adopted a two-stage process to determine the appropriate funding sources, as required by section 101(3) of the Local Government Act 2002.

Step 1: The first step is to determine the most appropriate source of funding for each activity by considering the following:

- Community outcomes to which the activity primarily contributes
- Distribution of benefits between the community as a whole, any identifiable part of the community and individuals (public versus private benefits)
- The period in, or over which, the benefits are expected to occur. Generally, benefits derived from operating costs are received in the year the expenditure is incurred. In contrast, capital expenditures relate to investments in assets that generate benefits over their useful lives that extend beyond the current year
- The extent of the actions or inaction of individuals or a group contributing to the activity undertaken (exacerbators)
- The costs and benefits, including consequences of transparency and accountability, of funding the activity distinctly from other activities.

Activity Level → Council Level		
Identifying Activities	**Funding Sources for each Activity**	**Funding Required**
What services should be provided?	Consideration of: • Community outcomes • Beneficiary pays • Exacerbator pays • Intergenerational equity • Costs/benefits of seprerate funding of this activity	• Rates • Fees and charges • Debt • Reserves • Grants

Step 2: Once the most appropriate funding method(s) for each activity is identified, the Council needs to consider the overall impact of its funding mix on the community. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability.

9. Selecting the appropriate funding source

The general principles used in the process are:

- Public good theory
  - The distribution of benefits within the community as a whole 'public benefit' = rates
  - An activity should be collectively funded if those who benefit directly cannot be identified and/or if those who benefit directly cannot be excluded from using the service
- User/beneficiary pays principle
  - An activity should be funded on a user pays basis if an individual or group of individuals directly receive benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or group of individuals.
  - An activity should be funded on a user pays basis if other users can be excluded from taking advantage of the service (if use of the service by one person reduces the availability for someone else)
- Merit goods theory
  - The use of private goods and services can also result in benefits to third parties – people who don't directly use them. In these cases Council considers that the service should be provided on the basis of community need rather than willingness to pay, or identifiable benefits received (e.g. regional sporting facilities)
- Intergenerational equity principle
  - The cost of the asset should be spread over the period over which the benefits between those that use it
- Exacerbator/polluter pays principle
  - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity, and
  - Costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

This considers the efficiency or ability to separate and identify costs and then collect revenue, and the impact on demand for services.

Differentiation of private and public goods is not easy because very few goods and services can be treated as purely private or public; most goods and services have characteristics of both private and public goods.

The following policy positions have been set by Council and are used with the principles above:

- Where the benefit accrues to the whole ity, general rates will be used
- Where benefits accrue to certain groups within the City, user charges, differentials or targeted rates will be used if it is efficient to do so
- User pays is also recognised as a tool to achieve Council's goals e.g. charging for refuse collection to encourage waste minimisation
- In some cases, e.g. wastewater, targeted rates are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges
- Rates are at least partly a tax. While effort is made to link payment of rates to benefits received or costs generated it is not possible to do this on an individual ratepayer basis
- Subsidies from central government recognise that some services, e.g. roading, form part of a national infrastructure and only central government can levy user charges
- The Uniform Annual General Charge recognises that most services are available to all properties regardless of value and that all properties should contribute a reasonable amount to the running of the city.



The process for funding the operating costs of these activities is as follows:

- Any operating grants or subsidies for a particular activity are used to reduce the gross cost
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this, provided there are no legislative constraints on doing this
- Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating policies
- Any net income from investments or petrol taxes may then be applied and any residual requirement will be funded through general rates and/or uniform annual general charges (UAGC) – the latter rates and charges will be set on a differential basis in accordance with Council's rating policies. For the purposes of this policy any reference to general rates as a funding source is considered to include UAGCs
- Rating policies including the details of targeted rates, the level of the UAGC, the choice of valuation base for the general rate and the details of the differential system will be outlined in the Funding Impact Statement in the 10 Year Plan or Annual Plan as appropriate.

In this document we use the words "public" or "private" to reflect who benefits from the services Council provides. When the word "public" is used it means the community at large will receive benefits and generally it is more efficient to charge for those through a rate. When the word "private" is used it means that either an individual or an identifiable group of individuals will receive benefits and generally this group can be charged either directly through user charges because it is efficient to do so or by using a targeted rate.

The tables which follow show this analysis for each activity within the groups of activities. A summary is provided on page 294 of the Policy.



Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Transport				
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our infrastructure is efficient, cost effective and meets current and future needs. Our region is supported by an innovative and sustainable economy. Our communities have access to a range of social, educational and recreational faci lities and activities.				
Road and footpath network	All road and footpath users benefit from Council providing these services (motorists, pedestrians, cyclists, transport operators and all those who have goods shifted by road transport). Utility service providers also use the road reserve for their services. While the users of the network receive the majority of benefits from this activity, the network is non-excludable and all properties have access. Other personal and public safety aspects are the provision of streetlights which help to prevent crime and prevent injury, and the road safety education initiatives.	High Road network maintenance provides both short and long term benefits. Assets such as bridges provide benefits to be enjoyed by future generations of ratepayers as well.	Heavy vehicles place a higher cost on maintenance of the roading network. This is recognised through Road User Charges. All individuals who have high usage of the network also pay more through excise fuel taxes. These users pay more towards the funds that Wake Kotahi provides through grants to the Council.	
Inner City Enhancement	Inner city properties receive benefits from extensive carparks for customers. Inner City businesses also benefit from a higher standard of surface, regular cleaning, amenity plantings and street furniture. The majority of benefits from carparking are attributable to the individual user therefore it is seen as a private benefit. There are wider benefits from parking enforcement from ensuring people have access to carparks.	Medium – High Carparks are mostly provided as part of the road reserve.	People who park for longer than allowed reduce the availability of carparks for others. This is managed through fines.	
Public transport and total mobility	A number of individuals and groups benefit from this activity: All users of public transport Members of our community with disabilities Total mobility and Super Gold cardholders Those users without access to motor vehicles School students who don't comply with Ministry of Education passenger transport criteria	Mostly short term	People without disabilities using the mobility carpark spaces generate the need for enforcement. Costs are partly recovered through fines.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	Roading and Footpaths is a mandatory Activity as defined in the LGA 2002. Costs have to be identified and reported separately in order to meet the requirements of the Waka Kotahi.	General rates Fees and charges Grants and subsidies Borrowings Development contributions Financial contributions	All residents and businesses benefit from Council funding a road network. People from outside the City also benefit. The roading network is a vital service that underpins the movement of people, goods and services. People who do not drive still derive an indirect benefit, for example, roads are used for street parades and fairs, festivals and other activities. Council collects the local share of costs through general rates. The Council has no practicable method of charging for usage. It is impractical (and illegal) to charge for road use by any direct mechanism such as tolls. The Waka Kotahi grant, funded by fuel taxes and road user charges, is a proxy for user charges. The residual cost should be borne by whole City through the general rate with a differential applied to business to reflect the additional costs heavy vehicles place on the roading network.	Private 10-30% Public 70–90%
	Carparks, street furniture and footpaths deliver particular benefits to the commercial sector. Footpaths do not receive Waka Kotahi funding and so have different funding sources. It is not feasible or legal to identify and charge all individual users of Council City Centre services.	Fees and Charges General Rates Borrowings	Council provides these services to support a vibrant and successful commercial centre. The higher levels of service for commercial properties are recognised by a higher commercial general rate differential. The balance of funding comes from carparking fees, which are set at levels which are appropriate to manage demand, rentals and fines. Any court costs are paid by the person who received the fines.	Private 40-60% Public 40-60%
	Separate funding from Waka Kotahi and Ministry of Transport requires identification of costs within the Transport Activity.	General Rates Grants and subsidies Fees and charges Borrowings	The Council delivers total mobility and public transport services as part of a national service. Council receives a Waka Kotahi subsidy, as well as funding from the Ministry of Transport for Super Gold Card users. The balance of funding comes from general rates and a grant from Tasman District Council for its share of the Total Mobility service and a share of public transport costs.	Private 60-80% Public 20-40%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Water Supply				
Community Outcomes - Our unigue natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our communities are healthy, safe, inclusive and resilient. Our infrastructure is efficient, cost effective and meets current and future needs. Our region is supported by an innovative and sustainable economy.				
Water Supply Source - Maitai and Roding rivers Treatment Reticulation network	The benefits from expenditure on water supply services are mainly private. However, there are some public health advantages from the community having a supply of safe drinking water and the assured availability of water for firefighting purposes. Water is also required by business and manufacturing for the production and processing of food and goods.	High The water supply network has components that last for 80 years or more therefore the benefits are spread over multiple generations.	Excessive use of water by some could reduce the amount available for others. Water is metered so it is used efficiently and supply costs are shared fairly. Those who use more are charged more. There are administrative costs in a user-pays approach from the transaction cost of collecting water charges, but this cost is small in relation to the benefits of applying this system.	
Group - Wastewater				
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our communities are healthy, safe, inclusive and resilient. Our infrastructure is efficient, cost effective and meets current and future needs. Our region is supported by an innovative and sustainable economy.				
Wastewater	The benefits from wastewater are largely equally spread across all households within the wastewater network area. Other commercial and industrial users benefit over and above this based on their volume and composition of wastewater. Their usage results in commercial benefits not associated with basic human health. There are recreational and environmental benefits associated with both inland and marine waters and protecting land from effects of wastewater seepage.	High. The timeframes of benefit are both short (e.g. each time the system is used) and ongoing with intergenerational benefits as an asset and in its protection of health and the environment. The network has components that last for 80 years or more therefore the benefits are spread over multiple generations.	Commercial volumes of waste can result in higher costs to run the network, as do industrial waste discharges to the network. Trade waste charges based on volume, biological loadings and chemical composition are set to reflect the costs of reticulation and treatment of commercial / industrial waste. Non-complying discharges require monitoring and enforcement. Stormwater infiltration through incorrectly installed downpipes requires monitoring and action by and on behalf of Council.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	This is a mandatory Activity as defined in the LGA 2002. Funding this activity on a user-pays basis provides an incentive for water conservation, which is a significant benefit.	Fees and charges (meters) as a targeted rate Development contributions Financial Contributions Borrowings	While there is wide public benefit in the provision of clean water, this needs to be practically managed and funded. The benefit of clean water is directly to individuals and businesses. Benefits vary dependent on the volume of water used. Demand management is important to manage the available water resource during dry periods, and to minimise the water network costs. For this reason, the cost is recovered through an annual fixed charge and a metered charge for each property that is connected or can be connected to the water supply based on usage. All consumers of water are metered and charged for the actual amount used. In areas of new subdivision development, levies (development contributions) are also used.	Public 0% Private 100%
	This is a mandatory Activity as defined in the LGA 2002.	Fees and charges (trade waste) Targeted rates Development contributions Financial Contributions Borrowings	While there is wide public benefit in the management of wastewater, this needs to be practically managed and funded. The cost is generally recovered through a targeted rate for each property that is connected or can be connected to the waste water network. Trade waste charges make up 20-30% of operational costs to reflect the additional loading these discharges have on the network. Costs of running the joint venture (NRSBU) trunk mains, pumping stations and treatment plant are shared between Nelson City Council and Tasman District Council in proportion to their respective use of the infrastructure. The apportionment of capital and the allocation of sewage drainage capacity are	Public 70-80% Private 20-30%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Stormwater				
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our region is supported by an innovative and sustainable economy.				
Stormwater Pipes, channels, natural waterways, pumps,	All properties within the serviced areas benefit from management of stormwater. Stormwater management protects private property from flooding and erosion. There is also a public benefit with regard to health, safety and reducing inconvenience by maintaining access to properties during periods of high rainfall and flooding.	High. Stormwater includes assets that have very long lives servicing multiple generations.	Property developments that fail to provide appropriate stormwater collection and discharge to the stormwater network (if in the area serviced) could result in adverse impacts on neighbouring or downstream properties. These issues are managed through the Environment Group activities of Council.	
Group - Flood Protection				
Community Outcomes - Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our infrastructure is efficient, cost effective and meets current and future needs. Our region is supported by an innovative and sustainable economy. Our communities are healthy, safe, inclusive and resilient.				
Flood Protection	This activity provides protection from floods and keeps urban areas (roads, land, amenities, shops etc) free from floodwaters. This contributes to public health and safety, maintains quality of life and enhances amenity and property values. All landowners protected from flood waters receive a private benefit. However these benefits vary considerably and are very hard to quantify at the individual property level.	High. Flood protection works are long life assets.	None	
Group – Solid Waste				
Community Outcomes - Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our region is supported by an innovative and sustainable economy. Our communities are healthy, safe, inclusive and resilient.				
Solid Waste Refuse Disposal and Recycling collection	The benefits from refuse and recycling collection are for every household within collection areas by giving access to an affordable collection system. Further public benefit arises from transfer station operations as this promotes public health and sanitation and controls pollution. Additional individual benefits are received by those who dispose of more waste. Solid waste management contributes to a tidy, clean, healthy and safe environment. A well-managed landfill results in less pollution, reduces waste and prolongs the life of the landfill. All residents and businesses benefit from access to a local well managed landfill that reduces disposal costs. The landfill is managed to reduce gas emissions and increase revenue with a methane gas collection facility. All residents benefit from access to recycling services that reduce waste and prolong the life of the landfill. Council has also assessed that the whole community benefits from waste minimisation as stated in the Joint Waste Minimisation Management Plan.	Benefits are long term as this activity reduces the impact of solid waste on the environment. Refuse collection services benefits are more short term in nature. The current landfill is expected to last to around 2031.	Exacerbators include: 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. 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. Those who recycle more create additional costs. However this actually supports the outcomes sought by government and the Council.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	This is a mandatory Activity as defined in the LGA 2002	Targeted rates Development contributions Financial Contributions Borrowings	Stormwater management is largely a public benefit but applies only to those properties in the serviced areas. Therefore a targeted rate is the most appropriate funding source. The main objectives are the protection of public health and to protect private property. A fixed charge to recover 50% of the rate and 50% based on capital value is considered fair.	Public 100% Private 0%
	This is a mandatory Activity as defined in the LGA 2002	Targeted rates Financial Contributions Borrowings	The benefits of funding Council's flood protection activity apply to all those who live in the areas where Council provides flood protection works. The benefit is split between public benefit to provide protection of public health and to protect private property. Therefore a targeted rate is the most appropriate funding source.	Public 100% Private 0%
	This activity is funded on a user pays basis that requires separate identification.	Fees and charges Grants Methane gas sales from landfill Borrowings Reserves	The cost of operating the York Valley Landfill (jointly owned with TDC), Pascoe Street Transfer Station, recycling and associated infrastructure is funded from user charges collected at the landfill and transfer station. Methane gas from the landfill is sold. User charges are set at levels that cover the costs of the solid waste activity and also encourage reductions in the volumes of solid waste. The solid waste activity is managed as a closed account with any surplus transferred to a financial reserve and any deficit funded from the financial reserve or from debt.	Public 0% Private 100%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Environment				
Community Outcomes - Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our region is supported by an innovative and sustainable economy. Our communities are healthy, safe, inclusive and resilient.				
Animal / dog control	The benefits from animal control are mainly private through providing administration and licensing services for dog owners. Dog owners benefit as work volume is directly proportional to number of dog owners. There is also a degree of public benefit in increased public safety. There are also benefits for the SPCA and dog owner associations (animal welfare, education of dogs' needs). Neighbouring landowners stock is protected from the effects of wandering dogs. Some costs are the result of animals wandering from their home locations that are not directly caused by their owners. A dog education service is provided to schools and community groups. In these cases the costs are carried by the general public.	Benefits are short term, often requiring rapid responses to wandering dogs and stock.	Dog owners who do not control their dogs or do not register them create enforcement costs and endanger public health. These costs are partly recovered through fines, but some of these costs cannot be recovered.	
Building consents	The community benefits from safety and health protection on buildings over time. Individuals benefit from certainty of the quality of building (minimum standards), and occupiers gain the protection of consistent standards. People seeking advice about building and related requirements receive a private benefit. The benefits from building consents can be directly related to the individuals or organisations that apply for the building consent. Full cost recovery is not always possible because some fees are set by law or regulation and the fee needs to be weighed against the cost of fee avoidance.	Short to long term.	Those who fail to obtain building consents, and those who do not build in accordance with a consent. Additional inspection costs from poor project design and / or management are passed on to the building owner.	
Environmental Policy	The activity provides the District Plan and the strategies and policies that guide and regulate development in the City, based on the principles of the Resource Management Act. The benefits are attributable to the whole community and are therefore mainly a public benefit.	Medium to long term. Each District Plan has to be reviewed every 10 years. Development decisions made can result in very long term benefits to individuals and businesses.	Those seeking changes to the District Plan can initiate private plan changes. These costs can be charged to the initiator. Individuals and / or businesses who create the need for additional rules in the District Plan cannot be charged - the costs become a public good cost.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	Council is legally required to operate a dogs database and a register of dangerous dogs. The dog license fee also acts as a demand management tool to promote good dog ownership.	General rates Fees and charges Reserves Borrowing	The large majority of benefits are private and this is reflected in almost all costs being funded through the dog license fee, with some funding from fines and impounding fees. A small amount is funded through the general rate to reflect those costs that are a public good. These are usually associated with rural stock control.	Private 90-100% Public 0-10%
	User charges recover the majority of costs for this activity. The activity is delivered in accordance with the Building Act 2004.	General rates Fees and charges Borrowings	The majority of costs benefit private users, so user charges reflect this. Some costs associated with accreditation and general advice to residents is more of a public good and is charged through the general rate. Council has to balance the affordability of consent costs and public advice to residents against the impact on the general rate.	Private 60-80% Public 20-40%
	It is not possible to identify individuals or businesses that create the need for policy planning. Costs cannot be allocated to individuals and businesses using these services in any one year as the benefits and costs apply across the community differently each year. Charges are made in accordance with the provisions of the RMA 1991.	General rates Fees and charges	The benefits apply to the community in general and as such general rates are used to fund most of these costs. User charges are set for private plan changes, and for service requests that generate significant administration time.	Private 0-20% Public 80-100%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Environment				
Community Outcomes - Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our region is supported by an innovative and sustainable economy. Our communities are healthy, safe, inclusive and resilient.				
Resource Consents	The focus of this activity is to allocate the use of natural resources to consent holders and to protect the quality of Nelson's natural and physical environment, now and into the future. The resource consent holders benefit by obtaining approval for the use of resources. Benefits for the wider community are prevention of inappropriate development, informing people on resource consent processes, the monitoring of permitted activities and the avoidance of adverse environmental effects. In cases where there is non-compliance with the District Plan the exacerbator pays.	Short to long term. Some resources can only be used once and decisions can have a long term impact. Benefits are usually medium term.	Resource consent applicants who do not properly research proposed changes create additional costs. Submitters to plans whose submissions are on vexatious grounds. Consent holders who do not meet the consent conditions create the need for monitoring and enforcement.	
Food and Public Health	Residents are assured minimum health standards apply in a range of businesses controlled by regulations. There is a private benefit arising from individual licences that certify individuals or owners of premises. These businesses create the need for the inspection and enforcement activity.	Short term. There are some longer term public benefits from a healthy resident population, and the attractiveness of the City to visitors.	Businesses that do not meet the legal minimum standards create the need for enforcement actions.	
Pollution Response	Public benefits arise from the response to any pollution events to minimise harm to the environment, ensuring safety of users of the coastal marine area, as well as the enforcement of statutory requirements.	Short term. There are some longer term public benefits from ensuring the safe and healthy environment for visitors and residents of the City.	Polluters and those not complying with regulations create the need for enforcement actions.	
Enforcing Bylaws Navigation Safety	Public benefit to provide a quality urban amenity and safety on our waters. Those breaching bylaws can be fined.	Short term. There are some longer term public benefits from ensuring the safe and healthy environment for visitors and residents of the City.	Individuals breaching bylaws can be fined.	
Alcohol Licensing	There is a significant private benefit arising from individual licences that certify individuals or owners of premises. These businesses create the need for the inspection and enforcement activity.	Short term. There are some longer term public benefits from ensuring the safe and healthy environment for visitors and residents of the City.	Businesses that do not meet the legal minimum standards create the need for enforcement actions.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	User charges recover the majority of costs for this activity, as benefits are clearly defined.	General rates Fees and charges	Direct benefits are charged through user charges to the people applying for resource consents. Some of these consents include regular monitoring which are also charged. Council has to balance the affordability of consent costs and the provision of information to the public against the impact on the general rate.	Private 40-60% Public 40-60%
	Council's policy is to charge these activities on a user pays basis where possible. These activities have a common focus on licensing and inspections.	Fees and charges General rates	Council sets fees for the registrations, licences and inspections within the limits set by legislation and bylaws. In some cases these fees are at levels that do not cover the costs of the service. The public good benefits of health and safety result in the general rate being the choice for the remainder of the costs.	Food Premises Private 40-60% Public 40-60%
	Council's policy is to charge the polluter where this is known.	General rates Subsidies Enforcement Income	There is recovery of the cost where the polluter has been identified. The public good benefits of providing a healthy and safe environment result in the general rate being the choice for the majority of the costs.	Pollution Response Private 40-60% Public 40-60%
	Council's policy is to charge the offender where this is known.	General rates Grants Enforcement Income	There is recovery of the cost where the offender has been identified. The public good benefits of providing a healthy and safe environment result in the general rate being the choice for the majority of the costs.	Private 10-20% Public 90-100%
	Fees and charges are set by central government on a user pays basis and are administered by Council.	Fees and charges General rates	Central government sets fees for the licences, certificates and inspections. In some cases these fees are at levels that do not cover the costs of the service administered by Council. The public good benefits of health and safety result in the general rate being the choice for the remainder of the costs.	Alcohol licensing Private 80-100% Public 0-20%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Environment				
Environmental Pest management Non-regulatory activities	There is a public benefit from having public land free from pest infestations. Rural landowners (pastoral farmers and foresters) gain increased productivity, economies of scale and efficiency from a joint effort. Such initiatives also reduce encroachment and re-infestation from neighbouring land. While there are private benefits pests and weeds are not constrained by property boundaries.	Short to medium term.	Landowners who do not undertake adequate pest control. Those who pollute the environment.	
Group - Social				
Community Outcomes - Our urban and rural environments are people-friendly, well planned and sustainably managed. Our region is supported by an innovative and sustainable economy. Our communities have access to a range of social, educational and recreational facilities and activities. Our communities have opportunities to celebrate and explore their heritage, identity and creativity.				
Libraries	Users of the library gain a private benefit in that, with membership, they are able to access reading material. Other private benefits come from access to computers and the internet, audio-visual items and holiday programmes. There is a wider community benefit in the provision of reading material, the availability of reference material and protection of heritage documents. Increasing the reading abilities of children and adults increases the overall knowledge and skills of the entire community, including the availability of skilled employees for local businesses. However, the majority of benefits are seen as private.	Facilities provide both short and long term benefits. Facilities such as library buildings accrue benefits to be enjoyed by future ratepayers as well. The benefits to residents from knowledge are long term.	Books and other items not returned mean others are disadvantaged. Fines are the tool used to reduce this behaviour.	
Art and Culture, Museums, Theatres and Art Galleries Suter Art Gallery	Providing arts and heritage activities fosters community pride and identity. The entire community benefits from the educational opportunities & cultural awareness that the provision of activities and facilities brings. The whole community (including particular sector groups e.g. schools) benefit from the Museum through the provision of cultural services, information and education, exhibition and management of the museum collection. The business community benefits from spending by visitors attending facilities & events. Individual benefits accrue to those who use facilities and attend activities. Grants and heritage activities provided to groups exclude other groups from receiving funding. This is modified to some degree as Council applies criteria to grant funds that moves the benefits towards the whole community. Overall there is a fairly even split of public and private benefits.	Short to long term. Facilities tend to be civic buildings that last multiple generations. Art works and museum items usually last a very long time. Grant benefits are short term although they do build community capability for the longer term.	The need is created by the whole community. Sector artistic groups and private users also create a demand for facilities. The community creates the need by requiring a facility to store and display museum collections as well as have access to cultural services, information and education. Groups of individuals with specific interests in heritage and arts.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	The cost of administering a separate rate outweighs the benefits.	General rates Fees and charges	Pest management requires concerted joint actions across property boundaries – otherwise re-infestation occurs. It is not feasible to allow individual property owners within an affected area to opt in or out.	Private 0-20% Public 80-100%
	This is a significant cost activity for Council. Charging for usage is only feasible through item charges as usage varies substantially between individuals and properties.	General rates Fees and charges Grants and subsidies Borrowing	The rationale is to encourage life- long learning, therefore membership fees and item rental costs could create a barrier to that goal. Charging for general book issues at a level that would generate substantial income would result in significant declines in usage and issues. Internet and digital books may change funding options in the future but for the medium term general rates and a small proportion of user charges are the preferred options.	Private 0-10% Public 90–100%
	This is a significant cost activity for Council. Charging for usage is only feasible through entrance charges. Most art and heritage activities funded involve partnerships with community groups and volunteers. Charging for these activities would significantly reduce community involvement.	General rates Fees and charges Grants and subsidies Borrowing	The need and spread of benefits for Museums, Theatres and Art Galleries is largely a political decision. The significant public good aspect of these activities supports the funding through the general rate. Some of these costs are attributed to the business sector to recognise the number of residents and visitors who are attracted to the City centre. The private benefit component is funded through sponsorship (as a proxy for community support) and user charges for special exhibitions. Entrance charges for the general facilities would significantly reduce usage and past investments in this activity would be poorly utilised. These facilities also provide activities for visitors. Because of these issues Council has decided to reduce the proportion to be funded by individuals. Grant funding and heritage activities benefit the whole community. Private and group benefits funded through external grants and sponsorships that are often required by Council.	Overall Private 10-20% Public 90 –100% Founders Park Private 40-60% Public 40-60%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Social				
Community Outcomes - Our urban and rural environments are people-friendly, well planned and sustainably managed. Our region is supported by an innovative and sustainable economy. Our communities have access to a range of social, educational and recreational facilities and activities. Our communities have opportunities to celebrate and explore their heritage, identity and creativity.				
Cemeteries and Crematorium	These services provide appropriate and safe cemetery and crematorium services. The cemeteries also provide public open space, often with heritage value. Individual users / groups benefit, particularly families of the deceased. The entire community benefits adequate provision for interring the deceased in an appropriate manner and that cemeteries are maintained as a place of remembrance.	Long term	None	
Motor Camps	Visitors to the City benefit from affordable camping facilities and other accommodation options. The Motor Camps also offer semi- permanent low-cost residential options. Businesses benefit from the attraction of visitors who can stay overnight due to the availability of a range of accommodation for residents and visitors. The whole community benefits from providing serviced camping spaces and not having visitors camping illegally and generating litter and pollution issues.	Short to long term.	None	
Social Development	Council has a role in supporting community groups which promote community development. The community benefits from the existence of a strong co-ordinated voluntary sector, and improved social services that better match the needs of the community. Community groups gain funding to proceed with their projects, and beneficiaries of those projects receive a range of benefits. Some individual benefits are excludable but many of the programmes aim to support groups or the community as a whole. Migrants and intending migrants to the region gain support. Members of the Youth Council gain civic engagement experience and it provides an opportunity for the youth voice to be heard.	Generally short term.	Vulnerable and disadvantaged members of the community.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	New users of the services are charged on a user pays basis. Historical burials and cremations created ongoing costs that cannot be charged for in retrospect.	General rates Fees and charges Borrowing	Council is faced with maintaining these facilities in perpetuity to a high standard. New users pay for the burial / cremation costs plus the ongoing costs of maintaining the plot. This is the private benefit funding proportion. The costs of maintaining historical burial areas, and some of the costs of public spaces, are a public good and are therefore funded through general rates. Crematorium fees have to meet market competition.	Cemeteries Private 40-60% Public 40–60% Crematorium Private 70-90% Public 10-30%
	This activity is operated as a business and funding is separate from core Council operations.	General rates Fees and charges Borrowing	Motor Camps are provided to allow campers and other visitors to stay in the City. While the whole community, and businesses in particular, benefit from this, the users of the motor camps gain the most benefit. These facilities use reserve land but are operated as a business. Funding is largely from user charges and the balance is from general rates. Any surplus funds can be used to reduce the general rate requirements.	Private 90-100% Public 0-10%
	It is not possible to charge the costs to individuals who benefit, as they often have limited incomes. Community groups use volunteers and are not personally receiving the benefits of the funding.	General rates Grants and subsidies Borrowing	The purpose of the funding is to address social issues and to help those residents who are the most disadvantaged. In many cases the net cost to the community from these grants is positive. As the entire community benefits from improved social outcomes the general rate is used to fund grants and programmes. Council encourages community groups to maximise government funding and other grants. Council funding (general rates) are only used where these other sources are not sufficient to fund these approved grants / activities. Council limits the funds available as the demand is always more than what Council deems is affordable through rates. Council also funds social policy and monitoring in order to know the current and expected state of social needs in the City. This is a Council-run function which is funded through the general rate.	Private 0-20% Public 80-100%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Social				
Community Properties – public toilets, halls etc	Benefits flow to the whole of the community through the provision of community buildings for leisure, arts, and cultural and community events. The whole community benefits from clean public toilets. There are economic benefits to businesses by providing facilities for visitors and residents, and community buildings that attract people to events and for recreational purposes. Private benefits arise from the enjoyment received from attending community events and other activities, and from using public toilets.	Short term for events and activities. Long term from the provision of buildings.	People and groups who want community spaces to meet or carry out an activity. People (visitors and residents) away from their home or workplaces needing toilets.	
Group - Parks and Active Recreation				
Community Outcomes - Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our communities have access to a range of social, educational and recreational facilities and activities. Our communities are healthy, safe, inclusive and resilient.				
Premier Parks and facilities - Trafalgar Park, Trafalgar Centre and Saxton Field	This activity includes indoor stadiums, the premier sports park and grandstands, and the shared regional facility at Saxton Field. The benefits from expenditure on event venues are mainly private. The premier grounds and facilities for use by sporting groups, teams, clubs and associations is a significant private benefit to their members. The public derive benefit from having access to sports grounds for recreation other than sport. Having these regional facilities contributes a sense of community identity through inter-regional sporting contests, and provides entertainment opportunities. Benefits are shared with Tasman District and funding is jointly managed for some of these regional facilities. The community benefits from regional and national sports tournaments, commercial shows and events that occur due to the availability of these facilities. Businesses benefit from the attraction of visitors to these events. The majority of benefits are private to individuals, groups, clubs and commercial businesses, but also contain many public benefits.	Premier recreation facilities provide long term benefits to residents through improved health, social involvement and provision of visitor attractions.	Demand for commercial event space reduces their availability for community use. Regional level sports teams require higher quality sports facilities than are normally required. This provides benefits to a small number of residents.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	Council funds this activity through a mixture of user charges, rents and general rates. A specific rate could be used but the amount is not significant for the Council. The general rate is seen as appropriate to fund the public good aspects of the activity.	Fees and charges General rates Borrowing	Council provides a range of community buildings and public toilets to support community groups, activities and a more community orientated City. Many of these facilities are historical and some reflect the different community needs of previous generations. Council is now faced with maintaining these facilities as the general community is very supportive of retaining these facilities. Council sets charges at a level that balances income against usage. While these charges are lower than the private benefits would suggest there is little scope to significantly increase them. Public toilets are generally free in New Zealand and there is considerable resistance to setting charges for them. There is a high transaction cost through additional capital or operating costs to make charges possible. On balance Council has decided to encourage their use by making them free. Overall, Council funds this activity through a variety of user charges, rents and general rates.	Private 0-20% Public 80-100%
	Sporting and commercial events set entry fees and Council sets fees based on commercial private use. Many regular sports activities are funded through pay per play arrangements. The balance are public goods funded through general rates.	Fees and charges General rates Grants and subsidies Borrowing	Council operates these facilities with a mix of commercial and community users. More commercial events result in reduced access for community recreation users. There is considerable 'merit goods' in this activity and it is not feasible to set charges to match private benefits. Commercial use of the stadium and associated spaces is charged at market rates. Charges are limited by alternative costs both within and outside the Region. Top level sporting events are charged entry fees but these do not often go to Council. Council has to balance attendance and usage against the level of charges. Regular local sporting use charges are set more in line with the Sports Parks activity. Some clubs have provided additional facilities through partnerships with Council. These clubs charge on more of a 'pay per play' basis to fund those facilities. The balance of funds required to maintain the facilities after fees and charges income is from the general rate as all people and businesses benefit.	Private 10-20% Public 80-90%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Parks and Active Recreation				
Community Outcomes - Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our communities have access to a range of social, educational and recreational facilities and activities. Our communities are healthy, safe, inclusive and resilient.				
Sports Parks	Two main groups gain private benefits from sports parks – sporting groups and businesses involved in event organisation, hospitality and tourism. In terms of organised active sport and commercial events the benefits are private. Access to the sports fields for informal sports and recreation is not excludable. The public/whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support individual and community health. The public derive benefit from having access to sports grounds for recreation other than sport, as well as the option of having access to organised club sport. The extensive open spaces created by sports parks enhances the overall attractiveness of the City. Overall there is a fairly even split of public and private benefits.	Long term. Good recreation facilities provide long term benefits to residents through improved health and social involvement.	Vandals and litterers create additional work to maintain the grounds. Sports teams and club demands for more services create pressure on Council budgets.	
Neighbourhood reserves and playgrounds Includes Natureland, walkways, and cycleways planning	Individual users of the parks gain benefits from the enjoyment of the facilities and open spaces, exercise facilities and interaction with other members of the community. Adjoining landowners gain amenity value from living next to a reserve. Those who live in areas with significant densities of landscape trees gain amenity value. These benefits are often reflected in higher land values that result in higher general rates. The parks and reserves provide a venue for special events such as weddings, music events, organised picnics and promotions. These benefits can be commercial in nature and are not solely public goods. The majority of benefits public good. The exception is commercial benefits from private functions that restrict the access of the general public.	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	Vandals and litterers create additional work to maintain the grounds. Inconsiderate users create the need to increase signage and improvements (e.g. cyclist vs. walkers).	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	Recreation benefits the whole community so this activity is funded through general rates. The cost of administering a separate rate outweighs the benefits. Individual benefits are partly funded through user fees and charges	Fees and charges General rates Grants and subsidies Borrowing	While there are significant private and group benefits there are adverse impacts from imposing substantial fees and charges. Sports clubs are struggling to remain viable as adult participation in organised sport declines. Increasing charges is likely to further reduce numbers joining sports clubs. Council must balance participation numbers against rates impacts. It is possible that revenue would not increase much if charges are increased as some clubs may fold. The majority of sports parks were set aside by previous generations for recreation use. Changing recreation activities is likely to create the need to consider how these parks are allocated, as demand for indoor and court facilities increases.	Private 0-20% Public 80-100%
	This activity includes activities which are totally for the public good. It would be costly to identify individual users and any direct charges would reduce the sense of community.	General rates Fees and charges Reserves Borrowings	It is impractical to charge users of these reserves for access. All residents and visitors have the opportunity to use the services and Council encourages their use to build a sense of community as well as improve health and fitness. These benefits are public good in nature and should be funded through general rates. Business benefits from the attraction of visitors and increased population for lifestyle reasons. These benefits are reflected in the general rate commercial differential. The exception is when the reserves are used for a commercial basis such as formal private events or business promotions. In these cases fees and charges should be set to recognise the private use of public land that has an impact on the general public access. The Natureland Zoo is leased to the private sector and any additional funds Council allocates to the facility supports the public good elements of the Zoo.	Private 0-10% Public 90-100%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Parks and Active Recreation				
Community Outcomes - Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned and sustainably managed. Our communities have access to a range of social, educational and recreational facilities and activities. Our communities are healthy, safe, inclusive and resilient.				
Marina	The main benefits are private to boat owners because it enables exclusive occupation of publicly owned space, which offers greater security than single moorings. Businesses benefit as the marina provides economic benefits from attracting visitors to Nelson. Residents benefit from passive recreation opportunities. The community as a whole benefits by managing an efficient use of scarce water space and protects marine environments, by concentrating boat moorings and marine contaminants in one area.	Medium term. Marina assets need to be renewed on a regular basis.	Mooring users need to comply with rules around contaminants and fees. The Marina needs to be managed to ensure this occurs.	
Recreation – including swimming pools and golf course	This activity includes recreation programmes and planning, as well as a range of assets such as a golf course and outdoor swimming pools. The community gains benefits from health and fitness, community participation, as well as some additional open space. Attractive places are provided for social interaction and club sports. Private benefits are received by recreational users, recreation programme participants and all users of Council reserves. The majority of benefits are public. The exceptions are pool users and the golf club users.	Medium to longer term.	Vandals create additional work to maintain the assets.	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	This activity is operated as a business and funding is separate from core Council operations.	Fees and charges Borrowings	The marina is a stand-alone business that provides services to boat owners wishing to moor close to Nelson. While there are some benefits to the whole community, businesses and local individuals these are seen as being covered by the City providing the service. The large majority of benefits are private to the Marina users so this activity is fully funded from user charges.	Private 100% Public 0%
	This activity is mainly a public good activity. It would be costly or impractical to identify individual users and any direct charges would reduce the sense of community.	General rates Fees and charges Lease / rents Borrowing	Council charges where feasible for entry to recreation assets and programmes. Charging more than a small proportion of costs would severely reduce the affordability of these services for large portions of the community. Council leases land to the Waahi Taakaro Golf Club. This lease is set at levels to support the Club and encourage public use.	Private 10-20% Public 90-100%

Activity	Who benefits (User / Beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (Exacerbator / polluter pays principle)	
Group - Economic				
Community Outcomes - Our region is supported by an innovative and sustainable economy. Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.				
Economic	The whole community benefits through the spin-off impacts of economic development and through having a coordinated approach to economic development. The business community primarily benefits from economic development of a region (e.g. increased income and people, are likely to increase business wealth). Sectors within the business community benefit through targeted economic development programmes. Possible new businesses gain support, information, and contact with other businesses or investors who can help them become established. The not-for-profit sector benefits through indirect effects of economic development, such as increased sponsorship and grant availability. This activity is jointly funded with Tasman District and delivers regional strategies and programmes (Nelson Regional Development Agency and the Regional Economic Development Strategy). The benefits are a public good.	The benefits of economic and tourism growth range from immediate, such as business profits and salaries and wages to long term economic benefits to Nelson.	None.	
Group - Corporate				
Community Outcomes - Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.				
Civic and Democracy Services	The community benefits by having a democratic system of local government as required by law. Consultation has the benefit of producing decisions and outcomes that comply with the LGA 2002 and deliver the best outcomes for Nelson. Individuals and lobbyists requesting official information receive a degree of private benefit but this is a public good process.	Good governance resulting in high quality decisions which are supported by the public delivers long term benefits.	Those making unreasonable or excessive official information requests or vexatious or frivolous appeals.	
Emergency Management	The benefits of this activity are attributable to the whole community. Recovery from disasters will benefit some individuals or groups more than others. These benefits are seen as averaging out over time as the impacts and location of natural disasters cannot be accurately predicted.	Short to long term.	People who do not or are unable to provide for themselves in the event of an emergency. Those lighting fires without permits, or who do not prepare their Civil Defence three day kits.	
Investment Management	Benefits are largely attributable to the whole community and are a public benefit. There are individual benefits for those who lease or buy land from Council, or are paid by Council for associated services. Some other beneficiaries are those who use the airport and port, and forestry consultants who manage the forests.	Short and long term.	None	

	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
	Council's support for the Nelson economy benefits the community as a whole and therefore Council funds this activity through the general rate. As the business sector is the primary beneficiary this is reflected in the commercial general rate differential. It is not possible to identify individual residents, properties or businesses that benefit from this activity.	General rates Grants and subsidies	This activity is a classic public good and as such is funded through general rates with an emphasis on the commercial general rate differential. While it is difficult to attribute outcomes from this expenditure there is general agreement that Council not providing a coordinated investment in this activity can result in a decline in the economic activity of the Region and the City.	Private 0% Public 100%
	Democratic processes benefit all residents and businesses; therefore this activity is funded through the general rate. It is not practical, legal or feasible to set individual charges or targeted rates based on specific issues and processes.	General rates Fees and charges Borrowings	This is public good where the processes are set in legislation. This activity is funded through the general rate.	Private 0% Public 100%
	Given the size and political importance of the expenditure, separate funding is considered important for transparency.	Grants and subsidies General rates Borrowing	As the benefits are entirely for the public good it is not appropriate to apply separate charges or a targeted rate. The general rates are the appropriate funding tool.	Private 0% Public 100%
	The returns from these investments reduce the general rates, unless particular assets produce income that goes into associated reserve accounts.	Dividends and interest Fuel tax Rent Borrowing Sale of trees	This activity manages the financial investments of Council. It produces revenue that offsets the costs of running the Council. Some of the assets are jointly owned with Tasman District Council and the revenue is split accordingly.	Private 100% Public 0%

10. Summary of Funding Targets

10.1. Funding Source Proportions for Operating Costs

	General Rates	Targeted Rates	Fees and Charges	Grants and Other Revenue
Transport				
Road and Footpath Network	70-90%			10-30%
Inner City Enhancement	40-60%		40-60%	
Public Transport and Mobility	20-40%			60-80%
Water Supply		100%		
Wastewater		70-80%	20-30%	
Stormwater		100%		
Flood Protection		100%		
Environment				
Solid Waste Collection, disposal and recycling			100%	
Animal / Dog Control	0-10%		90-100%	
Pest Management	80-100%		0-20%	
Building Consents	20-40%		60-80%	
Environmental Policy	80-100%		0-20%	
Resource Consents	40-60%		40-60%	
Pollution Response	40-60%		40-60%	
Food and Public Health	40-60%		40-60%	
Alcohol Licensing	0-20%		80-100%	
Navigation Safety	80-90%		10-20%	
Enforcing Bylaws	80-90%		10-20%	
Environmental	90-100%		0-10%	
Social				
Libraries	90-100%		0-10%	
Art and Culture	90-100%		0-10%	
Cemeteries and crematoriums	40-60%		40-60%	
Motor Camps	0-10%		90-100%	
Social Development	80-100%		0-20%	
Community Properties	80-100%		0-20%	
Parks and active recreation				
'Premier Parks and facilities' Trafalgar Centre, Trafalgar Park and Saxton Field 'Premier Parks'	80-90%		10-20%	
Sports Parks	80-100%		0-20%	
Neighbourhood Parks and Reserves	90-100%		0-10%	
Marina			100%	
Recreation	90-100%		10-20%	
Economic	100%			
Corporate				
Civic and Democracy	100%			
Emergency Management	100%			
Investment Management				100%

The funding proportions outlined in this table represent the Council's desired intentions – i.e. the share of the gross operating costs borne by each group of ratepayers / users.

Note: Council has varying levels of control over the actual revenue obtained from users of facilities that are not owned by Council. Management and operations that are carried out by other entities generally retain revenue from entry fees.

Rates Remission Policy

Introduction

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 for the remission of rates

The policy shall apply to such ratepayers and organisations as approved by Council by meeting the relevant criteria. 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 the amount eligible for the rates remission.

Rates remission will be provided for the following categories of rating units or under the following circumstances:

Rates remission for community, sporting and other organisations

Objective
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 achieve following general social wellbeing objectives:

- Recognise the public good contribution to community wellbeing made by such organisations
- Assist the organisation's survival
- 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 objective 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. A remission under this policy must be in the organisations name and the rating unit must be fully occupied by the ratepayer.

The following information should be included in support of an 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 the organisation itself
- The organisation's most recent financial accounts.

Procedure
The organisation must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

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.

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 general rate.
Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rate remission under this part of the Policy will be available to an organisation that is in receipt of a mandatory rate remission.

Decisions on applications under this Policy will be made according to the Delegations Register.

Rates remission for provision of social and Kaumatua housing

Objective
To facilitate the ongoing provision of social and Kaumatua housing.

The purpose of granting rates remission to an organisation is to achieve following general social wellbeing objectives:

- Recognise the public good contribution to community wellbeing made by such organisations
- Assist the organisation's survival
- Facilitate the ongoing provision of social housing in Nelson by registered Community Housing Providers
- Facilitate provision of Kaumatua housing at Whakatū Marae.

Conditions and criteria
Council supports applications for financial assistance by any organisation not conducted for private profit. The principal objective of the organisation should be to promote the development of Nelson City and provide social housing to the benefit of the city. A remission under this policy must be in the organisations name and the rating unit must be fully occupied by the ratepayer.

For Social Housing Providers the following information is required:

- Evidence that the organisation is a registered Community Housing Provider with the Community Housing Regulatory Authority
- Evidence that the property for which rates remission is sought is used for social housing and/or affordable rental housing, and is neither vacant nor commercial property
- A copy of the organisation's current Rules or Constitution that sets out the purpose of the organisation
- The Social Housing Provider's most recent financial accounts.

For Kaumatua housing providers the following information is required:

- A copy of the most recent financial accounts for the Kaumatua housing.

Procedure
The organisation must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

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.

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 general rate.

Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rates remission under this part of the Policy will be available to an organisation that is in receipt of a mandatory rate remission.

Decisions on applications under this Policy will be made according to the Delegations Register.

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 instalment 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 and a genuine cause exists
- 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.

Rates remission 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.

Rates remission on land protected for natural, historical 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, historical or cultural purposes.

Conditions and criteria

Ratepayers who own rating units that have some feature of cultural, natural or historical 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 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
- 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.

The remission is 50% of the general rate.

Rates remission 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 with a heritage classification may apply for a rates remission of up to 50% of the general rate for Category A buildings and up to 25% of the general rate 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.

Procedure
The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

Remission of charges for excess water arising from leaks

Credits for excess water charges arising from the following will always be processed:

- Misreading of the meter or faulty meter
- Errors in data processing
- The meter was assigned to the wrong account
- Leak on a Council fitting adversely impacting on the metered usage.

Other Conditions and Criteria include:

- Leaks from pipes or fittings on farms[7], public service, educational, social service properties and unoccupied[8] properties (regardless of temporary or long term) or reserves, or from irrigation, stock water, swimming pools, ponds, landscaping or similar systems on occupied properties. No credit.
- Leaks from pipes that are, or should be, visible, such as header tanks, overflows from toilets, above ground pipes or fittings and those attached to raised flooring or in walls or ceilings. No credit.
- Where the leak is a previously unknown underground leak on the main lateral between the water meter and a building or under the concrete floor. The lost water is credited where the leak has been repaired with due diligence. Only one leak per property, and maximum two consecutive water supply invoices covering the leak, per five year rolling timeframe, will be credited
- Approved residential water leak credits will be based on Council's assessment of the property owner's usual usage for the period
- Approved commercial/industrial water leak credits will be based on 50% of Council's assessment of the property owner's usual usage for the period. If the water has not entered the waste water network, Trade Waste will also be credited
- Due diligence is defined as within two weeks of the earliest of the following:
  - The date of the first invoice to identify a higher than usual usage; or
  - The date of discovery or when it could have reasonably been discovered
  - The leak must be repaired by a Licensed or Certifying plumber who provides a brief report on the leak, where on the line the leak was found, dates and an opinion, as to how long the leak had been occurring

[7]For the purpose of assessing credits for excess water arising from leaks "farm" is defined as any property that is or can be used for the growing of crops, including trees or rearing of livestock, with a land area greater than 5000 square metres.

[8]Unoccupied is taken to mean where there is no permanent building on the property or where the building is not occupied for more than seven days.

— In extraordinary circumstances which fall outside the criteria above, a remission may be granted at the sole discretion of the Council's Group Manager Corporate Services. This may apply where a water credit remission application has been declined, and where this could lead to cases of genuine financial hardship for the ratepayer (owner/occupier), or where timely detection of a leak could not have reasonably occurred.

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'.

The remission is 50% of the general rate

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 overhead 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 utility operators
- The agreed programme of works allows for undergrounding network utility 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

The low land value will be reviewed annually and set by Council resolution.

The remission is 100% of all rates.

Remission of Clean Heat Warm Homes targeted rate

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.

Rates remission for land affected by natural calamity

Objective
The objective of this Rates Remission Policy is to permit the Council, at its discretion, to remit part or whole of the rates charged on any land that has been detrimentally affected by natural calamity, such as erosion, subsidence, submersion or earthquake, and is aimed at aiding those ratepayers most adversely affected.

Conditions and criteria
The Council may remit wholly, or in part, any rate or charge made and levied in respect of the land, if:

- Land is detrimentally affected by natural calamity such as erosion, subsidence, submersion or earthquake and:

  a. as a result dwellings or buildings previously habitable were made uninhabitable; or

  b. the activity for which the land and/or buildings were used prior to the calamity is unable to be undertaken or continued

- The remission may be for such period of time as the Council determines, acting reasonably. Without limiting the Council's discretion, the timeframe for remission will typically commence from the date upon which the Council determines that the dwelling, buildings or land were made uninhabitable or unable to be used for the activity for which they were used prior to the calamity, and end on the earlier of, the date that is 5 years after the commencement date, or the date that the land and/or buildings are deemed by the Council acting reasonably to be able to become habitable or available

- In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply, Council may take into account:

  a. whether essential services such as water, sewerage or refuse collection to any dwelling or building are able to be provided; and

  b. whether any part of the building or land remains habitable or available for use

- Rates remission will not apply to any part of a rate that is levied as a user pays charge

- Rates remissions will only be considered following the receipt of an application by the ratepayer and the application must be received within six months of the event, or within such further time as Council in its sole discretion might allow.

Application
Each natural calamity event will be considered for rates remission on a case by case basis by Council.

The extent of any remission shall be determined by the Council or its delegated officer(s).

Remission of rates for households with dependant relatives housed in an additional unit

Objective
To provide financial relief for households where a dependent adult relative is housed in an additional unit, so they are not unfairly burdened by the payment of rates on the second unit.

Conditions and criteria
To qualify for remission under this part of the policy, the second unit must be continuously occupied by the dependant relative, and:

- The ratepayer must apply to the Council for remission of rates on the second unit
- The applicant must confirm that the relative is dependent on the ratepayer
- If the unit is no longer occupied by the dependant relative, the householder must inform the Council within three months. Any change would apply from 1 July for the next rating year
- The rates remission is for one year, at which time the ratepayer must reapply for the remission of rates on the second unit.
- Providing these conditions and criteria are met by the applicant, the uniform charges for wastewater and the uniform annual general charge will not be charged against the second unit.

Procedure
The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

Remission of rates on separately used or inhabited parts of commercial rating units less than 20m2

Objective
To provide relief from uniform annual general charges and wastewater charges for very small separately used or inhabited parts of commercial rating units (i.e. those less than 20m2 floor area) where the effect of multiple uniform annual general charges and wastewater charges creates a significant financial impediment to economic use of the separately used or inhabited parts and where the Council considers that it is equitable to do so.

Conditions and criteria
The uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of a commercial rating unit that has a floor area of less than 20m2 may be remitted where the following criteria is met:

- The separately used or inhabited part of the commercial rating unit must have a floor area of less than 20m2
- The circumstances of the commercial rating unit must be such that the uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of the rating unit that has a floor area of less than 20m2 will render the property uneconomic or are otherwise inequitable.

Procedure
The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

- Applications must be made on the prescribed form which can be found via our Customer Service Centre or on our website **www.nelson.govt.nz**
- Applications must include detailed information explaining how the property meets the conditions and criteria under this policy
- Application will not be accepted for prior years Any rates remission will be granted for one year only following which the ratepayer may make a new application for the remission of rates for any following year so long as the conditions and criteria are still met
- Decisions on applications under this policy will be made by Group Manager Corporate Services.

Other remissions deemed fair and equitable

Objective
To recognise that the Council's policies for rates remission cannot contemplate all possible situations where it may be appropriate to remit rates.

Conditions and criteria
The Council may, by specific resolution, remit any rate or rates penalty when it considers it fair and equitable to do so.

Policy on Remission and Postponement of Rates on Māori Freehold Land

Introduction
The Local Government Act 2002 (sections 102 and 108) requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land.

This policy follows the principle of ensuring the fair and equitable collection of rates from all sectors of the community recognising that certain Māori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates. The policy allows for remissions where the land is unoccupied and non-income producing and where a temporary remission would assist in the economic development of the land.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. This policy explains the conditions and criteria under which the Council might consider it appropriate to provide rates relief in respect of Māori freehold land.

In determining this policy the Council has taken account of those matters set out in Schedule 11 of the Local Government Act 2002 – matters relating to rates relief on Māori Freehold Land.

This includes the recognition that there are particular cultural, historical and legal factors that distinguish Māori Freehold Land from General Land. These factors include:

a) The land is generally multiply owned; and/or

b) There are legislative and cultural constraints on the ability to alienate Māori Freehold Land (and in many cases, the owners do not want to alienate the land) and therefore it is not freely tradeable; and/or

c) The land is undeveloped and/or unoccupied for cultural, spiritual or practical reasons.

The reason why Māori Freehold Land remains unoccupied is due to a number of factors which may include:

a) The nature of land ownership (for example, the land is owned by multiple owners, many of whom do not live near the land); and/or

b) The land has some special significance which makes it undesirable to develop or reside on; and/or

c) The land is isolated, difficult to access and marginal in quality

d) In compliance with the Local Government Act 2002 and in recognition that the nature of Māori Freehold Land is different from General Land, the Council has formulated this Policy on the Remission and Postponement of Rates on Māori Freehold Land.

The Council only remits rates on Māori freehold land, it does not allow postponements.

As at the time of adopting this policy (14 December 2017) there are a small number of applicable properties within the Nelson City Council boundaries. It is anticipated that several more might meet the criteria in the future, through the Treaty Settlement process. This assessment is based on the Māori Land Court register, Council rating information and Council's GIS (Geographic Information System) records.

Objectives

To recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances that make it appropriate to remit rates for defined periods of time.

To recognise situations where there is no occupier or no economic or financial benefit being derived from the land.

To recognise situations where land has been set aside for cultural or natural heritage reason and no income is derived from the land.

To avoid further alienation of Māori Freehold Land as result of pressures that may be brought by the imposition of rates on unoccupied land.

To recognise matters relating to the physical inaccessibility of land.

To provide the ability to grant remission for portions of land that is not occupied.

To support the traditional relationship of kaitiakitanga (guardianship) to the land including the use of the land by the owners for traditional purposes.

To support any wish of the owners to develop the land for economic or other purposes by removing the rates burden while they plan for this development.

Conditions and criteria

Council will maintain a 'Maori Freehold Land Rates Relief Register' for the purpose of recording properties on which it has agreed to remit rates pursuant to this Policy. The Register will comprise the following list, being:

a) The 'Maori Land General Remissions List', used to achieve the above objectives.

Council may at its own discretion add properties to the register. Rating relief, and the extent thereof, is at the sole discretion of Council and may be cancelled and reduced at any time.

Council will review the Register annually and may:

a) Add properties that comply, and

b) Remove properties where the circumstances have changed and they no longer comply.

The Council will consider remitting rates on Māori Freehold Land if the following criteria are met:

a) The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 200

b) The land is multiply-owned and unoccupied Māori freehold land that does not produce any income and there is no economic or financial benefit derived from the land, or only a small portion of the land is occupied

c) An application for a remission of rates has been made in writing annually, except where a remission has been granted for a longer period or when staff recognise that a property is unoccupied or uneconomic to use. Staff may initiate the application for remission of rates so that arrears are not overstated in the Council's records.

The remission for land recorded in the Maori Land General Remissions List will be 100% of any rates except targeted rates made for water supply, sewage disposal or refuse collection.

Any approved remission will generally be for a period of one year, but may be considered for up to three consecutive rating years. Where the Council is considering a remission of rates for past rating years, the three year maximum period of remission may be exceeded at the Council's discretion.

Applications for the remission of rates for Māori Freehold Land will be approved by Council officers according to the Council's delegations register.

Procedure

A request for rates remission by the owners, their agent or the person(s) proposing to use the land must include:

a) Details of the land

b) Documentation that shows the ownership of the land, and

c) Reasons why remission is sought.

Rates Postponement Policy

Objective

The objective of the postponement policy is to enable 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

- The ratepayer must be over the age of 65 (or over the age of 60 if on a benefit)
- The property must be insured
- The postponed rates must not exceed 80 per cent of the available equity in the property. The available equity is the difference between the Council's valuation of the property (the capital value at the most recent revaluation) and the value of any encumbrances against the property, including mortgages or loans.
- The property must be the prime residence of the ratepayer and owner occupied.

Procedure

Applications must be made on the prescribed form which can be found via Council's Customer Service Centre or on the website **www.nelson.govt.nz**

There is an initial application fee of $100. Applications must include detailed information explaining how they meet the conditions and criteria under this policy. This must include a statutory declaration for the first year of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

Note that, for the rates to continue to be postponed, the Council will require evidence each year thereafter, by way of statutory declaration, of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.



Decisions on applications under this policy will be made by the Group Manager, Corporate Services.

Other matters

The applicant may choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy. There is no income testing.

Repayment of the postponed rates will be required at the earlier of:

- Sale of the property, or
- Death of the ratepayer (or surviving ratepayer where there is a couple).

Interest will be charged on the postponed rates six monthly at Council's marginal rate (the current cost to Council of borrowing the required funds) plus 1% for administration and 0.25% to a risk reserve.

Council recommends that ratepayers considering postponing their rates seek independent advice from a financial adviser on the financial impacts and appropriateness of postponing their rates.

Council Controlled Organisations

This section summarises Council's involvement in Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) as well as Council's involvement in Port Nelson, a port company.

CCOs are set up to deliver public benefit for Nelson in a financially prudent manner. Often this requires particular expertise which does not sit within Council. CCTOs are set up with the primary objective of returning a profit as well as delivering agreed strategic outcomes for Nelson.

This section lists the objectives for each organisation, the nature and scope of activities they provide and key measures by which performance is judged. More information can be found in Council's annual reports which summarise the annual results for each of these organisations, measured against the targets set in their respective statements of intent.

Unless otherwise stated, these measures and targets are from the 2020/21 Statements of Intent (SOI). The activities and performance indicators outlined below for each organisation are indicative measures and detailed information can be found in their latest statements of intent.

Note: Council, alongside Tasman District Council, has resolved to create a Holding Company for Port Nelson Ltd and Nelson Airport Ltd.

It has decided that the most appropriate way of providing financial benefits for Airport, Port and shareholders is to establish a new company as a funding vehicle. If a funding company is established, the Port and Airport could access reduced borrowing costs through the Local Government Funding Agency, saving an estimated $900,000 per year which is expected to lead to an increased dividend to each shareholder. Operational and governance aspects of the entities would remain the same. The transition period is likely to be twelve months. The new CCTO would provide a SOI, a six-monthly report and Annual Report for its shareholders.

Jointly controlled by Nelson City Council and Tasman District Council (50% each)	Controlled by Nelson City Council
Port Nelson Ltd (Port Company)	Nelmac Ltd (CCTO)
Nelson Airport Ltd (CCTO)	Nelson Regional Development Agency (CCO)
Tasman Bays Heritage Trust (Nelson Provincial Museum Pupuri Taonga O Te Tai Ao) (CCO)	Bishop Suter Trust (CCO)
	City of Nelson Civic Trust (CCO)
	Nelson Municipal Band Trust (CCO)

Port Nelson Ltd

Structure	Objectives	Activities	Performance Indicators	Targets
Port Nelson is jointly owned by Nelson City and Tasman District Councils. The councils each appoint one director and the remaining four directors are jointly appointed	To provide port services for the region including the provision of berths, leasing of land and the warehousing and storage of goods	Marine services Berths to accommodate vessels at the Port Wharves, plant and other services to facilitate the discharge and loading of vessels Container terminal handling services Cargo logistics including warehousing and storage of goods Vessel slipping services	**People** Lost time injury frequency rate	Reduced by 20% on FY20
			Customers Cargo volumes	3.36mil revenue tonnes
			Performance Return on assets	4.5%
			Environment Compliance with all resource consent conditions	100%

Council Controlled Organisations

Nelmac Ltd				
Structure	**Objectives**	**Activities**	**Performance Indicators**	**Targets**
Nelmac is 100% owned by Nelson City Council and all directors are Council appointed	To provide the city with high quality management, maintenance and construction of its natural and built environment. This includes managing facilities, parks, reserves and sports fields and infrastructure such as water and waste	Consultancy/planning and design Water treatment Manage greenspaces, waste, facilities Ecological restoration and management	**Equity ratio** Return on equity	At or above industry benchmarks
			Quality of service Maintain A/NZS ISO 9001 Quality Accreditation	ISO 9001 Accredited
			People and Safety Reduce average total recordable injury frequency rate	Reduction from 12% to under 10%
			Sustainability and Community Reduce carbon emissions year on year (adjusted for COVID)	25% carbon reduction compared to 2020 by June 2025

Nelson Airport Ltd				
Structure	**Objectives**	**Activities**	**Performance Indicators**	**Targets**
Nelson Airport is a regional airport jointly owned by Nelson City and Tasman District Councils. The councils each appoint one director and the remaining three directors are jointly appointed	To operate a successful airport business that meets the needs of the Nelson Tasman region	Manage and operate the Airport, including managing aviation security Manage commercial non-aeronautical agreements and relations at the Airport	**Customers** Passenger numbers	403,000
			People Lost time injuries	Nil
			Infrastructure and Planning Complete updated Master Plan 2020-2040	By 31 December 2020
			Financial Results EBITDA (net income)	$2.6 million

Nelson Regional Development Agency Ltd (NRDA)				
Structure	**Objectives**	**Activities**	**Performance Indicators**	**Targets**
The NRDA is 100% owned by Nelson City Council and all directors are Council appointed	To enhance the sustainable economic vitality of the Nelson region	Attract investment into the region Promote the Regional Identity Business development and support Manage operation of i-SITE Administer the Events Fund	**Regional Business Partner Programme** Delivering the Regional Business Partner Programme to over 400 companies, attracting in excess of $1 million in funding and a customer satisfaction net promoter score of +60	Attract in excess of $1 million in funding and a customer satisfaction net promoter score of +60
			Targeted business relocation programme Delivering a programme that leverages our advantages as an attractive place to live and visit into an attractive place to also work and do business, especially for those in the technology and service sectors, who can work from anywhere	10 target businesses relocation pitches presented including highlighting the benefits of being located in the urban centres of each district
			NRDA Organisational Sustainability and Culture Financially sustainable organisation	The NRDA maintains a balanced budget

Tasman Bays Heritage Trust (Nelson Provincial Museum Pupuri Taonga O Te Tai Ao)				
Structure	**Objectives**	**Activities**	**Performance Indicators**	**Targets**
The Tasman Bays Heritage Trust is a charitable trust which is not owned by Council although Nelson City and Tasman District Councils appoint more than 50% of the board members. One other board member is iwi appointed	To be the repository of material culture and to present regional history, natural history, mātauranga Māori and contemporary narratives through displays and events; by maintaining its collection and records; and providing lifelong learning opportunities to challenge, inform, and engage the wider community including manawhenua iwi, as well as visitors to the region	Manage and operate the Museum Acquire, manage, interpret, preserve and make accessible the Museum's collection Promote understanding and appreciation of the region's rich cultural heritage and environs Manage the Trust's assets	**Visitors** To be a highly valued visitor destination, educational facility and cultural tourism attraction	Achieve target visitation of 35,000 across all venues (excluding education) by 30 June 2021
			Heritage Collection To plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman regional Heritage Collection	Project plan including timeline and refined budget completed by 30 June 2021
			Collaboration To actively support and collaborate with iwi and Nelson Tasman cultural heritage organisations	Participate in one collaborative project with an iwi or Nelson Tasman heritage organisation by 30 June 2021

Bishop Suter Trust				
Structure	**Objectives**	**Activities**	**Performance Indicators**	**Targets**
The Suter is a charitable trust which is not owned by Council although Council appoints 50% or more of the board members. One other board member is iwi appointed	To provide Nelson residents and visitors to the region access to the district cultural heritage and many forms of contemporary cultural expression	Manage and operate the Suter Promote the study, creation, and appreciation of all forms of visual arts Acquire, manage, interpret, and preserve the collection and taonga Develop and maintain partnerships	**Governance** Operate a visual arts destination of the highest quality	Provide an arts centre and visitor attraction: That is open 362 days of the year with a minimum of 100,0005 visits per annum to The Suter
			Visitor Experience Inform and engage the public through the visual arts	10-15 exhibitions mounted per annum
			Life Long Learning Provide innovative educational opportunities	Target is 3,100 students from 25 schools

City of Nelson Civic Trust			
Structure	**Objectives**	**Activities**	**Performance Indicators**
The City of Nelson Civic Trust is an independent charitable organisation that exists to provide amenities for the enhancement of the City and the benefit of the community as a whole. The Council appoints all the trustees and provides administrative support	To provide an opportunity for people to contribute funds for the development of cultural, artistic, and social amenities for the enjoyment of the people of Nelson City and its visitors and to ensure that historic landmarks can be preserved for future generations	Manage and operate the Civic Trust Fund, including all gifts, donations and bequests and allocations for projects	Council agreed in October 2020[10] to continue an exemption for the City of Nelson Civic Trust, meaning it is exempt from reporting requirements. Therefore, targets for the Trust are not included in this Long Term Plan

[10] 15 October 2020 – exempt for the purposes of Section 6(4)(i) of the Local Government Act 2002, in accordance with Sections 7(3) and 7(6) of the Act and after considering the matters in Section 7(5) of the Act.

Council Controlled Organisations

Nelson Municipal Band Trust			
Structure	**Objectives**	**Activities**	**Performance Indicators**
Nelson Municipal Band Trust is a charitable trust that serves the Nelson-Marlborough-Tasman region Council appoints the trustees. The terms for two trustees are open-ended, the other trustee is appointed on a fixed term	To manage a special trust fund for the benefit of the Nelson Municipal Band	Make grants to organisations (including schools or other charities) Public performance under contract to Nelson City Council for events such as ANZAC Day, Christmas and other civic occasions	Council agreed in October 2020[11] to approve an exemption for the Nelson Municipal Band Trust, meaning it is exempt from reporting requirements. Therefore, targets for the Trust are not included in this Long Term Plan

[11] 15 October 2020 – exempt for the purposes of Section 6(4)(i) of the Local Government Act 2002, in accordance with Sections 7(3) and 7(6) of the Act and after considering the matters in Section 7(5) of the Act



Variance from Waste management and minimisation plan and Water and sanitary services assessment

A Long Term Plan must identify and explain any significant variation between the Long Term Plan and the assessment of water and other sanitary services and the waste management and minimisation plan adopted under s43 of the Waste Minimisation Act 2008.

These statements are set out below:

Water and sanitary services assessment

Council carried out a Water and Sanitary Services Assessment (WSSA) in 2005 in accordance with section 125 of the Local Government Act 2002. A summary of findings was included in the 2009-19 Nelson Community Plan, as was required of Long Term Council Community Plans at that time. The assessment has been used to inform activity management plans and long term planning documents since.

Under this assessment, there is no significant variation between the 2005 assessment and the Long Term Plan 2021-2031. The main change in the 2021 Long Term Plan is the increased regulation relating to the Three Waters (drinking water, wastewater and stormwater) the impending Three Waters review and an increasing focus on inflow and infiltration into the wastewater network, in recognition of the importance of this work to protect public health and the environment. Staff have also considered anticipated demand for water and wastewater services over the next ten years, but it is not expected that such changes would introduce any significant variation.

Waste management and minimisation plan

As a Territorial Authority, Council is required under the Waste Minimisation Act 2008 (WMA) to adopt a Waste Management and Minimisation Plan (WMMP). A WMMP is a strategic policy document that sets out Council's objectives, policies and methods for promoting effective and efficient waste management and minimisation in the City.

Section 45 of the WMA provides for the development of a joint WMMP by two or more territorial authorities and the Nelson City and Tasman District Councils elected to use this provision of the Act to develop a joint Waste Assessment under the WMA and to develop a joint WMMP. This joint WMMP was consulted on between December 2011 and January 2012, and a final WMMP adopted in April 2012.

The joint WMMP was required to be reviewed in 2018. A public consultation was conducted, and the updated joint WMMP 2019 was adopted in September 2019.

Appendices





Appendices

Infrastructure Strategy 2021 - 2051 312

Policy on Development Contributions 2021 418

Significance and Engagement Policy 486

Council committees and portfolios 491

Council management structure 494

Glossary 496

Map of Nelson City Council boundaries 498



Infrastructure Strategy 2021 - 2051

Infrastructure Strategy 2021–2051

Strategic Direction 322

1. Context 322

1.1 Background 322

1.2 Purpose of an infrastructure strategy 322

1.3 Structure and scope of this strategy 322

1.4 Implementation of the strategy 323

2. Strategic Direction 323

2.1 Overview 324

2.2 The Vision: Nelson - A Smart Little City 324

Vision 324

Mission 324

2.3 Council priorities 325

Infrastructure 325

Environment 325

City Centre development 325

2.4 Iwi partnership 326

2.5 Council's approach to community engagement 326

Key stakeholders 326

2.6 Financial Strategy 326

2.7 Planning for climate change 327

2.7.1 The impact climate change will have on infrastructure 328

2.7.2 Climate change mitigation 329

2.7.3 Climate change adaptation – responding to the effects of climate change 331

2.7.4 Council-wide climate change adaptation framework 333

2.7.5 Climate change planning assumptions 333

2.7.6 Community engagement 334

2.7.7 Knowledge gaps 334

2.8 Future development 334

2.9 Resource management 335

Infrastructure provisions 335

Freshwater provisions 336

Climate change and natural hazard provisions 337

2.10 Legislative Changes, Government Policy Statements and Proposals 337

2.10.1 Local Government (Community Well-being) Amendment Act 2019 337

2.10.2 Climate Change Response (Zero Carbon) Amendment Act 338

2.10.3 Draft Government Policy Statement on Land Transport (March 2020) 338

2.10.4 National Policy Statement on Urban Development 338

2.10.5 Outcomes from the Three Waters Review 339

2.10.6 Freshwater changes through the Action for Healthy Waterways Package 340

Water supply implications 340

Wastewater implications 340

Stormwater implications 341

Replacement of the NPS Freshwater Management 341

2.10.7 Waste disposal levy 341

2.10.8 Resource Management Act Reform 341

2.10.9 Central Government review of local government 341

Contents continued overleaf »

Infrastructure Strategy 2021–2051

Issues and Options 342

Transport **342**

Asset description **343**

Asset condition data **346**

Renewals **346**

Depreciation model versus actual renewals **346**

Structural improvements **348**

Traffic congestion **349**

Nelson Future Access Project **350**

Increasing road network capacity to provide for urban growth and development **351**

Other environmental improvements **353**

Water Supply **354**

Asset description **355**

Increase resilience to natural hazards **355**

Adapting to climate change — droughts **357**

Adapting to climate change — sea level rise **357**

Asset condition/data confidence **357**

Renewal of the water supply network **358**

Water losses from the water supply network **362**

Impacts of Maitai Dam water on the Water Treatment Plant **364**

Discoloured drinking water **366**

Legislation changes regarding community water supplies to protect public health **369**

Other environmental actions **369**

Wastewater **370**

Asset description **371**

Increase resilience to natural hazards **371**

Adapting to climate change - the Nelson Wastewater Treatment Plant & resource consent **372**

Other actions **373**

Asset condition/data confidence **374**

Renewal of the wastewater network and theoretical renewal dates **374**

Wastewater overflow reduction **377**

Discharges to Nelson Haven from the Atawhai Rising Main **380**

Stormwater & Flood Protection **384**

Asset description **385**

Definitions **385**

Adapting to climate change - increased rainfall and sea level rise **386**

Increase resilience to natural hazards **389**

Asset condition/data confidence **391**

Development of stormwater strategies **392**

Renewal of the stormwater network **392**

Requests from property owners **392**

Other actions to improve environmental outcomes: **399**

Solid Waste **400**

Waste minimisation **405**

Financials 407

List of Tables

Table 1: Summary of Transport Assets 343

Table T1: Principal options to ensure the transport network is resilient to natural hazards and climate change 345

Table T2: Principal options to maintain and renew existing transport assets in a cost-effective way 348

Table T3: Principal options to provide a future-proofed transport system which considers the needs of all users 351

Table T4: Principal options to provide increased capacity of the road network to reflect the impacts of urban growth and development 352

Table T5: Principal options to reduce traffic congestion and incentivise reductions in transport-related carbon emissions 353

Table 2: Summary of Water Services Assets (as at June 2020) 355

Table WS1: Principal options to improve the resilience of the water supply and the speed of post-disaster recovery 356

Table WS2: Principal options for renewal of water supply assets 361

Table WS3: Principal options for improving the maintenance, renewal and upgrade of water supply assets 362

Table WS4: Principal options for reducing water losses from the water supply network 364

Table WS5: Principal options for processing Maitai Dam water at the Water Treatment Plant 365

Table WS6: Principal options to resolve discoloration of the water supply 366

Table WS7: Principal options to improve the quality of the environment in the lower levels of the reservoir, and in the Maitai River when this water is released 369

Table 3: Summary of Wastewater Activity Assets (at January 2020) 371

Table WW1: Principal options for the operation of the Nelson Wastewater Treatment Plant 373

Table WW2: Principal options for improving the maintenance, renewal and upgrade of wastewater assets 377

Table WW3: Principal options to reduce overflows from the wastewater network 379

Table WW4: Principal options to address discharges to Nelson Haven due to asset failures 381

Table WW5: Principal options to accommodate growth and intensification acknowledging existing network constraints 382

Table 4: Summary of Stormwater and Flood Protection Assets 385

Table SW1: Principal options for adapting to more intense storms, increased rainfall and sea level rise 388

Table SW2: Principal options to manage risks of damage to the stormwater network as a result of natural hazards and climate change 390

Table SW3: Principal options for improving the maintenance, renewal and upgrade of stormwater assets 394

Table SW4: Principal options for managing increased stormwater flows associated with urban intensification and growth 396

Table SW5: Principal options for improving stormwater quality 398

Table SWA1: Summary of NCC assets (excluding land) 401

Table SWA2: Principal options to divert waste from landfill 406

Executive Summary

The purpose of an infrastructure strategy is to identify significant infrastructure issues during the period covered by the strategy (which needs to be at least 30 years), the principal options for managing those issues, and the implications of those options.

Part One of this strategy summarises how Council's strategic direction, which is driven by both local and national objectives, influences the provision of infrastructure.

Part Two discusses the specific issues Council needs to address related to water supply, wastewater, stormwater & flood protection, transport and solid waste management, in order to achieve objectives related to:

- managing risks related to natural hazards and climate change
- maintaining, renewing and upgrading infrastructure
- meeting the needs of growth
- maintaining and enhancing public health and safety outcomes, and the environment

Part Two also includes options tables which estimate the cost of alternative options to address the issues. This includes the potential costs of failing to prepare for climate change impacts.

Part Three provides an overview of the financial implications of Council's proposed approach to infrastructure management.

Public and active transport, solid waste services have been included in this strategy for the first time. This is in addition to the activities which the Local Government Act requires all councils to include — water supply, wastewater, stormwater & flood protection, as well as roads and footpaths.

A separate infrastructure strategy will be prepared for the Regional Landfill Business Unit and Nelson Regional Sewerage Business Unit which manages the Bell Island Wastewater Treatment Plant which processes approximately half of Nelson's wastewater.

COVID-19



The global pandemic of COVID-19 will have significant and long-lasting impacts on the Infrastructure Strategy work of Council. The Infrastructure Strategy is a "living" document and this information will be updated as new information comes available.

The high degree of uncertainty regarding future scenarios for how the pandemic will play out globally and in New Zealand means that Council's response will need to remain agile and adaptive. COVID-19 was first and foremost a health crisis. However, the measures put in place globally to minimise this health crisis have resulted in unprecedented disruption to global economic activity, including trade and tourism. New Zealand and the Nelson region have not been immune to this disruption, and New Zealand entered into a recession in June 2020. Economic activity bounced back in the following quarters due to stimulatory government fiscal and monetary policy designed to offset any potential slow down in business investment, and consumer spending. However, closure of the borders to tourism and a global economic recession will continue to impact Nelson over the medium term.

COVID-19 – Continued



The 2020 'Rebuilding Together' central government Budget established a $50 billion COVID-19 Recovery and Response Fund which will increase net core crown debt from 30% to 50% of GDP from now to 2023. A proportion of this budget will be allocated for infrastructure investment such as the "Shovel Ready projects" in addition to the $12 billion upgrades programme announced in January 2020.

It is anticipated that given the inability of many major overseas countries to contain the spread of COVID-19, New Zealand's borders will remain closed to most countries for the foreseeable future. An assumption for the Long Term Plan 2021-31 and the Infrastructure Strategy is that that there will be limited importation of cases of COVID-19 and any community transmission will not require a return to nationwide lockdown. This will enable New Zealand, including Council, to carry out infrastructure work largely as business as usual.

Latest forecasts estimate that Council revenue will be on budget in 2020/21. Council receives a large proportion (65%) of revenue from rates. To enable a 0% rates increase for 2020/21, a number of measures were implemented to identify operational savings such as a freeze on staff pay rates and training. A draw down against the Disaster Recovery Fund was made to meet the additional gap in funding still required which was debt funded. The debt to total revenue ratio is approximately 97% as at 30 June 2021.

It will likely take a three to four-year period to fully recover from the impacts of COVID- 19 which will require ongoing use of the Disaster Recovery Fund to offset lower revenue – for the 2021/22 and 2022/23 financial years. This may require Council to review levels of service. Council is however, cognisant of the importance of maintaining capital spending to support the economic recovery in our region. The financial risks are expected to be manageable due to the strong financial position of the Council and relatively low debt burden as interest rates are forecast to remain low in the short to medium term.

Affordability of rates may become an issue if unemployment and business closures increase significantly.

In the medium term (2-5years), it is assumed that as vaccination programmes are rolled out there will be a gradual re-opening of borders. Ongoing waves of infection are likely to continue to be experienced globally, although at this stage with strict border controls, unlikely in New Zealand. The time required to produce and distribute vaccines is expected to continue to affect the global economy which may in turn impact New Zealand's export earnings and supply chains.

In summary, the main effects of COVID-19 on the Infrastructure Strategy are expected in the first 3-5 years of the strategy. However, so long as community transmission does not occur, or is limited in New Zealand, then levels of service and the infrastructure work programme set out in the Strategy are considered achievable. Council will continue to be agile in its response to changing economic and social conditions and the Strategy will be reviewed in 2023, as part of the development of the 2024 Long Term Plan.

Strategic direction — overview

Many changes have occurred since the previous infrastructure strategy was adopted in 2018. Additional strategic direction for infrastructure management includes:

- the development of a vision for Nelson
- Council priorities related to a sustainable transport culture, housing affordability and intensification, enhancement of the Maitai River Precinct, City Centre Development, provision of infrastructure and improving and protecting Nelson's environment.
- a new Government Policy Statement for land transport with a strong focus on safety, multi-modal transport options and reducing emissions
- increased national and local commitments to both adapt to climate change and reduce emissions
- a new National Policy Statement and new National Environmental Standards for Freshwater introduced in 2020
- adoption of the Nelson Tasman Future Development Strategy 2019 (FDS) to guide where and how new residential and business development should occur

Transport

Strategic changes related to transport include:

- amendments to the Government Policy Statement on Land Transport
- increasing commitments at a national and local level to climate change adaptation and mitigation
- the Nelson Future Access Strategy to address capacity constraints on Nelson's transport network that impact on the city's ability to accommodate growth and intensification.

Significant transport issues considered in this infrastructure strategy include:

- The transport network is critical to enable all other utilities to get up and running following natural hazard events, by enabling essential service vehicles to access affected areas
- Incomplete network data
- The current transport system is in a highly constrained geographic environment, with hills on one side and the Tasman Sea on the other. The growing demand for travel is being squeezed through two arterial roads that must function as 'all things to all users'
- When and where to provide increased capacity of the transport network to provide for urban intensification and growth
- Growth in the number of car users, and slow uptake of alternative transport options, has increased the demands on the existing road network.

Find out more on page 342

Water Supply

Strategic changes related to the water supply include:

- the increasing potential for extended periods of dry weather as a result of climate change, affecting water security
- the need to meet the requirements of the upcoming National Policy Statement for Freshwater Management and National Environmental Standards, and comply with the 2017 and 2019 water supply resource consent conditions
- the outcomes of the Three Waters Review and an increased focus on protection of public health associated with community water supplies
- Nelson's water supply catchments have capacity to meet water demands well into the latter part of the century. However there are constraints in some areas of the city reticulation that impact on the city's ability to accommodate growth and intensification. This is particularly the case in the Maitai Valley, south Nelson and parts of the inner city.

Significant water supply issues considered in this infrastructure strategy include:

- The older piped water reticulation network is at risk of damage during earthquakes and flood events. In 2014 work to duplicate the raw water supply pipe from the Maitai Dam to the Water Treatment Plant was completed
- Water supply assets are starting to show signs of age, resulting in increased failures. Due to a greater proportion of the network reaching the end of its design life, a significant length of watermains will need to be renewed within the next 30- 50 years
- Levels of service for water supply will reduce unless assets are maintained, renewed and upgraded in a timely fashion
- 20-25% of water supplied is not able to be accounted for in the water supply network
- Being able to access water from the Maitai Dam increases the resilience of the water supply network. The presence of Lindavia intermedia in the Maitai Dam lake is being investigated to ensure that any future impacts on the Water Treatment Plant processing system are managed by the plant operators
- Deposits in cast-iron pipes are discolouring the water supply received by some customers
- Improving the quality of water discharges from the Maitai Dam into the Maitai River to avoid impacts on the downstream environment.

Find out more on page 354



Wastewater



Strategic changes related to wastewater include:

- the need to consider relocation of the Nelson Wastewater Treatment Plant (NWWTP) in future as part of the 2024 resource consent application, taking into account the impacts of climate change and cultural values
- new requirements for wastewater management as a result of the Three Waters Review and the proposed legislative changes arising from the Action for Healthy Waterways programme
- the need to manage, reduce and mitigate wastewater emissions in line with new climate change legislation and targets
- Nelson's wastewater network has capacity constraints that impact on the city's ability to accommodate intensification and growth.

Significant wastewater issues considered in this infrastructure strategy include:

- The impact of climate change and new requirements for wastewater discharges on the long-term viability of the NWWTP's current location and treatment processes/ disposal routes
- Planned levels of service for wastewater will not be met unless assets are maintained, renewed and upgraded
- Inflow and infiltration causes overflows from the wastewater network
- Failures of the Atawhai rising main could result in untreated wastewater discharges directly into Nelson Haven
- Nelson's wastewater network has capacity constraints that impact on the city's ability to accommodate growth and intensification.

Find out more on page 370

Stormwater and Flood Protection



Strategic changes related to the stormwater and flood protection include:

- The impacts of increased intensity and frequency of significant rainfall events and sea level rise on stormwater & flood management
- Nelson's stormwater network has capacity constraints that impact on the city's ability to accommodate growth and intensification
- the development of a new resource management plan for Nelson, the Whakamahere Whakatū Nelson Plan, and the implementation in that Plan of national freshwater policy which will set higher standards related to the quality of stormwater being discharged into freshwater and coastal environments.

Significant stormwater and flood protection issues considered in this infrastructure strategy include:

- Unless additional capacity is allowed for, the level of service provided by existing stormwater and flood protection assets will progressively reduce over time due to more intense storms and sea level rise projected with climate change
- Damage to the stormwater network from natural hazards and climate change
- Planned levels of service for stormwater and flood protection will not be met unless assets are maintained, renewed and upgraded
- A significant length of stormwater pipelines will need to be renewed as a greater portion of the network will reach the end of its design life beyond the next 30 years
- Management of increased stormwater flows associated with urban intensification and growth
- Meeting new freshwater quality objectives set under the Nelson Plan, as directed by the National Policy Statement for Freshwater Management, and the National Environmental Standard for Freshwater Management (NES-FM).
- Data gaps regarding the function and effectiveness of the existing stormwater systems currently impact on meeting these objectives.

Find out more on page 384

Solid Waste

Strategic changes related to solid waste include:

- the Climate Change Response (Zero Carbon) Amendment Act and the increases in the cost of emission units
- increasing local and national commitments to reducing greenhouse gas emissions as part of a transition to a low carbon society

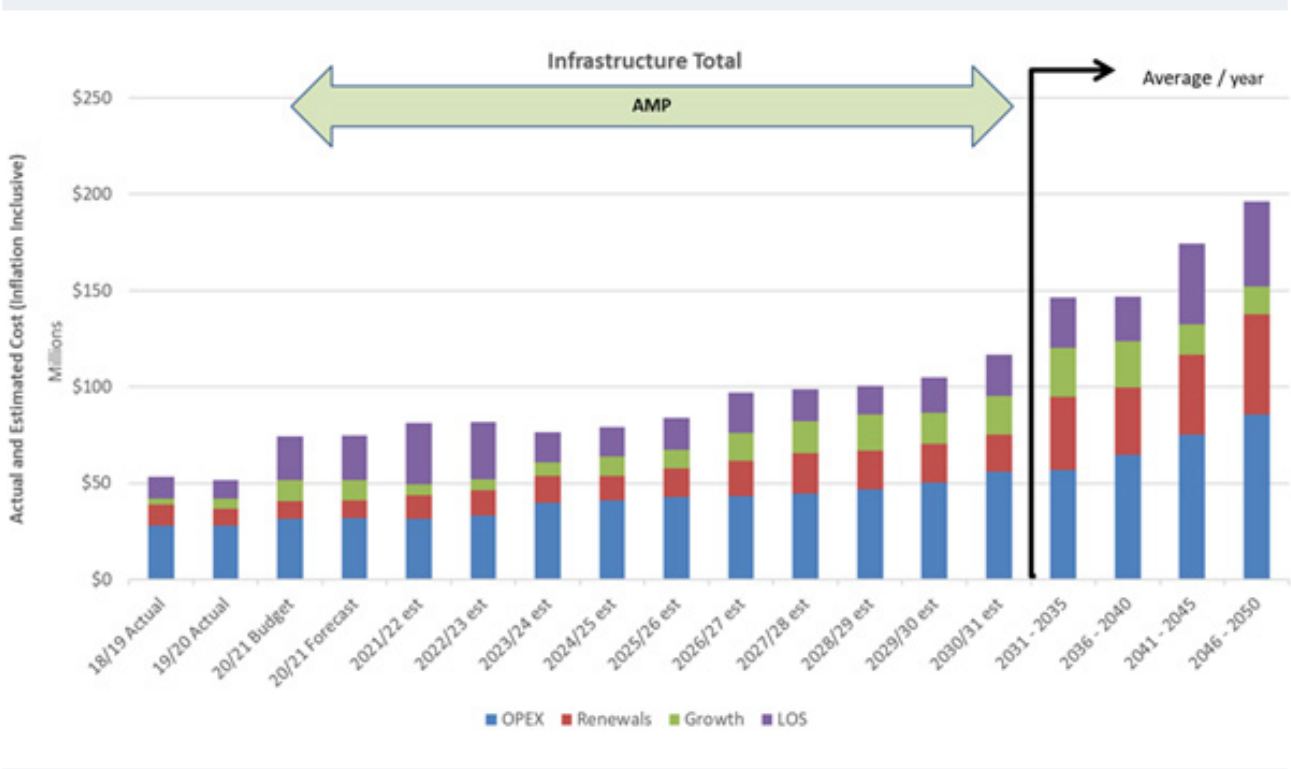
A significant solid waste issue considered in this infrastructure strategy is how to meet Council's obligations under the Climate Change Response (Zero Carbon) Bill to reduce greenhouse gas emissions, as well as cost-effectively diverting waste from landfill, and using these decisions to proactively contribute to a low carbon future.

Find out more on page 400

Financial implications — most likely scenario

Infrastructure costs for the next 30 years are shown in the graph below. These estimates are based on the likely options outlined in this strategy and the work programmes included in the 2021–2031 activity management plans.

Financial implications — most likely scenario graph



Part One

Strategic Direction

1. Context

1.1 Background

Nelson's unique coastal location and its identity as A Smart Little City attracts residents, businesses, investment and visitors. Climate change, ageing infrastructure, development to meet the needs of an increasing population and the need to improve environmental outcomes will require changes to how Council provides infrastructure services. This strategy identifies innovative and effective ways to meet the future needs of the community.

1.2 Purpose of an infrastructure strategy

The purpose of an infrastructure strategy is to identify significant infrastructure issues during the period covered by the strategy (which needs to be at least 30 years), the principal options for managing those issues, and the implications of those options.

Section 101B of the Local Government Act requires Council to outline how it intends to manage its infrastructure assets, taking into account the need to:

- renew or replace existing assets
- respond to growth or decline in the demand for services reliant on those assets
- allow for planned increases or decreases in levels of service provided through those assets
- maintain or improve public health and environmental outcomes or mitigate adverse effects on them
- provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks

The infrastructure strategy must also outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy.

1.3 Structure and scope of this strategy

Part One of this strategy summarises how Council's strategic direction, which is driven by both local and national objectives, influences the provision of infrastructure.

Part Two discusses the specific issues Council needs to address related to water supply, wastewater, stormwater & flood protection, transport and solid waste management, in order to achieve objectives related to:

- managing risks related to natural hazards and climate change
- maintaining, renewing and upgrading infrastructure
- meeting the needs of growth
- maintaining and enhancing public health and safety outcomes, and the environment

Part Two includes options tables which estimate the cost of both preferred and alternative options to address the issues. This includes the potential costs of failing to prepare for climate change impacts.

Part Three provides an overview of the financial implications of Council's proposed approach to infrastructure management.

Public and active transport and solid waste services are included in this strategy, in addition to the activities which the Local Government Act requires councils to include — water supply, sewerage, stormwater and flood protection as well as roads and footpaths.

The Nelson Tasman Regional Landfill Business Unit and the Nelson Regional Sewerage Business Unit manage core infrastructure on behalf of both the Tasman and Nelson councils (York Valley Landfill and Bell Island). Due to the different reporting structure for these business units (to their own boards and to both councils) a separate infrastructure strategy will be prepared for these services.

1.4 Implementation of the strategy

Effective implementation of this infrastructure strategy relies on good information flow and alignment between three different levels:

- strategic documents (10-30 years) including the Infrastructure, Financial Strategy, Nelson Tasman Future Development Strategy 2019 (FDS), and the Nelson Plan
- tactical plans (1-10 years) including the Long Term Plan, activity management plans, the Intensification Action Plan, the Nelson Plan,
- operational activities (year to year) including work programmes and service delivery contracts

Good levels of service statements and effective performance monitoring are key to aligning outcomes at each of these levels.

Infrastructure projects are spread over three to five years, depending on their complexity. Over time, it is anticipated that Council will be able to increase the number of projects it delivers, as there is a commitment to month on month, year on year improvements on the delivery of capital projects. This reflects that the level of project management maturity is increasing, and that Council's delivery model has the majority of work delivered by consultants who can take on more work. As Council's project managers become increasingly skilled, they can increase the number of projects they deliver.

Council's processes and procedures are also improving and becoming more streamlined, which also increases delivery capacity.



2. Strategic Direction

- Overview
- The Vision: Nelson A Smart Little City
- Council priorities
- Iwi partnership
- Council's approach to community engagement
- Financial Strategy
- Climate change
- Future development (including intensification)
- Resource management
- Legislative changes, Government Policy Statements and proposals

2.1 Overview

Many changes have occurred since the previous infrastructure strategy was adopted in 2018. This section of the infrastructure strategy outlines how the following changes affect infrastructure management in Nelson.

Additional strategic direction at a government level that affects infrastructure management includes:

- changes to the Local Government Act 2002 to delete references to good quality (effective and efficient) infrastructure, and reinstating promotion of the social, economic, environmental and cultural well-being of communities in the present and for the future
- a Climate Change Response (Zero Carbon) Amendment Act with a target of zero net emissions by 2050 (excluding methane)
- a Government Policy Statement on Land Transport has been adopted with a strong focus on safety, multi modal transport systems and emission reductions
- a new National Policy Statement on Urban Development with additional requirements so as to meet the needs of communities and encourage well-functioning, liveable urban environments.
- the Three Waters Review has led to a decision to establish a new agency to administer and enforce a new drinking water regulatory system and improve the environmental performance of wastewater and stormwater networks
- the new National Policy Statement for Freshwater Management 2020 with higher freshwater quality standards
- a new proposed National Environmental Standard (NES) for wastewater and amendments to the Drinking Water NES, and requirements for wastewater and stormwater network operators to prepare risk management plans
- establishment of a Ministerial Inquiry into the future of local government. The review includes, but is not limited to, roles and functions of local government, as well as representation, governance, funding and financing.
- the Resource management Act Reform will result in the Resource Management Act 1991 (RMA) being repealed and replaced with three new laws, Natural and Build Environments Act, Strategic Planning Act and Climate Change Adaptation Act
- a National Policy Statement for Indigenous Biodiversity is under development, due in the second half of 2021
- a proposed increase to the landfill levy has been confirmed.

In addition, new Nelson City Council strategies and plans include:

- the Nelson Tasman Future Development Strategy 2019
- the development of the Draft Whakatū Whakamahere Nelson Plan which includes new infrastructure, freshwater, climate change and natural hazards provisions.

2.2 The Vision: Nelson - A Smart Little City

Vision

Nelson - A Smart Little City: He Tāone Tōrire a Whakatū

Nelson is a vibrant place where we are deeply connected with, and committed to, our natural, social and cultural environment. Clever business and innovation help us thrive. We enjoy living fulfilled lives in smart, sustainable communities.

Mission

We shape an exceptional place to live, work and play.

The financial and infrastructure strategies have a shared goal:

Make transformational steps towards achieving the vision of A Smart Little City, that prioritises walking and cycling, is an affordable place to live, and embraces our harbour and riverside. Achieve this while ensuring rates are affordable, including for an ageing population; debt levels are manageable for

future generations; risks and challenges are met, including the impacts of climate change.

Specific examples of how the Vision relates to infrastructure management include:

- encouraging the shift towards a more active and sustainable transport culture
- investing in infrastructure to support intensification of residential areas
- increasing research and preparedness to adapt new methodologies and materials which deliver innovative solutions
- choosing carbon neutral and low carbon options where practicable
- consideration of climate change impacts in the location, design and operation of our infrastructure

2.3 Council priorities

In implementing the following top six priorities for the 2021–31 period, Council will be paying particular attention to projects that deliver multiple benefits. Projects in one area can bring significant gains for another priority. For example, the accelerated programme to reduce inflow and infiltration into the wastewater system aims to reduce the risk of wastewater overflows into our waterways and Tasman Bay. Fewer overflows mean significant benefits for our environment and contribute to the smart development of our city.

Infrastructure

Infrastructure is about people – our lives, health and wellbeing ultimately depend on it. Infrastructure is critical to the wellbeing of the City, the Nelson Region, its residents, and visitors. Continuing our significant levels of investment in Nelson's core infrastructure is of fundamental importance to Council. Despite being largely unseen, our infrastructure provides the foundation for our city to develop, grow, thrive, and meet central government requirements.

Environment

Nelson's stunning natural environment is treasured by residents and visitors alike – it is part of what makes Nelson an extraordinary place. A healthy environment is essential to our health and wellbeing and we all have a duty to care for it. The challenge of climate change has made this work all the more important.

City Centre development

The activation and revitalisation of our City Centre is focussed around Six Key Moves that Council has developed to address the significant transformative opportunities in Nelson City: Destination Nelson, Walkable Nelson, Blue-Green Heart, Smart Development, Liveable Centre, and Clever Business. That transformation will be guided by a spatial plan to define the changes needed to make sure that our city centre meets everyone's needs, now and in the future. The plan will create a people-focused, place-based vision for the city centre that attracts investment, residents, talent, thriving business, families, and events – the foundations of A Smart Little City.

Housing affordability and intensification
Housing is one of the most basic needs for people, and stable housing is linked to positive economic, educational, and social outcomes for individuals and communities. The lack of affordable housing is one of the most significant challenges facing the Nelson region. Council will continue to work with others, including central government, the private sector, and community groups, to address the housing crisis.

Maitai River Precinct
Key to establishing Nelson as a dynamic destination, a Smart Little City should grow into the future with a series of legible precincts that link our mountains to the sea and Maitai River. Council is investigating opportunities to develop the Maitai River Precinct with new spaces for people to enjoy, particularly through the development of a new library and adjacent civic plaza. Council's vision for the site is to link the river to the heart of Nelson City, and for the adjacent land to be a focal point for the community.

Creating a sustainable transport culture
Council is encouraging the community to transition to more sustainable modes – choosing active transport (including walking, cycling, skateboarding, riding scooters), and public transport more often

for their journeys. This will support social and environmental wellbeing and reduce the City's greenhouse gas emissions.

2.4 Iwi partnership

The Council recognises Ngāti Koata, Ngāti Rārua, Ngāti Tama, Te Ātiawa, Ngāti Toa and Ngāti Kuia as Tangata Whenua. The Council also recognises the traditional customary association and statutory acknowledgements of Ngāti Apa ki te Rā Tō and Rangitāne ki Wairau within the Whakatū region, as acknowledged through Treaty Settlements.

Council is committed to strengthening partnerships with iwi and Māori of Te Tau Ihu, and providing opportunities for Māori involvement in Council decision-making processes in a meaningful way.

Some of the initiatives in place to support Māori participation in Council decision-making are listed below:

- Continuing to engage with the eight iwi of Te Tau Ihu through the following regular iwi-Council engagement hui:
  - Iwi-Council Partnership Group to provide guidance related to governance and strategic direction
  - Nelson City Council and Iwi Managers Forum to provide direction related to management matters

As part of the development of the Infrastructure Strategy Council and iwi held a series of hui to discuss the Activity Management Plans which support this Strategy.

Further information on Council's partnership with iwi and Māori is set out in the Statement on Fostering Māori Participation in Council Decision Making in the Long Term Plan 2021-2031.

2.5 Council's approach to community engagement

Council is continuing its focus on working closely with the community when planning, designing and implementing projects. This means staff will take a proactive, best practice approach to engagement, including the development of communications and engagement plans during the initiation stage of new projects. An engagement team has been established to assist infrastructure project managers with this work.

Council's digital engagement tool, Shape Nelson, will also enable members of the community to engage with Council about upcoming and current infrastructure projects.

Council recognises not everyone wants to use digital communication methods. Multiple communication channels will be used including Our Nelson, door knocking, public meetings and mail outs. Engagement will be included in all stages of projects and in the follow up at the end of a project — which will provide feedback for future projects.

More consultation and engagement results in slower progress initially, but once agreements are made the projects are more robust. It enables Council to identify the right solution at the right time and right place, with support from the majority of the community.

Key stakeholders

Council works alongside a variety of stakeholders and partners to share knowledge and views, make the most of resources, and achieve shared goals. This includes organisations focused on community development, arts, sport, recreation, environment and transport, other territorial authorities (particularly Tasman District Council), health bodies, NMIT, central government agencies, businesses and residents' associations.

2.6 Financial Strategy

The Infrastructure Strategy is aligned with the Financial Strategy. The Financial Strategy 2021–2031 demonstrates how Council will:

- ensure that the level of rates and borrowing are financially sustainable and are kept within pre-set limits
- be accountable for maintaining the assets that it owns on behalf of the community
- fund network infrastructure and maintain levels of service.

The overall direction of Council's Financial Strategy is to keep the rates increases to the Local Government Cost Index (LGCI) + 2.5% across the LTP (previously LGCI + 2%) and to manage Council's

work programme to remain comfortably within a debt to revenue ratio of 175% (previously 150%).

Two other important financial considerations related to infrastructure are Council's approach to development contributions and to funding recovery from significant natural hazard events.

Development Contributions
Council charges a standard rate per household unit of demand to cover the growth costs of stormwater, wastewater, transport, reserves, and community infrastructure. To incentivise residential development in the city centre and fringe, a waiver for development contributions is provided.

Council's Disaster Recovery Fund
The Disaster Recovery Fund is currently carrying debt from the December 2011 rainfall event, and the COVID-19 emergency March 2020.

Disaster Recovery Fund - Loan Movements	
Loan Balance 1 July 2011	—
Emergency Response - 2011 Storm Event	10,848,061
Emergency Response - April 2013 Event	705,883
Emergency Response - April 2014 Event	224,235
Emergency Response - Days Track	473,936
Emergency Response - 1 February King Tide	701,052
Contributions to Fund	(12,009,738)
Loan Balance 30 June 2020	**943,429**
Emergency Response - Seaview Terrace	815,700
COVID-19 Response – 2020/21	2,568,210
Loan Balance 30 June 2021 (Projected)	**4,327,339**

Indications are that we will need to make more use of this fund in years to come due to the higher level and frequency of events expected with climate change. Insurance availability for councils may be expected to become more expensive and less available over time in areas assessed as high risk.

2.7 Planning for climate change

Climate change is a significant and urgent international, national, and local issue. At a local level, Nelson City Council has a key role to work with the community towards creating a resilient and low emissions future and implementing adaptive measures to manage and minimise risk.

Research by the Intergovernmental Panel on Climate Change shows that significant global emissions reductions ("mitigation") are required in a relatively short timeframe to avoid the most damaging effects of climate change. Even with successful mitigation in place, there will be a need to adapt to the effects of climate change ("adaptation"). The direct effects include warmer temperatures, more variable weather conditions (e.g., more intense storms/droughts and changes in rainfall patterns) as well as sea level rise. All of these changes will pose challenges for our infrastructure. Adapting to these effects requires increasing community readiness and resilience given some effects from climate change are now unavoidable.

In 2017 Nelson City Council signalled its commitment to a holistic approach to climate change through its participation in the Local Government Position Statement on Climate Change and the Local Government Leaders Climate Change Declaration. In 2019 Council declared a climate emergency. This committed Council to examine how its plans, policies and work programmes can address the climate emergency and to ensure that climate change is embedded in all future Council strategic plans. How Council delivers its services will play a key role in building community resilience and meeting emissions reduction targets. A wide range of mitigation (i.e., emissions reduction) work across Council has commenced, including emissions measurement and reporting, adding electric vehicles to the fleet, commencing energy audit and management programmes, identifying mitigation opportunities in Activity Management Plans, and improving processes for considering climate change in procurement and business case development.

For adaptation (i.e., preparing for the impacts of climate change) Council has incorporated larger stormwater pipe sizes into its design standards to cope with increased rainfall, and developed new flood modelling to identify at-risk areas and inform city-wide strategic adaptation responses, including the development of the Nelson Plan.

2.7.1 The impact climate change will have on infrastructure

The key effects that will impact on Nelson is sea level rise, heavy rainfall, flooding events, drought and extreme temperatures. The impact to infrastructure will vary as will responses. A summary of the key impacts climate change will have on infrastructure is summarised in this section. Further information on specific impacts is detailed within the various 2021-31 Activity Management Plans within Infrastructure.

Sea level rise
Sea level rise is one of the biggest climate challenges for Nelson as a large proportion of our urban infrastructure is coastal or low lying. These areas will become more vulnerable to coastal inundation (flooding) as tides and storm surges extend further inland over time.

In 2019, LGNZ released two reports 'Vulnerable: the quantum of local government infrastructure exposed to sea level rise' and 'Exposed: Climate change and infrastructure'. These reports are based on information LGNZ requested in 2018 from the majority of councils within New Zealand. This information included asset type, quantity, and replacement value of infrastructure assets that could be exposed to the impacts of varying sea level rise. These reports highlight that for 1.0m sea level rise (above Mean High Water Spring (MHWS)), approximately $56m of Nelson infrastructure (three water and roads) could be affected.

For the Nelson community, the main impacts will be the more regular inundation of areas around The Wood, the CBD (including Halifax, St Vincent, Vanguard, Gloucester and Rutherford Streets). Areas on the open coast that are more exposed to coastal swell such as the Glen, Wakefield Quay/ Rocks Road, Tahunanui and Monaco will be subject to increasing coastal inundation and coastal erosion hazard associated with sea level rise. Some of the key impacts this will have on infrastructure activities is as follows:

- Roads in low lying areas will not be accessible at all times. Diverting traffic to alternative routes will increase congestion on residential and arterial routes
- Coastal erosion has the potential to damage roads, water, wastewater and stormwater assets located in vulnerable coastal areas
- Over the long term, coastal inundation has the potential to affect the wastewater network and the Nelson Wastewater Treatment Plant, (NWWTP) potentially resulting in wastewater overflows and contaminants discharging into the receiving environment
- The hydraulic flow capacity of the stormwater network is anticipated to reduce within low lying areas as the pipe outlets will be submerged more often
- The stormwater network has the potential to act as a conduit for sea level rise resulting in high tides potentially flooding larger areas of the city
- Sea level rise has the potential to effect the Atawhai (closed) landfill in the long term resulting in contaminants potentially discharging into the coastal marine environment
- Increased risk of liquefaction to Council assets and urban areas generally due to higher water table in coastal areas

Heavy rainfall and flooding events
Higher intensity rainfall events will result in an increase in surface water, stormwater and stream flows. The implications for the community is that without mitigation of these effects, they may experience more regular and extensive flooding from streams, rivers and stormwater overflows. The impacts this will have on infrastructure activities is as follows:

- Roads affected by flooding will not be accessible at all times. Diverting traffic to alternative routes will increase congestion on residential and potentially arterial routes
- Water, wastewater pipelines, bridges and culverts that cross streams and rivers are at risk of being damaged during high flow events
- Increase rainfall intensity has the potential to increase the likelihood of sewer overflows due to the effects from inflow and infiltration

- Flooding has the potential to affect the wastewater network and the NWWTP potentially resulting in wastewater overflows and contaminants discharging into the receiving environment
- The increase in storm rainfall intensity will result in higher sediment volumes entering the rivers, streams and stormwater network which is expected to increase maintenance requirements as well as risks associated with blockages
- Refuse and recycling materials is at a greater risk of entering the freshwater/coastal marine environment due to the effects from flooding/ storm events

Drought and extreme temperatures
With a warmer climate, the community will be exposed to more extreme temperatures and longer and more severe droughts. This will also have a negative impact on the environment, particularly with our streams and rivers, including new biosecurity risks. The impact this will have on infrastructure activities is as follows:

- Increase in water supply abstraction from the rivers and reservoir due to increased demand. This will have an impact on the flows within the rivers and increase the likelihood of moving to water restrictions
- Droughts are expected to become moreregular and potentially more severe. This may result in the water restriction requirements for residential and commercial use becoming more severe than those at present
- Droughts will increase the likelihood of forest fires within the water supply catchment. This will have an effect on water quality, increased operational costs, and potential damage to key lifeline assets (i.e. Maitai raw water pipeline)
- The temperature of the wastewater within our network will increase, which could lead to an increase in the gas, hydrogen sulphide. This would result in greater issues with odour and corrosion of susceptible assets (particularly those made of concrete)
- An increase in river temperature and a reduction of flow will have a negative impact on the stream health and biodiversity. Potential increase in aquatic weeds and algae as well as the emergence of new pest organisms that are better adapted to warmer temperatures. This has the potential to further reduce stream health, biodiversity and hydraulic capacity

2.7.2 Climate change mitigation

Infrastructure is part of the wider community commitment to reducing greenhouse gases, which are measured and monitored through the Council's Certified Emissions Measurement and Reduction Scheme (CEMARS – now called Toitū Envirocare) Action Plan.

In August 2020 Council committed to adopting the 5 year emissions reduction budgets to be developed and confirmed by Central Government at a national level in 2021. This commitment is to ensure that by 2025, Council realises measureable positive change towards achieving carbon zero status. Longer term the Council has also adopted the Government targets for Council's own greenhouse gas emissions (GHGs) reductions (i.e., net zero emissions of all GHGs other than biogenic methane by 2050, and a 24% to 47% reduction below 2017 biogenic methane emissions by 2050, including 10% reduction below 2017 biogenic methane emissions by 2030). These targets are intended to be achieved through the development and implementation of a Council-wide 'Emissions Reduction Action Plan'.

Infrastructure accounts for 6.9% of Councils overall emissions. Within this 6.9%, electricity consumption represents 47% and GHG emissions represents 53% (The GHG emissions is a result from the biological treatment process at the Nelson Wastewater Treatment Plant).

Figure 1 – Infrastructure Carbon Emissions as percentage vs Rest of Council

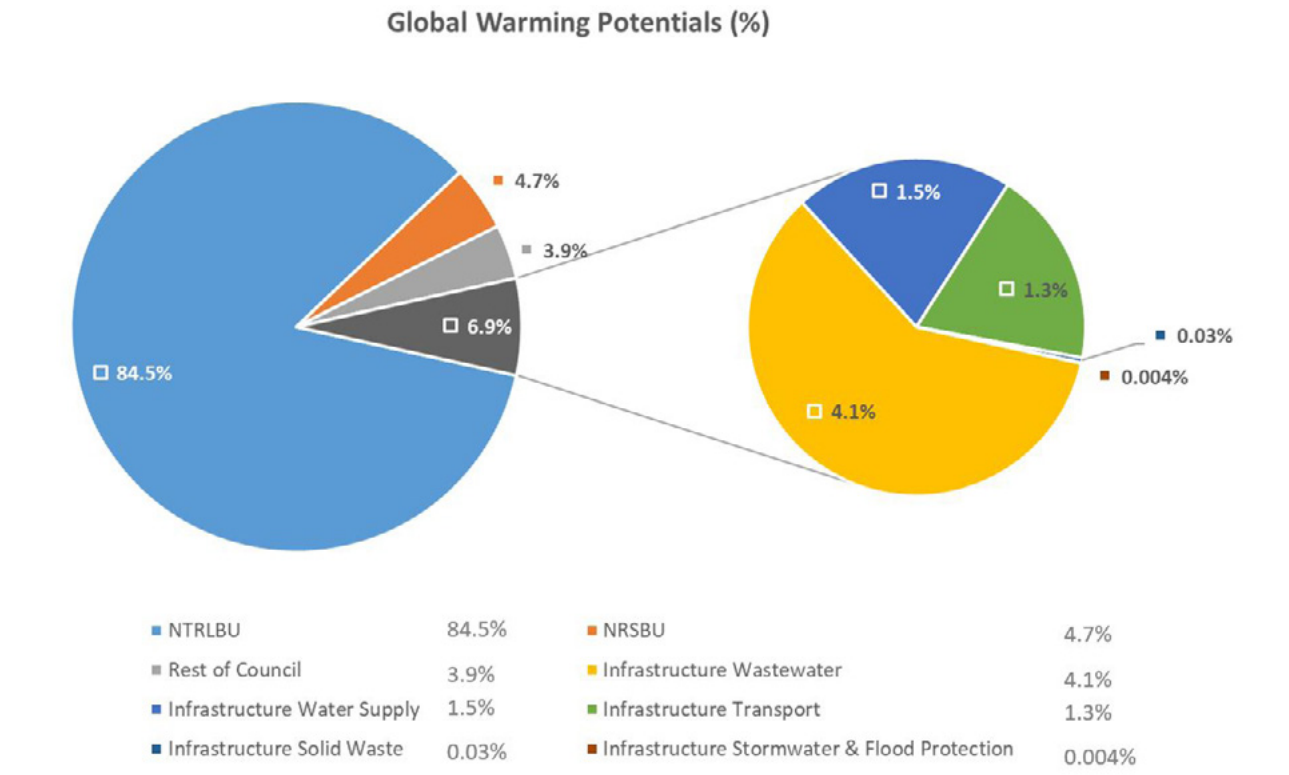
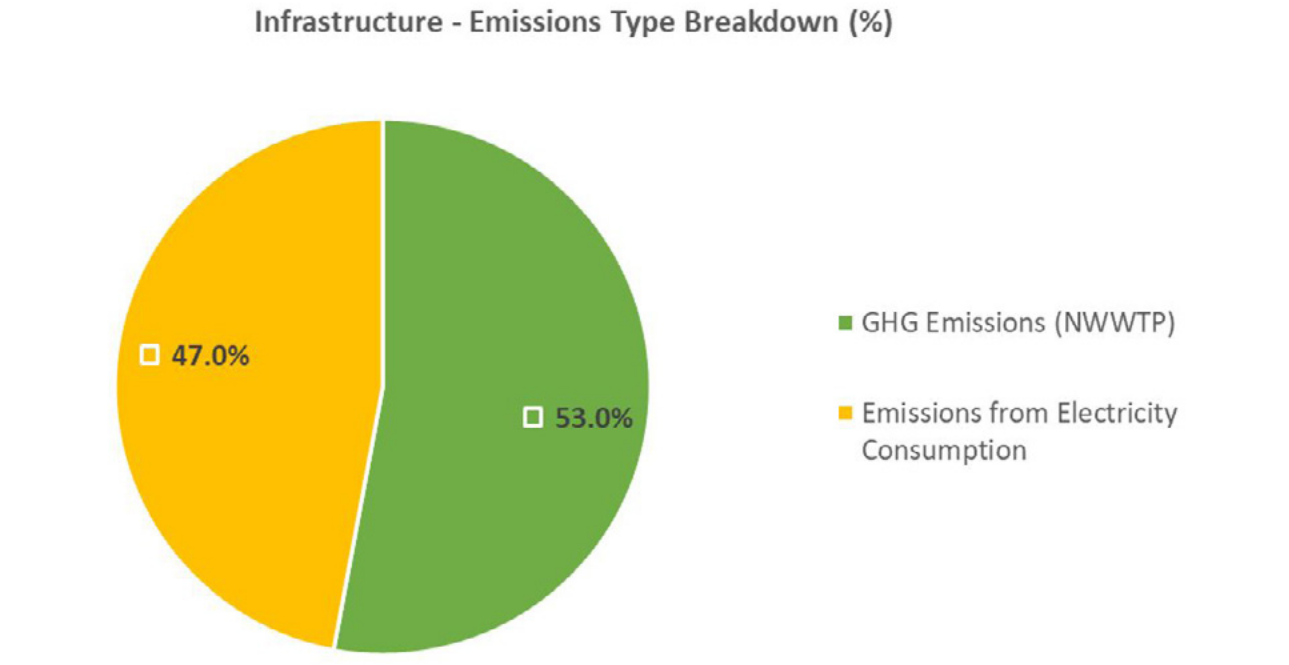


Figure 2 – Infrastructure Emissions Breakdown







Mitigation Actions:
Key projects that are featured within the Infrastructure Activity Management Plans that will contribute to the Council wide 'Emissions Reduction Action Plan' are:

- **Emissions Reduction Strategies –** For water and stormwater activity, this will focus on Energy Audits. For wastewater, this will focus on both energy audits and mitigating gas emissions
- **Wastewater Network Heat mapping –** This is investigating the possibility of utilising residual heat within the wastewater network to help offset power consumption in Council owned buildings

It is anticipated that future projects will be identified following the conclusion of these strategies and a placeholder for capital expenditure has been included within the 2021-31 Activity Management Plans.

Most of the emissions related to Solid Waste and Waste Minimisation are not Council-produced emissions but rather emissions produced by contractors (through the use of vehicles) or by disposal choices made by Nelson residents and small industry.

Solid waste, through the application of the Joint Waste Management and Minimisation Plan, is developing procedures to reduce the production of waste and to create disposal options which align with climate change policies.

Reducing the production of waste through better purchasing decisions and increased recyclability or compost ability is the first stage in a reduction of emissions by each individual.

These procedures include maximising composting and the diversion of organic materials from landfills, the establishment of reuse facilities for recyclables and other methane producing materials such as demolition waste, and to use contractual controls to move all contractor vehicles to zero emission vehicles.

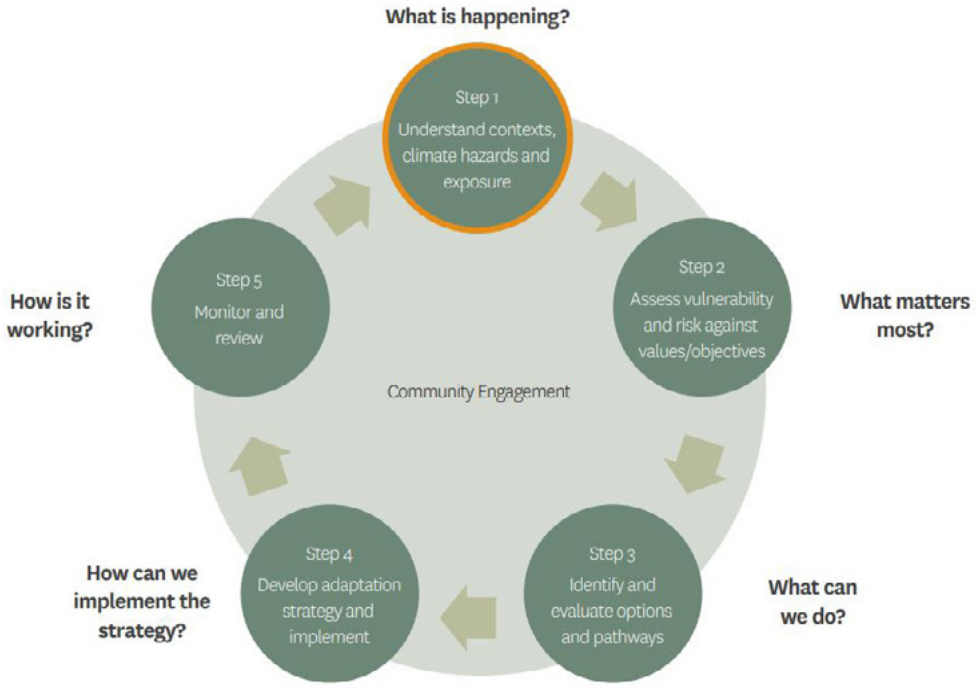
2.7.3 Climate change adaptation – responding to the effects of climate change

The effects from climate change will vary depending on the activity, and so will the adaptation response. The LGNZ 2019 report 'Exposed: Climate Change and Infrastructure' provides guidance for Council particularly on the gathering of relevant, accurate and up to date information. This is to lead the way to better informed decisions around improving the long term resilience of infrastructure.

Accurate data collection is critical to better understanding the exposure of infrastructure to climate changes hazards and to plan for impacts caused by climate change. These include both long term gradual impacts (stressors), as well as event-based changes/hazards, such as extreme weather events.

Figure 3 describes a 5-step process councils should follow for climate adaptation. This is based on the Ministry of Environment's 2017 publication 'Coastal Hazards and Climate Change: Guidance for Local Government'. This process can be applied to a range of climate-related effects including sea level rise, flooding, and extreme temperatures.

Figure 3 - Climate Change Adaptation Process



Two key strategies that infrastructure activities will be implementing in their relevant activity management plans are:

- Vulnerability Assessment Strategies – This considers combination of step 1 & 2 of the LGNZ climate change adaptation process. This involves:
  - — Data gathering (Environmental/ topographical and infrastructure),
  - — Establishing a collaborative process to explore values & objectives to guide the adaptive decision making process
  - — Assessing the vulnerability and risk (potential likelihood and consequences)
- Adaptation strategies - This considers combination of step 3 & 4 of the LGNZ climate change adaptation process. This involves:
  - — Developing and understanding options/ pathways for adaptation over the short, medium and long term.
  - — Developing adaptation plans, including options, timeframes, funding sources and responsibilities.

It is anticipated that future projects will be identified following the conclusion of these strategies and a placeholder for capital expenditure has been included within the 2021-31 Activity Management Plans for adaptation projects.

The Stormwater & Flood Projection Activity Management Plan is an activity that is critical to providing protection to Nelson City from the impacts of heavy rain and flooding. These particular strategies have not been included at an activity level and instead considered through a variety of stormwater and flood protection strategies. Key projects included within the stormwater & flood projection activity that will provide protection to Councils infrastructure from the effects of heavy rain and flooding include:

- Saxton Creek Upgrade
- Orphanage Stream Upgrade
- Little Go Stream Upgrade (Rutherford Stages 1 and 2)
- York Stream Upgrade
- Maitai Flood Mitigation Project
- Jenkins Creek Upgrade
- Poorman Valley Stream Upgrade

These projects will form part of the Council-wide climate change adaptation framework as detailed in section 2.7.4.

Further information on specific projects relating to adaptation projects is detailed within the various 2021-31 Activity Management Plans.

2.7.4 Council-wide climate change adaptation framework

Over coming years, Council will need to consider its approach to adaptation. A critical part of this work will be engaging the Nelson community to both understand views and priorities for this work and to share existing and emerging information. This engagement with the community will need to be a frank conversation about the changes expected and different options for response. For example in relation to rivers and flooding the community will need to weigh up the importance of protecting property and infrastructure through measures like stop banks against the importance of protecting the natural environment.

As information on likely effects and preferred response options is developed and the community priorities are better understood, Council will develop this into a framework to guide its response planning. The framework will be an iterative document, constantly evolving as more is known about the range and severity of impacts.

The intention of the adaptation framework is to provide for truly long-term planning (50 to 100+ years) and a transition toward 'adaptive planning' that allows for increasing flexibility in at-risk areas (or areas that may become exposed to risk in the future). Better understanding of trigger points, retreat locations, and adaptation options is expected to provide greater certainty for communities, and allow for longer term infrastructure planning and investment.

The adaptation responses for coastal inundation will form part of this framework. The delivery of this significant piece of work sits outside the Infrastructure Strategy but will be critical to inform future infrastructure decisions.

2.7.5 Climate change planning assumptions

In order to frame the response to climate change, the following assumptions have been made:

- Mitigation: The contribution of renewable energy sources to the national grid will progressively increase over time (currently targeting 90% renewable energy by 2025). This is expected to contribute to a steady reduction in the carbon footprint of Council assets that draw on mains power
- Mitigation: Construction materials and techniques will be available that meet net zero GHG emissions by 2050
- Mitigation: Where emissions cannot be reduced, a Council wide offsetting approach will be developed
- Adaptation: Temperature warming, which contributes to increased storm rainfall intensity will follow the RCP 8.5 scenario, and sea level rise will follow RCP 8.5 M (mid-range) projections. Projected temperature increase and sea level rise at 2090 are 2.6oC and 0.67m respectively (relative to 1986-2005 baseline). Use of the RCP 8.5 scenario is based on stormwater design standards contained in the LDM 2019

- Defend, Retreat or Accommodate: For the purpose of planning the 30 year programme, it is assumed at this stage that asset renewals and upgrades will continue in low-lying areas that are subject to flooding and coastal inundation. Following notification of the Whakamahere Whakatū Nelson Plan it is anticipated that new development in these areas will be designed to be resilient to flooding out to 2130. Wider community engagement (as detailed in section 2.7.4) is required to inform adaptation responses for existing development in these areas
- Finance Assumptions: Council will seek co-financing where available from Central Government towards implementation of adaptation projects

2.7.6 Community engagement

Climate change is a significant issue facing Council. In order for the Council to respond to the future challenges, wide community engagement is called for. This is expected to come from a number of Council activities as follows:

- Statutory consultation for the Long Term Plan and Annual Plans
- Whakamahere Whakatū Nelson Plan consultation on natural hazards overlays (including flood maps) and provisions (Objectives, Policies, Rules and Methods)
- Maitai Flood Management Options: Consultation is to be undertaken in 2021 to inform a risk based approach to identification and prioritisation of response options. This will happen alongside the Nelson Plan and will form part of the Council-wide adaptation framework.
- Flood Protection Strategies: Consultation on flood protection in other catchments will be undertaken in subsequent years, starting with the Jenkins Creek and Poorman Valley Stream. These catchments have been prioritised based on the extent of flooding predicted, and the number of affected properties and structures
- Notification of resource consents where required, including the NWWTP resource consent renewal
- Coastal Hazard Adaptation: Consultation is to be undertaken with the wider community on this significant issue

2.7.7 Knowledge gaps

The following knowledge gaps have been identified. Further information on specific knowledge gaps is detailed within the various 2021-31 Activity Management Plans within Infrastructure.

- A comprehensive vulnerability assessment of the impacts climate change will have on infrastructure assets
- A better understanding of adaptation responses required and community priorities is needed to drive development of adaptation options
- Data collection equipment and data visibility
  - River flow gauge stations
  - Stormwater network flows
  - Groundwater levels
  - Comprehensive measuring of Councils emissions

2.8 Future development

The Nelson Tasman Future Development Strategy 2019 (FDS) sets out where future housing is likely to be located within the next 30 years, and the likely timing of these developments.

The FDS identifies space for 8,166 extra dwellings in the Nelson Urban Area (which includes Richmond), and states that about 60% of this growth can be achieved by adding new housing into existing urban areas.[1] Council has identified six intensification areas that will be focussed on in the provision of infrastructure over the next twenty years. The focus for the first 10 years is the City Centre and Victory, although Washington Valley will also have additional capacity during this time as it is also programmed for a renewal/upgrade. The six intensification areas are:

[1] *For more details on the specific number of additional dwellings that could be accommodated in particular areas see the FDS i.*

- City Centre
- Victory
- Hospital/Nelson South
- Waimea Road
- Stoke School
- The Brook

An additional 1300 extra dwellings could be constructed in the Wood, Vanguard, Gloucester Street and Tahunanui in 20–30 years' time, but Council will not be providing for intensification in these areas unless the effects of climate change (particularly sea level rise) can be addressed in these areas.

There are two greenfield areas (Maitahi and Saxton) within Nelson that have been identified as being required to accommodate growth in addition to intensification areas.

Community feedback on the FDS supported growth through intensification of existing urban areas with limited expansion onto rural land. Council also considers intensification to be an advantage (other than in areas vulnerable to sea level rise) because it results in:

- better use of existing infrastructure (including reserves) and less need to extend the network (such as constructing new pipelines and roads)
- more opportunity to develop a wider variety of housing types

Implementation of intensification projects is more complex than traditional expansion, which is why an Intensification Action Plan has been developed.

Council does not have control over the location or level of uptake of intensification or urban expansion opportunities, as this is largely dependent on decisions by individual landowners and/or developers. Council can however, set enabling rules and policies, initiate the right infrastructure at the right time and support the perception of medium density living through high quality design, actions that are supported through its Intensification Action Plan.

Infrastructure underpins all development and having high-quality, reliable infrastructure provides certainty to developers that there is sufficient capacity in each intensification area and encourages development by achieving a coordinated plan for high-quality intensification asset development and upgrades. The key methods in the Intensification Action Plan that relates to the infrastructure programming is the:

Bulk programming of infrastructure investment to enable sufficient capacity for intensification development in agreed areas, and development of neighbourhood asset upgrade plans and refinement of infrastructure investment through the Long Term Plan process for the next thirty years

The role of high quality public transport, safe walking and cycling options and access to suitable greenspaces also become more important in intensified neighbourhoods. This has led to a programme of reserves redevelopment in intensification areas, and the alignment of transport investment with intensification areas.

2.9 Resource management

The Whakamahere Whakatū Nelson Plan (the Nelson Plan) will replace the Nelson Regional Policy Statement, Nelson Resource Management Plan and the Nelson Air Quality Plan, and will include transport and infrastructure, natural hazards, coastal and freshwater provisions.

Engagement on the Draft Nelson Plan was carried out in 2020 and 2021 and a Proposed Plan is expected to be formally notified in 2022.

Note that the Nelson Plan is in a draft phase and is likely to change over the course of engagement with stakeholders and the public so any specific reference to Nelson Plan rules in the Infrastructure Strategy contain some level of uncertainty (particularly around freshwater provisions).

Infrastructure provisions

The definition of regionally significant infrastructure in the Draft Nelson Plan includes the wastewater, stormwater and water supply networks, and arterial roads. The Draft Nelson Plan provides for the ongoing operation of regionally significant infrastructure.

It also supports the development of commercial scale renewable energy generation, particularly solar and micro-hydro generation. It identifies opportunities for niche micro-hydro (including at the Maitai Dam).

The Draft Nelson Plan reflects the FDS by explicitly stating where new urban expansion can occur (Development Areas) and enables intensification through zoning (the Medium Density Residential Zone) and rules relating to residential density. It also reflects national direction under the NPS-UD by removing car parking requirements.

Freshwater provisions

Draft Nelson Plan freshwater provisions give effect to the 2017 national directions. They provide for the progressive meeting of water quality and quantity targets by 2030. The planning response to the Action for Healthy Waterways package released in 2020 is still being developed in collaboration with Te Tauihu Iwi. Until the planning framework has been settled there is some uncertainty around the impacts on infrastructure management. The new provisions are likely to have the following implications for infrastructure management:

- New water quality limits relate to nutrient levels, sediments, algae, bacteria and macroinvertebrates, and are much more stringent than those in the Nelson Resource Management Plan
- Review of existing water permits may be required to reverse over- allocation in some of Nelson's water bodies. In future, all applications for water permits will need to include a water conservation plan
- Discharges of untreated wastewater as overflows will require consent as a discretionary activity, and will ultimately need to be phased out for the requirements of national direction to be met
- Monitoring of water quality from wastewater and stormwater will be required, particularly to fill current data gaps
- Where the health of streams and rivers in the region is known to be degraded, Council will need to take action. This includes improvements to stormwater and wastewater management, where they may be contributing to the loss of health of those rivers and streams.

Stormwater quality

Stormwater discharges from Council's existing stormwater network are anticipated to be a permitted activity if they comply with the water quality limits, and will be a controlled activity where water quality limits are exceeded. All new stormwater discharge outlets are likely to be a discretionary activity.

Stormwater runoff from individual sites onto roads and into Council's reticulated system is also likely to be required to meet quantifiable limits (to achieve water quality limits in the freshwater receiving environment at the end of the reticulated network). The rationale is that if receiving environment attribute limits are met for run-off from an individual site, that site would not cause receiving environment limits to be exceeded. An option for achieving this is for stormwater sampling to be undertaken to support consent applications where stormwater is to be 'diverted' into the stormwater network. Compliance with new freshwater provisions is likely to be an extra cost that needs to be factored into future budgets.

It is likely that Council will need to intervene to get the contaminant levels to acceptable levels, particularly in relation to stormwater generated from road run-off. Measures such as first flush treatment for high contaminant generating surfaces may not be sufficient on their own to improve stormwater quality to the extent that receiving environment attribute limits are no longer exceeded.

This is a complex area and there are a number of significant data gaps, specifically the function, and effectiveness of existing stormwater systems, along with regulatory uncertainty which affect how this issue should be considered. Whole of Council input, will be required. Matters to consider include:

- the status of stormwater quality discharges relative to receiving environment attribute targets across a range of flows, as well as over time
- where receiving environment limits are exceeded, the extent to which stormwater discharges contribute to this, and for which particular attributes, as well as what the other contributors are
- establishing where stormwater discharges are a significant contributor to receiving environment limits being exceeded, so that catchment management plans for those catchments can be prioritised.

Works in and near streams and rivers
The Draft Nelson Plan provides for works in the beds of rivers as a permitted activity if the minimum standards in the Code of Practice are met. Council may choose to apply for a consent for specific situations where it is not feasible to meet these minimum standards.

Climate change and natural hazard provisions

Climate change
The Draft Nelson Plan recognises the potentially significant effects of climate change on Whakatū Nelson's natural and physical resources and aims to increase the resilience of the community, including its regionally significant infrastructure.

The Draft Nelson Plan encourages providers of regionally significant infrastructure located in areas subject to climate change to reduce or mitigate the level of, and exposure to, risk for the community and the environment.

This includes increasing resilience to those risks.

Natural hazards
There is recognition within the Draft Nelson Plan that some of Whakatū Nelson's regionally significant infrastructure is located in areas subject to natural hazards. The high level approach of the Draft Nelson Plan is to provide for the operation, maintenance and upgrading of regionally significant infrastructure that is located in areas subject to natural hazards. Construction of new infrastructure in hazard areas should generally only occur if it is functionally or operationally required to locate in a hazard area, or there is no reasonable alternative. The infrastructure should also be designed, maintained and managed to be resilient to the hazard event, and to avoid, remedy or mitigate any potential adverse effects.

Flood maps produced for the Nelson Plan take into consideration climate warming and sea level rise out to 2130. The effects of climate change that are shown in this mapping include the extent to which significant areas of the city would be more regularly and severely impacted by river and coastal flooding in future, particularly low lying areas exposed to tidal inundation. Sea level rise projections have been taken from the latest Ministry for the Environment guidance for Local Government.[2] Allowances for future temperature warming, and the associated increases in storm rainfall intensity, are based on NIWA projections and statistical analysis of rainfall data.[3]

Coastal hazards
The high-level direction in the Draft Nelson Plan is that there should be no increased risk from coastal hazards, and that Council will follow the Dynamic Adaptive Pathway Planning approach (DAPP) to managing coastal hazards, as recommended by the Ministry for the Environment in its 2017 publication called 'Coastal hazards and climate change: Guidance for local government'.

Detailed provisions are being developed together with the community and will be included in the Proposed Nelson Plan.

2.10 Legislative Changes, Government Policy Statements and Proposals

2.10.1 Local Government (Community Well-being) Amendment Act 2019

The purpose of local government has been amended by deleting references to good quality (efficient and effective) infrastructure, and reinstating promotion of the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Three examples of how this directs Council's management of infrastructure are:

- environment, health and safety outcomes are the transport team's priorities, above vehicle capacity outcomes
- both a safe and a sustainable water supply for the city are priorities for water supply management
- the need to consider the effects of climate change on infrastructure, with flow on effects for the four wellbeing's.

[2] *Ministry for the Environment (2017) 'Coastal Hazards and Climate Change'*
[3] *National Institute of Water & Atmospheric Research (2018) 'High Intensity Rainfall Design System–Version 4'*

2.10.2 Climate Change Response (Zero Carbon) Amendment Act

The Climate Change Response (Zero Carbon) Amendment Act 2019:

- sets a new domestic greenhouse gas emissions reduction target for New Zealand to reduce net emissions of all greenhouse gases (except biogenic methane[4]) to zero by 2050
- establishes a system of emissions budgets to act as stepping stones towards the long-term target
- requires the Government to develop and implement policies for climate change adaptation and mitigation
- establishes a new, independent Climate Change Commission to provide expert advice and monitoring to help keep successive governments on track to meeting long-term goals.

There will be a transitional period to 2021 to get the new provisions up and running. The Ministry for the Environment:

- is involved in the establishment of the new, independent Climate Change Commission
- has already begun work on the first National Climate Change Risk Assessment (future Risk Assessments will be carried out by the Climate Change Commission) which will inform the development of a National Climate Change Adaptation Plan
- is developing a provisional emissions budget for 2021–2025.
- The New Zealand Emissions Trading Scheme (ETS) will be an important tool in delivering emissions reductions and helping New Zealand achieve its emissions budgets and 2050 target. The provisional emissions budget for 2021–2025 will be used to inform the unit supply settings.

2.10.3 Draft Government Policy Statement on Land Transport (March 2020)

The Government Policy Statement on Land Transport (GPS) sets out the government's priorities for expenditure from the National Land Transport Fund over the next 10 years.

The Government Policy Statement on Land Transport has a strong focus on safety, accessibility, resilient and liveable cities, the environment, mode neutrality, reducing dependency on vehicles, and recognising how the transport system can improve access to economic and social opportunities.

2.10.4 National Policy Statement on Urban Development

The Government has issued a new National Policy Statement on Urban Development (NPS-UD). The NPS-UDs objectives are to:

- Well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future
- Planning decisions improve housing affordability by supporting competitive land and development markets
- Regional policy statements and district plans enable more people to live in, and more business and community services to be located in, areas of an urban environment near a city zone or other area with employment opportunities, areas well serviced by existing or planned public transport, areas with high housing demand
- Urban environments that develop and change over time in response to the changing diverse and changing needs of people, communities, and future generations
- Planning decisions relating to urban environments and FDS take into consideration the principles of the Treaty of Waitangi

[4]The other target is to reduce emissions of biogenic methane to 24-47 per cent below 2017 levels by 2050, including to 10 per cent below 2017 levels by 2030

- Urban environment decisions are integrated with infrastructure planning and funding decisions, strategic over the medium and long term, responsive, particularly in relation to proposals that would supply significant development capacity
- Councils to have robust and frequent updated information on their urban environments
- Urban environments that support reductions in greenhouse gas emissions and are resilient to the current and future effects of climate change.

2.10.5 Outcomes from the Three Waters Review

The Three Waters Review is looking at how to improve the management of drinking water, stormwater and wastewater (three waters) to address issues identified by the Havelock North Drinking Water Inquiry, and improve overall management of our water resources.

On 1 March 2021, the Taumata Arowai – Water Services Regulator Act 2020 came into force. The Act implements decisions to establish a new regulatory body – Taumata Arowai – which will be responsible for:

- administering and enforcing a new drinking water regulatory system (including the management of risks to sources of drinking water); and
- a small number of complementary functions relating to improving the environmental performance of wastewater and stormwater networks (developing standards and regulations then monitoring and enforcing compliance with them, and providing training)

A separate Water Services Bill was introduced to Parliament on 28 July 2020. The Bill will establish the new drinking water regulatory regime that Taumata Arowai will administer and develop provisions relating to source water protection. It also includes some obligations on wastewater and stormwater network operators. Submissions to the Bill are currently being considered by a Select Committee and it is not expected to complete the parliamentary process until late 2021 or early 2022.

In July 2020, the Government announced a funding package of $761 million to provide immediate post-COVID-19 stimulus to local authorities to maintain and improve three waters infrastructure, and to support reform of local government water services delivery arrangements. Initial funding was made available immediately to those councils that signed up to the Memorandum of Understanding (MoU) and associated Funding Agreement and Delivery Plan for the first stage of the Three Waters Services Reform Programme by 31 August 2020.

Nelson City Council has signed up to the MOU and has received approximately $5.7M from the Three Waters Stimulus Package which must be spent by 31 March 2022.

The Government has indicated that its starting intention for reform of the water services industry is to develop a small number of multi-regional entities in public ownership for water service delivery to realise the benefits of scale for communities and reflect neighbouring catchments and communities of interest. Design of the proposed new arrangements will be informed by discussion with the local government sector.

2.10.6 Freshwater changes through the Action for Healthy Waterways Package

The Action for Healthy Waterways package include amendments to the Resource Management Act, a new National Policy Statement for Freshwater Management, new regulations around the measurement and reporting of water takes, an updated proposals for National Environmental Standard for Sources of Human Drinking Water, and new National Environmental Standards for Freshwater and proposed standards for Wastewater.

Key changes:

- speed up the implementation of freshwater regulations through amendments to the RMA
- change the hierarchy of obligations towards water management, so that the first priority is maintain the health of the waterway (known as Te Mana o Te Wai)
- set and clarify policy direction to bring our freshwater to a healthy state within a generation in a new National Policy Statement for Freshwater Management (NPS-FM)
- raise the bar on freshwater ecosystem health by introducing new attributes and requirements in the NPS-FM to protect threatened species and habitats
- support the delivery of safe drinking water through amending the National Environmental Standard for Sources of Human Drinking Water
- better manage stormwater and wastewater to stop things getting worse and improve freshwater health in a generation, through new regulations and potentially new legislation
- increase Māori participation in water management
- improve farming practices where needed to stop things getting worse and improve freshwater health in a generation, through new National Environmental Standards for Freshwater and regulations.

Water supply implications

Amendments are proposed to the National Environmental Standard for Sources of Human Drinking Water (the Drinking Water NES) to:

- define the land area to which the regulations in the Drinking Water NES apply
- define the types of activities that must be assessed as potential risks to source waters within the source protection areas
- apply to all registered water supplies serving more than 25 people (for at least 60 days per calendar year)
- manage specific contaminants in source waters control development and use of land in source water risk management areas
- require review of resource management plan rules for activities located within source water risk management areas

Wastewater implications

The Government is proposing to require wastewater network operators to prepare a risk management plan, and to introduce a new National Environmental Standard for Wastewater (Wastewater NES). It is likely to require consent conditions to include:

- minimum treatment standards
- targets or limits on the volume and frequency of wet weather overflows (which is a challenge in the face of climate change impacts, particularly increased intensity of storms)
- methods for monitoring compliance
- approaches for incorporating culturally-acceptable wastewater treatment processes

Council's stormwater activities will need to contribute to achieving a reduction in wet weather overflows, through upgrades that reduce inflow and infiltration of stormwater into the wastewater network. Reductions of inflow and infiltration can be achieved by providing a stormwater network where there currently is not one or it is under capacity.

Stormwater implications

The Government proposes to require stormwater network operators to prepare a risk management plan (RMP). This is similar to the proposal for wastewater operators, but would address specific stormwater risks, including at a minimum:

- meeting stormwater discharge resource consents and/or permitted activity requirements
- ensuring public health risks associated with stormwater are managed where community values exist, such as for recreation or mahinga kai
- proactively managing the risk of flooding in and around buildings and habitable areas (which will be exacerbated by climate change).

Replacement of the NPS Freshwater Management

The NPS-FM 2020 is a full replacement of the National Policy Statement for Freshwater Management 2014 (as amended in 2017).

Key changes:

strengthen and clarify the requirement to manage freshwater in a way that gives effect to Te Mana o te Wai

introduce new attributes and requirements in the NPS-FM to protect threatened species and habitats.

2.10.7 Waste disposal levy

The Government has confirmed an increase the landfill disposal levy. This will mean more money is available for waste minimisation initiatives at both a national and regional level. The broadening of the levy to other types of landfill will also influence how waste disposal occurs in future.

The government is also proposing to introduce product stewardship for a range of waste streams. Depending on how these programmes are delivered, this could have implications on cost of future delivery of services such as kerbside recycling.

2.10.8 Resource Management Act Reform

The Resource Management Act 1991 (RMA) will be repealed and replaced with three new laws. The three new Acts will be the:

- Natural and Built Environments Act (NBA) to provide for land use and environmental regulation (this would be the primary replacement for the RMA)
- Strategic Planning Act (SPA) to integrate with other legislation relevant to development, and require long-term regional spatial strategies
- Climate Change Adaptation Act (CAA) to address complex issues associated with managed retreat and funding and financing adaptation.

The content of the replacement legislation was not available to Councils prior to this Long Term Plan, therefore the implications from the reform package will need to be considered via the next Annual Plan or Long Term Plan.

2.10.9 Central Government review of local government

Central government has establishment a Ministerial Inquiry into the future of local government. The review includes, but is not limited to, roles and functions of local government, as well as representation, governance, funding and financing. Council considers it unlikely that any recommendations could take effect before 1 July 2024 – particularly for changes to roles or functions. Therefore, any changes that are made will be incorporated in the next Infrastructure Strategy and Long Term Plan.

Part Two

Issues and Options

Transport



Asset description

The Transport services and assets associated with this activity are primarily focused on connecting people and moving goods across Nelson safely, efficiently and effectively. This includes the provision, operation and maintenance of physical infrastructure on the road reserve such as for driving, parking, cycling, walking and amenity, as well as the provision of safety, traffic control and public transport services.

Table 1: Summary of Transport Assets

Asset	Quantity	
	Km	Units
Roads	272km (256km sealed and 16km unsealed)	
Bridges (including footbridges)		98
Retaining walls		460 comprising 34,363m2
Footpaths, walkways and cycle ways	380km	
Off street carpark areas		6 (1100 spaces)
Kerb and channel	464km	
Culverts	50km	
Sumps /drainage assets		6,591
Streetlights		5,351

Other transport assets include 33 bus shelters, 14 sets of traffic signals and 9 cameras, signs, 1 stock effluent disposal facility, 28 electronic signs and land for legal roads.

Parks bridges are not included unless they are part of the transport network.



Infrastructure Objective 1:

Increase resilience to natural hazards and climate change

One of the key findings of the Nelson Tasman Lifelines Project (2017) was that roads, bridges and retaining structures are vitally important to allow reinstatement of the other services the community needs in order to rebound from natural hazard events. If resources are stretched following an emergency, Council will follow the One Network Road Classification (ONRC) hierarchy when prioritising which roads to open first. The road network gives access to the water supply, sewer and stormwater networks as well as critical telecommunications and power reticulation. It also provides the means for accessing food and fuel, and for emergency services to be moved around the region, which is critical to enabling the community to respond and recover.

Climate change can influence the frequency and intensity of events or one-off emergencies. However, Council will also need to plan for slow onset change associated with climate change, such as increasing average temperatures and sea level rise.

Trees and green spaces will become increasingly important for the contribution they make to adapting to the climate change impacts such as increasing temperatures and higher intensity rainfall, by providing shade to cool paved areas and limiting the rates of water run-off from roads, as well as providing amenity in intensification areas.



Key risks to the transport network — earthquakes and flooding

Earthquakes are a considerable risk to the transport network, especially in areas of reclaimed coastal margins and steep hillside suburbs. The transport assets at most risk of earthquake damage are bridges and retaining walls. Council also needs to manage transport risks associated with unsupported hill slopes.

The Waimea-Flaxmore fault line passes through Bishopdale and the Grampians, so Waimea Road may be at risk of slips during a rupture of this fault line.

Due to Nelson's hilly topography, many high value retaining walls and structures are required to support the transport network compared to other cities located on flatter ground. An earthquake or storm event could result in slope failure that results in the need for new structures to remake the road.

Unplanned road network closures as a result of flooding and landslips cause disruptions in the functioning of the city (as occurred in the December 2011 and 2013 rainfall event). Service disruptions to the transport network associated with severe weather are typically due to flooding from under-capacity or overwhelmed drainage and bridge structures, the road acting as the secondary flow path, slope and retaining wall failures blocking roads, and fallen trees due to the occurrence of high winds, which are often associated with major storm events.

Active transport pathways within esplanade reserves are vulnerable to flooding from rivers and the sea. This has implications for decisions on the surface type (e.g. asphalt or concrete) and construction methods to use in areas where coastal erosion and/or flooding is occurring regularly. There are also longer term considerations related to the viability/cost of continuing to operate that activity in that area, and the need to assess the full range of adaptation options, which are protection, accommodation and retreat.

Financial implications

Where transport activities that are subsidised by Waka Kotahi NZ Transport Agency (NZTA) are damaged by natural hazards, Waka Kotahi pays 51% for small events and 71% for large events. Council needs to plan for contributing the local share of these costs, or take out sufficient insurance to manage this risk, and to consider what the picture looks like when Nelson has more frequent and larger events, and access to insurance is not guaranteed. (Council's Emergency Fund is discussed in Part One of this strategy.)

Note: Petrol taxes have been one source of funding for Waka Kotahi to pass on to councils. However, as New Zealand transitions to increasing use of electric vehicles, the amount of money collected by the Government through petrol taxes will decline. This also has potential implications for future Waka Kotahi subsidies of Council's renewals and maintenance work.

Issue T1: The transport network is critical to enable all other utilities to get up and running following natural hazard events, by enabling essential service vehicles to access affected areas.

Desired Benefits/Investment Objectives:

- Essential service operators are able to access the parts of the network which are critical for recovery from natural hazard events.
- Minimise in the number of journeys affected by closures.
- Businesses and other activities can return to normal as soon as possible
- People can move about and interact with others, which is a key ingredient of community resilience

Table T1: Principal options to ensure the transport network is resilient to natural hazards and climate change

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Implement the future works schedule which: · uses lifeline route status and ONRC as a factor when prioritising structure renewals and resilience- related capex works · considers ONRC, and if alternative routes or sole access is available to customers, when prioritising structure renewals and resilience-related capex works.	The works schedule prioritises renewals which reduce natural hazards risks for homes and businesses. Right time right intervention (value for money) is a focus of the AMP. Renewal in coastal areas which are being flooded more often might not be prioritised due to the natural hazard making the demand redundant. Existing networks may need to be supplemented/ replaced with new networks with greater resilience and lower risk exposure.	✓	$15–30M over the next 30 years.
Preferred Option 2 New infrastructure and new developments are constructed in a manner that increases resilience, such as providing connections to adjacent networks so there are multiple access/ egress points for each community. This approach will have less focus on car access by multiple access routes.	These requirements help to future- proof new development, and are reflected in the LDM 2019. One of the problems for Nelson is the high number of residential areas with a single entry and exit, including the Maitai, Brook and Stoke valleys, as well as the Glen and Cable Bay.	✓	Some of the costs of new infrastructure are developer costs.
Preferred Option 3 Civil Defence Emergency Response plans ensure lifeline infrastructure is back up and running as quickly as possible following natural hazard events.	It is not practicable or affordable to build infrastructure capable of withstanding all natural hazard events.	✓	Existing resources, as well as insurances or Waka Kotahi funding.
Preferred Option 4 Coastal hazards work to include agreed decision points at which to reconsider ongoing investment in maintaining and/or renewing existing infrastructure, including transport assets.	Examples include Monaco and the Glen. However, these decisions will be part of the Council and community-wide conversations as part of the dynamic adaptive pathways planning approach, and is not a transport decision alone.	✓	No cost estimates are available at this stage.
Preferred Option 5 Maintain existing road assets and stormwater drainage on roads.	Carry out renewals and drainage maintenance and improvements based on the need to improve the resilience of the transport assets and on ONRC priorities, and install new sumps and kerbs to support the road as the secondary flow path, and an inlet to the drainage network. (This work needs to be managed alongside desired freshwater improvements.)	✓	Ongoing
Alternative Option 6 Maintain status quo.	Known areas of flooding will not be addressed and residents will continue to be exposed to flood risks. Does not take into account the impacts of climate change, including sea level rise.	×	Costs of future natural hazards are not known.
Investigations/CAPEX decisions Structural inspections have been completed but an ongoing programme is required, with yearly maintenance inspections, routine inspections every two years and detailed inspections every six years.			
Key assumptions Climate change will increase the frequency and intensity of natural hazards. Climate change will also have slow, ongoing impacts related to sea level rise and higher average temperatures.			



Infrastructure Objective 2:

Maintain, renew and upgrade existing assets in a cost-effective way

Asset condition data

Incomplete network data creates uncertainty about the level of renewal investment that is actually required. Council is improving its understanding of pavement performance through testing, investigations and analysis, and use of data on useful life/renewal options, which will help form the future works plan for rehabilitation and resurfacing of road pavements.

In the meantime, visual inspection, analysis of the cost of maintenance, and maintenance records are the primary means of pavement and surfacing renewal programmes, while also maintaining coordination with utilities providers to maintain alignment of programmes as much as possible. (In other words, when Council needs to dig up the road as part of the renewals programme it is important to consider opportunities to renew wastewater, water supply and/or stormwater pipes buried beneath that road, and vice versa.).

Other assets have robust condition assessments (including bridges and retaining walls) and it is a matter of maintaining a good routine for ongoing assessments. It is important to be able to compare apples with apples — which means achieving consistency of assessments even when criteria are changing.

The RAMM data platform (an asset management database) is changing to meet industry demand for better data and is required by our funding partner Waka Kotahi NZTA. This change will benefit Nelson provided alignment is maintained with data quality standards and reporting platforms.

Renewals

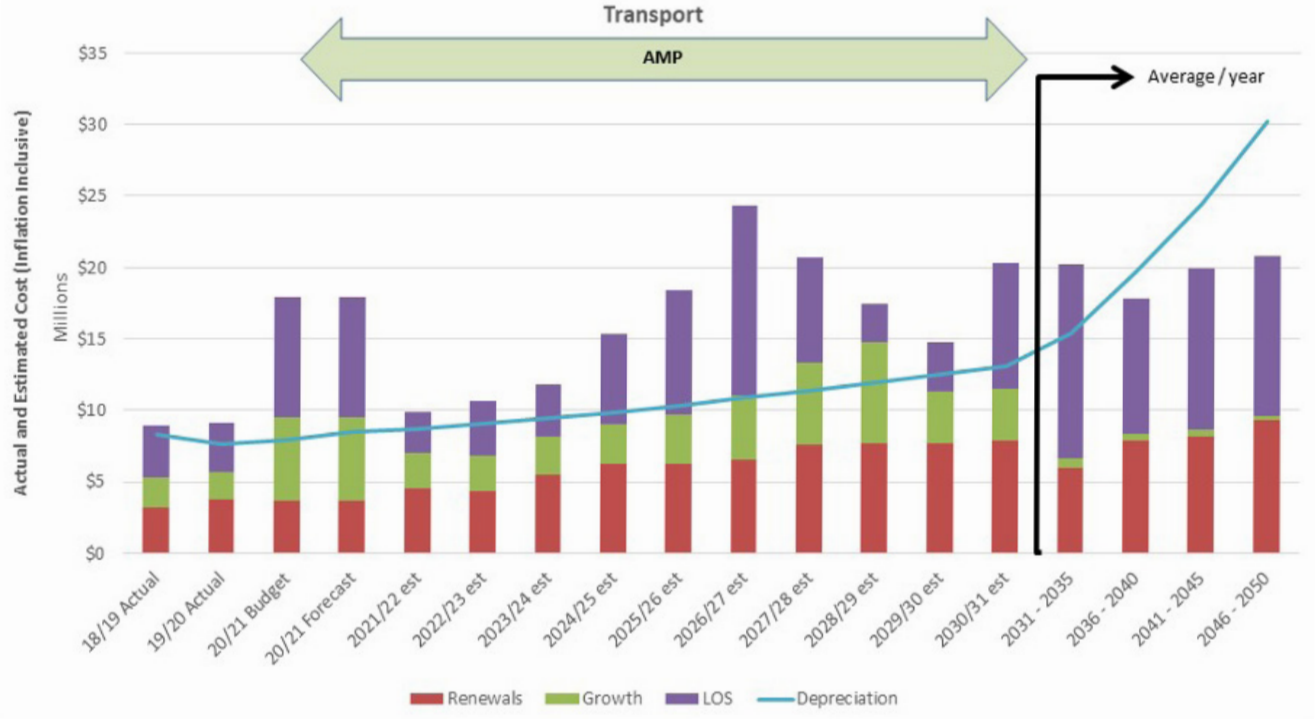
In general, the transport assets are performing as expected for most areas. However, road structural pavement layers are starting to show some signs of age and poor support for expensive asphalt surfaces. The understanding of the pavement asset and medium- term management is being addressed through the 2021–2031 Long Term Plan.

Maintenance and renewals of transport and stormwater assets needs to be integrated to keep the drainage system operating. Roads form secondary flow paths which are likely to be increasingly important due to increasing flooding frequency and intensity as a result of climate change. In addition, stormwater pipes and sumps within roads are a major collector of pollutants.

Depreciation model versus actual renewals

Figure 4 plots the depreciation based on the book value of the transport assets and their expected life, whilst the bars represents the actual proposed capital spend based on observed asset performance. Bridges are the biggest ticket item, but their renewal is not imminent. For example, recent interventions with the Collingwood and Trafalgar Street bridges mean they should last another 30 years before they need to be replaced.

Figure 4 - Transport Capital Funding compared to Depreciation Expense





In general, the transport assets are performing as expected for most areas.

Issue T2: Incomplete network data creates uncertainty about the level of renewal investment that is actually required.

Desired Benefits/Investment Objectives:

- The total cost of ownership of the assets (operating, maintaining and replacing them) is minimised over time
- Better network knowledge
- Renewals are not a surprise. They are well planned, efficient, effective and timely

Table T2: Principal options to maintain and renew existing transport assets in a cost-effective way

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Retain flexibility in the budget to allocate additional (or reduced) renewal budget as network gaps are identified. Optimise levels of service, as appropriate, using good data and the ONRC framework as a guide. Maintain structures inspections and the maintenance and renewal programme.	Improved data and analysis methods will help Council understand existing, underlying issues in the pavement that the historical process didn't always identify. Failure of roads or poor levels of service may be experienced due to risks with optimisation. Heavy commercial vehicles (HCV) are increasing in their gross mass and overall numbers which impacts on road pavement lives.	✓	This option may cost $10M (or more) over the next 30 years.
Alternative Option 2 Reduce levels of service to match available funding and increase reactive maintenance budgets.	Resurfacing and retaining wall backlogs will grow, increasing the renewal liability and resulting in more risk of unplanned road closures. The cost to maintain surfacing on substandard pavements could become problematic. Waka Kotahi co-investment is not sufficient to provide matching funding for the Council's preferred road surface and retaining wall renewals programme to support higher levels of service (LOS). Delaying renewals increases the risk that co-funding from Waka Kotahi for renewals may not be available for this work if it becomes urgent at a later date.	×	Not known, but this option would be informed by data and analysis.
Investigations/CAPEX decisions Increased data collection and analysis, ongoing asset optimisation, and LOS discussions as part of the Transport AMP improvement plan.			
Assumptions Sealed surface LOS follows national best practice, i.e. asphaltic concrete (AC) will only be applied where it provides best value for money outcomes. This is typically where traffic volumes are greater than 15,000 vehicles per day and in high stress pavement areas.			

Structural improvements

Inspections, age and condition are used to prioritise projects related to structures based on need, using a number of ranking criteria. The renewal phase is an opportunity to make improvements to increase the capacity of bridges, in terms of vehicles, walking and cycle facilities, and flood flow capacity.

Trees are another ageing asset on road reserves, as older trees pose a bigger risk to infrastructural assets and the public if they are not well maintained.





Infrastructure Objective 3:

Provide infrastructure to enable growth and development

Traffic congestion

Some parts of the urban road network are operating at or near capacity. This is causing peak hour delays in some areas. These peak delays are likely to increase in volume and time as travel demand increases (with population and freight forecasts).

Travel time variability remains static on Waimea Road and Rocks Road, but the overall travel time is increasing since monitoring began in 2015. The travel time variability and overall travel time is easily affected by works on or near the arterial routes, which indicate that the resilience of these routes is vulnerable to disruption. This type of arterial road congestion has a flow-on effect for other areas, as some motorists are rerouting via residential streets to avoid arterial road congestion, reducing amenity and increasing safety risk in the affected residential areas. This can also occur during works or disruptions on the arterial routes.

Multimodal increases in transport capacity will be needed to meet the projected demand in the Nelson Urban Area (which includes both Nelson and Richmond). Nelson has slightly below medium growth but the Richmond area is a high growth area.

The level of increased congestion pressure on the road network is related to where new development occurs, which is a compelling reason for:

- the focus on intensified development in FDS
- encouraging people to live closer to where they work, or along public and active transport networks

The design of transport corridors to provide for access and transport choice (walking, cycling and public transport) also reduces traffic congestion. Council intends to continue enhancing Nelson's walk and cycle network by planning and implementing a strategic cycle route map, connections to public transport nodes, and treatments on local roads to improve the options for cyclists to use the road network.

A much larger investment to vastly improve public transport as proposed in the Nelson Future Access short term improvements options will be included in the 2021-31 Transport Activity Management Plan and Regional Land Transport Plan 2021-27 (subject to funding). From 2023 this could include increased frequency, hours of operation and coverage of public transport services, some on-demand public transport and increased uptake of technology. A new bus exchange is also proposed.

In the medium term, predicted growth in population in both Nelson and Tasman has the potential to further increase congestion on the road network. The increase in volume is reflected in increases in peak hour travel times during the busiest time of the day when comparing 2015 and 2016 travel time data.

However, transport data indicates demand is likely to flatten off over the longer time scale of this strategy. Increased congestion also encourages people to change transport modes.

Nelson Future Access Project

The 2018 Government Policy Statement (GPS 2018) provided an opportunity for Waka Kotahi and Nelson City Council (NCC) to build on the outputs from the Nelson Southern Link Programme Business Case, by taking a broader perspective of the potential for the transport system to contribute to delivering on Nelson's vision for a vibrant CBD, a people focused world class waterfront, a healthy environment and supporting smart and resilient infrastructure.

The Nelson Future Access Project seeks to provide a future-proofed transport system which considers the needs of all users — whether they are behind the wheel of a car or truck, on foot, going by bike, or using public transport. The Nelson Future Access Project is closely aligned with the FDS which encourages a greater level of intensification in keys areas including those with good access to public and active transport networks. However, uncertainties about future vehicle choices will make some long-term projections challenging.

The project objectives for Nelson Future Access Detailed Business Case are to develop a detailed multi-modal transport system investment programme which supports community aspirations for a thriving CBD; a world-class waterfront and a healthy environment; and provides a safe, accessible and resilient transport system, whilst meeting the diverse needs of customers and communities. In particular the programme seeks to:

- Identify customer needs and growth pressures in the study area;
- Define the existing and future function of key transport corridors (for all modes) in the study area, to deliver a safe, accessible and resilient network cognisant of NCC's goals, the needs of customers and the wider community
- Make best use of existing infrastructure and services as well as new/emerging technologies
- Ensure integration of land use and transport systems to reduce the dependency on private single occupancy motor vehicles
- Investigate and identify a package of measures that could be progressed on SH6 Rocks Road in the short to medium term which enhances walking and cycling and supports NCC's vision for a world class waterfront
- Investigate and make recommendations in respect of the key journeys between Nelson City's CBD, Waterfront, Airport, Port and Richmond including the need for, and if appropriate the timing and/or triggers for an alternative arterial route to Rocks Road and Waimea Road

At the time of developing this Infrastructure Strategy Waka Kotahi had recently advised that the preferred programme recommends a refined version of the Priority Lanes package as the best long-term transport solution for Nelson and is currently seeking feedback from the community. The immediate key focus is improvements that can be made before priority lanes are needed in 10-15 years. This includes intersection improvements, walking and cycling paths, and proposed traffic calming to enhance neighbourhoods and improve safety This Draft Proposal at the time of writing is being further informed by the public engagement during June 2021.

Change to the Nelson waterfront is included in the current public engagement. Waka Kotahi are proposing a 5m-wide walking and cycling path, which would be separated from traffic along Rocks Road. To make the corridor more resilient to climate change, replacement of the existing seawall at the same time is planned if funding becomes available. Taking account of the complex legislative framework for coastal marine areas, including the recently proposed 'Outstanding Natural Landscape' area identified in the Draft Whakamahere Whakatū Nelson Plan, Waka Kotahi would look to start the design and consenting processes early.

Issue T3: The current transport system is in a highly constrained geographic environment, with hills on one side and the Tasman Sea on the other. The growing demand for travel is being squeezed through two arterial roads that must function as 'all things to all users'.

Desired Benefits/Investment Objectives:

- Maintain existing levels of service for travel time, safety, efficiency
- Provide resilience for lifeline routes
- A world class waterfront.

Table T3: Principal options to provide a future-proofed transport system which considers the needs of all users

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred option 1: continue to develop the transport improvement programme off the deficiency database which relies on observations and customer complaints	The deficiency database records faults identified in the network Customer complaints are a valid feedback process for identifying where gaps in LOS are causing problems for network users. Relying on the deficiency database alone generates site specific physical works projects only where better value for money and systematic improvement for the transport network could be achieved by planning and using all the tools available to manage LOS and demands.	×	Budgets are set on the 3 year work programme and ability of Council and Waka Kotahi to fund desired improvements.
Preferred option2: undertake network planning and active travel mapping, alongside Waka Kotahi One Network Framework (ONF) development, Future Access Study recommendations and forward works planning to create and support a future proofed connected network for all modes of transport.	Waka Kotahi have developed the ONF to standardise network descriptions and include land use planning across the country. It caters for the current state, future desired state, all know transport modes and activity alongside road corridors. The vehicle based road network is well defined. The active travel network is less defined and known to be disconnected, hence requires additional input to start with. Interrelationship between modes and between modes and land use planning is also currently less well defined. A forward works plan will help identify best value for money options to delivery the renewal and improvement programmes and a long term view towards consultation with the community.	✓	A forward works programme looks 10-30 years in advance so allows coordination of major renewals and improvement activities over a longer time period for better financial, risk and value for money outcomes. Community facing planning documents allow for no surprises and long term views towards consultation and activity management that affects the transport system.

Increasing road network capacity to provide for urban growth and development

Council is planning to make multi modal transport options attractive to the current population in intensification areas because these are close to amenities and the city centre. However, the timing of urban development is dependent on several factors which are outside of Council's control. That means there is a risk that urban growth and development won't occur at the projected rate.

To manage this risk, some services may be provided ahead of time to create the right conditions for development and to encourage it to occur, and others will be provided once the demand has been created by growth (as discussed in Part One of this strategy). Safety is monitored to manage the implementation programme where there is uncertainty.

The city-wide TRACKS and Saturn models can be used to understand the impact of any large proposed developments at a macro scale, and localised data using micro-simulation (or similar) enables Council to understand the localised impacts. Regular updating of the model is proposed in order to monitor growth and capacity interventions related to both completed and future proposals.

Issue T4: When and where to provide increased capacity of the transport network to provide for urban intensification and growth.

Desired Benefits/Investment Objectives:

Local road capacity meets LOS D. (Approaching unstable flow where all drivers are severely restricted in their freedom to select desired speed and manoeuvre within the traffic stream. Delays at intersections of 25–35 seconds per vehicle or better and road safety is managed in growth areas.)

Table T4: Principal options to provide increased capacity of the road network to reflect the impacts of urban growth and development

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Prioritise areas to deliver the agreed capacity and safety level of service 'just in time' to match or slightly lag actual development. Use both the city-wide TRACKS model and localised data to support this approach, by enhancing understanding of road capacity needs related to urban growth and development.	This option is likely to result in traffic congestion getting worse before it gets better. There is a risk of investing in infrastructure in areas that don't end up being developed, if services are provided in advance of development. Unplanned/unforeseen development areas would be delayed by the lack of road infrastructure until this can be planned, funded and implemented. Development contributions will provide partial funding (approximately 30%) with the remainder to be funded by rates, as budgeted in the 2021 Transport Activity Management Plan. Waka Kotahi funding would only be sought when LOS/safety outcomes match the current GPS outcomes.	✓	Staged provision of roading capacity over 30 years. $30M over 30 years.
Alternative Option 2 Deliver capacity and safety level of service improvements across the city to enable distributed development.	This option would almost certainly result in Council investing in infrastructure in areas that don't end up being developed.	×	Over 30 years. More than $30M.
Investigation/CAPEX decisions Development Contributions Policy will provide partial funding (approximately 30%), with the remainder budgeted in the 2021 Transport AMP.			
Assumptions · Demand (growth) occurs as forecast by Council. · Travel demand which is not related to new, isolated development continues at current levels.			



Infrastructure Objective 4:

Maintain or improve public health and safety, and environmental outcomes

The transport activity can improve environmental outcomes through a reduction in fossil- fuelled vehicles on Nelson roads, alternative construction materials (in future, as these become viable options), stormwater filtration, increased active travel and improved amenity such as shade and green space. However, the rate of single occupancy car use has gone up, even while more people are walking and cycling.

Considering Northern European examples where there is much higher utilisation of cycling, with separated cycleways for user safety, and a wider range of footpath usage, with wider footpaths being deployed, it is likely that New Zealand will further embrace these trends. Micro-mobility options (such as skateboards, invalid carriages, electric bikes and electric scooters) may make a significant difference to transport choices in future.

Reconfiguration of the existing transport corridors may be required to facilitate these changes. For example, cars may be able to be provided for in narrower lanes, particularly if cars are self-drive.

Issue T5: Growth in the number of car users, and slow uptake of alternative transport options, has increased the demands on the existing road network.

Desired Benefits/Investment Objectives:

- Less traffic congestion
- Reduced transport-related emissions

Other environmental improvements

Increased uptake of alternative fuel sources such as electricity and hydrogen will lead to:

- lower carbon emissions
- less pollution associated with use of vehicle brakes

However, these options could also lead to ongoing demand for vehicles, resulting in road congestion.

Council has noted trials of using recycled plastic as road materials (elsewhere) to both reduce the carbon inputs and to reuse plastics, and is monitoring these developments.

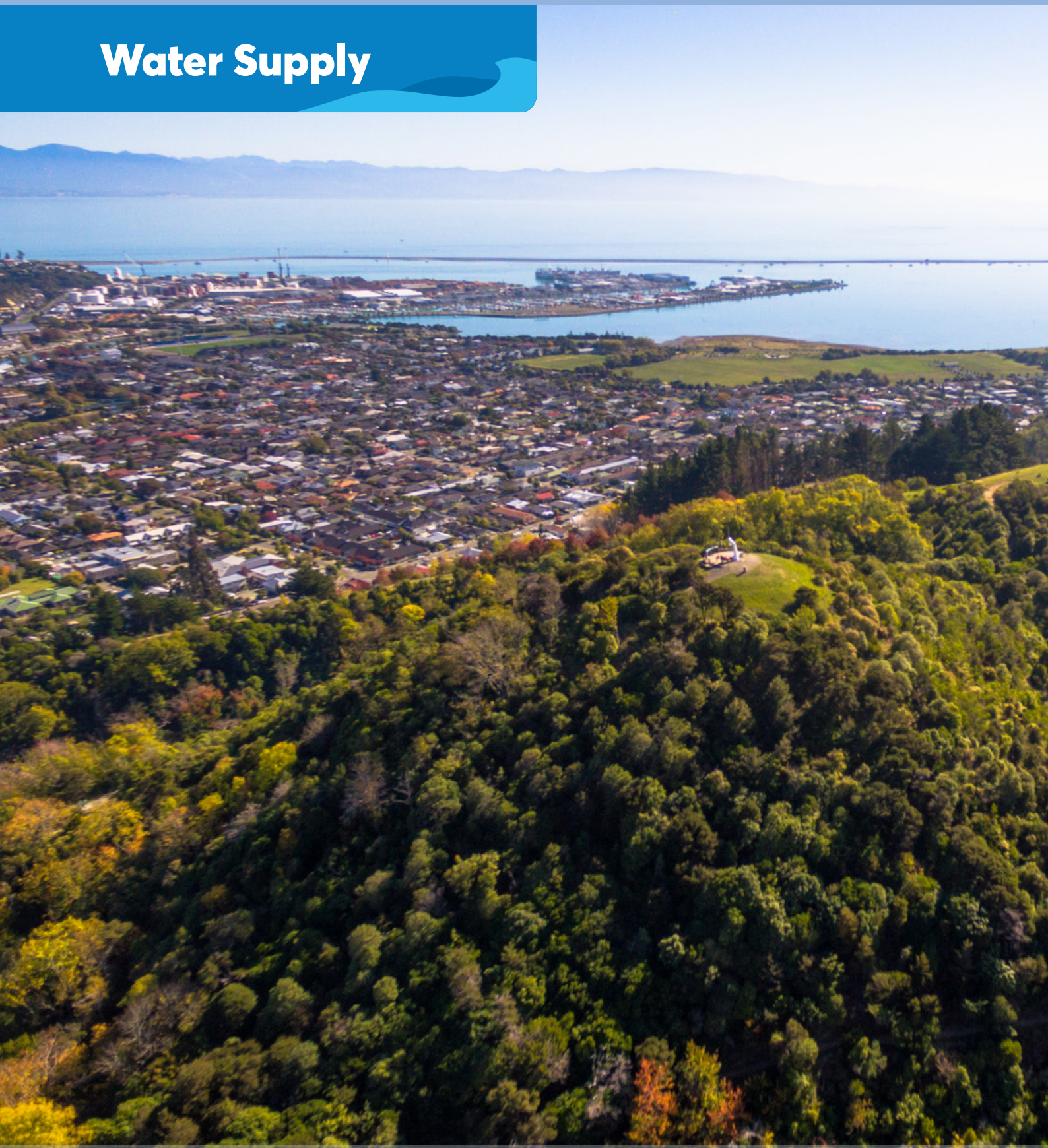
Table T5: Principal options to reduce traffic congestion and incentivise reductions in transport-related carbon emissions

Principal Options	Explanation and Implications	✓or ✗	Cost Estimate & Timing
Preferred Option 1 Implement more travel demand management (TDM) activities including: · a more attractive bus service (including a new bus exchange) · more cycle paths and improvements to the local road network (enhancements to Nelson's walk and cycle network) · education · a rideshare programme.	This option is preferred because development may be constrained or delayed if the traffic generation from development has more than a minor impact. Travel demand management activities typically require social change, which can be difficult to achieve without significant incentives such as increased parking charges.	✓	Ongoing work $20M over 30 years.
Alternative Option 2 Potentially increase parking charges.	Increased parking charges would provide a significant incentive not to travel to the city centre by car, and would improve the success of travel demand management initiatives.	✓	Potential to generate income.
Investigation/CAPEX decisions Review of the Regional Public Transport Plan. Review of the Parking Policy.			
Key Assumptions Future transport choices will be influenced by micro-mobility options, improved public transport options and technological advancements.			

Part Two

Issues and Options

Water Supply



Asset description

The inventory of public water services assets owned by Nelson City Council and managed by the Infrastructure Group is shown in **Table 2.**

Table 2: Summary of Water Services Assets (as at June 2020)

Asset	Quantity	
	Km	Units
Reticulation	281.9km	
Ridermains	88.0km	
Trunk Mains	49.12km	
Maitai Pipelines	17.1km	
Roding Pipeline	10.7km	
Maitai Water Supply Scheme – capacity of dam		4Mm^3
Roding Dam capacity		5,000m^3
Treatment Plant		1
Tunnels (Roding, Maitai Dam, Water Treatment Plant)		3
Reservoirs and Tanks		76
Pump Stations		21
Pressure Reducing / Control Valves		77
Air & Non Return Valves		224
Gate Valves		4,597
Manholes		104
Hydrants		2,630
Water Meters		20,829
Customer Residential & Commercial Connections		20,260



Infrastructure Objective 1:

Increase resilience to natural hazards and climate change

Increase resilience to natural hazards

The Maitai Dam is a critically important asset which has been designed to withstand extreme seismic and flood events with only limited damage. However, the pipes between the Maitai and Roding rivers, the Water Treatment Plant, and water users are more vulnerable than the dam to natural hazards, particularly the above ground trunk mains and pipes which cross earthquake faults and waterways. In 2014 Council completed a new duplicate pipeline between the Dam and the Water Treatment Plant to provide resilience for the raw water supply for the city.

Liquefaction and sea level rise are potential risks to the network in coastal areas.

Council commissioned consultants to review the potential natural hazard risks for the three waters (water supply, wastewater and stormwater). Generally all of the water supply system is considered a critical asset because of its importance to life. Within the network, pipelines that also serve other critical activities have been identified and given priority weighting to improve resilience. The basic resilience of the network comes from it being a pressure-based system. This means if one pipe is closed off, due to a breakage, Council often has choices on how to deliver water via other connected pipes. For example, if the main pipeline under Waimea Road to the hospital broke, this section of pipeline could be turned off, and water could be redirected to the hospital via the Vanguard Street and Motueka Street pipelines.

Following the assessment of critical assets, the next step is to set up a programme of work to bolster these assets:

- priorities for renewals (and renewal in a pipe material that is more robust)
- more valves to isolate sections into district metered zones
- ability to use lower criticality pipes (e.g. Vanguard Street/Motueka Street) if there is a failure of a critical pipe (e.g. Waimea Road).

Issue WS1: The piped water supply network is at risk of damage during earthquakes and flood events.

Desired Benefit/Investment Objective:

Improve the resilience of the network and the speed of post-disaster recovery.

Table WS1: Principal options to improve the resilience of the water supply and the speed of post-disaster recovery

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Proactively identify and assess risks to the water supply network from significant flooding and earthquakes. Continue to invest in insurance as a means to assist with recovery costs.	Risks associated with natural hazards are currently being assessed. A better understanding of the likely impacts on the city will allow improvements in future construction — and the costs of enhancing the network resilience will be better identified following completion of the investigation. Significant resilience to natural hazards will be 'built-in' through the renewals and capital upgrade programme for the dams and the Water Treatment Plant. Repairing significant damage to infrastructure from natural hazards is part-funded by insurance.	✓	The design and minor work costs will be approximately $450k, and this work in years 2021–2025 will inform future Long Term Plans. Costs and timing will not be determined until the investigation is completed. However: · $0.3M is identified for hazard mitigation to the Maitai raw water pipeline in years 2025–2028 · a budget of $4M over 30 years has been included to allow for any natural hazards risk remediation.
Alternative Option 2 Reactively respond to natural hazard events and rely on insurance to assist with recovery costs.	Repairing significant damage to infrastructure from natural hazards is part-funded by insurance.	×	Costs depend on what events occur.

Investigation/CAPEX decisions
The design and minor works costs in years 1-4 will be approximately $450k which will inform future Long Term Plans. In total the expected 30 year budget is $5.15M.

Key Assumptions

- No specific level of service for recovery from natural hazards.
- Current level of service continues for recording number of complaints about continuity of supply.
- Water supply demand will increase with population growth.
- Protection from damage from some natural hazards will be embedded in renewals and capital works.
- The impacts of climate change will be monitored and growth controls adjusted to respond to the latest information.
- Earthquake risk will be reviewed as any future investigations provide additional information.
- Existing information held about fault hazard areas of land instability are reliable, although it is expected that additional areas may be identified that are subject to liquefaction risk. Under a recent November 2019 update to the Building Code, territorial authorities have been given a two-year transition period to map areas potentially prone to liquefaction.
- Renewal and upgrade of assets will be designed to minimise vulnerability to known natural hazards.

Adapting to climate change — droughts

A report by Consultants WSP showed that Nelson has sufficient water from current sources - Maitai Dam and Roding River to provide drought security for the city out to 2070–2080. Demand strategies will support drought security, and work to reduce water losses (discussed under Objective 2) will also improve resilience to droughts.

Tasman District Council (TDC) is currently constructing the Waimea Community Dam to enhance long term water security in the region. A benefit of this dam is that it can also provide the opportunity for Nelson to develop a further water source and improve the future water supply security for the city into the next century.

Council included a budget of $5M for a contribution towards the construction of the Waimea Dam as part of the LTP 2018–28. This contribution will secure Council's right to access up to 22,000m3/day from the Waimea aquifer once the dam is constructed. If this additional water supply is considered to be necessary in future, additional budget would be required for the infrastructure to abstract, treat and distribute the water. This will be further considered over the next few years and options included in future infrastructure strategies, if required.

Through an engineering services agreement, Tasman District Council (TDC) supplies water to the residential areas in south Nelson adjacent to Champion Road, as well as the Wakatu Industrial Estate, Alliance Freezing Works and ENZA in Nayland Road. Although the demand is not a large volume of water (500,000–600,000m3/year) Council does not have the appropriately sized reticulation in place to be able to supply the required fire flows to all of the areas. Additionally, the supply of these extra volumes in dry summers would reduce the long term drought security provided by the Maitai Dam.

The ongoing supply of water to these areas relies upon Tasman District Council being able to provide that water to the city economically. Future reviews of the agreement will continue to monitor the effectiveness of this arrangement.

Adapting to climate change — sea level rise

Sea level rise could change the demand profile in the long term. For example, if certain areas become uninhabitable as a result of sea level rise, it will impact where water supply needs to be provided.



Infrastructure Objective 2:

Maintain, renew and upgrade existing assets in a cost-effective way

Asset condition/data confidence

Water supply services are beginning to be impacted by ageing infrastructure, such as regular breakages of asbestos cement pipes. Council currently has a 10 year programme of replacing the broken pipes (at $1.6 million per year) but this is not keeping up with the work required.

Council is planning to replace the weakest asbestos pipes in the CBD and industrial areas

– as these are critical areas where failure would be unacceptable. Firefighting requirements for specific building types, including four, five and six storey buildings often drive demand for larger capacity water supply pipes. This is why larger watermains are required around the city centre, which will also support intensification. Water supply capacity for firefighting is also a requirement in industrial areas.

Parts of the Stoke water supply will need to be upgraded for growth but it is generally sufficient, based on the assumption that multi- storey buildings will not be constructed here in the short-medium term (as this is when sprinkler requirements generally come into force, requiring higher firefighting flows). There is sufficient capacity for most of the one to two storey intensification in the Stoke area. However, sprinklers are required in retirement villages, which could be a future constraint on the development of more retirement villages in the Main Road Stoke area.

Water supply pipes are generally under roads, so they are expensive to replace. In the past some publicly owned pipes have also been sited under private property which can cause access issues.

Renewal of the water supply network

Water pipes are renewed when they fail to provide the required level of service, or where performance or reliability is compromised due to age and poor condition. The majority of water assets are relatively new, with an increase in renewals (based on design life) anticipated from the late 2030s onwards.

Figure 5 shows the theoretical renewal dates for pipe materials based on their average expected service life. The theoretical life expectancy is one indicator to help guide renewal funding, and is helpful for assessing the longer term funding needs, but it has limitations.

The current renewal strategy adapts the theoretical renewal dates by balancing the industry resourcing limits and construction costs, which have become apparent through the number of tenders and tendered prices received by Council, against the need to renew parts of the network that have met the end of their service lives or are not meeting expected service lives. Assets are prioritised based on criticality.

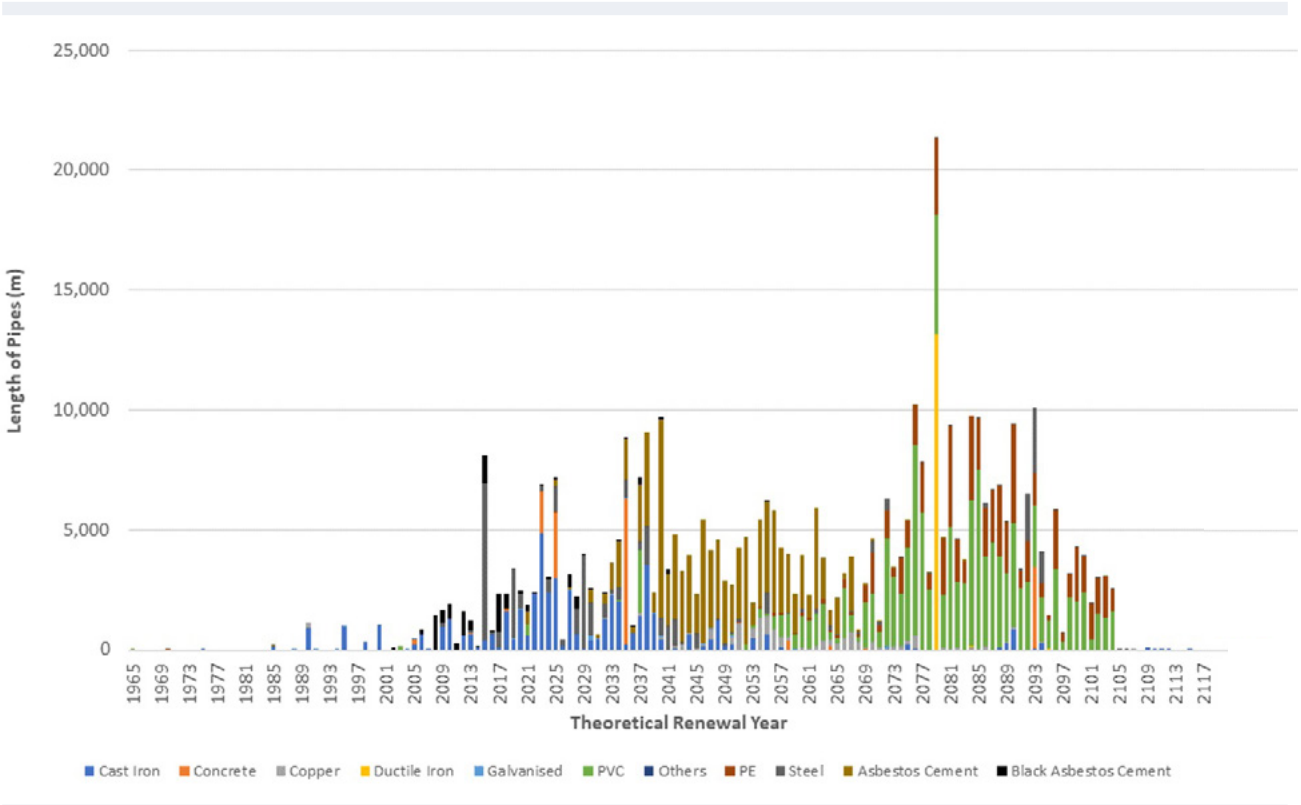
Council aims to ensure pipe life is maximised as much as possible and isn't renewed too early.

Council is also investigating ways of extending the service life of assets through measures such as water pressure reduction and pipe lining. Over the next two years these investigations are expected to allow Figure 5 to be re-cast to reflect the renewal criteria based on a more accurate assessment of service lives.

However, Council has recognised that AC Black pipes (bituminous coated asbestos cement pipe) used in the water supply network are showing a larger number of failures than expected. These pipes are the current focus of the renewal programme and have been funded to ensure replacement by 2030. As this material is known to be prone to failures, the rate of failures will be closely monitored and, if necessary, the renewal programme will be adjusted through future Long Term Plans.

Pipe renewals are expected to increase to $2M–$3M per year for the first ten years of this strategy. A further increase of approximately $3M–$4M per year for the remainder of this infrastructure strategy is planned to more evenly spread renewal costs predicted from the late 2030s onwards.

Figure 5 - Water Supply Theoretical Renewal Dates



In light of the increasing costs and general construction resources shortage Council proposes to review the water network renewal strategy to address the increasing level of anticipated renewals required from the late 2030's onwards, and to identify renewals required earlier due to poor condition or growth. This will prioritise regular assessments of critical assets (including larger pipes and reservoirs) and include consideration of how to maintain critical infrastructure.

Specific renewal budgets are in place for critical assets such as pump stations, the Water Treatment Plant and headworks (dams and raw water pipelines). Other critical assets are being identified through the natural hazards resilience assessment (discussed under Objective 1).

Figure 6 - Water Supply Theoretical Pipe Renewal Year and Cost

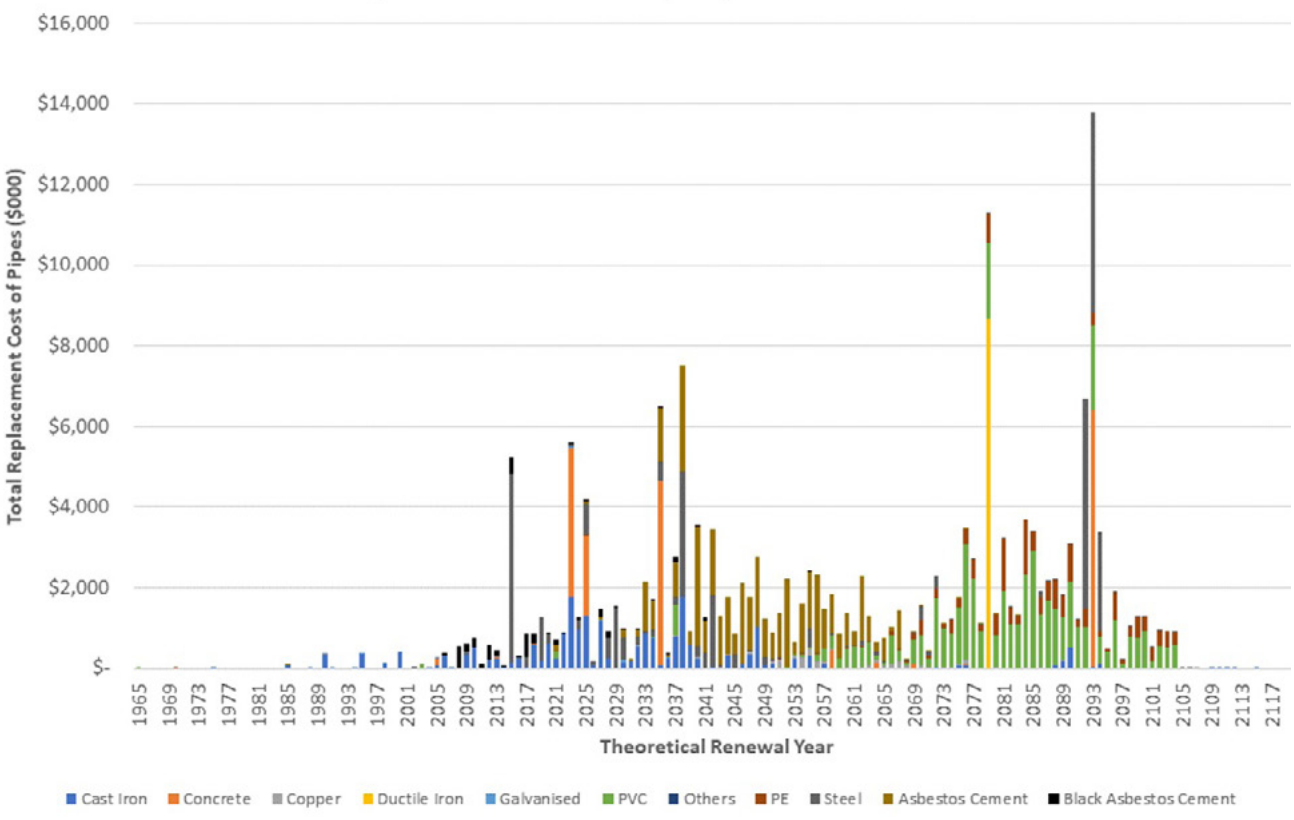
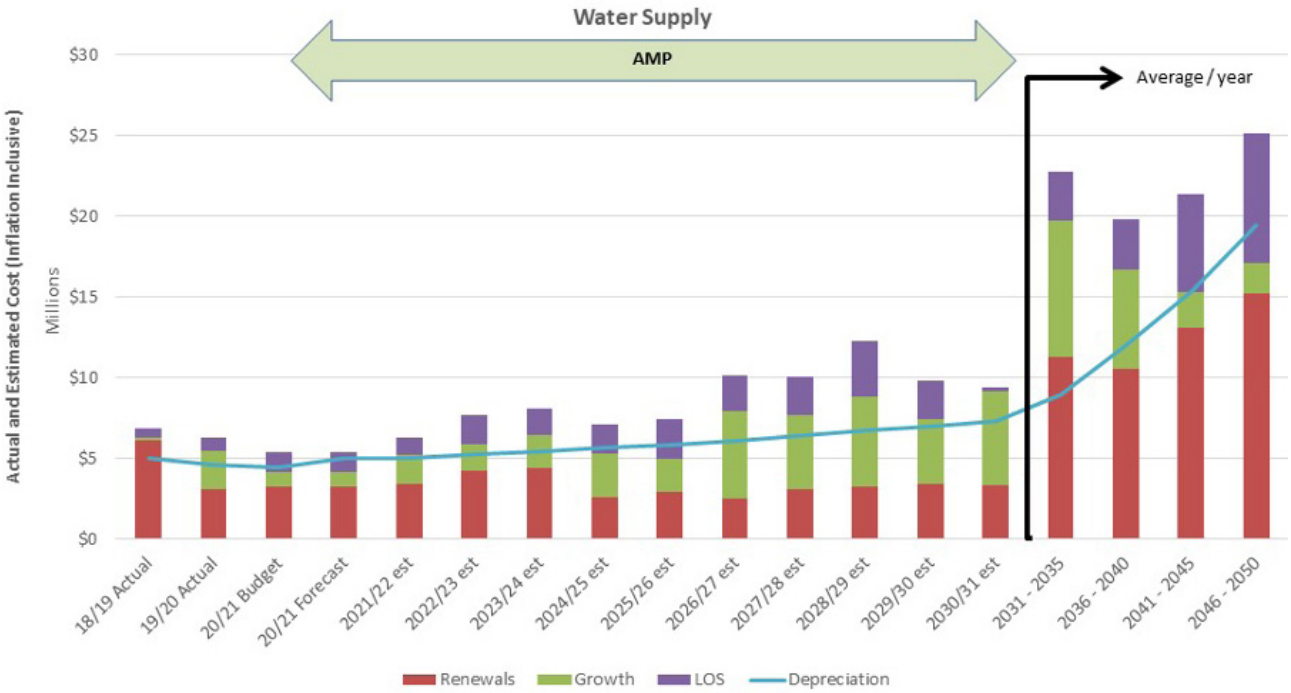


Figure 7 highlights the issue that has led Council to focus on condition assessment of assets and greater investigation of rehabilitation techniques. The renewal strategy based on generic service lives necessarily establishes a level of depreciation to match, and predicts either a shortfall in renewal activity or fails to identify the need for renewal of assets that do not meet their predicted service lives. In addition, this approach does not take into account short term industry resourcing constraints that lead to higher renewal costs and a reduction in the overall renewal programme to maintain affordability.

Figure 7 will also be reviewed to match changes to Figure 6 above and better align renewal expenditure to the more accurate service lives.

Years 2031–2051 are the average of each of the respective five yearly blocks.

Figure 7 - Water Depreciation compared to Capital Expense



Issue WS2: Water supply assets are starting to show signs of age, resulting in regular failures. Due to a greater proportion of the network reaching the end of its design life, a significant length of watermains will need to be replaced within the next 30 years.

This means a big wave of renewals will potentially be required in approximately 20 years' time. While Council currently has a good renewal programme this will need to be increased to allow Council to match the future impacts of the ageing infrastructure.



Desired Benefit/Investment Objective:

- Continue renewal of the network
- Upgrade of the network to meet increasing demand and firefighting requirements in growth, intensification and industrial areas such as the city centre (enabling intensification including the development of multi-storey buildings)

Table WS2: Principal options for renewal of water supply assets

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Repair or replace broken pipes and introduce new strategic upgrades (including large diameter mains to the main areas of the city centre and future growth areas).	New strategic upgrades support the development of the city centre and the other growth areas.	✓	$2M-$3M per year for the first ten years with $3M-$4M per year for remainder of the strategy for the repair or renewal of broken pipes due to the need to get ahead of the upcoming wave of required renewals. The renewal budget is approximately $115M over 30 years. A budget of $70M over 30 years has also been included for future strategic upgrades to the network.
Alternative Option 2 Focus on the repair or renewal of broken pipes.	Limits options for growth and development.	×	$1.6M–$2M per year.
Investigation/CAPEX decisions Costs of strategic upgrades.			
Key Assumptions Growth and development in the City Centre will enable the construction of multi-storey buildings.			

Issue WS3: Planned levels of service for water supply will not be met unless assets are maintained, renewed and upgraded.

Desired Benefits/Investment Objectives

- Updated asset ownership information, to reflect the standards in the LDM 2019 and to clarify which pipes Council is responsible for maintaining
- A reticulation, maintenance and operation policy that reduces risks of property damage as a result of water supply being in poor condition, and from a non- maintained water supply network
- Minimal disruption to business and residential customers from day-to-day network activities
- Network renewal strategy which prioritises assets based on criticality, remaining design life, current condition and level of service assessments



Table WS3: Principal options for improving the maintenance, renewal and upgrade of water supply assets

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Proactive focus on gaining a better understanding of water supply asset condition and developing a renewal strategy.	Increase the proportion of the network that has been assessed for condition, prioritising critical assets. This information is required to inform a renewal strategy. Condition assessment is generally an operational cost where this applies to regular assessment of critical assets or condition assessment of adjacent pipework at mains failures.	✓	Condition assessment of the water supply network, prioritising critical pipes and structures, at a cost of $300k over 30 years.
Alternative Option 2 Develop strategies that provide a consistent basis for prioritising upgrades of the water supply network.	An enhanced evidence base is required for improved prioritisation of water supply projects. This includes an assessment of existing levels of service across the water supply network, and assessing the implications of growth areas on potable water demands and raw water sources.	✓	Development of six separate strategies, supported by water network modelling, to cover the city in the first 10 years. Implementation will follow each strategy. Water supply strategies have been budgeted for: Total $630k.
Alternative Option 3 Status quo — reactive response to service requests for water supply upgrades.	Upgrades occur in the areas where the most complaints are made, which may not be the areas in most need of improvement.	×	Piecemeal expenditure does not represent value for money.
Investigation/CAPEX decisions Water renewal and growth strategies are required for the whole city. These strategies will assess current renewal provisions and set out appropriate options for each part of the city, taking into consideration growth areas identified in the FDS and the impact of growth on the normal renewal cycle.			
Key Assumptions Current levels of service focus on the reliability of the network as measured by pipe failures and the response to issues as measured by contractor response times. There is a focus on maintaining the serviceability of the existing infrastructure and ensuring appropriate water supply options are available across the city. Future demand for water supply services are primarily considered through subdivision consents, normal renewal cycles and city growth planning in the FDS . Renewal planning aims to match renewals to the rate at which assets reach the end of their service lives and consider the opportunities to increase pipe capacity to allow for growth and changing demands e.g. pressure reduction and fire sprinkler requirements. Council only assumes full responsibility for the public water supply network as defined in the Water Supply Bylaw and the Nelson Tasman Land Development Manual 2019. Private laterals or common private supply mains (typically in private roads or rights of ways) are generally the responsibility of the landowners.			

Water losses from the water supply network

Water loss estimates are based on the difference between the three magnetic flow meters at the Water Treatment Plant and the 20,000 water meters on commercial and residential properties. Currently there is a 20–25% gap between the volume of treated water, and the water used.

Some of the reasons for this gap are:

- the need for scouring of cast-iron pipes (which involves flushing water at pressure through the pipes to waste, to address the discoloured water issue)
- contractors' and others' access to unmetered water (currently being addressed through requiring meters and backflow protection)
- water leaks from broken pipes (public and private pipes)



- inaccurate meters (currently being rectified through the meter renewal programme and magnetic flow meter testing)

To understand the scale of the leakages on private property, every year $80k to $100k worth of water credits are granted to people who have had undetected water leaks on their properties for months. This shows a large amount of water is lost from the system through privately owned water supply pipes.

As most of the water leaks are underground, it is difficult to detect these and to quantify the losses. There are also considerable leaks between the Maitai Dam and the Water Treatment Plant.

A significant investment is under way to replace residential meters which will be completed in 2021-22. This will improve the accuracy of these meters.

The next steps are to:

- complete the checks on the magnetic flow meters at the Water Treatment Plant to ensure they are accurate, and then to check that the 2,000 individual commercial meters are accurate
- fix significant known leaks
- ensure all connections to the public network are metered.

These water losses mean:

- more water is being taken from the Maitai and Roding rivers than is actually needed to meet the community's needs, resulting in lower river levels and poorer freshwater habitats
- more limitations on how much water can be taken from the Maitai and Roding rivers as the population grows
- water is not being used efficiently, as required by the National Policy Statement for Freshwater Management (NPSFM) objective B3.

Issue WS4: Council is unable to account for 20-25% of water supplied through the water supply network.

Desired Benefit/Investment Objective:

Ensuring the water take from the rivers is the minimum necessary to meet the reasonable demands of the city.

Table WS4: Principal options for reducing water losses from the water supply network

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Improve the accuracy of the water loss assumptions. Complete checks on the accuracy of the flow meters at the Water Treatment Plant and commercial meters across the city. Carry out an ongoing programme of investigating water leaks, and repairing and renewing the public network of water pipes, and residential water meter replacement. This option also involves investigating how much water is actually taken from the network for fire flows, construction uses by contractors, other un-metered connections, plus pipe scouring by Council.	Identifying leaks and unmetered uses will help improve water use reporting. Some income could result from monitoring and charging for contractor usage. Monitoring needs to be ongoing to ensure compliance with backflow and metering requirements, and any drought restrictions.		Ongoing over the next 30 years. Renewal of treated water pipes —115M over 30 years. Targeted water loss reduction programme — x$3.6M over 30 years.
Alternative Option 2 Place a stronger emphasis on community responsibility for leaks in privately owned pipes through a charging regime that requires people to pay for all water taken from the public network.	This approach could incentivise the economical use of water and the fixing of leaks in privately owned water pipes. However, finding and repairing leaks can be costly, and this may create an affordability issue for some customers.		Ongoing over the next 30 years. Charging regime based on recovering network costs.
Investigative work/CAPEX decision The 2021-31 Water Supply AMP includes funding to address this issue and investigations are currently underway to pinpoint priority areas of need.			
Key assumptions · The current level of service, which sets a limit of real water losses of less than 25%, will be retained. This measure matches the Non-Financial Performance Measures of the Department of Internal Affairs (DIA) and will be adjusted as required to follow central government requirements. · Demad will increase as population increases. · Current sources of raw water will be subject to resource consent conditions. · Expected demand will be met by current sources out to 2060-2080 if Tasman District Council continues to supply water to south Nelson. · Private landowners and contractors will support an increased focus on the issue and will comply with Council policy. · Council will enforce repairs of private leaks and the contractor use policy.			

Impacts of Maitai Dam water on the Water Treatment Plant

During storm conditions the usual sources of the water supply (the Roding River and the South Branch of the Maitai River) are often too full of sediment to be used for the water supply. In this situation water is taken directly from the Maitai Dam instead. The Water Treatment Plant processes this lower quality water using the ultra-filtration membranes and a coagulant to remove the high levels of organic material from the Dam water. (The organic material needs to be removed to ensure chlorination is successful.)

While adding coagulant into the water enables water treatment membranes to take the organic material out of the water, the additional cleaning of the membranes can reduce their service life.

One option Council is considering is having a primary clarifier between the Dam and the treatment plant. This would be like constructing a swimming pool or reservoir, with the coagulant added there, creating a sludge before the water is filtered through the membranes. This would give the city a 'belts and braces' method of organic removal that would extend the life of the membranes and last well into the future. However it would cost about $20 million to set up.

A consultants' recommendation was to rely on working the Water Treatment Plant membranes harder and accept a reduced membrane life.

However, at this point Council considers full reliance on the membranes to be a less resilient approach. Council would need to keep a spare set of membranes available to swap out before anything went wrong. As demand for water increases in the future this option could also require expenditure of approximately $10M to reconfigure the Water Treatment Plant, to increase the number of 'trains' of membranes from five to eight sets.

At the moment there is no driver for either option. A decision on these options will not be required until (or if) Council needs to rely more heavily on Dam water as the primary source of the municipal water supply or environmental conditions change and require the use of more marginal water from the rivers.

In 2019 a freshwater diatom Lindavia intermedia was discovered in the Maitai Dam reservoir. This diatom has been known to cause 'Lake Snow' to develop in other fresh water lakes in New Zealand, particularly in Central Otago. 'Lake snow' is described as a "suspended mucilaginous microaggregate" that can cause biofouling in the water treatment plant membranes leading to more frequent cleaning cycles and subsequent wear on the membranes. Further investigations are currently underway as to how we can identify the trigger(s) that might lead to the formation of 'Lake Snow' and also how the city water supply might be protected from its impact.

Issue WS5: Using water from the Maitai Dam increases impacts on the Water Treatment Plant processing system.

Desired Benefits/Investment Objectives:

Ensure the Water Treatment Plant is capable of meeting the demand for water to the required level of service (LOS) in the most cost-effective manner, irrespective of raw water source

Maintain agreed LOS for customers while recognising that climate change may enhance the need for trade-offs between affordability and levels of service.

Table WS5: Principal options for processing Maitai Dam water at the Water Treatment Plant

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Invest in a primary clarifier above the Water Treatment Plant.	A primary clarifier will require changes to the layout of the site. Additional sludge will be produced that will require extra settlement lagoons or a lamellar thickener. This option could potentially extend the lives of the treatment plant membranes by 3–5 years.		A primary clarifier would cost $20M–$25M.
Alternative Option 2 Install more membranes at the Water Treatment Plant.	Regular replacement of membranes will lead to replacement before the end of their service lives and some economic inefficiency.		$10M for reconfiguration of the Water Treatment Plant. More regular replacement of membranes is estimated to cost $7.5M every 6–8 years.
Investigative work/CAPEX decision Detailed investigation of options and cost benefit analysis will be the first stage of the project. It is possible that the preferred option may change as a result.			
Key assumptions · The current levels of service require compliance with drinking water standards and resource consent conditions. · Current sources of raw water (with the Waimea Community Dam) are expected to meet demand out to 2070–2080. · Climate change will occur at a gradual rate and allow time for the community to adapt to longer drought periods. · Nationwide freshwater policy will not result in significant changes to water supply resource consent conditions.			

Note: A decision on these options will not be required until (or if) Council needs to rely more heavily on Dam water or marginal quality river water as the primary source of the municipal water supply.

Discoloured drinking water

Some of the water supply network consists of cast iron pipes. These cast iron pipes are lasting well on the outside, but the insides of these pipes are accumulating a layer of iron and manganese. They also accumulate tubercles (lumps). If these lumps break off it causes discolouration of the water. Scouring is used to remove these deposits and potentially some of the lumps. The risk of breaking the tubercles and allowing the dis-coloration to spread into the network needs to be carefully managed.

While there is no specific level of service in the Water Supply Activity Management Plan regarding water colour, it does cause customer dissatisfaction with the water supply service.

Issue WS6: Deposits in the cast-iron pipes are discolouring the water supply received by some customers.

Desired Benefit/Investment Objective:

Meet reasonable requirements for water clarity and reduce customer dissatisfaction.

Table WS6: Principal options to resolve discoloration of the water supply

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Renewal of cast-iron pipes in problem areas with the modern equivalent earlier than the renewal plan indicates.	Most of the cast-iron pipes which have been tested have been found to be in good structural condition. It is increasingly expensive to replace pipes by trenching. This option will be desirable where the network has to be upsized for growth. Investing in this option could mean Council has to delay renewal of other lower priority (asbestos cement, pvc, steel) pipes.		Renewal (replacement) of 48 km of cast-iron pipes would cost $50–$60M over 10 years. Likely to begin after 2028.
Preferred Option 2 Reline the cast-iron pipes in problem areas depending upon accreditation of products which are suitable for pipes carrying potable water.	Regular replacement of membranes will lead to replacement before the end of their service lives and some economic inefficiency.		Relining of cast-iron type pipes could cost approximately $10-$20M over 10 years. Would begin after 2028.
Investigative work/CAPEX decision Options for re-lining need to be investigated and proven for potable water. The focus would be the removal of iron and manganese oxides from the inside of the pipes and the sealing of the wall to prevent regrowth of tubercles (if possible).			
Key assumptions · The current levels of service require monitoring of complaints about water clarity and compliance with the Drinking-water Standards for New Zealand 2005 (Revised 2018). · Asbestos Cement (black bitumen coated) water mains involve more risk and their renewal is more critical over the next eight years. · Suitable products for relining of potable water supply pipes are available in New Zealand but uncertainty remains regarding their performance and success on a large scale.			



Infrastructure Objective 3:

Provide infrastructure to enable growth and development

The pipe network around the city centre has a mix of smaller pipes, which were designed to serve a smaller city. Now there is a need for larger trunk mains (250mm to 300mm) in the central city and in some other areas. This will support the higher flow capacity required to allow for growth and intensification, including meeting the sprinkler firefighting requirements of buildings with multi-storeys and pressure reduction initiatives.

Providing adequate water supply in greenfield growth areas (such as Saxton and Maitahi/Bayview) is partly funded through development contributions for the growth component of any upgrading works. However, the funding of adequate water supplies for brownfield redevelopment and randomly distributed intensification is more complex.

The proposed approach of upgrading some pipework around key roads such as the existing ring road of Collingwood, Halifax, Rutherford and Selwyn Place to match the normal renewal programme or growth projections can be extended to other development areas. The details of any necessary upgrading can be considered as the timing and nature of any proposed growth developments are confirmed and when pipes are scheduled for renewal, which is likely to be in the first 10 years of this strategy.

A provisional budget of approximately $35M has been included in the water supply cost estimates for renewals and upgrade proposals for growth areas.

Providing sufficient capacity for the next 100 years is the most cost-effective approach because this time period closely matches the expected service life of trunk mains and the material cost of upsizing pipes is only approximately 10% of the cost of digging up the roads to replace the water mains.

At this stage there is less focus on increasing capacity in the Wood due to the uncertainties related to the effects of sea level rise. The intent is to maintain the current levels of water supply capacity in this area. Similar discussions with the community will also be required for other proposed growth areas that may be subject to natural hazards. This includes the lower areas of the city centre.



Infrastructure Objective 4:

Maintain or improve public health and safety, and environmental outcomes

Usually water for Nelson's water supply is taken directly from the 'run of the river', from the Roding River and the South Branch of the Maitai River. To compensate for this loss of water (particularly during times of low flow), water is released from the Maitai Dam to the Maitai River, to increase river flows to at least the level required by Council's resource consent.

The Maitai reservoir retains higher levels of organic material than run-of-river flows, and there are some slightly elevated levels of minerals as a result of the close proximity to the Nelson Mineral Belt. However, the greatest impact on water quality comes from the tendency of the Maitai Dam to stratify[5], resulting in anoxic (oxygen-depleted) conditions at the base of the Dam. This variable water quality at different times of the year occurs in most large dams.

The lack of oxygen in the colder water (in the lower levels of the Dam) creates a challenging environment for freshwater aquatic life. In addition, elevated levels of iron and manganese occur in the water as these chemicals become soluble. Discharging this water to the river can lead to a poor quality environment until the water becomes oxygenated. In recent years Council has only discharged this water during storm events, when the impact is greatly reduced.

However, as the frequency and intensity of droughts are predicted to increase over the next 30 years as a result of climate change, it is likely Council will be more reliant on the release of Dam water to maintain flow levels, rather than only doing so during storms.

This increases the need to address water quality in the Maitai Dam.

In addition, the desire for improved water quality and quantity in the Maitai River may drive increased use of the Maitai Dam water for the water supply. The new water supply resource consent gained in 2019 has increased the minimum flow from 175 litres per second to 230 litres per second (as the Dam gets emptier during dry periods this minimum flow reduces down).

Currently, one cubic metre of water is added to the river (from the Dam) for every one cubic metre taken from the run of the river.

Under the new approach (a higher minimum flow) the drain on the Dam is quite a bit quicker due to the combined effect of augmenting the river flow, and using water from the Maitai Dam for the water supply more frequently.

Ongoing trade-offs are likely between the need to keep the Dam full at the beginning of summer to maintain resilience to droughts and the need to enhance the Maitai River's environmental values.

One way to avoid anoxic conditions in the Dam from impacting on the quality of water released into the Maitai River is to aerate the Dam, either by removing the stratification layer or introducing oxygen to the anoxic layer.

Issue WS7: The need to improve the quality of water discharges from the Maitai Dam into the Maitai River to avoid impacts on the downstream environment.

Desired Benefits/Investment Objectives

Aeration of the Maitai Dam

Compliance with the 2019 water supply resource consent.

[5] *This means a layer of warm water settles over the heavier, cooler water below, and this restricts the movement of nutrients which then become more concentrated in the cooler water over the summer months.*

Table WS7: Principal options to improve the quality of the environment in the lower levels of the reservoir, and in the Maitai River when this water is released

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Alternative Option 1 Homogenise the water - destratify it using bubbles in the bottom of the dam, causing that water to rise up to the surface, removing the stratification layers.	A model of the Dam has been developed to check that aeration will work. Council's consultants are taking oxygen readings around the dam, modelling the results and comparing the two options.	✓	Construction is programmed in 2022/23. Final costs are yet to be confirmed. A budget of $2.5M is included in this strategy.
Alternative Option 2 Hypolimnetic aeration - pump oxygen into the bottom part of the dam, without breaking the stratification layer. This means this water stays cool while becoming oxygenated, and avoids anaerobic issues by manganese oxide and iron oxide staying in that form and settling at the bottom of the reservoir, rather than being part of the water.		✓	
Investigative work/CAPEX decision A decision on the options will be made once the outcomes of the modelling work has been completed. Further investigations are also underway on the impact on the reservoir chemistry and potential for algal growth that might follow on from aeration.			
Key assumptions · At least one of the principal options being modelled will be effective.			

Legislation changes regarding community water supplies to protect public health

At this stage it is not known whether legislative changes will require Council to take on responsibility for private community supplies serving small numbers of people (which would affect both the Glenwood and Maitai Valley supplies). More will be known by mid- 2020. Both supplies are well away from the public supplies, so if this change does occur, it would be a matter of arranging for professional management of these water supplies rather than connecting these households to the municipal supply.

A decision is not required unless the legislation confirms Council must take on responsibility. At that point there would need to be a decision on who would pay for this change — the water users of these supplies, or the community as a whole.

Preliminary options:

a) Council takes over these community supplies (and users pay)

b) Council takes over these community supplies (management funded by all ratepayers)

c) Council doesn't take over these community supplies

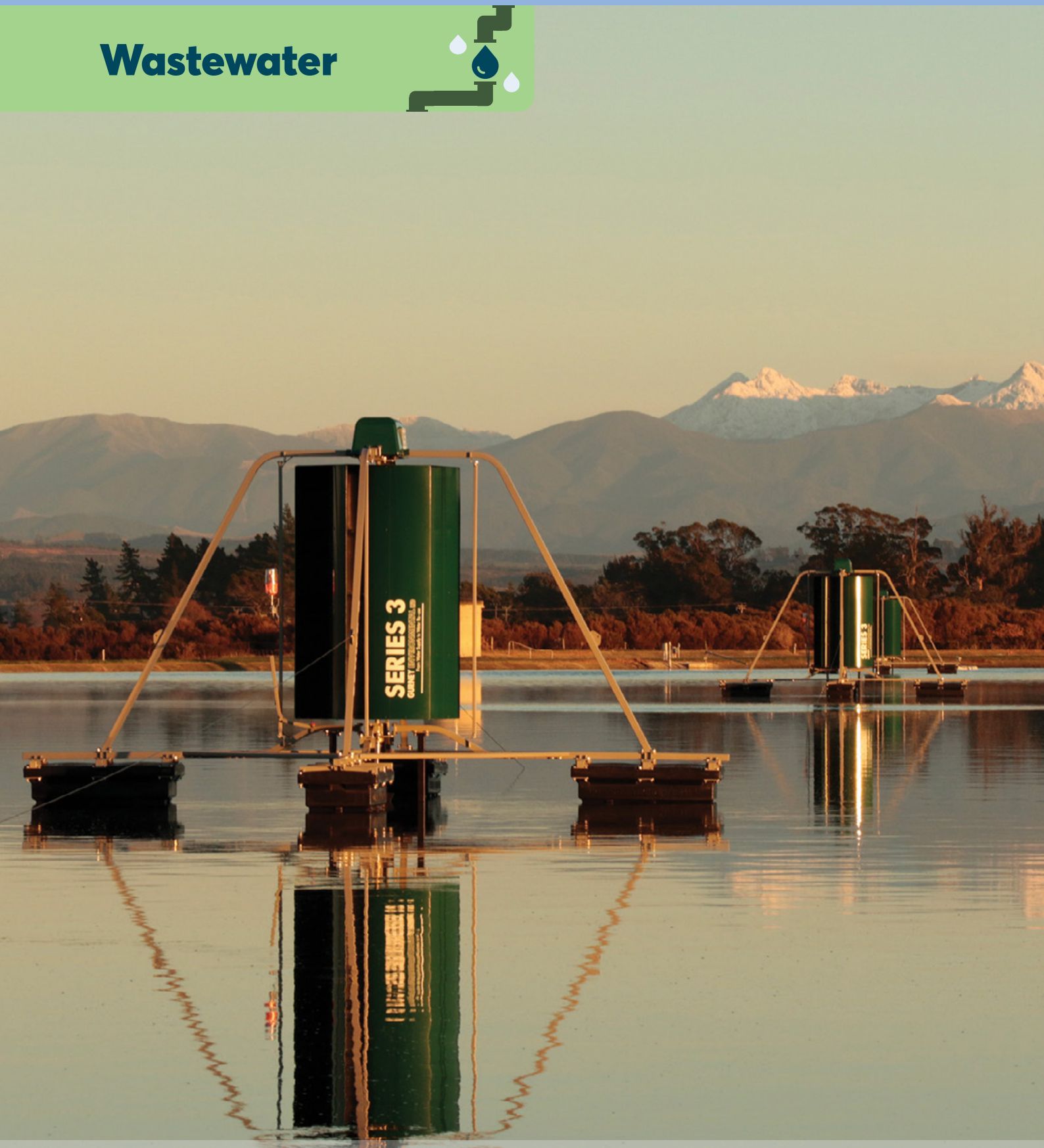
Other environmental actions

Other sustainable development improvement actions identified in the Water Supply Activity Management Plan 2021–31 are to develop demand management options, include: monitoring use of improved plumbing and appliance technology, reduced supply pressures in the public network to reduce losses, more structured water restrictions to match supply to available water resources, and possible Council support for on-site greywater and rainwater storage for reuse through the Draft Whakamahere Whakatū Nelson Plan, and pricing incentives.

Part Two

Issues and Options

Wastewater



Asset description

The inventory of public wastewater services assets owned by Nelson City Council and managed by the Infrastructure Group is shown in Table 3.

Table 3: Summary of Wastewater Activity Assets (at January 2020)

Asset	Quantity	
	km	Units
Reticulation Pipes	337	
Trunk Mains	36.2	
Swallow Mains	5.5	
Rising Mains	25.1	
Access points		986
Manholes		6,985
Tanks		7
Valves		293
Neale Park Detention Tank		1
Pump Stations		27
Nelson Wastewater Treatment Plant		1

Nelson Wastewater Treatment Plant

As outlined in Part One of this strategy, Council is also a shareholder in the Nelson Regional Sewerage Business Unit (NRSBU) which manages the Bell Island Wastewater Treatment Plant. The other shareholders are Tasman District Council and a number of primary industry processers (Alliance Nelson, ENZA Foods and Nelson Pine Industries) which have a significant demand for wastewater processing. A separate infrastructure strategy to inform Long Term Plan decisions will be prepared by the General Manager Regional Services. This will cover the responsibilities of both the Nelson Regional Sewerage Business Unit and the Nelson Tasman Regional Landfill Business Unit



Infrastructure Objective 1:

Increase resilience to natural hazards and climate change

Increase resilience to natural hazards

Council's wastewater network covers a wide geographical area which has a range of natural hazards including liquefiable soils, slope instability, coastal hazards (including the impacts of sea level rise), fault lines and flood hazard areas. The levels of risk associated with these hazards vary, as do the return periods associated with them. In addition, the level of knowledge varies between hazards.

The wastewater network for a city the size of Nelson contains the full range of assets required to effectively convey and treat the city's wastewater. These range from small diameter gravity pipes to large diameter pumped pipes, simple pipe connections, highly complex pump stations and a treatment plant. The failure of some assets carries a significantly greater level of consequence than others. For example, a catastrophic failure of the Nelson Wastewater Treatment Plant would be of far greater consequence than the failure of a single property's connection to the wastewater network.

Work is currently underway to map hazards, incorporating current climate change thinking, and determine levels of consequence that will enable identification and prioritisation (for risk mitigation/ upgrade work) of assets that have a high consequence of failure when compared against risk from natural hazards. This work is being carried out in conjunction with the water and stormwater activities.

Adapting to climate change - the Nelson Wastewater Treatment Plant & resource consent

The Nelson Wastewater Treatment Plant (NWWTP) is located at Wakapuaka. However, its low lying, coastal location means it is particularly exposed to the effects of climate change, including flooding, sea level rise and storm surges. This is significant because the Plant treats half of Nelson's wastewater, at around 5 to 7 million litres of wastewater on a dry summer's day. The remainder of Nelson's wastewater goes to the Bell Island Wastewater Treatment Plant in the Tasman district, operated by Nelson Regional Sewerage Business Unit.

The NWWTP is not currently exposed to a 1 in 100 year (1% AEP) flood event from either storm rainfall or tidal inundation. Council developed a catchment flood model in 2016 to evaluate storm rainfall impacts on the NWWTP, covering Hillwood Stream, Todd Valley Stream and the Wakapuaka Flats drainage area. The 2016 model shows the NWWTP will not be inundated, but will be surrounded, by flood water in a present day 1% AEP flood event. Storm rainfall currently generates the highest flood levels across the Wakapuaka Flats. It is expected that in future, due to sea level rise and increased number and intensity of storms, coastal flooding will become the dominant source of flooding. Further assessment of coastal inundation levels is required which will involve modelling of overtopping volumes into the Wakapuaka Flats during storm surge events for future sea levels.

Resource consents granted in 2004 permit the use and operation of the plant and the discharge of treated wastewater to the coastal marine area via an ocean outfall. These consents expire in December 2024 and preparations for renewing this resource consent began in 2019. The best practicable option for wastewater treatment and discharge in the Nelson region will be identified through the resource consenting process.

As part of the consent application process for the NWWTP, funding has been allocated to undertake studies/investigations relating to:

- natural hazards and the impacts of climate change
- cultural views related to discharges of treated wastewater
- viability of other discharge options
- alternative treatment processes
- the costs associated with any change in treatment and/or location.

In addition to the investigations to inform the resource consent application, Council has begun to consider the long-term strategic viability of the current location.

Council also needs to consider the small rating base, as this limits the community's ability to pay for the types of sophisticated technology used in larger centres, and the significant costs associated with changes in location or process/discharge type.

Issue WW1: The impact of climate change and vulnerability to other natural hazard events (as well as new requirements for wastewater discharges and greenhouse gas emissions) on:

- The long-term viability of the NWWTP's current location and treatment processes/disposal routes
- The resilience of the wider network.

Desired Benefits/Investment Objectives:

As a critical asset with significant capital investment, Council wishes to ensure the NWWTP continues to operate (with improvements to treatment processes as required) effectively in this location for as long as practicable, whilst planning for a future, possibly in a different location, with potentially different treatment/disposal processes

Gain resource consent (prior to the expiry of the existing consent) for the continued operation of the NWWTP in its current location, recognising it could take 20 plus years to potentially relocate the wastewater treatment after a decision is made

Certainty on the location of the NWWTP to enable the replacement of the Atawhai rising main, as this large diameter (approximately 1m) pipe is in need of partial or full replacement

Ensure that the NWWTP is operating as efficiently as possible and is operating to minimise the production of greenhouse gases

Ensure the network is as resilient as realistically possible.

Table WW1: Principal options for the operation of the Nelson Wastewater Treatment Plant

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Complete existing work to understand areas of high risk and consequence (this is likely to impact on the NWWTP and related assets). From this, develop a strategy and associated programme of works to improve the resilience of Nelson's wastewater network. Investigate long term options for managing natural hazard risks affecting the NWWTP in its current location as part of the resource consent process. Investigate alternative NWWTP locations or treatment options including: · retreat further inland · dispose wastewater to land · treat all wastewater at Bell Island through the NRSBU.	Some geographical areas are more prone to natural hazards. In addition, some of the wastewater network has a higher consequence of failure. Combining these two factors establishes parts of the network that need to have a higher priority. This work increases our understanding of the natural hazards that impact on the NWWTP. The cost of any actions required in response to this investigation at the NWWTP are not yet known, but could be considerable, particularly if relocation is the most cost- effective option in the long term. Upcoming regulatory changes related to greenhouse gas emissions and wastewater treatment plant discharge quality will be an important factor in decision making relating to the future of the plant.	✓	As the city's wastewater network develops and evolves, and our awareness of risk levels associated with different natural hazards changes, there will be a need to review the strategy and programme of works. Approximately $250,000 over the first decade of the AMP to further develop the strategy and scope projects to increase network resilience to natural hazard events. The processes related to a potential relocation of the NWWTP are likely to take between 10 and 20 years. The initial investigations and options study is to be completed from 2019/20 to 2023/24 with follow on work likely. This is a significant piece of work and the investigations are expected to cost from $50,000 to $150,000 per annum. Over the 2021–2031 period $350,000 has been allocated for this process. The resource consent for the NWWTP expires 1 Dec 2024. Preparation for the NWWTP replacement consents began in 2019/20.
Investigative work required/CAPEX decision Investigation work is required as part of the consenting process. Capex decisions are expected after the consenting process is complete in 2024. The consent applicationw will be lodged in 2023 but the outcome of the application will not be known for some time after this. Timing depends on hearings and Environment Court proceedings.			
Key assumptions · The existing treatment plant will have treatment capacity for dry weather flows out to at least 2050–2060. · Replacement resource consents will be granted for the operation of the plant out to 2040– 2060. · The impacts of climate change will be monitored and planning timeframes adjusted to respond to the latest information on sea level rise. · Existing information held about fault hazard areas of land instability are reliable, although it is expected that Council may identify additional areas which are subject to natural hazard risk. (Under a recent November 2019 update to the Building Code, territorial authorities have been given a two-year transition period to map areas potentially prone to liquefaction.) · Renewal and upgrade of assets will be designed to minimise vulnerability to known natural hazards. · The NWWTP will remain in its current location or within the Nelson North area for the long term.			

Other actions

Council has commissioned consultants to carry out an assessment of natural hazards risks for all three waters (water supply, wastewater and stormwater). This investigation may identify opportunities to improve the resilience of critical assets within the wastewater network.



Infrastructure Objective 2:

Maintain, renew and upgrade existing assets in a cost-effective way

Asset condition/data confidence

Work is constantly being carried out to improve Council's understanding of the wastewater network. Recent changes include the use of new technology to improve real time understanding of how the network is operating. Related work is underway to improve Council's data management and storage systems.

Work will include the updating, recalibrating and verifying of Council's two hydraulic models to improve data confidence and support achievement of infrastructure objectives. The hydraulic models are very important tools for all aspects of network management, including:

- determining what network improvements (pipe size increases and pump station replacements) are needed to manage urban growth, including intensification (discussed under Objective 3)
- understanding where to undertake renewals
- determining the required size of pipes to allow for future growth
- understanding where to focus resources to limit overflows (discussed under Objective 4).

A key aspect of this work will be to have good data acquisition/retrieval, monitoring and storage systems that are modern and efficient to use. There will be costs associated with this.

More remote monitoring technology is now available, allowing for more reliable and consistent monitoring of the wastewater network than has been the case historically. The availability of more information (also to be included in the hydraulic model and to monitor network performance) will provide Council with an increasingly full picture of how the whole network is operating.

Renewal of the wastewater network and theoretical renewal dates

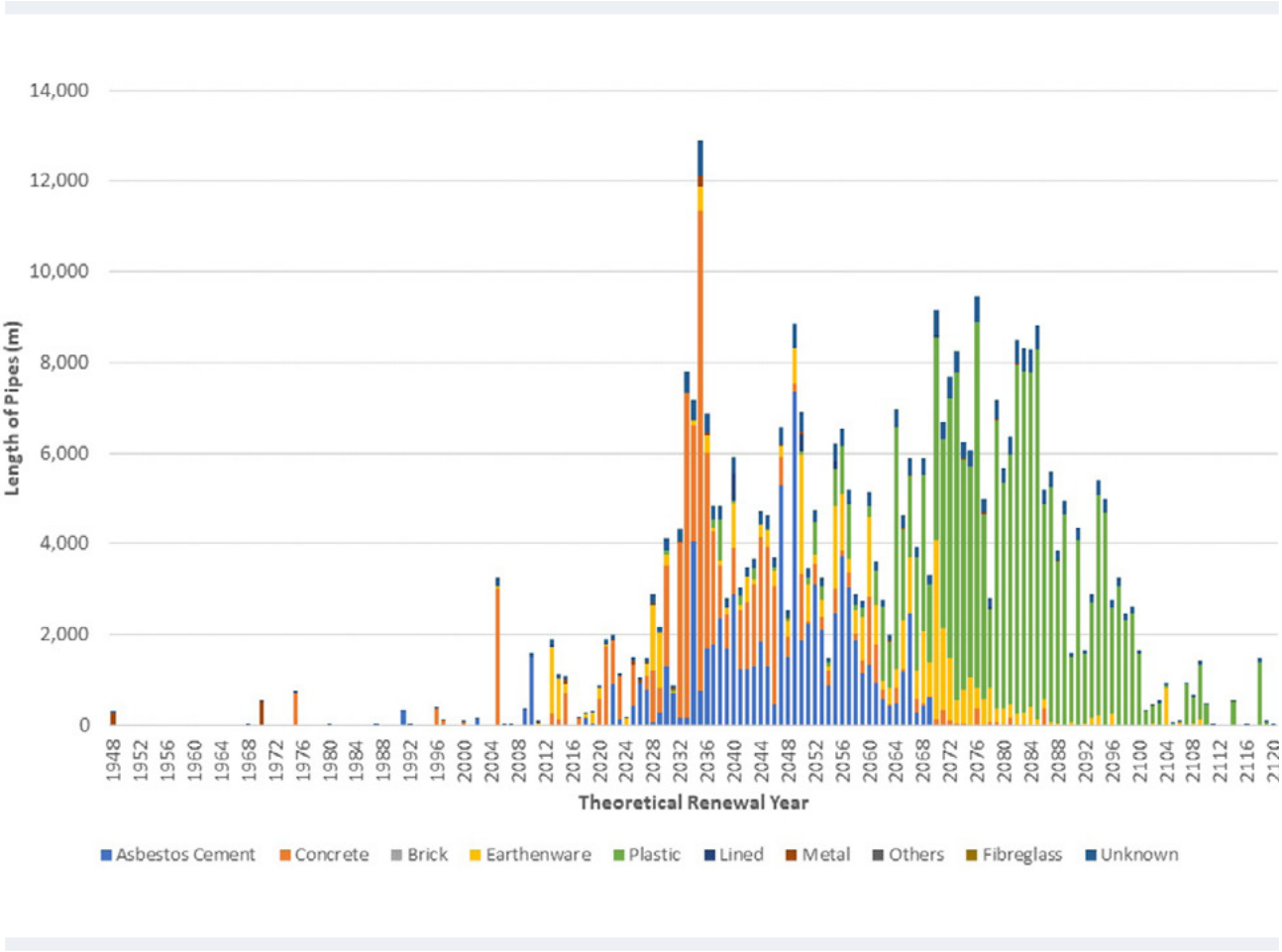
Wastewater assets are renewed when they fail to provide the required level of service, or where performance or reliability is compromised due to age and poor condition.

Wastewater assets are a mixture of relatively new facilities/pipes through to pipes that are well in excess of their theoretical design life, with an increase in renewals (based on design life) anticipated from the 2040s onwards. When this increase occurs it is substantial, moving from an average of less than one million dollars per annum at present to an average in excess of $8 million per annum in the 2040s. There is also significant annual variation if following a "renew on expiry of life" philosophy. To manage this, the strategic approach will be to increase renewals to a relatively consistent and sustainable level over the next decade that will be maintained through the coming renewals "surge" (see Figure 8).

Council proposes to develop a wastewater pipe renewal strategy that takes into account the following factors:

- asset criticality
- age
- condition
- material
- the ability to combine with other infrastructure work.

Figure 8 - Theoretical Wastewater Pipe Renewal Dates

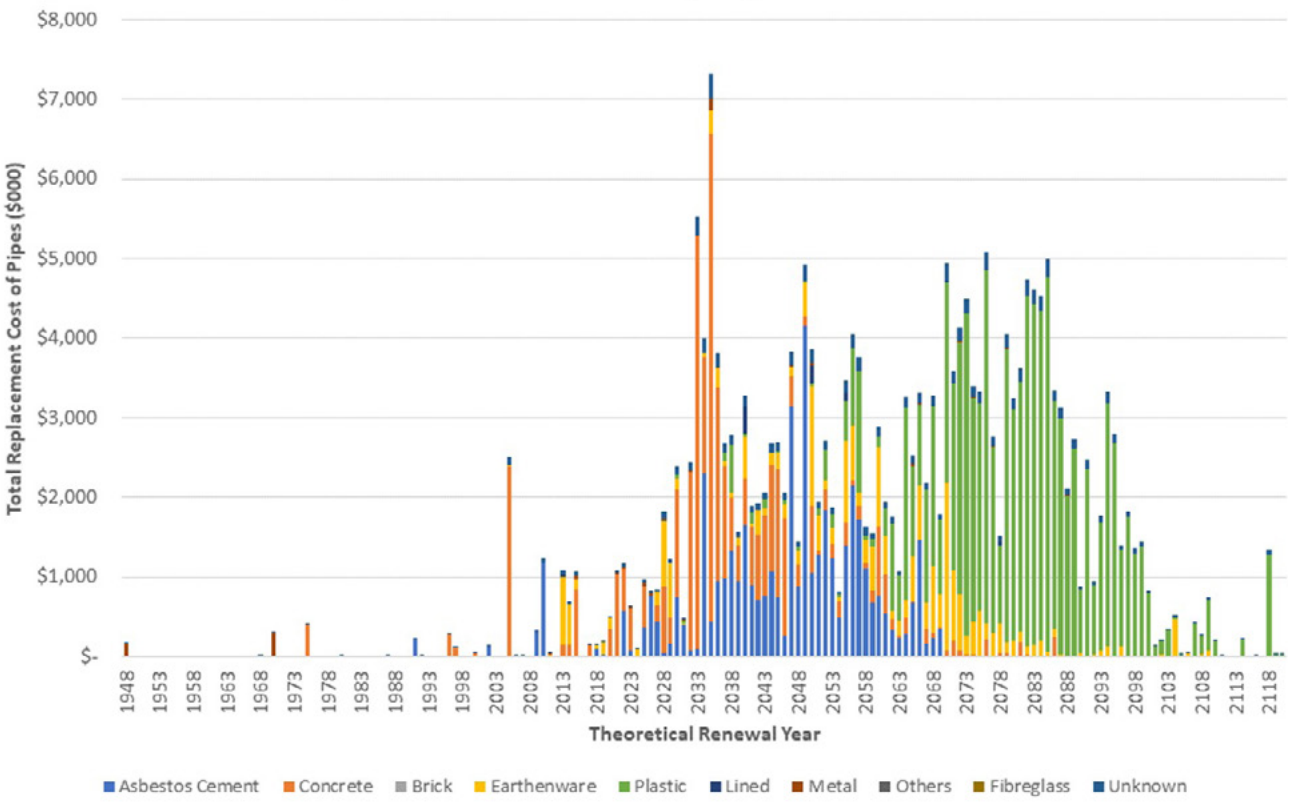


The theoretical renewal dates in Figure 8 are based on industry standards of expected lives of assets. However, the current renewal approach is based on improving Council's knowledge of the actual service lives of the network components through CCTV records, fault analysis, use of the hydraulic models, data analysis, establishing criticality and the Wastewater Overflow Reduction project (and other project support opportunities).

Council will use a variety of techniques for replacement of pipework ranging from traditional "dig and lay" techniques through to more innovative trenchless technologies, where appropriate. Additionally Council is trialing medium-scale rehabilitation of existing pipework by installing PVC 'sleeves' (also commonly called relining). While this technique is quick and cost-effective and allows existing pipes to remain in place, it will not be suitable for all pipes and does not give the same asset life as a full replacement. Risks remain as the long-term outcomes of using this technique are not fully understood. When compared against the conventional approach of installing new pipes, the weaknesses (in addition to a lower asset life) are that the sleeve is not able to bridge sections that have broken or been dislocated, and the sleeve reduces the capacity of the existing pipe.

The renewal work on the Atawhai Rising Main is expected to commence in 2024–25 and to extend into the early 2030s. There are important decisions affecting the Atawhai Rising Main that are linked to the future location of the NWWTP. At this stage it is assumed that the NWWTP will remain in its current location or within the Nelson North area for the long term.

Figure 9 - Theoretical Wastewater Pipe Renewal Year and Cost



Issue WW2: Planned levels of service for wastewater will not be met unless assets are maintained, renewed and upgraded.

Desired Benefits/Investment Objectives

- Appropriate capacity in the network
- Solutions to network issues that have a positive impact on the likelihood of wastewater overflows occurring
- Ability to cater for growth and intensification within the city
- Prioritised spend of budget with a focus on critical assets and also considering remaining design life, current condition and level of service assessments
- Council not being in a position of managing assets that are high risk because they have exceeded their design life and managing the consequences of failure (e.g. Wellington City)
- Use of network modelling and other data to inform good asset renewal decision making.



Table WW2: Principal options for improving the maintenance, renewal and upgrade of wastewater assets

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Proactive focus on gaining a better understanding of wastewater asset condition and developing a renewal strategy.	Increase the proportion of the network that has been assessed for condition, prioritising critical assets. This information is required to inform a renewal strategy. Condition assessment is generally an operational cost where this applies to regular assessment of critical assets.	✓	Condition assessment of the wastewater network, prioritising critical pipes and assets.
Preferred Option 2 Develop wastewater strategies that provide a consistent basis for prioritising renewal and upgrades of the wastewater network in line with key drivers..	The wastewater network generally functions well. Technology and the availability of greater levels of data open up a number of opportunities for Council in terms of understanding where the best value for money can be obtained. In addition there are key societal and environmental drivers that need to be satisfied.	✓	Development of strategies, supported by wastewater network models, condition assessment and improved data analysis. Completion of wastewater network models: $560,000 in the period 2021/22 – 2022/23.
Alternative Option 3 Status quo — reactive response to service requests for wastewater improvements and like for like replacements.	Upgrades occur in the areas where the most complaints are made, which may not be the areas in most need of improvement.	×	Piecemeal expenditure does not represent value for money.
Investigative work required/CAPEX decision · Wastewater strategies will address the overall need to undertake wastewater asset renewal (pipes/pump stations/wastewater treatment plant) and to meet specific environmental and societal drivers e.g. reducing wastewater overflows. Some of these strategies are in place (e.g. Wastewater Overflow Reduction) but others need to be completed. · The condition assessments programme needs to be enhanced to take into account advances in technology that are occurring. Additionally more work needs to be done on prioritising condition assessments to better target key/critical infrastructure given technological advances.			
Key assumptions · A philosophy of smoothing out the renewals "surge" will be employed. This will involve early replacement for some assets and later replacement for others · An increased spend on renewals will be feasible. · Investing in better condition assessments and data gathering will be key to making good decisions related to asset renewal.			

Wastewater overflow reduction

Stormwater/wastewater issues
If households' stormwater pipes have been connected to the Council's wastewater network instead of to the stormwater network, rainwater run-off from roofs and driveways ends up flowing into the wastewater system. These above-ground effects are called inflow.

Stormwater and natural sources of groundwater also enter the wastewater system if underground stormwater and wastewater pipes are broken. These underground effects are called infiltration.

This is a significant issue because inflow and infiltration of groundwater can lead to wet weather wastewater flows which are several times greater than the flows the network was designed for. The increased flows into wastewater pipes put pressure on the capacity of the wastewater network as a whole, and can result in wastewater overflows during wet weather in combination with other factors (such as dryness of soil, existing network blockages, debris levels within the network etc.).

Climate change and environmental standards
The height of the tide also influences groundwater levels, and therefore the amount of groundwater infiltration into the wastewater system. For example, daily flows of wastewater to the NWWTP increase by approximately 1,000 m3/day with a 4.4m tide compared to a 3.4m tide.

If infiltration is not addressed, wastewater overflows will become an even bigger problem in future, as a result of the predicted increase in sea level in combination with the increased frequency and intensity of future rainfall events. That means wastewater contamination of land or water would

have ongoing impacts on cultural wellbeing, public health and the environment, and make it difficult to achieve the outcomes required by the National Policy Statement for Freshwater Management (NPS-FM).

Council currently has a level of service regarding compliance with resource consents with respect to wastewater overflows. Council's wastewater resource consent requires no dry weather overflows from pump stations by 2023 and a maximum of five wet weather overflows from pump stations per 12 months by 2032. The incoming Draft Whakamahere Whakatū Nelson Plan is expected to set more challenging targets.

Levels of service are likely to increase as a result of changes to the NPS-FM, the new National Environmental Standard for Wastewater Discharges and Overflows, and the probable new obligation on wastewater network operators to prepare a risk management plan, and/or to report annually on environmental performance measures. Further expenditure will be needed to meet the new requirements.

The updating and calibration/verification of the two hydraulic models (discussed above in relation to asset condition data) is key to understanding network performance and where constraints exist and therefore to investing appropriately to reduce wastewater overflows.

Misconnections and broken pipes on private property are not always easy to resolve either through education or regulation, and can become extremely challenging.

To have the best chance of completely solving the issue, Council would have to replace most of the wastewater network, including privately owned pipes and pump stations, and ensure stormwater was being disposed of appropriately across the city (which itself is a challenging piece of work particularly where there is no existing stormwater network).

One approach, and likely a part of any solution to limiting wastewater overflows, is to upgrade the system downstream (to carry flow away from areas prone to overflows) and/or provide storage to minimise overflows by:

- developing a holistic strategy, using the hydraulic model to predict where there is a higher likelihood of overflows
- factoring in the entry of some stormwater and groundwater into the wastewater system by increasing network capacity, potentially including the ability to store limited amounts of wastewater
- continuing to investigate high E.coli readings in water samples and repair any damage in the public network (noting that the network is, in the natural order of things, constantly degrading)

Issue WW3: Inflow and infiltration causes overflows from the wastewater network.

Desired Benefits/Investment Objectives:

Compliance with resource consents and legislative requirements

Increased public knowledge of inflow and infiltration issues to decrease the incidence of cross connections, and an increased understanding of affordability

Minimisation of risk of environmental impacts due to overflows from the wastewater network

Table WW3: Principal options to reduce overflows from the wastewater network

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Finalise the Wastewater Overflow Reduction Strategy document, complete the trial area work and develop a programme of work. Complete upgrades to the wastewater hydraulic models and use them to assist in confirming poorly performing catchments, allowing investigation work to be focused. Part of the solution is likely to be system improvements (such as pipe renewal/ upsizing, pump station upgrades and storage tanks) in locations at risk of overflow. Continue site investigations into high E.coli levels in receiving environments, and undertake mitigation work as needed. Develop an approach to remedying inflow and infiltration that occurs on private property that aligns the desire to minimise overflows with the community's ability to pay.	This is a significant piece of work for the city and it is expected that a small team will be required to deliver the programme. Additional resources are required to follow up on the results of property investigations. Detention tanks or network upgrades are 'end of pipe' solutions and do not treat the source of the problem. Instead, they work to remedy the consequences, but they are still an important part of the solution.	✓	**Timing** This is an ongoing piece of work that will never fully conclude. The strategy and programme will need reviewing periodically, and an upgrade of hydraulic models will be required in 2021. **Costs** Ongoing, consistent operational and corresponding capital budgets will be required.
Alternative Option 2 Rely on pipeline renewal to reduce infiltration.	Wet weather overflows will continue into the foreseeable future. This is not a particularly strategic approach. This approach would be more effective if combined with financial and practical support to make changes on private property, and if used as part of a wider, comprehensive approach to tackling the issues of inflow & infiltration and wastewater overflows.	× (on own)	Ongoing as the network ages and deteriorates. Significant costs. Actual quantum dictated by the timeframes over which the work is completed (noting that longer timeframes will likely mean overflow reduction will occur at a slower rate).
Alternative Option 3 Undertake a public education campaign to encourage appropriate disposal of stormwater.	Uncertainty regarding how much investment property owners would be willing to make in resolving cross connections and broken pipes on a voluntary basis. This approach would be more effective if combined with financial and practical support to make changes on private property and if used as part of a wider, comprehensive approach to tackling the issues of inflow & infiltration and wastewater overflows.	× (on own)	This would need to be an ongoing programme for a considerable time period to ensure the messaging reached people and became a societal norm.
Alternative Option 4 Increase resources for investigating discharge of stormwater (by inflow and/or infiltration) to wastewater pipes on private properties, to avoid inflow of rainwater to the wastewater system.	Significant issues on private properties would require land owner support and possible funding to resolve. This approach would be more effective if combined with financial and practical support to make changes on private property and if used as part of a wider comprehensive approach to tackling the issues of inflow & infiltration and wastewater overflows.	× (on own)	The costs of fixing private stormwater/wastewater cross-connections have not yet been assessed. This is likely to be a slow process as it would involve dealing with landowners on an individual basis over several decades. It is also likely to require a significant level of staffing to ensure it is successful.
Investigative work required/CAPEX decision · A level of service related to a wet weather event return period needs to be identified and agreed. · Investigations into which catchments require attention will need to continue as data improves and regulatory standards are clarified. · Confirmation of an approach to deal with private property inflow and infiltration is required.			
Key assumptions · Council will increase LOS to improve environmental outcomes in line with regulatory requirements. · The community is generally in support of resolving the wastewater overflows issue but may be less supportive of remediating private property issues. · Growth may be constrained where wet weather capacity is insufficient or requires alternative solutions to be developed.			

Discharges to Nelson Haven from the Atawhai Rising Main

There is one large pipeline (approximately 1m in diameter) between Nelson and the NWWTP, which is located along Atawhai Drive. This rising main suffered significant damage from acid attack (from the gases emanating from the sewage being carried in the pipe) after approximately 30 years of service, and extensive repairs were carried out in the 1990s. However, further failures have since occurred, leading to low volumes of untreated wastewater discharging directly into Nelson Haven.

These untreated wastewater discharges impact on coastal water quality, cultural values, and public perceptions of the quality of the environment. They also have the potential to affect Council's compliance with future resource consent conditions, as the regulatory environment related to discharges of wastewater to the environment is likely to become more stringent over time.

Investigation and condition assessment of the Atawhai Rising Main is being carried out through the period of 2019–2023. However, decisions on early renewal (replacement) of the rising main will depend on whether Council is able to gain consent for the NWWTP to continue in its current location. It is not cost-effective to upgrade the existing rising main if the future location of the NWWTP is not going to be in the Nelson North area. At this stage however, it is assumed that the NWWTP will remain in its current location or within the Nelson North area for the long term.

Issue WW4: Failures of the Atawhai Rising Main are occasionally causing untreated wastewater discharges directly into Nelson Haven.

Desired Benefit/Investment Objective:

Avoid wastewater discharges to Nelson Haven due to asset failures.



Table WW4: Principal options to address discharges to Nelson Haven due to asset failures

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Increase and maintain funding and resources for pipeline investigation/ inspection. Check all fittings and access hatches along the pipeline. Carry out spot repairs as required. Monitor technological developments for smart solutions.	Investigations are focused on access points such as air valves and person access hatches. Ongoing investigation of the pipeline will be required as opportunities arise. Risk of pipe wall failure remains. Technological developments are fast moving and Council needs to be aware of what is in the market that may offer good condition assessment information.	✓	Ongoing until a decision about the future location of the NWWTP is confirmed. The investigation and spot repairs will cost several hundred thousand dollars per annum until a decision is reached.
Preferred Option 2 Renewal of the Atawhai Rising Main pipeline. This may involve the prioritisation of critical portions (i.e. those in particularly poor condition) of the rising main using the investigation/ inspect ion findings.	Dependent on decisions about the long term location of the NWWTP. A derivative of this option would be to undertake a selective replacement of the pipeline. This option may be particularly appropriate if the NWWTP is likely to remain in place for a significant period (20–30 years) from the present, and the alternative NWWTP locations which are likely to be considered are not in Nelson North.	✓	Subject to resource consent approval for the NWWTP, renewal investigation and options are to start in 2024/25 with construction scheduled to commence in 2026/27 and to take 5-10 years to complete. The renewal work may be brought forward, depending on the outcome of the pipeline/fittings condition investigation from 2020–2023. The renewal of the pipeline would cost approximately $42M.

Investigative work required/CAPEX decision

- The internal condition of the pipeline is to be investigated as opportunities arise. Technological developments to be monitored for opportunities to use technology that will provide greater insight into the internal condition of the pipe.
- Investigation of renewal options, including a duplicate pipeline which is located to minimise impacts of climate change, or relining/sleeving the existing pipeline.
- Investigation of key physical features to continue wherever possible (physical conditions and availability of finance limit the inspection frequency of some features).
- CAPEX decision linked to NWWTP resource consent renewal outcomes and decisions.

Key assumptions

- There is no current level of service specific to the Atawhai Rising Main. The existing rising main is expected to have capacity for dry weather flows out to 2050–2060.
- Access for repairs and maintenance alongside the state highway will continue to be available.
- Periodic failures are expected to occur. Good contingency planning is required to manage these events.
- The NWWTP will remain in its current location or within the Nelson North area for the long term.



Infrastructure Objective 3:

Provide infrastructure to enable growth and development

Council is progressing implementation of the FDS which was adopted in June 2019. The FDS identifies intensification as a significant means to achieve its growth and development objectives. Wastewater services will be required to be responsive to new urban expansion and intensification areas.

Reducing inflow and infiltration and freeing up network capacity is supportive of growth and development (see Issue WW2). There are also some opportunities to increase the current pipe diameters when the network is renewed, and the use of an up-to-date hydraulic model is critical to support these decisions.

Issue WW5: Nelson's wastewater network has capacity constraints that impact on the city's ability to accommodate growth and intensification.

Desired Benefit/Investment Objective:

Accommodate growth and intensification.

Table WW5: Principal options to accommodate growth and intensification acknowledging existing network constraints

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Preferred Option 1 Upgrades to the wastewater network occur in time to convey additional wastewater flows generated by development	This focuses on ensuring the network has adequate capacity to convey flows. The required network upgrades can occur ahead of growth/ intensification (lead) or can be undertaken in parallel (lag). The decision about whether upgrades would be lead or lag will depend on a number of factors including: confidence in development availability of capital budget severity of existing network constraints.	✓	Timing will be led by the FDS/actual development. Costs will be dependent on a number of factors including length of network to be upgraded, depth of pipe and size of upgrade.
Alternative Option 2 Use on-site storage to detain flows to prevent overflows within the network.	This would involve providing storage either at an individual property or at development level to retain all wastewater flows (from the development) during a rainfall event. The downstream network would still need to be upgraded at some point in the future. This option could be implemented with the development and more quickly than most network upgrades..	✓ (future)	Timing will be led by the FDS/actual development. The long term cost of this option is expected to be greater than focusing on network upgrades (as there will be storage installed and over time network upgrades will take place as well).
Investigative work required/CAPEX decision Use the wastewater hydraulic model to understand likely constraints within the network. Investigate potential options to deal with constraints within the network.			
Key assumptions · Updated version of the hydraulic wastewater model will be available. · Development areas as identified in the FDS and IAP will be consistent and changes will not be too significant (i.e. number of properties may increase/decrease but the locations are consistent). · Funding is available and flexible to accommodate the relatively reactive nature of development responsive projects.			



Infrastructure Objective 4:

Maintain or improve public health and safety, and environmental outcomes

As noted previously, more work will be carried out to limit wastewater overflows. This work will have positive impacts on both public health and safety and environmental outcomes.

Additionally work related to Issue WW1 (and generally across the Wastewater Activity) will have a significant focus on carbon neutrality and the Zero Carbon Bill requirements.

Incoming legislation will affect Council's ability to discharge treated wastewater effluent to the coast, this will have significant cost implications. (See Objective 1 for a brief discussion of the option of discharging wastewater to land.) More details on the proposed legislative changes are expected to be available at some point in 2021/22.

Part Two

Issues and Options

Stormwater & Flood Protection



Asset description

Council's stormwater system can be categorised into two parts — natural and constructed components. The natural part consists of rivers and streams that play an important role in the support of aquatic ecosystems, recreation and the channelling of stormwater flows in rainfall events. During high rainfall events the rivers and streams transport large volumes of water and sediment with levels of energy that are capable of causing significant damage to property adjoining these areas and within the flood path.

The constructed stormwater network includes pipes, channels, and overland flow paths that convey stormwater to receiving watercourses or the sea. The stormwater system also incorporates two pump stations, and 20 detention devices. In many parts of the city a fully reticulated system is not provided and individual properties discharge stormwater to on-site soakage or to the road channel as part of the primary drainage system.

The inventory of public stormwater and flood protection assets owned by Nelson City Council and managed by the Infrastructure Group as at June 2020 is shown in Table 4.

Table 4: Summary of Stormwater and Flood Protection Assets

Asset Category	Quantity	
	km	Units
Pipes Up To 600mm	198.8	
Pipes > 600mm	45.5	
Channels	1.8	
Culverts	2.9	
Rocks Rd Culvert	0.3	
Intakes		121
Manholes		4,924
Outfalls		126
Sumps		345
Pump Stations		2
Tide Gates		24
Detention Devices		20
Urban Streams/Rivers[6]	31.5	
Bank Protection	28.5	



Infrastructure Objective 1:

Increase resilience to natural hazards and climate change

Definitions

% AEP: As with other natural hazard events, the likelihood of a flood event is often referred to in terms of its Annual Exceedance Probability (AEP) e.g. a 1% AEP flood event has a 1% chance of occurring in any one year. This is sometimes referred to as a 1 in 100 year, or a 100 year ARI event.

[6] *Urban Streams and rivers are: Todd Valley Stream, Oldham Creek, York Stream, Brook Stream, Maitai River, Jenkins Creek, Arapiki Stream, Poormans Valley Stream, Orchard Creek, Orphanage Stream and Saxton Creek.*

Q15, Q20, Q50 and Q100: Open channel and stormwater pipe capacities are generally expressed in terms of the flood event they are designed to contain. Under the Nelson Tasman Land Development Manual (LDM 2019), new stormwater pipes installed in Nelson should have sufficient capacity to carry a future 1 in 15 year (Q15 or 6.67% AEP) flood flow, taking into account higher intensity rainfall predicted for 2090.

Adapting to climate change - increased rainfall and sea level rise

Nelson City's location on a number of flood plains, and close to the coast, means the community is vulnerable to the impacts of climate change that would cause more intense storms, increased stormwater flows, and coastal inundation resulting from sea level rise.

Some areas of the city already have ongoing drainage issues which will be exacerbated by climate change, especially low-lying coastal areas. Council is progressively working towards achieving a consistent basic standard of stormwater and flood protection across the city, with the final level of protection set through a risk-based approach. In some cases a higher standard of stormwater design may be justified where stormwater and stream overflows could contribute to land instability, wastewater infiltration, or damage to infrastructure and buildings.

Detailed computer catchment flood models have been developed for 10 of the 11 urban streams in the city (Saxton Creek has not yet been modelled). These models show that significant areas of the city will be more regularly and severely impacted by stream and river flooding in future, particularly low-lying areas exposed to tidal inundation and sea level rise.

Coastal flood models show that higher sea levels will lead to more regular tidal inundation of low lying coastal land during high tides and storm events, and reduce the capacity of stormwater pipes and open channels to drain flood waters away to sea.

The current levels of service in the 2021 Stormwater and Flood Protection Asset Management Plan focus on maintaining major flood protection and control works, and ensuring the primary stormwater system protects habitable floors from a present day Q20 (5% AEP) flood event.

Council has historically committed to a programme of works for urban rivers and streams for a primary capacity of Q50 (2% AEP flow), which is the peak flow arising from a rainfall event with a probability of happening once in 50 years. Ongoing concerns about climate change has led to a reappraisal of this approach. Where new land development and subdivision is proposed, the LDM 2019 has adopted a design standard of Q100 (1% AEP flow) in 2090 for secondary flow paths, open channels, streams and rivers, assuming an RCP 8.5 scenario.

Achieving a similarly high level of service for existing development is not straightforward for a number of reasons. The costs of channel widening or bunding to achieve a Q100 level of service is expected to be very high due to the proximity of existing properties, structures and land of high natural, economic and recreational value on the margins of these rivers and streams. For the tidally-affected sections of these channels, additional challenges apply, as sea level rise would require extensive bunding to contain both coastal storm surges as well as storm run-off. Even if it were feasible to prevent future stream overflows and tidal inflows, low lying coastal areas could still be vulnerable to local stormwater flooding due to impeded drainage, and elevated groundwater levels.

Council recognises that the costs of meeting a Q100 design standard for the 2090 climate for all urban streams and rivers is likely to be unaffordable for the community. In addition to this, the scale of works required within and along these watercourses may not be acceptable to the community for amenity, environmental or cultural reasons.

A risk-based approach for existing development is expected to enable Council and the community to prioritise where and how interventions to manage river and stream flooding should be made. It is intended to enable the effective targeting of resources to higher risk areas where a high level of benefit can be achieved through intervention. This implies that some areas facing significant flood risk may not be prioritised due to other considerations outweighing the flood risk, until the flood risk increases to threshold levels. This approach needs

to consider a broad range of options including flood works, flood preparedness, land use planning and appropriate urban design. A range of criteria such as environmental, economic, social, legislative, reputational and cultural implications may be adopted when weighing up options to address flooding. The new flood models allow Council to better understand the probability (return periods) and the consequences (location, extent and severity of property flooding) to the community of flood events now, and in the future, under a range of response options. The consequences of flooding should guide the prioritisation of future actions.

Council will be trialling this new approach with the Maitai River Flood Management project and will take into account a broad range of factors including: loss of life, displacement of residents, health effects, building damage, and the cost of replacing buildings and network services. Funding for the Maitai River Flood Management investigations, consultation and design has been allocated from 2021/22 through to 2023/24, with funding and implementation of construction works (if this is the preferred outcome) to occur in future years. This flood management project involves Council officers, consultants and the community working together in a cross-disciplinary way to develop a decision-making framework for determining how to reduce flood risk (refer to section 2.7.4 for further details). Community perceptions of acceptable risk may evolve over time, particularly if climate change results in more regular and damaging flooding.

Council intends to take the same approach in other areas of the city at a later stage, leading to the development of stormwater and flood protection strategies. This process will need to be prioritised using a risk-based approach that considers current and future flood impacts.

Issue SW1: The level of service provided by existing stormwater and flood protection assets will progressively reduce over time due to more intense storms and sea level rise projected with climate change.

Desired Benefits/Investment Objectives:

- Properties in the city are protected from the effects of uncontrolled stormwater discharges in events up to a Q15 (6.67% AEP) event, as predicted to occur in the 2090s
- No habitable floors flooded up to a present day Q20 (5% AEP) flood event
- A resilient stormwater network that will continue to provide property protection during and after the action of natural hazards
- For areas of existing development, flood management interventions are targeted at where flood impacts are highest, following a risk-based approach
- New development does not increase exposure to flood risk up to a future Q100 (1% AEP) flood event (as predicted to occur in the 2090s)

Table SW1: Principal options for adapting to more intense storms, increased rainfall and sea level rise

Principal Options	Explanation and Implications	✓or ×	Timing & Cost Estimates
Preferred Option 1 - Stormwater The preferred approach is to progressively upgrade the public piped stormwater network to a 6.67% AEP (Q15) event based on predicted conditions in the 2090s. Events which exceed this threshold will utilise secondary flow paths (such as roads, open channels and natural gullies) to collect and convey stormwater to a safe discharge point.	Many parts of the existing stormwater network were installed prior to the recognition of climate change and will not cope with increasing flows into the future. For low lying areas, additional measures will be required to provide protection against tidal inundation as sea levels rise. Meeting the proposed level of service may also be achieved through providing additional stormwater detention and increasing infiltration, including allowing for more on-site soakage, permeable surfaces, and other green infrastructure.	✓	**Ongoing for 30 years.** The extent of the network which does not meet the 6.67% AEP (Q15) level of service is being assessed. A very rough cost estimate is in the order of $150M over 30 years to meet the proposed level of service for the public network across the entire city.7 The cost of installing new detention capacity for existing development or for intensification areas will be assessed following stormwater network modelling.
Preferred Option 2 – Flood Protection The preferred option is a risk-based approach to flood protection which means focusing flood protection interventions on areas where flood impacts are highest, and where a high level of benefit can be achieved through intervention at an affordable cost to the community.	Vulnerability to flooding is expected to increase due to climate change, but raising sites and buildings in low- lying areas can also reduce risk over time. The risk profile can change annually as property valuations change and land use changes through redevelopment. Council expects the flood risk will need to be reviewed regularly to enable effective prioritisation of interventions.	✓	**Ongoing for 30 years.** The cost of implementing a risk- based approach will not be known until the analysis for each stream and river has been completed. A very rough estimate is likely to be in the order of $100M over 30 years.
Preferred Option 3 – Flood Protection New performance target for flood protection of existing development: No damage to urban areas from flood events of a level that has a 50% probability of occurring in any one year. No more than 10 per 1000 properties in urban areas with habitable floor damage from events that have a 5% probability of occurring in any one year.	This performance target is already in place for the stormwater activity, and would supplement the risk-based approach for the flood protection activity. Introducing this target would remove complications around establishing the source of the flooding when a habitable floor is inundated, as in some cases flooding may arise from multiple sources. This target is consistent with the stormwater performance target, which relates to present day flood risk.	✓	The cost of meeting this new performance target in the short term is expected to be minimal as most urban watercourses have 5% AEP (Q20) capacity. This measure may be more challenging to achieve in the long term as sea levels rise.
Alternative Option 4 – Stormwater An alternative approach is to progressively upgrade the public piped stormwater network to a 10% AEP (Q10) event, based on predicted conditions in the 2090s. Events which exceed this threshold will utilise secondary flow paths (such as roads, open channels and natural gullies) to collect and convey stormwater to a safe discharge point.	Updates to NIWA's stormwater rainfall database (HIRDS) in 2018 have resulted in increases to predicted future rainfall depths. The result is that a 10% AEP (Q10) event now exceeds the 6.67% (Q15) standard set under the previous LDM (2010). The most recent Water NZ survey for 2018/19 showed that the majority of councils across New Zealand have adopted a Q10 level of service for urban stormwater design. Changing this level of service would require an amendment to the LDM 2019 which would align NCC's level of service with TDC.	**No action at this stage.** *Investigate this option further for the LTP 2024–34*	The cost of upgrading the public stormwater network to a Q10 (10% AEP) level of service has not been assessed but will be lower than for Option 1. The extent of the public stormwater network which does not meet a Q10 level of service is being assessed, so that the costs of meeting this level of service can be compared with the cost of meeting the existing Q15 level of service.

Table SW1: Principal options for adapting to more intense storms, increased rainfall and sea level rise — *continued*

Principal Options	Explanation and Implications	✓or ×	Timing & Cost Estimates
Alternative Option 5 – Flood Protection An alternative option is to upgrade all streams and rivers to ensure flows from a future 1% AEP event (in the 2090s) are contained within the river channel.	The cost of upgrading channels to meet a 1% AEP event would be expensive and in some areas the cost of upgrades may be found to outweigh the risks of damage from flood events. The environmental effects of achieving such a high level of protection may be unacceptable for the community.	×	Ongoing for 30 years. A very rough estimate of costs for the work would be in the order of $200M over 30 years. This level of service may not be possible to achieve or sustain in the long term if the high end climate change projections eventuate.

Investigative work required/CAPEX decisions

- Complete stormwater network modelling to establish existing levels of service for the stormwater network, and the cost of meeting the Q15 and Q10 level of service options, including consideration of climate change effects.
- Complete assessment of flood impacts for the largest 11 urban streams. Complete development of a risk-based framework for flood protection, and progress flood management strategies for the urban streams on a prioritised basis.
- Investigations for the Maitai River are in years 1–3. Any subsequent construction works will be identified in future LTPs.

Key assumptions

- The stormwater and flood protection activity is not implemented to address flooding from groundwater seepage.
- It is assumed that strategies for areas vulnerable to future tidal inundation will be progressed in line with Policy 27 of the NZCPS (2010), and that clear parameters and timeframes are set in relation to protecting these areas from future flooding.
- New legislation in the proposed Climate Change Adaptation Act is anticipated to be released by 2023. This will inform the 2024 – 2034 Activity Management Plan.
- A risk-based response to flood protection will underpin the stormwater and flood protection activity for the life of this strategy.
- Construction costs have escalated in recent years and this has significantly affected the cost of achieving the levels of service set out in the table above. This provides further justification for adopting a risk-based approach.
- Development in flood prone areas of the city is controlled by the Nelson Resource Management Plan, under the Resource Management Act. Coastal inundation mapping and river and stream flood models are expected to support future controls for subdivision and land development through the upcoming Draft Whakamahere Whakatū Nelson Plan (which will replace the Nelson Resource Management Plan) to ensure flood risk does not increase due to new development.
- Climate change will be monitored and both flood assessments and development controls will need to be updated on a regular basis to respond to the latest information.

Increase resilience to natural hazards

Council commissioned consultants to identify natural hazard risks for the three waters assets (the stormwater, wastewater and water supply networks) and to assess how these could affect the critical assets within each network.

Earthquake damage as a result of ground shaking and liquefaction can cause significant and long-term disruption to the community, and loss of services to affected areas.

Increases in rainfall intensity and sea level rise as a result of climate change will also impact on stormwater services, including increasing the likelihood of stormwater network blockages, silting up of pipes, or tidal inflows due to malfunctioning flood gates.

Assets are also increasingly being renewed as part of an upgrade to address inadequate capacity. The 2011 storm event highlighted issues with the size and debris control of many of the intake structures around the city. A programme of upgrading key intakes is underway and is expected to be completed by 2027/28.

Issue SW2: Damage to the stormwater network from natural hazards and climate change.

Desired Benefit/Investment Objective:

A resilient network that will continue to provide property protection during and after the action of natural hazards, now and in the future.

Table SW2: Principal options to manage risks of damage to the stormwater network as a result of natural hazards and climate change

Principal Options	Explanation and Implications	✓or ×	Timing & Cost Estimates
Preferred Option 1 Identify and assess network risk (this investigation is underway as described above) and develop a resilient network to withstand moderate earthquakes and other natural hazard events with minimal damage. Have insurance as a means to assist with recovery costs.	A risk assessment of assets is being carried out between 2019 and 2024, and will be repeated every 10 years thereafter. To date, the assessment has focused on defining the areas potentially subject to natural hazards, and the criticality of the Three Waters assets. This will lead to prioritisation of 'resilience works' with construction of network upgrades to follow investigation. The Tahunanui Hills Slump stormwater upgrade is an example of a stormwater resilience project, as it includes flexible HDPE pipe across block boundaries.	✓	Accurate costs will not be known until this investigation is completed and the risk profile is better understood. Investigation cost of $400k over 30 years has been included in operational budgets. A rough order cost of $12M[8] for works over 30 years has been included in capital budgets. Insurance costs are ongoing.
Preferred Option 2 Upgrade key stormwater intakes and culverts to reduce risks of debris blockage.	This work is currently in progress under the Flood Protection Activity and is expected to be completed by 2027/28.	✓	Funded through the LTP 2018–28.
Alternative Option 3 Identify and assess network risk (this investigation is underway) and rely on insurance as a means to assist with recovery costs.	Significant damage to the network from major events, and slower recovery. This option includes an assessment of risks, but no remedial action to address them. Insurance withdrawal is increasingly likely in high-risk areas in the face of climate change.	×	Risk assessment of assets in years 4-7 and every 10 years thereafter. $400k over 30 years (as per option 1).

Investigative work required/CAPEX decisions

Complete investigation and risk analysis of key components of the network. Develop a response plan to inform priorities for network upgrades.

Key assumptions

- Existing information held about fault hazard areas of land instability are reliable, although it is expected that additional areas may be identified that are subject to liquefaction risk. (Under a recent November 2019 update to the Building Code, territorial authorities have been given a two-year transition period to map areas potentially prone to liquefaction.[9])
- Renewal and upgrade of assets will be designed to minimise vulnerability to known natural hazards.
- Climate change will be monitored and design standards and growth controls adjusted to respond to latest information. Sea level rise and increased storm intensity/frequency are two key considerations, but effects on groundwater including increased liquefaction risk are also likely to be important.
- Earthquake risk will be reviewed as and when any future investigations provide additional information.
- A risk-based approach will underpin the prioritisation of stormwater and flood protection resilience projects over the lifespan of this strategy.

[8] *Note: costs assume resilience works include the Tahuna slump stormwater upgrade which has already been costed > $5M.*

[9] *https://www.mbie.govt.nz/dmsdocument/6582-building-code-update-consultation-november-2019*



Infrastructure Objective 2:

Maintain, renew and upgrade existing assets in a cost-effective way

Asset condition/data confidence

Effective management of stormwater assets relies on the availability of reliable asset data. Existing issues with asset data primarily relate to ownership, performance, condition and structural attributes.

Ownership of the stormwater network is shared between a number of parties. According to data presented in the 2018 Asset Management Plan, the stormwater piped network is largely made up of concrete and PVC pipes with a smaller number of earthenware pipes collectively extending 483 km. Of this, approximately 42% are recorded as stormwater activity assets. The balance of the network is owned privately, or as private–common pipes, by Waku Kotahi NZTA, Port Nelson and by other Council departments including: Roading, Parks, and Solid Waste. These other owners hold responsibility for the operation, maintenance and renewal of pipes they own.

New standards under the LDM 2019 give further guidance relating to drain ownership, including for private and public drains. It appears that based on these new standards, a significant number of stormwater pipes currently recorded as privately owned should be recorded as public drains (Council pipes). A review of stormwater asset ownership is required to better align ownership data with the new LDM 2019 standards.

Stormwater pipe performance is generally measured in terms of the level of service provided, which relates to pipe capacity and reliability. It is useful to have a specific level of service (e.g. Q15 or Q10 flow capacity) to progressively work towards a consistent level of service across the city. As a result of a changing climate, and varying levels of service being provided when stormwater systems were constructed, Council doesn't have a good overview of the level of service being provided throughout the city, and how this will be affected in future by a warmer climate and rising sea levels.

Council is seeking to increase confidence in its data about stormwater levels of service through the creation of stormwater network models. These are hydraulic models into which Council can apply present day and predicted future storm rainfall and sea levels to assess what level of service the network delivers. These models also identify where there are constrictions in the system, restricting the flow of stormwater, and the secondary flow paths resulting from the network overflows. They are therefore a useful tool to optimise the performance of the overall network (or to identify areas where performance may be severely compromised due to climate change).

Stormwater pipe condition surveys have historically been undertaken to support the investigation of new capital projects, prior to the laying of new pipes, and as a tool for assessing any stormwater issues which have been reported through service requests. The proportion of the network which has been surveyed for condition is estimated to be low (<5%). Condition surveys should be undertaken on a more regular basis for critical stormwater and flood protection assets, and this also needs to be incorporated into a renewal strategy for assets approaching the end of their design life.

Structure details for stormwater and flood protection assets are recorded in Council's asset system. Generally pipe diameter and length is well documented, although there are data gaps for attributes such as surveyed levels of pipes, which means that assumptions often need to be made in relation to pipe grade (slope), based on other survey information. These data gaps may affect capacity assessments for stormwater pipes.

Development of stormwater strategies

A more strategic, risk-based approach is required to identify and prioritise stormwater issues across the city and develop appropriate responses, which will primarily be level of service upgrades. Stormwater network models are being progressed to inform this assessment. Once the network models are developed, Council will be able to take a more strategic approach to managing and improving the performance of these assets.

Five stormwater strategies are proposed, as follows:

- Stoke Stormwater Strategy (currently underway)
- Central Nelson Stormwater Strategy
- Tahunanui Stormwater Strategy
- Port Hills Stormwater Strategy
- Atawhai Stormwater Strategy

These will guide the following elements of stormwater management:

- primary stormwater system capacity (pipes)
- secondary flow paths (roads and open drains) and flood hazards
- receiving environments (freshwater and coastal environments)
- growth areas and assessment of additional stormwater flows
- prioritisation of stormwater upgrades

Renewal of the stormwater network

Stormwater pipes are renewed when they fail to provide the required level of service, or where performance or reliability is compromised due to age and poor condition. However, the majority of stormwater assets are relatively new, with an increase in renewals (based on design life) anticipated from the 2050s onwards. In addition, stormwater pipes are not subject to the same water pressures or continuous use as the wastewater and water supply networks, so do not have the same pipe integrity requirements.

Pipe renewals are expected to remain at a low level (less than $100k per year) for the first 10 years of this strategy, but then increase beyond 2031 to more evenly spread renewal costs predicted from the 2050s onwards, as shown in Figure 10.

Council proposes to develop a stormwater renewal strategy (see Option 1 in Table SW3) to address the increasing level of anticipated renewals required from the 2050s onwards, and to identify renewals required earlier due to poor condition. This will prioritise regular assessments of critical assets (including larger pipes and detention basins) and consideration of how to maintain low impact infrastructure.

Specific renewal budgets are in place for critical assets such as pump stations, tide gates and larger culverts. Other critical assets are being identified through the natural hazards resilience assessment (discussed under Objective 1). A new funding line has been established for renewal of detention devices, as the number of these is increasing rapidly to service areas of urban growth. There are 20 existing facilities, and an additional 8 facilities have been planned or constructed but not yet vested in Council.

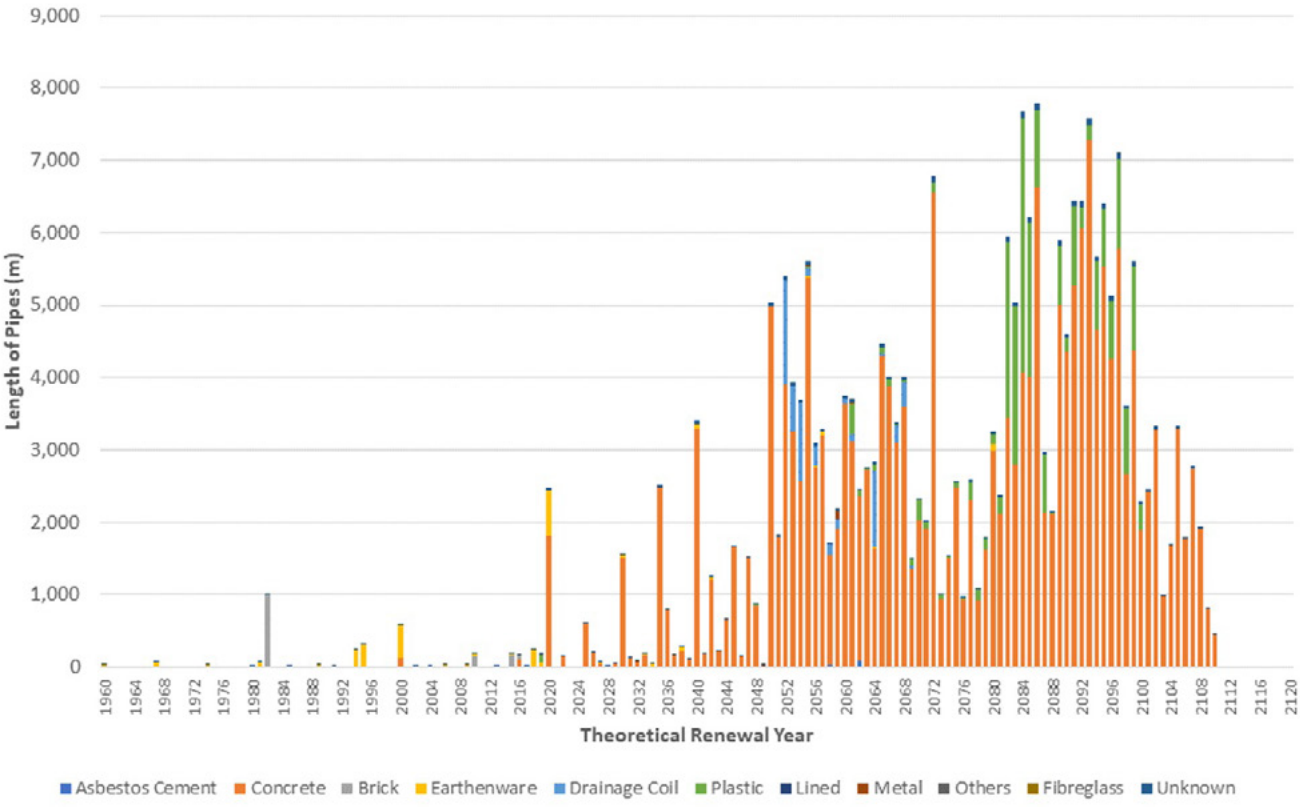
The other potentially vulnerable parts of the stormwater network are the remaining sections of brick culverts in the city. According to the 2018–28 Asset Management Plan, there are 2.2 km of brick culverts within the city. These are becoming difficult to repair due to an enhanced health and safety awareness of confined spaces. These will be inspected by CCTV to confirm their condition, and included in the renewal strategy referred to above.

Requests from property owners

Much of Nelson still uses a network of small open drains to channel stormwater from hillsides to public drains or streams. These channels are largely on private property but serve a wider public purpose. However, lack of maintenance of pipes and drains which are not owned or maintained by Council can result in ponding and flooding, causing property damage and land instability.

Council receives regular requests for assistance from property owners to maintain drains located

Figure 10 - Theoretical Stormwater Pipe Renewal Dates



on private land. Developers and Council officers need clarity on what Council can enforce and what it can maintain. The LDM 2019 provides guidance over what Council owns and what Council has responsibility to maintain. It defines public drains as drains which service six or more properties. This, together with legal advice, gives sufficient direction to update the asset ownership information contained in Council records.

This will increase the stormwater assets under Council control and raise the percentage of pipe length managed by the stormwater activity above 42%. The outcome will be increased operation and maintenance costs, as well as long term renewal costs, but the benefits include clarifying responsibilities in line with the LDM 2019 and ensuring that stormwater assets have appropriate insurance cover.

Issue SW3: Planned levels of service for stormwater and flood protection will not be met unless assets are maintained, renewed and upgraded.

Desired Benefits/Investment Objectives

- Updated asset ownership information, to reflect the standards in the LDM 2019 and to clarify which drains Council is responsible for in terms of maintenance, renewals and insurance
- Drainage ownership/maintenance policy to reduce risks of property damage as a result of stormwater pipes being in poor condition, and from non-maintained stormwater networks
- No damage in urban areas from flood events of a level that have a 50% probability of occurring in any one year
- Stormwater strategies that support a risk based approach, informed by stormwater network modelling and watercourse assessments, and which include prioritisation of upgrade projects
- Network renewal strategy which prioritises assets based on criticality, remaining design life, current condition and level of service assessments

Table SW3: Principal options for improving the maintenance, renewal and upgrade of stormwater assets

Principal Options	Explanation and Implications	✓ or ×	Timing & Cost Estimates
Preferred Option 1 Proactive focus on gaining a better understanding of stormwater asset condition and developing a renewal strategy.	Increase the proportion of the network that has been assessed for condition, prioritising critical assets. This information is required to inform a renewal strategy. Condition assessment is generally an operational cost where this applies to regular assessment of critical assets.	✓	Condition assessment of the stormwater network, prioritising critical pipes and culverts, at a cost of $1.1M over 30 years.
Preferred Option 2 Develop stormwater strategies that provide a consistent basis for prioritising upgrades of the stormwater network.	A better evidence base is required for improved prioritisation of stormwater projects. This includes an assessment of existing levels of service across the stormwater network, and assessing the implications of growth areas on stormwater flows and receiving environments.	✓	Development of four[10] separate strategies, supported by stormwater network modelling, to cover the city in the first 10 years. Implementation will follow each strategy. Strategies: $700k Modelling: $450k
Preferred Option 3 Update Council stormwater asset ownership data and develop a drainage ownership/maintenance policy that will provide more clarity related to the responsibilities of operational staff and owners of private and common private drains.	Some risk of not being able to define every possible scenario, affecting Council's ability to provide timely responses to queries. Stormwater asset ownership can be complex and includes considerations such as whether there is a history of Council having installed or maintained a drain. Developing a clear stormwater drain ownership policy was referred to in the 2018–48 Infrastructure Strategy.	✓	Policy to be developed over the first five years of the LTP 2021–31, based on drain ownership standards in the LDM 2019. To be undertaken by Council staff. No external cost expected beyond that required for the LDM 2019.
Alternative Option 4 Status quo — reactive response to service requests for stormwater improvements.	Upgrades occur in the areas where the most complaints are made, which may not be the areas in most need of improvement.	×	Piecemeal expenditure does not represent value for money.

Investigative work required/CAPEX decisions

- Stormwater strategies are required for the whole city. These strategies will assess current disposal provisions and set out appropriate disposal options for each area, taking into consideration growth areas identified in the FDS and the impacts on receiving environments. Stormwater strategies were already provided for in the LTP 2018–28, but Central Nelson has now been included in the programme for 2021-31.
- The stormwater drain ownership records in Council's database need to be updated. There is scope for improvement of pipe ownership data, including a number of private common drains which should be recorded as public drains, based on how drain ownership is defined in the LDM 2019.

Key Assumptions

- Current levels of service focus on the reliability of the network as measured by blockages and the response to issues as measured by contractor response times. There is a focus on maintaining the serviceability of the existing infrastructure and ensuring appropriate disposal options are available across the city.
- Future demand for stormwater services are primarily considered through subdivision consents and city growth planning. Renewal planning aims to match renewals to the rate at which assets reach the end of their service lives.
- Council only assumes full responsibility for public stormwater drains as defined under the LDM 2019 (a drain serving six or more properties, within road reserve, or covered by easement), or where legal advice states drains are public. Private drains (serving an individual lot) or common private drains (serving two to five properties) are generally the responsibility of the landowners, although Council may subsidise works on a prioritised basis.

[10] *Excludes Stoke Stormwater Strategy which has been completed.*



Infrastructure Objective 3:

Provide infrastructure to enable growth and development

Council is progressing implementation of the FDS which was adopted in June 2019. The FDS responds to the requirements of the NPS on Urban Development, which requires councils to plan for growth over the next 30 years. The FDS identifies intensification as a key means to achieving its growth and development objectives in the future although greenfield development also plays an important role.

Providing for more housing and the infrastructure to support these new houses in intensification areas will require high levels of collaboration across Council. For example, low impact stormwater solutions will rely on use of road reserves, supportive planning rules which enable and encourage intensification (such as sharing driveways between different houses), and monitoring from the Science and Environment team to measure Council's progress towards meeting the freshwater objectives.

As noted in Part One of this Strategy, while the FDS provides for the intensification of existing urban areas, the FDS also provides for two urban expansion areas. Increases in hard surfaces are inevitable as part of new development, through the establishment of more roofs and driveways, which creates more stormwater run-off. The stormwater network generally lacks sufficient capacity to accommodate additional peak flows associated with intensification. On-site ways to manage this additional stormwater include detention tanks, permeable constructed surfaces which enable water to be absorbed into the ground and rain gardens. This may be easier to achieve in greenfields development (as part of urban expansion) than in intensification projects. Innovative solutions will be needed in areas of intensification to mitigate the potential increase in run-off, which are likely to rely on more use of public land (such as road reserves and parks).

Issue SW4: Management of increased stormwater flows associated with urban intensification and growth.

Desired Benefits/Investment Objectives:

- The stormwater network has sufficient capacity for areas of urban intensification and expansion
- Stormwater levels of service are able to be achieved for new growth areas
- Stormwater quality from growth and intensification areas is maintained, or improved where necessary, to achieve freshwater quality targets

Table SW4: Principal options for managing increased stormwater flows associated with urban intensification and growth

Principal Options	Explanation and Implications	✓or ×	Timing & Cost Estimates
Preferred Option 1 New growth/intensification areas shall provide stormwater detention capacity to mitigate downstream effects where downstream stormwater network capacity is not sufficient to accommodate increased peak flows.	This is provided for in the LDM 2019, but there may be insufficient land area to provide for detention in some areas where intensification is planned. Treatment of stormwater quality may also be required to enable Council to achieve water quality targets set under the NPS-FM.	✓	Ongoing for 30 years In the first 20 years of this strategy there are eight separate growth/ intensification areas identified.
Alternative Option 2 Increased stormwater run-off from new growth and intensification areas to be provided for by upgrading the capacity of the downstream network.	This involves increasing pipe size to accommodate greater stormwater flow associated with urban development. Treatment of stormwater quality may also be required to enable Council to achieve targets set under the NPS- FM.	**For some sites.**	The cost of upgrading the stormwater network downstream of all growth areas will be assessed following completion of stormwater network models.

Investigative work required/CAPEX decision

- Assessment of additional storm run-off associated with growth and intensification areas to be assessed through stormwater network modelling. Additional CAPEX is sought under Objective 2 above.
- Stormwater quality objectives need to be established in order to achieve receiving environment freshwater targets (refer to Objective 4 below).

Key Assumptions

- All new developments within the Nelson Urban Area are required to provide appropriate stormwater disposal through connection to public services (where they have sufficient capacity) and disposal to ground or detention, as appropriate.
- Costs to Council for new growth areas will generally be up to the limit of development contributions.



Infrastructure Objective 4:

Maintain or improve public health and safety, and environmental outcomes

As outlined in Part One of the strategy, the Action for Healthy Waterways package includes a number of new initiatives, and the Nelson Plan will specify higher receiving environment water quality targets to meet, including sediment limits. There will also be stricter controls over maintaining open waterways, and ensuring fish passage is not obstructed by structures in the beds of rivers.

New regulations are also proposed to avoid the impact of structures such as culverts, tide gates and tide flaps on freshwater species which need to swim between coastal and freshwater habitats to complete their life cycle. There are likely to be more regulations related to structures affecting fish passage such as culverts, dams and tide gates, and no piping, diversion or infilling of streams is likely to be permitted.

Council will need to develop a clear picture of the extent of rivers, streams and man- made stormwater channels affected by these policy changes as this will affect Council's range of options to deal with tidal inflows to the stormwater system. It is not expected that these will apply to all man-made drains, as not all of these are likely to support freshwater habitats.

As discussed under Objective 2, Council receives quite regular requests from landowners to pipe or cover over drains and open channels that run through their property. Landowners may view these as a safety hazard, a source of flooding, or consider that the amenity of their property could be improved by covering the drain. Council will need to develop a clear picture of the extent of channels affected by these policy changes and make this information available to the public.

The LDM 2019 includes specific standards for stormwater quality and treatment. Treatment is required for greenfield, infill and brownfield developments that exceed specific threshold criteria for high contaminant-generating surfaces. It is anticipated that measures to improve stormwater quality will also be required for existing development. This will need to be prioritised based on the risks that existing stormwater discharges present to receiving environment freshwater quality, and the targets set under the Nelson Plan.

Further investigation and monitoring will be required to establish the quality of existing stormwater discharges relative to receiving environment water quality, and the targets set. This will need to be done alongside ongoing investigations into wastewater overflows, and wastewater inflow to the stormwater network.

As discussed under Objective 2 above, the stormwater network has multiple owners, and currently the stormwater activity directly manages only 42% of the network. This raises a question over responsibility for stormwater discharge quality from outlets owned by other parties, and where contaminants enter and pass through a network where multiple owners are involved.

Issue SW5: Meeting new freshwater quality objectives and standards set under the Draft Whakamahere Whakatū Nelson Plan, the National Policy Statement for Freshwater Management (NPS-FM), and the upcoming National Environmental Standard for Freshwater Management (NES-FM). Data gaps regarding the function and effectiveness of the existing stormwater systems currently impact on meeting these objectives.

Desired Benefits/Investment Objectives:

- Stormwater discharges enable Council to achieve the freshwater quality objectives for receiving environments established under the NPS-FM, as well as the quality targets set for specific watercourses in the Nelson Plan
- A clear overview of the quality of stormwater discharges across the network so that high priority catchments for intervention can be identified, and ongoing monitoring of these catchments is undertaken to assess the effectiveness of interventions
- Stormwater connections are available to land owners in areas where the wastewater network is subject to inflow/infiltration during storm events

Table SW5: Principal options for improving stormwater quality

Principal Options	Explanation and Implications	✓or ×	Timing & Cost Estimates
Preferred Option 1 Develop a stormwater quality treatment strategy prioritising high risk catchments, and establish a monitoring network. This will also include a review of the existing Low Impact Devices identified in the Activity Management Plan to identify issues and develop best practice.	Existing information is not sufficient to identify the highest priority catchments for intervention. Monitoring is required to understand stormwater quality variation spatially and temporally, the relationship between stormwater discharge and receiving environment water quality, and the gap between existing stormwater quality and that needed to achieve freshwater quality targets.	✓	Funded through the LTP 2018–28. Operational costs estimated for the first 10 years of this strategy are $500k for strategy development and monitoring costs.
Preferred Option 2 Provide or require a combination of stormwater treatment at source, and stormwater treatment at neighbourhood level, to deliver improved stormwater quality.	Treatment devices at neighbourhood level will require land to be allocated for green infrastructure in road reserves or public parks. Treatment devices on private property rely on maintenance by property owners.	✓	The level of treatment required to meet new targets for wastewater overflows under the NES-FM has yet to be established. Capital costs estimated at $2.5M over the first 10 years for monitoring instrumentation and implementing high priority catchment upgrades.
Preferred Option 3 Provide stormwater connections to properties located within high risk catchments for inflow and infiltration to the wastewater network.	Responsibility for meeting freshwater targets primarily lies with Council. This should not be the default approach but may be justifiable in some instances.	✓	This cost will be built into new stormwater projects servicing high risk catchments.
Alternative Option 4 Require stormwater treatment at source in all cases	Treatment devices on private properties rely on maintenance by property owners. Policy and rules around stormwater discharges from private property to be consulted on through the Draft Nelson Plan.	-	May be required in some instances. Costs lie with property owners.
Alternative Option 5 Implement treatment solutions within the stormwater network or at stormwater outlets to intercept stormwater prior to entering the receiving environment.	Public responsibility for meeting freshwater targets, primarily lies with Council. This approach may be required for treatment of stormwater from high contaminant generating surfaces such as busy roads and large car parks, where no land is available for green infrastructure.	-	Likely high CAPEX and OPEX costs. This will be estimated following development and implementation of the strategy referred to in Option 1.

Investigative work required/CAPEX decision

- Investigation required to identify priority areas and freshwater quality attributes requiring treatment, most appropriate treatment methods, and business case development to assess costs and benefits.
- Establish a stormwater quality monitoring network to track a range of attributes over time and ultimately trace the source of contaminants.

Key Assumptions

- Proposed freshwater changes will be adopted in legislation and reflected in the Draft Whakamahere Whakatū Nelson Plan. The Nelson Plan will include provisions relating to contaminants being released into the stormwater network.
- Wastewater activity will be able to identify priority wastewater overflow sites and catchments where concerted action is required to remedy overflows.



Other actions to improve environmental outcomes:

Collaborative action by Council and the community is being taken to improve freshwater quality through the Nelson Nature and Healthy Streams programmes.

Freshwater environments are being maintained or enhanced through best practice associated with:

- natural gravel management in beds where practicable
- protection of natural river banks
- river bank shade through vegetation and protection of fish spawning areas
- protection of natural 'pool and riffle' stream bed forms
- maintaining or reinstating natural meanders where practicable
- moving away from using rock armouring for stream bank protection to using geotextile soil-filled bags which grow vegetation, and look like green walls

The LDM 2019 includes requirements for detention and low impact design methods to manage the quality of stormwater discharges. Developers establish and maintain these systems for the first two to five years to prove they are functioning well, and then Council takes over ownership and maintenance. Council will need to budget for more of these over time.

Part Two

Issues and Options

Solid Waste



Solid Waste

The strategy of solid waste is to provide waste disposal services which minimise carbon emissions and any environmentally harmful effects of waste collection and disposal, whether contemporary or historical. Solid Waste also actively promotes improvements to waste disposal which have quantifiable social, economic, or cultural benefits. It does this by managing and controlling disposal methods while maintaining economic dominancy over services that could otherwise be completed by private providers, such as recycling and transfer stations. This activity is supplemented by programs to actively reduce the production of waste, and to assist individuals to manage their waste at a household level.

Solid waste activities are funded through a combination of, a share of the Local Disposal Levy paid to each Council (TDC and NCC) from the jointly-owned landfill, and the Nelson share of the central government Waste Disposal Levy. The Waste Disposal Levy is a per tonne charge for waste, charged at the time it is disposed to landfill. This fund is managed by central government to develop nationally important waste minimisation infrastructure. Approximately 50% of the amount collected is also returned to the region to be used in waste minimisation activities. This in effect makes Solid Waste a 'closed account' and its activities do not burden residential rates.

Between 2020 and 2024 the present $10 per tonne waste disposal levy will increase to at least $50 per tonne which will provide a significant increase in locally available waste minimisation funds. This will potentially allow activities, such as a kerbside kitchen waste collection to be instigated, which will reduce emissions and improve services without increasing the cost to the ratepayer.

Table SWA1: Summary of NCC assets (excluding land)

Asset Category	Units
Hoppers	2
Compacting mechanism and gantry crane	1
30 cubic metre haulage bins	7
Hopper building at Nelson Waste Recovery Centre	1
Barn building at Nelson Waste Recovery Centre (and attached sorting shed)	1
Kiosk Building at Nelson Waste Recovery Centre	1
Residential recycling bins	21,460
Unused Residential recycling bins	800
CBD street litter bins	203
Atawhai closed landfill	1
Wells at Atawhai Closed landfill	10
Bins in school recycling service (660 litre or 1100 litre)	14

Asset Category	Location	Replacement Cost
Hoppers & Hopper Building	Nelson waste recovery centre	$950k- $1.2M
Barn in recycle yard	Nelson waste Recovery centre	TBD
Residential Recycling Bins		$800k
CBD Street litter bins	CBD dairies and bus stops	$400k
Atawhai Closed Landfill	Incurs cost without revenue so is considered a negative value asset.	





The activities of Solid Waste

Residential kerbside refuse and commercial refuse services are provided to Nelsonians by numerous private companies on a user-pays basis. It is not within the strategy to compete with this service.

Most other waste services are provided or managed by council. These include:

Nelson Waste Recovery Centre, (formally referred to as Pascoe street), which includes a free public drop off for recyclables, a transfer station operation including green waste and a NGO operated but leased from NCC re-use shop. This format has been proven effective and has been expanded to include e-waste recycling.

Transfer Station: Hoppers and the associated plant are an NCC asset. Operation of the hoppers and the cartage of green waste to 'Green waste to zero' (composter) and refuse to York valley (landfill) are contracted to Fulton Hogan until 2029.

Public drop off Recyclables: Included in the recycling collection contract and operated by Nelmac until 2023.

Residential Kerbside Recyclables Collection: NCC provided 21,000 households with a yellow wheelie bin and blue glass bin for the collection service which is contracted to Nelmac until 2023. Sorting and sale of commodities on behalf of Nelmac is by Smart Environmental Limited through the Regional Materials Recycling Facility situated in Richmond, Tasman. Bins are an NCC asset so replacement bins are provided by council.

Street litter: 166 bins in the CBD, dairies and at bus stops. Bins are an NCC asset maintained at an average cost of $70k per year. Collection service is contracted to Nelmac until mid 2022.

Tidy town: Loose litter in the CBD and some specific cleaning of central city streets and street furniture (Bridge Street). This contract includes collection of freedom camper zones and 'fly tipping'. Contracted to Nelmac until mid 2022.

Waste Minimisation: Council managed implementation of the Joint Waste Management and Minimisation Plan (JWMMP) which was jointly adopted by Nelson City Council and Tasman District Council. This is the guiding document for waste minimisation activities in the region. It is reviewed every 3 years and the present document expires in 2028.



Infrastructure Objective 1:

Increase resilience to natural hazards and climate change

Solid waste supports rather than directs the York Valley landfill so information related to the York Valley Landfill will be included in the Nelson Tasman Regional landfill Business Unit (NTRLBU) strategy and is not replicated here.

The infrastructure strategy includes the closed landfill at Atawhai. This area primarily encompasses Miyazu Park, Whakatū Marae, The Nelmac nursery, Founders Park, Neale Park and some surrounding residential properties.

There is an ongoing management plan for this landfill which includes annual testing for gas, leachate, and contaminants. The area is a HAIL site and as such has restrictions on excavations and constructions. While this management plan will continue, consideration will also be given to the potential effects of sea level rise and climate change.

Present NCC-utilised models for sea level rise place Atawhai landfill at risk of inundation during storms or weather events in the mid-2050s. Through the term of this strategy closer monitoring and discussion relating to mitigation options will be instigated to increase preparedness.

The contracted collection services, and Solid Waste services which require vehicles, will be reviewed prior to the start of each new contractual term to ensure greenhouse mitigation options are considered. This will be most easily evidenced by Solid Waste's expectation that in future contracts vehicles will be either electric or zero carbon.

The instigation of a residential kitchen waste kerbside collection service will require an assessment of all processing options to ensure the process aligns with the council emissions policy and will be guided by the 2020/21 trial.

Green waste will continue to be accepted and subsidised to encourage landfill diversion and appropriate processing. At the end of each contract term alternative processing options will be considered to ensure the efficacy of the process and to ensure that the process aligns with council policies.

The waste minimisation activities of Solid waste will receive annual internal reviews to establish a base-line for diversion activities, from which mitigation and benefits of diversion can be calculated.

Infrastructure Objective 2:

Maintain, renew and upgrade existing assets in a cost-effective way



If solid waste 'owns' the waste stream they can control its methodology and manage its outcomes. This does not necessarily require assets. While ownership of the landfill is essential, (under the NTRLBU) control of a kerbside recycling service requires no more assets than the kerbside bins, and an economic basis for paying for the collection. This eliminates potential competition. The primary risk of competition is that the division of any waste stream from such a geographically constrained area as Nelson, would lead to multiple but inefficient or uneconomical options for the same service.

The asset strategy is to maintain assets which will ensure council control of the waste stream or the facility, and to phase out unnecessary assets at the end of their effective life.

Kerbside recycling bins are replaced as required.

Hoppers at Pascoe St are depreciated and replaced as required. By maintaining the hoppers NCC controls transfer station operations, and sets the conditions of the contract.

Street litter bins require regular replacement, (average $70k/yr.).

Infrastructure Objective 3:

Provide infrastructure to enable growth and development



Many solid waste activities, particularly waste minimisation or reduction activities, are developed in coordination with Tasman District Council (TDC) through the JWMMP. There will be 3 yearly reviews of the Joint Waste Management and Minimisation Plan (JWMMP). This plan is leading to programmes to establish independently operated waste diversion opportunities which will assist both councils in achieving their waste diversion targets.

The Nelson-Tasman region now has a combined population of 111,000 with 54,600 living in Nelson. There is growth in the region's population and there is also a nationally recognised growth in the amount of waste per capita being disposed of to landfill.

Therefore the strategy is to provide alternative disposal or diversion options through partnerships with NGOs and private waste management providers. This will not necessarily include purchasing significant assets.



Infrastructure Objective 4:

Maintain or improve public health and safety, and environmental outcomes

Waste minimisation

Council will be focusing more on waste avoidance in future, recognising the important role of waste minimisation in reducing emissions, in order to reduce the scale of future climate change. Work will include advising on waste at events, community engagement, education about waste and minimising waste in the home, school recycling, and education about waste avoidance through better purchasing, be continued and expanded where a need or positive outcome is identified.

Approximately 34% of the region's waste is diverted away from landfill as a result of Council-funded initiatives and by others in the community. There is still significant opportunity to divert resources away from landfill. Council has set a target of 10% waste reduction per capita to landfill by 2030 in the Joint Waste Management and Minimisation Plan (JWMMP), recognising the need to make better use of resources and to reduce emissions from landfill, and the benefits of extending the life of the landfill. Increased diversion will lower landfill revenue, and the revenue share of the local disposal levy will be off-set by the increase in the per tonne charge of the waste disposal levy.

The 2017 waste assessment shows that approximately 12,000 tonnes of potential waste from commercial and residential waste production is diverted into productive use each year. A further waste assessment has been carried out at York Valley in 2021 to identify appropriate targets for increasing diversion and minimisation.

The diversion of plant-based organic materials from landfill will lower the production of emissions from landfill. This diversion will be achieved by more encouragement for home composting, stopping the acceptance of mixed loads (refuse and green waste combined) at the transfer station, and through a kerbside kitchen waste service.

The diversion of building construction materials from landfill to NGOs will be supplemented by the encouragement of 'deconstruction' of buildings rather than demolition. NGOs will recover and retail the deconstructed materials.

There is also an increased availability of recycling services for hazardous items such as chemicals and batteries and solid waste is actively pursuing options to keep more residential hazardous materials from landfill.

Following the introduction of product stewardship the format of the recyclable collection service will need to be reviewed. Depending on the structure of the payment schedule there may be opportunities to reduce collection costs to reflect the increased value of the commodities. Product stewardship will also immediately divert most of the tyres in Nelson. This will reduce tyre waste to landfill by 6-700 tonnes per year.

The waste hierarchy shown above identifies the preferred methods for waste management and minimisation. Council aims for movement upwards, towards the most preferred options. The primary objective is to avoid the creation of waste, and waste minimisation programmes increasingly focus on encouraging the adoption of circular economy design principles. National compulsory producer responsibility initiatives (consulted on in October 2019) will contribute to achieving this goal.

Issue SW1: Solid waste will contribute to Council's obligations under the Climate Change Response (Zero Carbon) Bill by directing contractors to change to zero carbon vehicles, and through the diversion of materials which would otherwise be producing carbon emissions.

Table SWA2: Principal options to divert waste from landfill

Principal Options	Explanation and Implications	✓or ×	Cost Estimate & Timing
Option 1 Product stewardship	Government is proposing to regulate product stewardship for these priority products: tyres, electrical and electronic, containers, farm plastics, and packaging Adjustment to services, particularly tyres and containers, in line with the legislation this may provide economic benefit.	✓	Central government implementation by 2021-24.
Option 2 Residential kitchen waste collection service trial	A 12 month trial will be carried out to determine the viability of a service in Nelson in 2020/21.	✓	Trial in 2020/21 at a cost of $120k
Option 3 Residential kitchen waste collection service	Nelson-wide residential service for collection and processing in line with climate declarations and NCC policies.	✓	Capex cost $800k then $600k/yr. Post 2023
Option 4 Carbon neutral collection vehicles	Preference given to contractors with carbon neutral vehicles.	✓	$200k/yr. Post 2023
Option 5 Bio digester or in-vessel composting	Contracted service only. Not an NCC asset. Built and managed by contracted party	✓	$700k/yr. Post 2023
Option 6 Joint waste Minimisation with Tasman District Council	The two councils will develop, implement and promote activities that engage the community in waste reduction.	✓	Funded through the waste levy Present plan to 2028
Option 7 Green waste	Contracted to open windrow composter review alternate options as contract ends.	✓	2022
Option 8 Polystyrene	Set up user pays disposal in the NWRC and assist in the establishment of a private polystyrene recycler	?	Not estimated 2022
Option 9 Waste to incineration	Waste to Energy is not a preferred option as it does not align with council waste strategy. This is also a NTRLBU decision as it replaces landfilling but has minimal operational impact on collections.	×	Not estimated
Option 10 Small incinerator for non-recyclables plastics	A small incinerator will save landfill airspace (revenue) and unlike a waste to energy can be turned on and off	?	Not estimated 2025
Option 11 Atawhai closed landfill	Potential for extraction of waste from Atawhai landfill to place in alternate landfill	<	Not estimated 2040
Option 12 Deconstruction diversion to NGOs	NCC diverting deconstructed building materials to NGOs for re-sale	<	$100k/yr. 2021

Part Three

Financials

This section shows the estimated financial implications of the most likely scenario resulting from addressing the key issues and maintaining planned service provision over the next 30 years. This includes the estimated costs for the projects and initiatives identified in the previous section.

More detail about individual projects over the next 10 years is available in the various 2021 Activity Management Plans.

This section shows the estimated financial implications of the most likely scenario resulting from addressing the key issues and maintaining planned service provision over the next 30 years. This includes the estimated costs for the projects and initiatives identified in the previous section. More detail about individual projects over the next 10 years is available in the various 2021 Activity Management Plans.

As described throughout this strategy the objective of core network infrastructure is to support achievement of the desired outcomes for the community. Each specific infrastructure objective aligns with the outcomes and will contribute to the city's success.

The anticipated impacts from climate change, COVID-19 and Government direction will bring a degree of uncertainty in many areas but Council has shown the ability to remain flexible and adapt to change. While this strategy has identified the significant infrastructure issues over the next 30 years, it is based on existing information and thinking. It is understood that as new opportunities and challenges arise, future strategies will need to consider those changes.

The three waters and transport networks will continue to grow and be upgraded to meet user demand and the existing network will be upgraded/ renewed to provide the expected service levels.



Based on current assessments this is manageable within the funding estimates.

Levels of service will probably change over time but the extent and direction is not always clear so ongoing monitoring of customer preferences and asset utilisation will continue. Regardless of what transpires, the focus remains on meeting the required levels of service in the most cost-effective manner.

Council is continually improving mechanisms to collect and analyse data on performance and condition. As this continues to improve, it will help ensure whole of life costs are fully understood, assets life is maximised, and funding requirements are based on sound evidence.

Key to success is not only maintaining and understanding current community needs and how our assets meet those corresponding service levels but to also keep an eye on the horizon for changes that may require a response, particularly with regards to the impacts from climate change. Community faces competing priorities and each decision requires a balance of whole of life benefit vs cost vs risk across all activities.

The decision process needs to remain robust so trade-off implications are understood when future changes require a re-allocation of funding.

The proceeding sections have shown our approach is to ensure that over the next 30 years Nelson's infrastructure assets are managed to continue to deliver expected levels of service. The networks will become more resilient from both natural hazards and climate change and more environmentally friendly.

They seek to provide accessible and safe transport options which allow efficient travel around the city, quality drinking water supply to households and businesses, wastewater disposal that remains in the network until treatment, and stormwater disposal options that are right sized to improve freshwater quality and protect properties from flooding.

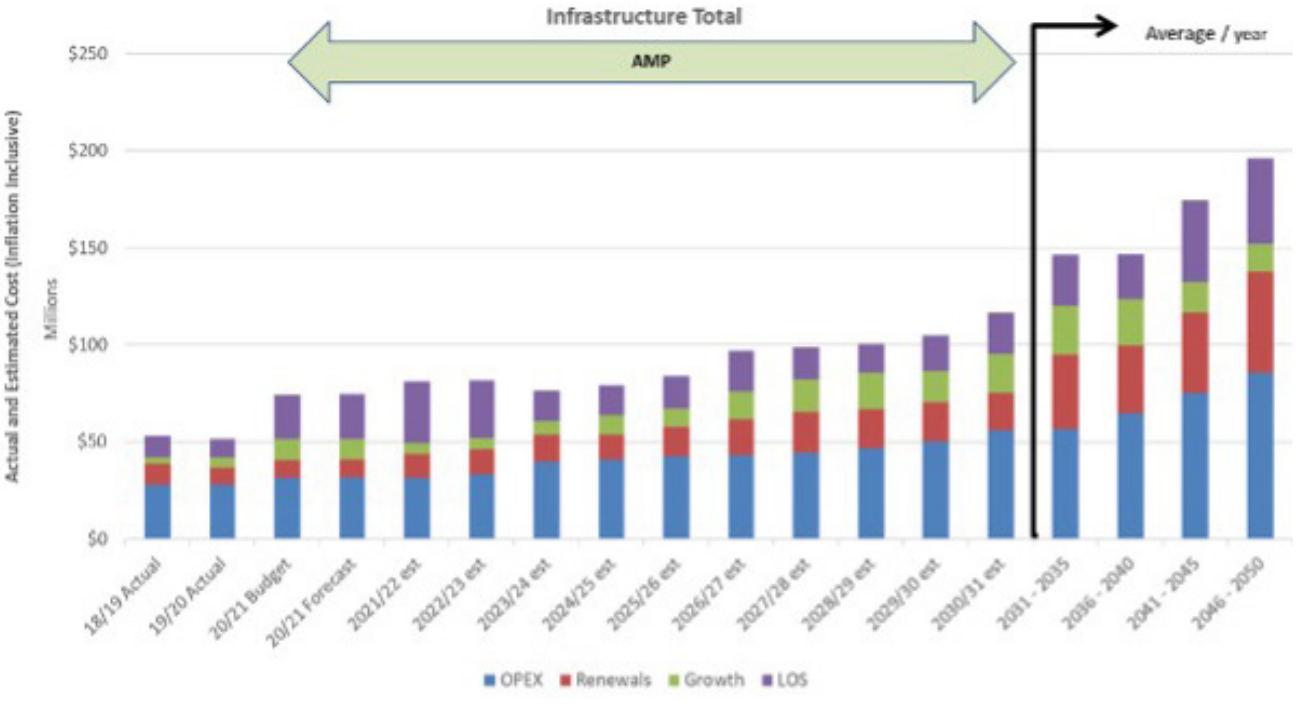
These graphs show the financial estimates (each year is shown for the first 10 years, then spending in years 11-30 is shown in five year increments as the average per year) for all infrastructure and by activity.

Depreciation graphs are also shown and compared against the total capital spend per year. Total capital spend has been presented as a significant amount of growth and level of service projects include a component of renewals, such as the intensification growth projects within the water, wastewater and stormwater activities.

Furthermore, in the case of the stormwater activity, due to the impacts of climate change (increased rainfall intensity), the primary driver for replacing assets will typically be level of service, due to a reduction in pipe flow capacity. Therefore, resulting in a need to upsize the pipe, rather than a like for like renewal.

Estimates are adjusted for inflation using BERL forecasts.

Infrastructure Total Estimates



Summary table of significant projects and programmes

Activity	Project or Programme	CAPEX Cost Estimate*	Estimated Timeframe	Issue Table Ref
Transport	Integration of the local network with transport solutions flowing from the Nelson Southern Link Investigation	$168M	2021-51	T5
Transport	Footpath Renewals Programme	$49M	2021-51	T2
Transport	Sealed Road Resurfacing	$49M	2021-51	T2
Transport	Pavement Rehabilitation	$43M	2021-51	T2
Transport	Retaining Wall replacement	$28M	2021-51	T2
Wastewater	Atawhai Rising Main Renewal	$57M	2021-36	WW4
Wastewater	Wastewater pipe renewals	$313M	2021-51	WW2/3
Wastewater	Natural Hazards Risk Assessment	$24M	2022-51	WW1
Wastewater	Future NWWTP Upgrade	$159M	2036-51	WW1
Wastewater	Wet weather overflow mitigation programme	No direct capex programme – links to other programmes.	2021-51	WW3
Water	Water Treatment Plant Upgrades (inc Primary Clarifier)	$44.5M	2021-51	WS5
Water	Water Pipe Renewal Programme	$162M	2021-51	WS2/3/4
Water	WTP Membrane Renewals	$24M	2030-51	WS3
Water	WTP Headworks Renewals/Upgrades	$39M	2021-51	WS3
Water	WTP Renewals	$19M	2021-51	WS3
Water	Maitai Raw Water Pipeline Renewal	$15M	2027-41	WS1/2/3/4
Stormwater	Main Road Stoke Upgrade	$11M	2021-31	SW1/2/3
Stormwater	Stormwater Renewals	$43M	2021-51	SW3
Stormwater	Central STW Strategy Implementation	$19M	2028-51	SW1/2
Stormwater	Stoke STW Strategy Implementation	$16M	2028-51	SW1/2
Stormwater	Port Hills STW Strategy Implementation	$10M	2028-51	SW1/2
Stormwater	Freshwater Improvements Programme	$5M	2021-51	SW5
Flood Protection	Saxton Creek Upgrade	$23M	2021-23	SW1
Flood Protection	Maitai Flood Management	$51M	2025-51	SW1

*** All Capex Costs Inflated**

Summary table of key growth projects

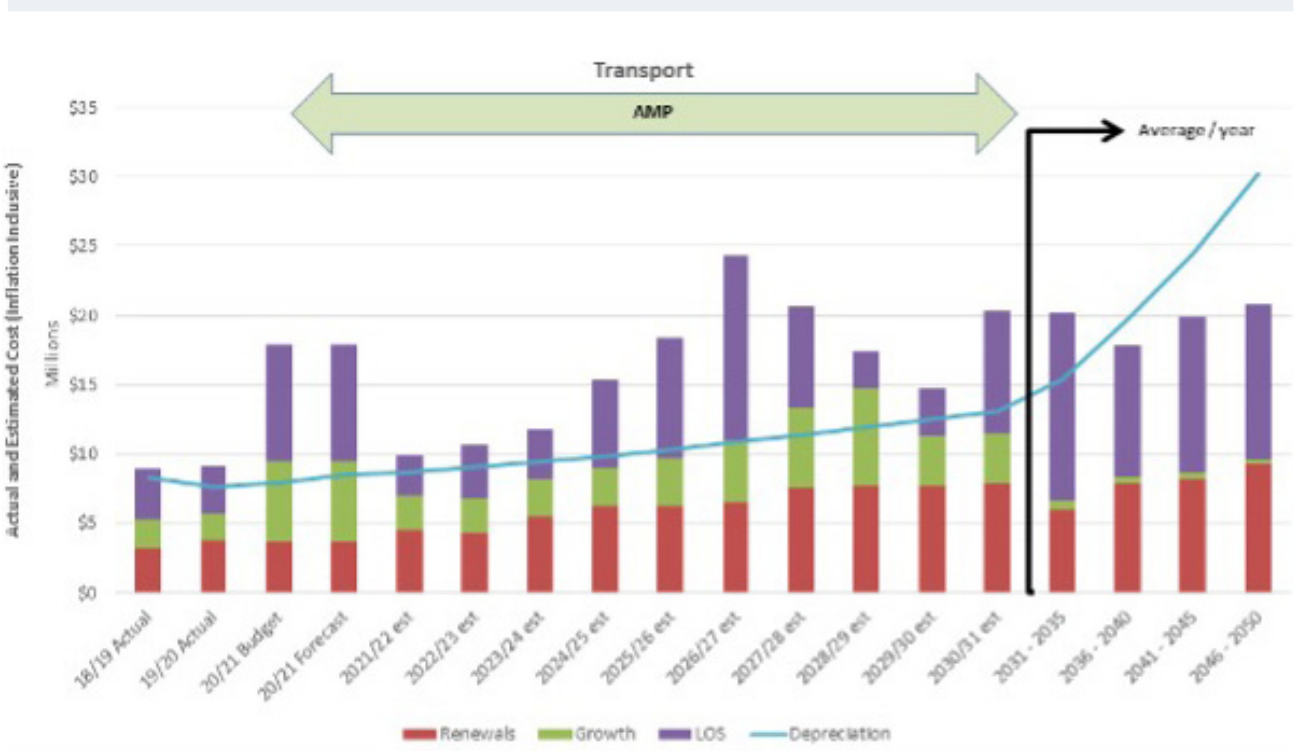
Activity	Project or Programme	CAPEX* Cost Estimate	Estimated Timeframe
Transport	Marsden Valley Ridgeway Upgrade	$3.8M	2024-28
Transport	Main Road Stoke/Marsden Road	$1.3M	2029-36
Transport	Montreal Princes Drive Intersection Upgrade	$1.7M	2036-41
Transport	Polstead Suffolk Intersection Upgrade	$2.9M	2031-46
Transport	Polstead Main Road Stoke Intersection Upgrade	$1.1M	2024-27
Transport	Ngawhatu Suffolk Intersection Upgrade	$0.32M	2028-31
Transport	Market Road Bishopdale Ave Intersection Improvements	$0.52M	2046-51
Transport	Songer Street Signals Review	$0.13M	2022-24
Transport	Stoke East West Cycle Connection	$1.1M	2025-28
Transport	Marsden Valley Road Upgrade	$2.6M	2024-29
Transport	Wastney Terrace Cul de Sac Upgrade	$0.19M	2030-31
Transport	Public Transport Facilities new and renewed	$1.4M	2030-51
Transport	Stoke interchange	$0.74M	2027-30
Transport	Integrated ticketing	$0.11M	2025/26
Transport	CBD Interchange	$1.4M	2021-27
Wastewater	Saxton Road Sewer Upgrade	$7.9M	2036-41
Wastewater	Ngawhatu Valley Trunkmain – Stage 2	$7.2M	2029-36
Wastewater	Intensification City Centre	$4.6M	2023-31
Wastewater	Intensification Hospital Nelson South	$4.7M	2031-36
Wastewater	Intensification Stoke School	$7.5M	2036-41
Wastewater	Intensification The Brook	$3.5M	2036-41
Wastewater	Intensification Victory/City Wide	$6.4M	2027-36
Wastewater	Intensification Waimea Road	$4.0M	2031-36
Wastewater	Pump Station Upgrades	$47.8M	2021-51
Wastewater	Future Growth Projects	$103M	2031-51
Water	Intensification City Centre	$7.2M	2023-30
Water	Intensification Hospital Nelson South	$11.5M	2031-36
Water	Intensification Stoke School	$5.9M	2031-36
Water	Intensification The Brook	$1.0M	2031-36
Water	Intensification Victory/City Wide	$2.2M	2027-31
Water	Intensification Waimea Road	$3.9M	2031-36
Water	NCC- TDC Link	$4.5M	2028-36
Water	Ngawhatu Valley High Level Reservoir	$4.1M	2028-36
Water	Bayview Storage	$1.1M	2023-27
Water	Future growth and intensification	$5.3M	2024-51
Water	Future growth Additional Storage	$10.1M	2024-46
Stormwater	Intensification City Centre	$4.9M	2023-36
Stormwater	Intensification Hospital Nelson South	$17.0M	2031-41
Stormwater	Intensification Stoke School	$6.7M	2031-41
Stormwater	Intensification The Brook	$10.6M	2031-41
Stormwater	Intensification Victory/City Wide	$6.7M	2026-36
Stormwater	Intensification Waimea Road	$7.5M	2031-41
Stormwater	Network Capacity Confirmation for Growth Areas	$31.4M	2023-51
Stormwater	York Terrace	$1.9M	2021-31

*** All Capex Costs Inflated**

Activity Estimates

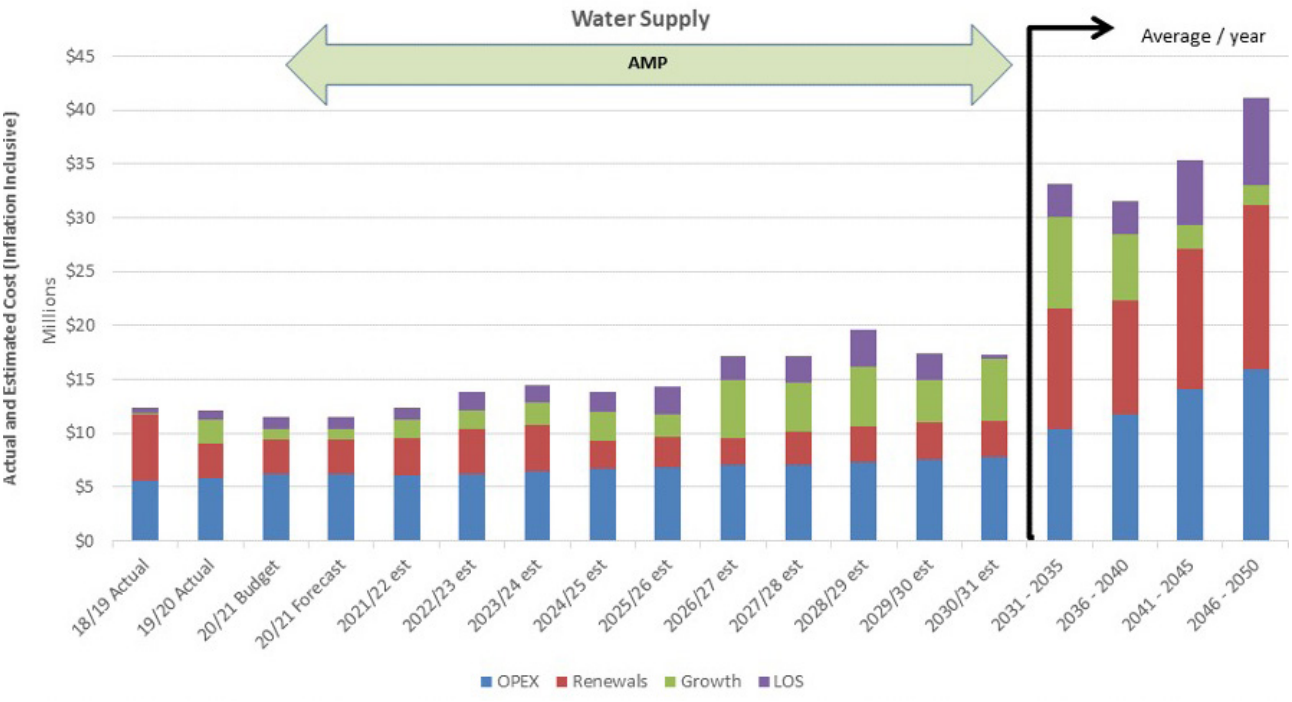
Transport

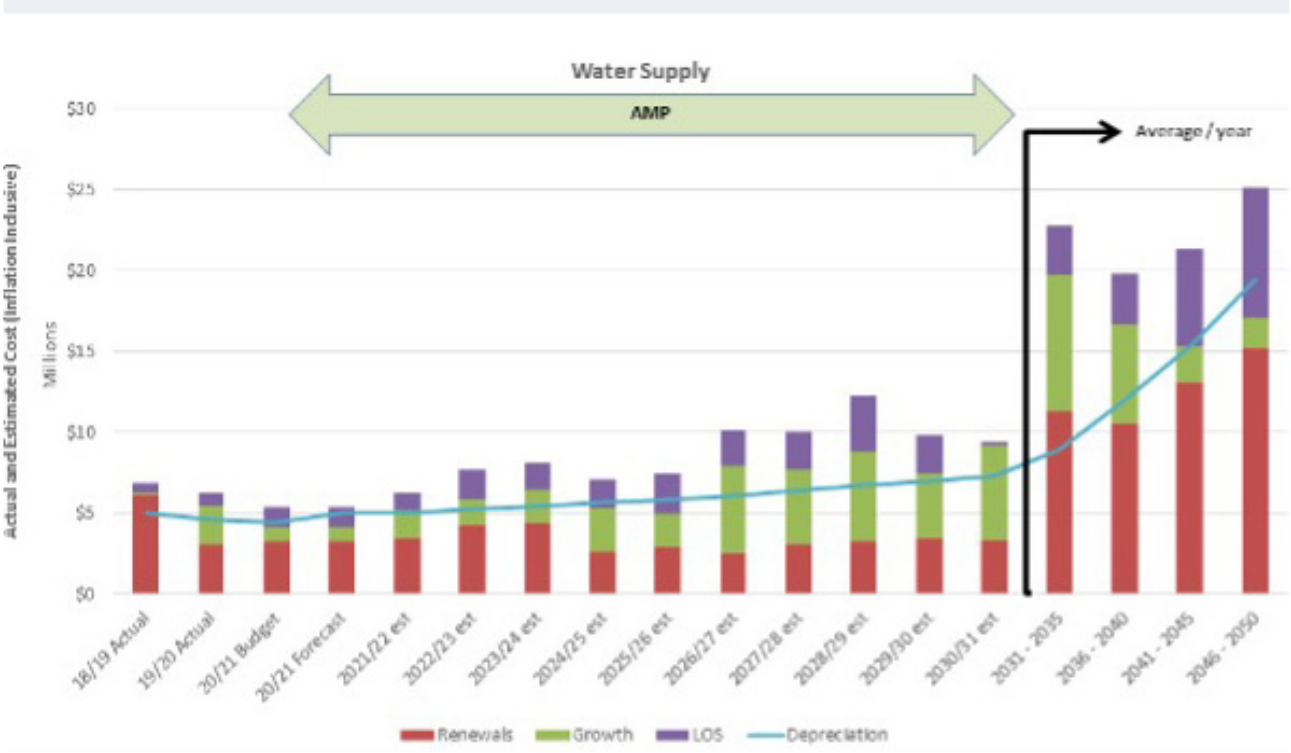




Activity Estimates

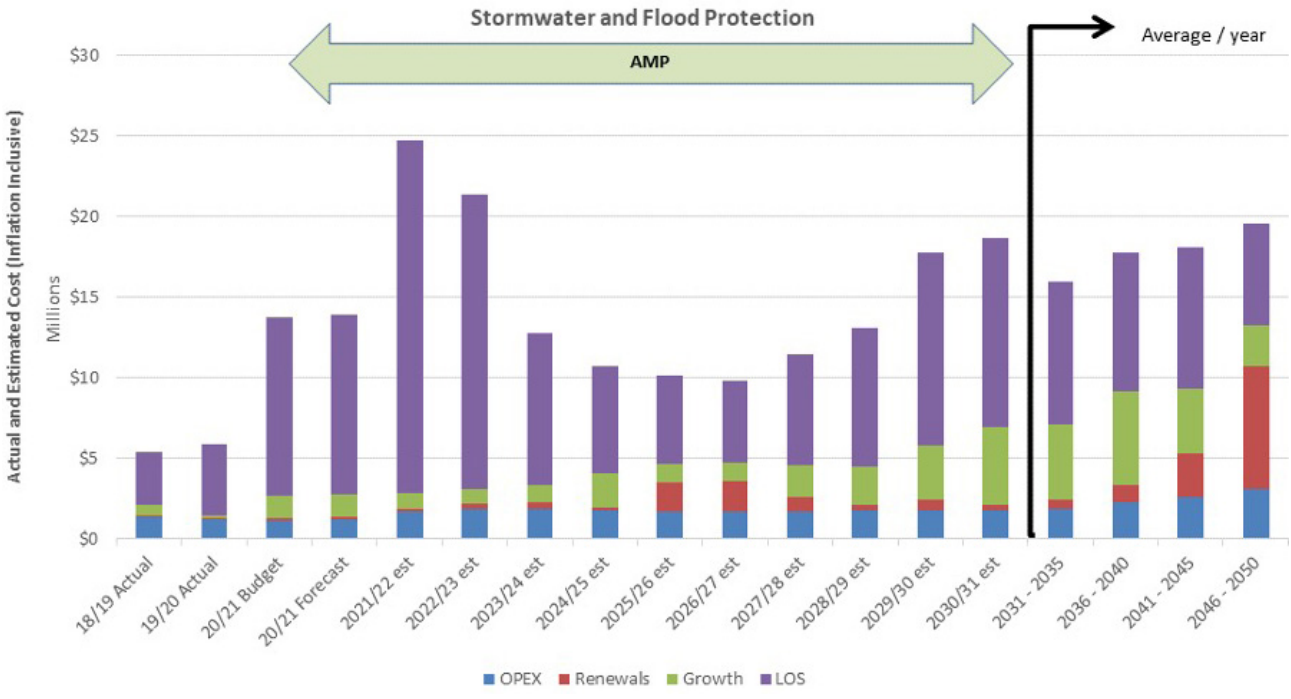
Water Supply

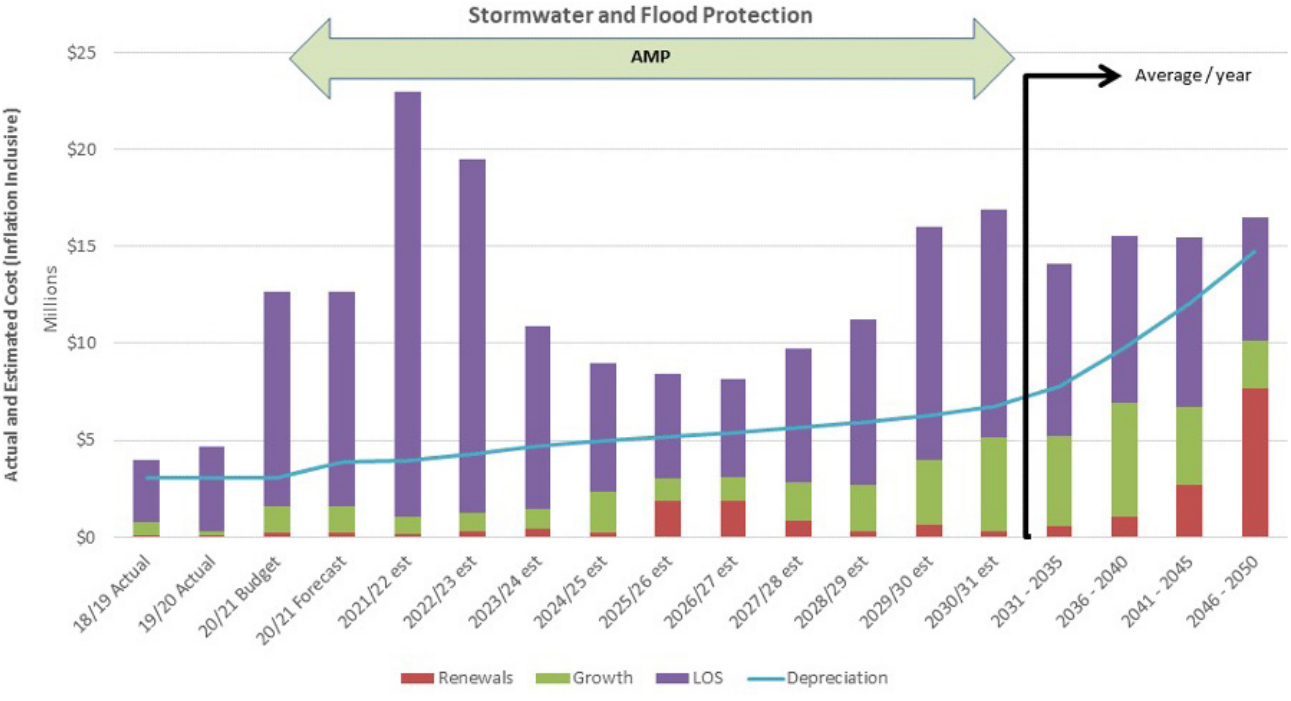




Activity Estimates

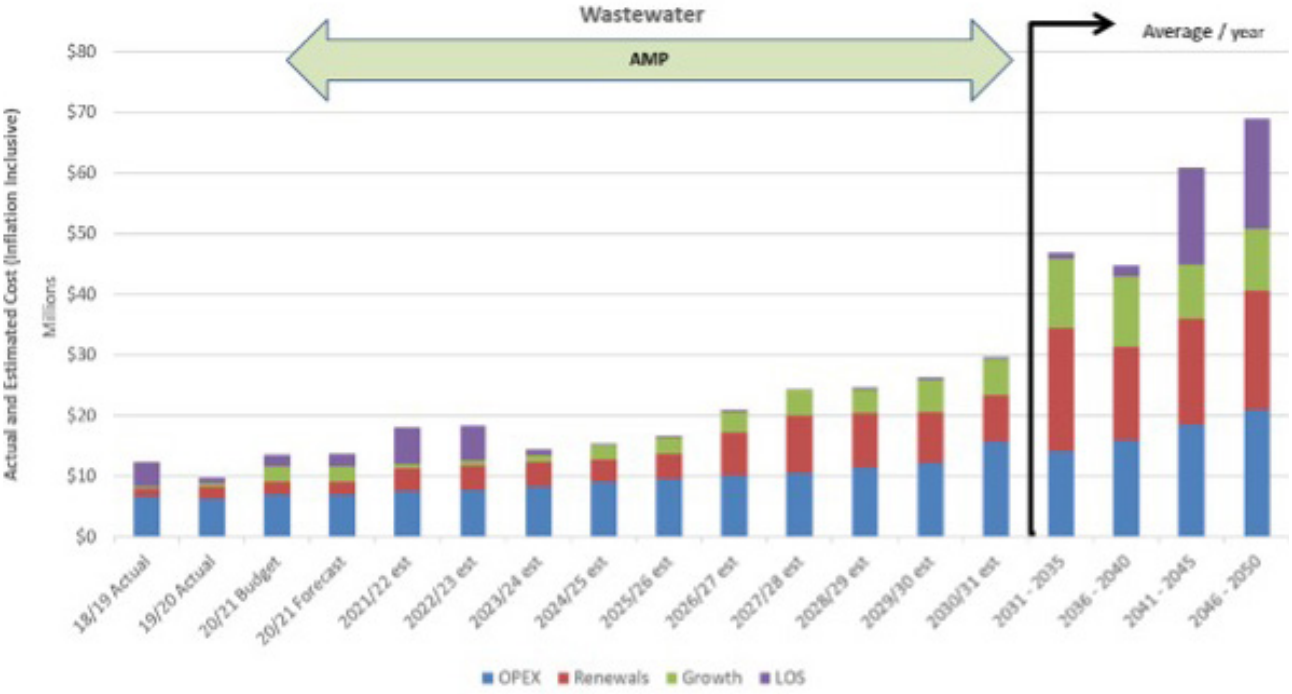
Stormwater and Flood Protection

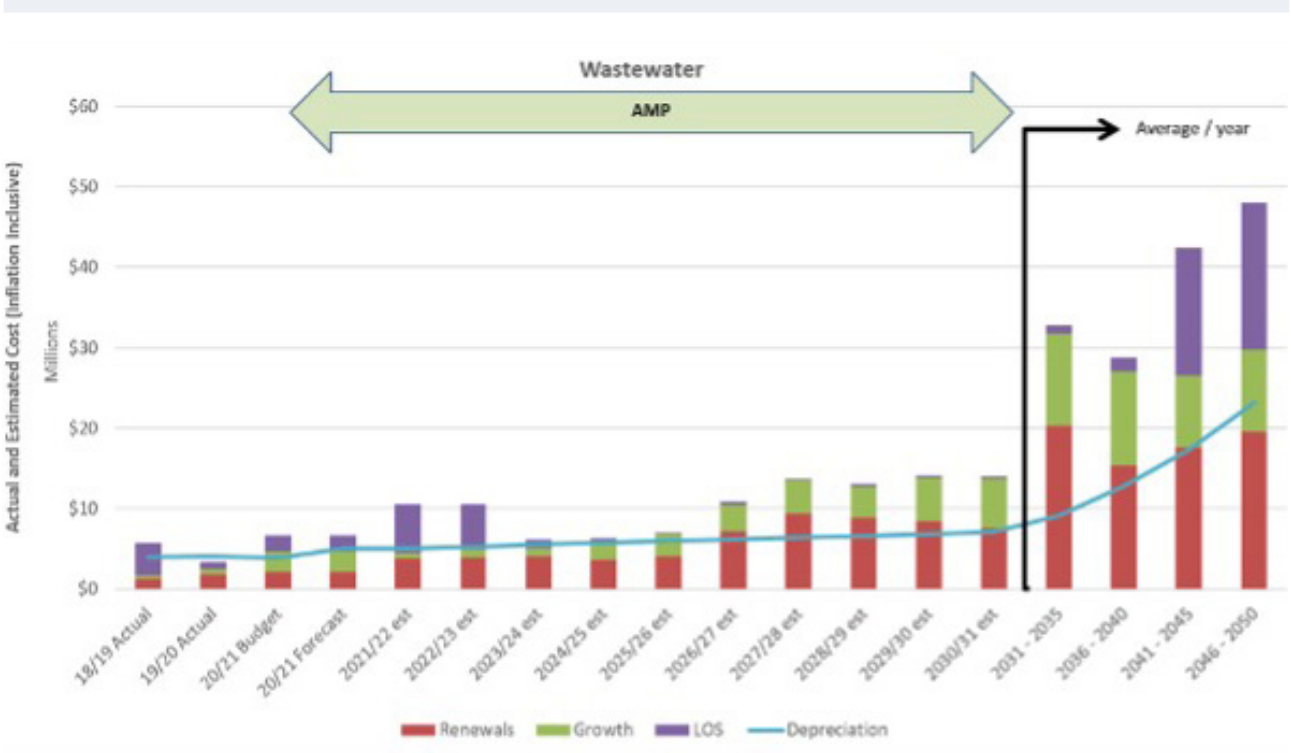




Activity Estimates

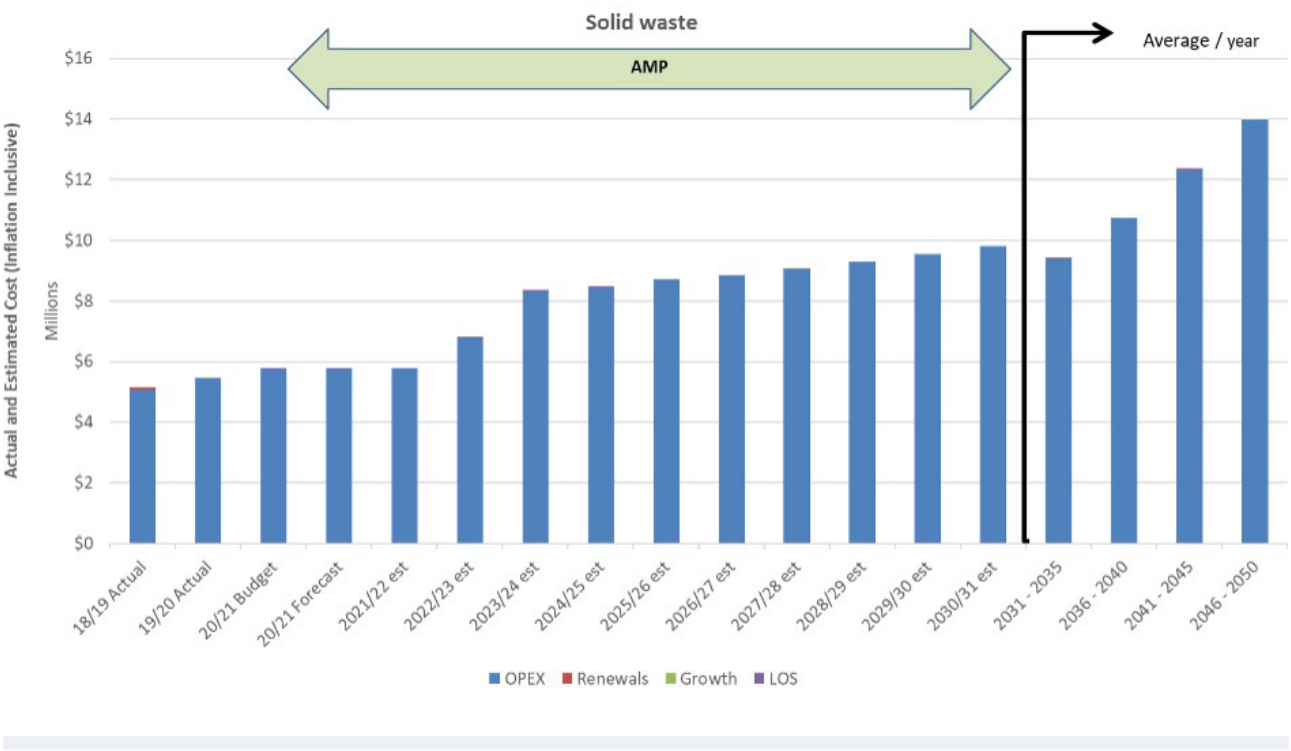
Wastewater





Activity Estimates

Solid Waste



Glossary

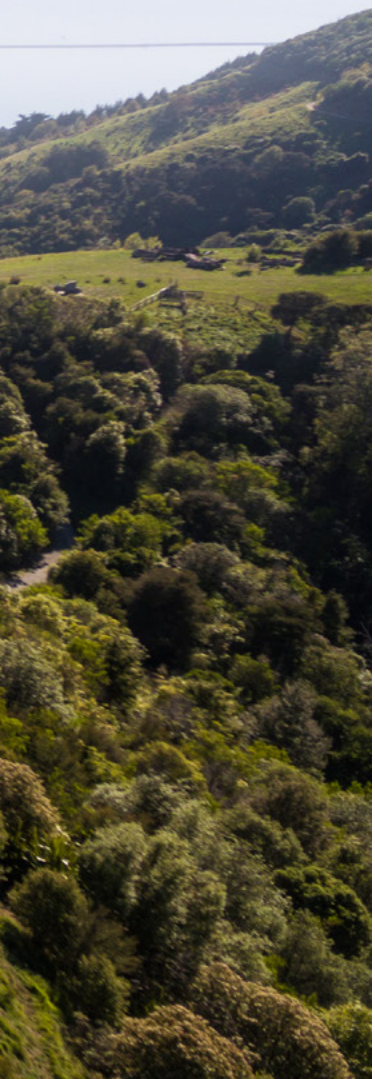
AMP	Asset Management Plan
NGO	Non-Government Organisation
Renew	Replace it with exactly the same type of asset
Saturn	A software programme that calculates transport assignment on road networks. Saturn accurately reflects the effects of congestion on urban road networks by explicitly modelling the impact of queues that form at a particular junctions on the capacity of those upstream ('blocking back') and the reducing flows able to travel downstream ('flow metering')
TRACKS	A suite of some sixty programs which have been developed by Gabites Porter Consultants to assist the analysis and interpretation of land use and transport planning problems
Upgrade	Replace it with a bigger pipe, larger channel or additional capacity



Policy on Development Contributions 2021

Operational from 1 July 2021





Policy on Development Contributions 2021

Glossary and definitions 420

Explanatory Note 423

Introduction 424

1. What development is assessed? 425
2. What contributions are payable? 425
3. How is demand quantified? 425

Section 1: Summary of Policy 425

4. Other assessment matters 429
5. How much is payable? 429
6. Timing of payment 429
7. Exemptions 430
8. Development Agreements 432

Section 2: Policy Details 433

9. Purpose and Objectives 433
10. Refunds 434
11. Reconsiders and Objections 434
12. Infrastructure Investment Assumptions 435
13. Calculation Methodology 436
14. Significant assumptions 438

Section 3: Assessment of Development Contributions 439

15. Assessment method 439

Development Contributions Policy – Disclosure schedules and supporting information 440

16. Consideration of activity funding – Section 101(3) 449
17. Summary of capital expenditure for growth 450
18. Schedule of assets 451
19. Previous development contributions 485

Glossary and definitions

Accommodation units	The same meaning as defined in the Local Government Act 2002 section 197(2): Means "…units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation."
Allotment	The same meaning as defined in section 218 of the Resource Management Act 1991 section 218(2): (a) any parcel of land under the Land Transfer Act 2017 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not: (i) the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted, under another Act; or (ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this Act; or (b) any parcel of land or building or part of a building that is shown or identified separately; (i) on a survey plan; or (ii) on a licence within the meaning of subpart 6 of Part 3 of the Land Transfer Act 2017; or (c) any unit on a unit plan; or (d) any parcel of land not subject to the Land Transfer Act 2017
Allotment Value	The value of the allotment including GST.
Applicant	The person(s) applying for a resource consent, building consent, or service connection.
Asset Management Plan	A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost effective manner to provide a specified level of service. A significant component of the Plan is a long term cashflow projection for the activities.
Bedroom	For the purpose of assessing 1 and 2 bedroom residential units, a bedroom is any room in a residential unit that is greater than 4.5m^2 in floor area and capable to be used for sleeping purposes.
Building Work	Work for, or in connection with, the construction, alteration, or demolition of a building.
Capital Expenditure	The cost Council expects to incur to acquire new assets, or to upgrade or renew existing assets.
City Centre	The area shown in the NRMP maps as Inner City – Centre and Inner City - Fringe
Community Facilities	The same meaning as in the Local Government Act 2002 section 197(2): Reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 119 of the Local Government Act 2002.
Community infrastructure	The same meaning as in the Local Government Act 2002 section 197(2): (a) means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and (b) includes land that the territorial authority will acquire for that purpose
Community Outcomes	The outcomes that Council aims to achieve to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
Consent Holder	The person(s) to whom the resource consent, building consent, or service connection was granted.
Crown Entity	The same meaning as crown entity in the Crown Entities Act 2004 section 7.

Development	The same meaning as the Local Government Act 2002 section 197(1): (a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but (b) does not include the pipes or lines of a network utility operator
Development Agreement	The same meaning as the Local Government Act 2002 section 197(2): A voluntary contractual agreement made under Sections 207A to 207F between 1 or more developers and 1 or more territorial authorities, for the provision, supply or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or part of a district.
Development Contribution	The same meaning as the Local Government Act 2002 section 197(2): A contribution that is: provided for in a development contributions policy of a territorial authority; and calculated in accordance with the methodology; and comprising (i) money; or (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) both.
District	The district of a territorial authority, in this case, the Nelson City area.
Estimated Building Value	The estimated aggregate of the values determined in accordance with Section 10 of the Goods and Services Tax Act 1985 of all goods and services to be supplied for that building work.
Gross Development Area	1. The total floor area of any building measured from the outer faces of the exterior walls, or the centre line of walls separating two abutting buildings Plus 2. The area of any part of the allotment used solely or principally for the storage, sale, display, movement or servicing of goods or the provision of services on the allotment. The gross development area does not include: • vehicular parking ancillary to the primary • development, manoeuvring, loading and landscaping areas, and areas used only for primary production purposes (such as quarry workings, farmlands and orchards) the conversion of which to another use would require resource consent or building consent; and • the area of plant equipment servicing the site and network infrastructure including pipes, lines installations, roads, water supply, wastewater and stormwater collection and management systems
Household Unit of Demand (HUD)	One Residential Unit (see definition below)
ISA	Impermeable surface area
Land Development Manual	The Nelson Tasman Land Development Manual 2018(or subsequent revision) that forms the basis for design and construction of all Nelson City's roads, drains, water supply and reserve areas.
LGA	The Local Government Act 2002
Methodology	The method by which development contributions are calculated.
NRMP	The Nelson Resource Management Plan
Network Infrastructure	The same meaning as the Local Government Act 2002 section 197(2): The provision of roads and other transport, water supply, wastewater, and stormwater collection and management.
Non-Residential Development	Any development that is not for a residential activity.

Residential Unit	Means a building or part of a building that is a single self-contained household unit, used principally for residential activities, whether by one or more persons, 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. For the purposes of the policy, retirement villages are covered by this definition.
RMA	The Resource Management Act 1991.
Service Connection	The same meaning as the Local Government Act 2002 section 197(2): A physical connection to a service provided by, or on behalf of, Council
Social Housing	Housing developments undertaken by a Community Housing Provider that is registered with the Community Housing Regulatory Authority.
Subdivision (of land)	The same meaning as in the Resource Management Act 1991 section 218: The division of an allotment by: a) an application to the Registrar-General of Land for the issue of a separate record of title for any part of the allotment; or b) the disposition by way of sale or offer for sale of the fee simple to part of the allotment; or c) a lease of part of the allotment which, including renewals, is or could be for a term of more than 35 years; or d) the grant of a company lease or cross lease in respect of any part of the allotment; or e) the deposit of a unit plan, or an application to a Registrar General of Land for the issue of a separate certificate of title for any part of a unit on a unit plan; f) or an application to Registrar-General of Land for the issue of a separate record of title in circumstances where the issue of that record of title is prohibited by section 226 (of the Resource Management Act 1991).



Explanatory Note

This explanatory note provides a summary of the major changes between the Development Contributions Policy 2018 and this Policy but does not form part of the substantive Policy. The contents are not a complete summary of the changes or policy reasons for the changes. Developers and their advisers should read the Policy in its entirety to familiarise themselves as to the policy changes made in this document.

Significant changes which have been made in this Policy to the Development Contributions Policy 2018 include:

a) simplifying the policy complexity and readability; and

b) removing the 30HUD per financial year limit on city centre Development Contributions (DCs) waivers and putting no limit on the number of waivers and changing the time it is allocated from when an application is submitted to when an application is approved; and

c) changing the reserves contribution in accordance with changed levels of service in the Long Term Plan 2021-31 (LTP) (Reduced from 1.7Ha per 1000 residents to 1.1Ha per 1000 residents) for reserves in greenfield areas; and

d) introduction of a fixed fee for greenfield neighbourhood reserve DCs based on median sales values of bare residential land in the previous calendar year noting that this part of the Policy will need to be updated annually subject to a public consultation process (most likely via the Annual Plan); and

e) introduction of a neighbourhood reserves redevelopment DC that applies in the existing built urban area to replace the neighbourhood reserves land DC; and

f) adding a waiver for state integrated schools; and

g) removal of the 25% discount for brownfield intensification; and

h) updating schedule 1 with growth projects programmed in the LTP; and

i) outlining the procedure around development agreements



Introduction



Overview

Population growth and development such as subdivision and new buildings place increasing demands on Council's infrastructure, reserves and facilities. As a result of that growth new or upgraded and extended infrastructure, reserves and/ or facilities are required to meet those demands.

Council has two main funding mechanisms: rates and development contributions. Council seeks to recover a fair, equitable and proportionate portion of the capital costs of infrastructure, reserves and some facilities needed to support growth through Development Contributions (DCs) under the Local Government Act 2002 (LGA).

Each new household unit of demand (HUD) or the equivalent for commercial development is required to pay a DC. Nelson City Council has a one catchment approach for DCs because of the single urban environment nature of all network services.

Councils Development Contributions Policy 2021 takes effect for all resource and building consent applications, and all new service connections from the 1 July 2021. This policy has three main sections:

- Section 1: Summary – this section sets out key information on when DCs apply to a development, how much the charges are, and when they are required to be paid.
- Section 2: Policy details – this section provides the technical detail and information needed to comply with the requirements of the LGA for a policy on DCs.
- Section 3: Schedules of capital works – this section contains the schedule of assets as required by the LGA section 201A. The schedule contains list of all projects along with the growth portion which will be paid for by DCs.

This policy applies to applications for resource consent, building consent or service connections on or after 1 July 2021.

Prior to 1 July 2021 contributions for growth were sought under previous policies, which can be found on Council's website at **www.nelson.govt.nz/building-and- property/property-land-use/development-and-financial-contributions/ .**

Updating the policy

It is anticipated that this Policy will be reviewed, and if necessary amended, at least every three years as part of the LTP process. For the financial years in between LTPs, DCs will be inflated based on the rate of increase (if any) in the Producers Price Index Outputs for Construction (PPI) provided by Statistics New Zealand since the DC was last set.

Before any increases take effect, Council will make publicly available information setting out the amount of the newly adjusted DC and show how any increase was calculated.

The greenfield neighbourhood reserves land contribution is calculated using the median per square metre section sales price from a representative sample of bare residential sections located outside the built urban area and sold in the previous calendar year (01 January to 31 December). Before any annual update of the contributions (above the level of PPI adjustment allowed for in the LGA) in this policy is made a consultation process will be undertaken. This may occur as part of the Annual Plan.

Section 1: Summary of Policy

This section provides a summary of key information on when DCs apply to a development, how much the charges are, and when they are required to be paid. For further information, see section 2.



1. What development is assessed?

A development that creates additional demand will be assessed for DCs. A development can be any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure or community infrastructure.

A DC may be required to be made to Council when:

(i) a resource consent is granted under the RMA, or

(ii) a building consent is granted under the Building Act 2004, or

(iii) an authorisation for a service connection is granted.

2. What contributions are payable?

Council may require DCs for developments where the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence, Council incurs capital expenditure to provide appropriately for:[6]

(i)Reserve land and improvements.

(ii)Network infrastructure.

(iii)Community infrastructure.

For the purpose of this Policy, the transportation activity is considered as an integrated activity that includes all modes of transport.

3. How is demand quantified?

Council applies a standard DC for all development within the city wide catchment. In order to have a consistent method of assessing demand and charges for DCs for different activities, a charge per Household Unit of Demand (HUD) or HUD equivalent is used.

Each development that creates an additional, or part of, a HUD pays a DC.

Council will calculate DCs on a development's first application for a resource consent, building consent or connection authorisation and will re-calculate a DC on any subsequent application after the first in relation to the same development.

The following conversion factors are used to quantify the demand created by different types of development.

3.1. Residential

New residential development, building and subdivision pay 1 HUD of contribution per infrastructure service for each new household unit. Smaller household units on the same title as an existing household unit pay a portion of a HUD depending on size determined by bedroom numbers.

[6] Definitions of the assets for which DCs may be payable can be found in the Glossary and Definitions section of this Policy

Table A: Residential HUD calculation

Infrastructure Service	Household Unit of Demand (HUD)	Comments
Water	New titles: Each additional residential title created shall pay 1 HUD; and Additional residential units on an existing title shall pay the following portion of a HUD[13]: a) 0.5 HUD for a one bedroom residential unit, b) 0.75 HUD for a two bedroom residential unit, c) 1 HUD for a residential unit of three or more bedrooms.	Applies everywhere
Wastewater		Applies everywhere
Stormwater		Applies everywhere
Transport		Applies everywhere
General Reserves		Applies everywhere
Neighbourhood Reserves (Greenfield) – Sites outside the urban boundar		Only applies to development located outside the urban boundary area, see (defined in Maps A1, B1-B3, and C1-C3 in the appendix or online at www.nelson.govt.nz/built-urban- area)
Neighbourhood Reserves (Intensification) – Sites inside the urban boundary		Only applies to development located within the urban boundary area, see (defined in Maps A1, B1-B3, and C1- C3 in the appendix or online at www.nelson.govt.nz/built-urban- area)

[13] *Council considers this the fairest and simplest way to acknowledge that a smaller residential unit places a lower demand on council's infrastructure, compared to a typical dwelling. This also achieves Councils strategic outcome of promoting intensification for residential development throughout the city, encourages greater housing choice, and may also promote housing affordability.*

3.1.1. General Reserves

The general reserves contribution is calculated from the reserves development and improvement programmes contained in the Reserves Asset Management Plan. The programme of works contained in the Asset Management Plan is summarised in the appendix. All new residential development shall pay a general reserves DC in addition to either the greenfield or intensification reserves DC.

3.1.2. Sites outside the urban boundary – Greenfield

The neighbourhood reserves (greenfield) contribution is targeted at development outside the urban area (defined in Maps A1, B1-B3, and C1-C3 in the appendix or online at **www.nelson.govt.nz/built-urban-area**) on the basis that Council will continue to purchase land for neighbourhood reserves and develop them in greenfield development areas.

The neighbourhood reserves (greenfield) contribution is calculated using the median per square metre section sales price from a representative sample of bare greenfield residential sections sold in the previous complete calendar year (01 January and 31 December). An annual update of the neighbourhood reserves (greenfield) DC in this Policy is proposed in order to ensure the value of the DC adequately reflects market increases. The median per square metre land price calculated for the 2020 calendar year is $397.

Any change to the neighbourhood reserves (greenfield) contribution above the level of PPI (as allowed for in the LGA) will be consulted on along with the Annual Plan. If for any reason the Annual Plan is not consulted on in any year, a separate consultation process will be undertaken.

The neighbourhood reserve (greenfield) contribution is linked to the Level of Service in the LTP that states that neighbourhood reserves will be provided at a rate of 1.1Ha per 1,000 residents. With a current average occupancy rate of 2.4 people per household, this corresponds to 26sqm of land needed per new household or HUD.

Any new lot that is located partially inside the urban boundary and partially outside the urban boundary shall pay a contribution as if it is located outside the urban boundary.

3.1.3. Sites inside the urban boundary – Intensification

For sites inside the urban boundary, defined in Maps A1, B1-B3, and C1-C3 in the appendix or online at www.nelson.govt.nz/built-urban-area, the general reserves contribution (intensification) applies.

Further land purchase within the built urban area for the provision of neighbourhood parks is unlikely to occur due to the absence of available land in these areas. In lieu of providing additional neighbourhood parks in the built urban area, a programme of work has been developed in the Reserves Asset Management Plan for improving existing neighbourhood reserves, to provide a higher level of service suitable for more users expected as a result of the expected intensification.

The programme of works contained in the Asset Management Plan is summarised in the appendix.

3.2. Non-residential

Non-residential subdivisions, land uses, or building developments are more complicated as they don't usually conform with typical residential household demand for each service. In these cases, Council makes a HUD equivalent assessment based on the characteristics of the development and its demand loading on different infrastructure services.

(i) New titles: Each additional non-residential title created shall pay 1 HUD.

(ii) In addition, at building consent stage a non-residential development will also be subject to, and assessed for, DCs based on the factors listed in Table B below. Credits will be given to any existing activity also based on the factors in Table B.

Neighbourhood reserves development contributions are not payable by developments that are not residential

Table B: HUD conversion rates for non-residential activities

	Base unit	Household Unit of Demand (HUD)	Comments
Water	Internal pipe size into development	Water pipe size (see Table C below)	Internal pipe size into development dictates the HUD amount. Refer to table C below.
Wastewater	Number pans or urinals	2 pans or urinals	One urinal is considered equivalent to one pan.
Stormwater	Impervious surface area	316m2 and multiples thereof for roof and paved areas	A typical residential dwelling covers approximately 316m2.
Transport	Number of HUDs	HUDs	Table D below sets out the number of HUDs by activity type.
General Reserves	Number of accommodation units	0.5 HUD per accommodation unit	Accommodation developments that do not meet the definition of "residential unit"

Table C: Water and Wastewater HUD conversion

Internal diameter of water connection (mm)	20	25	32	40	50	100	150
HUDs	1	1.56	2.56	4	6.25	25	56.25

Table D: HUD conversion table for transport DC

Activity	HUDs/100sqm GDA
Cool Stores including controlled atmosphere storage	0.01
Outdoor Storage Yards	0.05
Storage ancillary to the principal activity	0.13
Warehouses including storage as the principal activity	0.13
Service Stations	0.17
Home Occupations	0.25
Hospitals, and Homes for the Aged	0.25
Port Operational Area	0.43
Industrial Activity	0.50
Schedule N area in NRMP	0.75
Education Facilities (Pre-school and Primary)	0.75
Health Facilities (excluding hospitals), and Veterinary Clinics	0.83
Offices	0.83
Education Facilities (Secondary)	0.88
Large Format Retail / Bulk Retail (other than within Schedule N – Quarantine Road)	0.88
Restaurants, Cafes and Taverns	1.00
Retail Activities, and Retail Services (other than supermarkets and large format retail / bulk retail) (for illustrative purposes, retail services include personal or household services such as hairdressers, dry cleaners, servicing or repair of appliances or equipment. Retail activity includes things such as vehicle sales).	1.00
Vehicle Parking Facilities also see AP10.2	1.00
Commercial Garages and service stations	1.00
Tertiary Education Facilities	1.25
Places of Entertainment, Buildings For Private for Public Assembly, Buildings For Community Use, Clubs and Places of Worship (includes funeral chapels, and Crematoriums.)	1.25
Short Term Living Accommodation	1.25
Supermarket	1.25
Recreation Areas	1.00
Activities other than listed above (outdoors)	0.05
Activities other than listed above (indoors)	0.50

4. Other assessment matters

Where a building is located on two or more allotments and is subject to the Building Act 2004 sections 75 and 77, then the development contributions will be assessed as for one allotment.

The number of HUDs payable reflects the additional demand on Council infrastructure created by the development. Only the additional demand created will be considered when assessing DCs.

5. How much is payable?

The city-wide DC per household unit of demand (HUD) for each of the network infrastructure activities is shown below in Table E. All values shown in the Policy are excluding GST.

Table E: Development contributions by activity per HUD

Activity	Greenfield $ per HUD (excl. GST)	Brownfield $ per HUD (excl. GST)
Stormwater[14]	5,900	5,900
Wastewater	6,630	6,630
Water supply	3,610	3,610
Transportation	1,720	1,720
Community infrastructure	2,430	2,430
Infrastructure Development Contribution Totals	**20,290**	**20,290**
General reserves[15]	790	790
Neighbourhood Reserves (Greenfield) – Sites outside the urban boundary	10,725	
Neighbourhood Reserves (Intensification) – Sites inside the urban boundary	NA	260
Reserves Development Contribution Totals	**11,515**	**1,050**
Total Development Contribution	**31,805**	**21,340**

6. Timing of payment

An invoice will be issued for DC charges to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of developments **(See Table F).**

Table F: DC invoice timing

Consent type	Invoices issued
Building consent	At granting the building consent
Certificate of acceptance	Prior to issuing a certificate of acceptance
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the Resource Management Act 1991. An invoice will be issued for each stage of a development for which 224 (c) certificates are sought, even where separate stages are part of the same consent.
Resource consent (other)	At granting of the resource consent
Service connection	At granting of the service connection for water, wastewater or stormwater services

DC payable will be assessed based on the date the application for consent was submitted and will continue to be invoiced at each stage of the development for which a separate certificate under section 224(c) of the RMA is applied for.

Where a staged subdivision development is undertaken via multiple consent applications, each DC requirement will be assessed according to the policy applying at the time that each separate application for consent is submitted.

[14] *This includes flood protection capital projects that have a growth-related component within the stormwater collection and management development contribution, and where each relevant flood protection project is required, at least in part, to collect or manage stormwater run-off from developments or to protect developments from stormwater run-off.*

[15] *General Reserves includes the land and the improvements to that land.*

Invoices become due for payment by the due dates in **Table G:**

Table G: DC payment due date

Consent type	Payment due date
Building consent	20th of the month following the issue of the invoice
Certificate of acceptance	Prior to issuing the certificate of acceptance
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the Resource Management Act 1991 (the 224(c) certificate)
Resource consent (other)	20th of the month following the issue of the invoice
Service connection	Prior to issuing the connection approval

If invoices are not paid in full on time, Council may:

- Prevent the commencement of a resource consent
- Withhold a certificate under section 224(c) of the RMA
- Withhold a code compliance certificate under section 95 of the Building Act 2004
- Withhold a service connection to the development.

Where invoices remain unpaid beyond the payment terms set out in this Policy, Council will start debt collection proceedings, which may involve the use of a Credit Recovery agent. Council may also register the DC under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development.

7. Exemptions

The following exemptions apply under this Policy:

7.1. Social Housing Developments

Council will not require DCs to be paid in respect of social housing developments undertaken by a Community Housing Provider that is registered with the Community Housing Regulatory Authority or any other partnership where Council has entered into an agreement to provide social housing.

7.2. Developments undertaken by the Crown

The Crown is not required to pay DCs where it is the landowner. However, the Crown is invited to pay DCs as appropriate on any activities that consume infrastructural capacity and may choose to accept or decline that invitation. The invitation to pay will not be a condition of the issue of a property information memorandum (PIM) or consent, section 224(c) certificate, code compliance certificate or service connection.

In accordance with section 8(4) of the LGA, people or entities that have an interest in any property of the Crown or who manage public reserves vested in the Crown will be subject to DCs and are not covered by this exemption.

7.3. Development undertaken at Whakatū Marae

Council will not require DCs to be paid in respect of development undertaken in the sites labeled WM1 in the NRMP planning maps (Map 7) and detailed further in Chapter 11 (Oss.7) of the NRMP.

7.4. State Integrated Schools

State Integrated Schools are identified in this Policy as providing the same service to the community as a state school in that they are required to provide education in accordance with the same curriculum. Therefore, Council will not require DCs to be paid in respect of State Integrated Schools under this Policy.



7.5. City Centre residential developments

Council seeks to encourage residential growth in the central city in order to intensify development within networks of existing infrastructure. Council will not require DCs to be paid in respect of the development of:

a) additional residential units, or a mixed development of residential and commercial units (provided that the exemption shall only apply in respect of the residential portion of the development), in the City Centre; and

b) additional residential units in the City Centre as defined in the NRMP (refer Map 2 in the appendix).

In respect of the City Centre residential exemption, the following conditions apply:

(i) The allocation of the exemption is based on the date the application for resource or building consent is approved; and

(ii) The exemption is granted on the condition that construction commences within 12 months after the exemption is granted. If this condition is not met the exemption will no longer apply and the DC will be required at the time of section 224 certificate or code of compliance. Where an applicant can demonstrate that substantial progress has been made, the exemption may be extended up to 24 months from the date it was granted.

7.6. Low impact stormwater developments

Council recognises that some developments control the additional stormwater they produce and consequently, have a reduced impact on Council's network. Where this impact is permanent and won't become redundant as a result of Council works in the future, Council may reduce the DC for stormwater. In exercising this discretion, Council will be guided by:

(i) Where, following an event equal to or greater than a one in 15 year storm event, stormwater will not discharge into a Council managed system, stormwater DCs may be reduced by up to 50%;

(ii) Where, following events equal to or greater than a one in 15 years storm event, the stormwater will discharge into a Council managed system, the stormwater DC may be reduced by up to:

1. 25% - where primary stormwater flows are managed to pre- development levels;
2. 50% - where both primary and secondary stormwater flows are managed to pre-development levels.

The maximum 50% discount reflects the fact that all developed properties receive benefit from associated stormwater mitigation capital expenditure work by Council in the catchment area. For example, the catchment will either be directly protected or the ability to move around the area unencumbered during storm events will be improved.

7.7. Water supply and wastewater:

If a development is unable to connect to the water supply or wastewater network then a contribution for these activities will not be required.

7.8. Tasman District water supply

Where water for a development is to be supplied by Tasman District Council, the DC for water will be levied in accordance with the current Tasman District Council's Development Contributions Policy at that time, and not under this Policy. Applicants will be advised when consent applications are processed.



7.9. Other exemptions

Council does not accept any other exemptions to this Policy, other than where there is a relevant legislative exemption.

In exceptional circumstances, Council may grant an exemption from the requirement to pay DCs (including remission, reduction or postponement) at its absolute discretion and subject to the following:

An application for an exemption should be made to Group Manager Environmental Management prior to an invoice being issued.

a) Each application will be considered on its own merits but the Group Manager Environmental Management may have regard to:

   (i) whether the development is part of a not-for-profit entity; and

   (ii) any unique contribution that the development is making towards Nelson City Community Outcomes; and

   (iii) consistency with the general application of the 2021 Policy.

b) A decision by the Group Manager Environmental Management to decline the application will not be subject to further review or reconsideration within the Council.

c) If the Council officer recommends the application be granted, the exemption may only be granted by a resolution of the Council (or a Committee or Subcommittee acting under delegated authority).

8. Development Agreements

The Council may enter into development agreements or other agreements in circumstances where there is a need to allocate responsibility between developers and the Council for the construction and funding of public works associated with a development in order to support outcomes in the Nelson Resource Management Plan.

Development agreements will not be used to reduce the amount of any contribution calculated under this Policy. It is expected that any agreement will include provisions that will underline the expectation for payment of DCs by developers and a works contract for the purchase of infrastructure constructed by the developer.

Where an applicant undertakes work on behalf of the Council, this will be done within normal procurement procedures and paid for under the terms of that engagement. DCs will still be payable by the applicant where they are required under this policy.

For activities covered by a development agreement, the agreement overrides the development contribution normally assessed as payable under the Policy.

Sections 207A to 207F of the LGA 2002 sets out criteria to be applying to development agreements.

Section 2: Policy Details

This section provides further policy details, including those needed to fully comply with the requirements of the LGA.

9. Purpose and Objectives

Section 197AA of the LGA states that the purpose of development contributions is:

"to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term."

Under this Policy, Council intends to entirely fund the portion of capital expenditure ("capex") that is attributable to growth through DCs wherever it can be done so lawfully, fairly, reasonably, and practically.

Council considers that DCs are the best mechanism available to ensure the cost of growth is apportioned to those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of growth.

The objectives of this Policy are:

a) Fairness: to ensure that those who create a need for new or additional assets, or assets of increased capacity, contribute their fair share to the cost of providing that asset, and to ensure that the cost of providing new or additional assets, or assets of increased capacity, is allocated proportionately between those who benefit from those assets as well as those who create a need for those assets

b) Simplicity: ensure that the Policy is easy to understand and administratively simple to apply

c) Certainty and transparency: provide developers with a clear understanding of what will be funded from DCs, what they will have to pay towards those costs, and when

d) Consistency: ensure that developments are treated consistently in the assessment of DCs

e) Contribution to Nelson goals: support and facilitate the wider outcomes sought by Nelson City Council.

In developing this Policy, the principles of section 197AB of the LGA have also been taken into account, including that:

a) DCs are only required where the effects or cumulative effects of developments will create or have created a requirement for the Council to provide or to have provided new or additional assets or assets of increased capacity; and

b) DCs are determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding; and

c) cost allocations used to establish DCs are determined according to, and proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets; and

d) DCs are used —

(i) for, or towards, the purpose of the activity or the group of activities for which the contributions were required; and

(ii) for the benefit of the district or the part of the district that is identified in the DCs policy in which the DCs were required;

e) DCs are not used to fund operational costs to maintain or to improve levels of service for existing users;

f) Sufficient information is made available to demonstrate what DCs are being used for and why they are being used;

g) DCs should be predictable and consistent with the methodology and schedules of this Policy;



h) in calculating and requiring DCs, the Council may group together certain developments by geographic area or categories of land use, provided that—

(i) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and

(ii) the grouping by geographic area avoids grouping across an entire district wherever practical.

Other considerations which form part of the development of this Policy include DCs are not required if:

a) Council has imposed 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 network infrastructure; or

c) Council has already required a DC for the same purpose in respect of the same building work; or

d) Council has received or will receive funding from a third party for the project or provision of the same network infrastructure.

10. Refunds

Where a development or subdivision does not proceed, any refund of money or return of land will be applied in accordance with section 209 of the LGA. Any refunds will be issued to or any returns made to the consent holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.

11. Reconsiders and Objections

11.1. Reconsiderations of a development contribution

An applicant may request the reconsideration of a DC within 10 working days of receiving notice to pay DCs. The request must be in writing, stating the grounds for a reconsideration, and the relief sought. As provided for in section 199A(1) of the LGA those grounds are that:

a) the development contribution was incorrectly calculated or assessed under the Policy; or

b) Council incorrectly applied its Policy; or

c) the information used to assess the development against the Policy, or the way council has recorded or used it when requiring a DC, was incomplete or contained errors.

If a reconsideration is applied for in relation to the first two grounds described above, no fee will be charged. In the case of the third ground (paragraph (c)for reconsideration, if any error in recording of information or the manner in which it has been used is proven to be the fault of Council, no fee will be charged.

If the information used to assess the person's development against the Policy is incomplete or contains errors and these errors or omissions are attributable to the applicant, a fee of $255 + GST will be charged.

Requests for reconsideration can be lodged with Council in writing using the prescribed form (available on Council's website) together with payment of the applicable fee.

Applications with insufficient information or without payment of fee will be returned to the applicant with a request for additional information or payment.

Applications for reconsideration will be considered by a panel of up to three staff, including at least one person with delegated authority to determine the matter.

A decision in writing shall be given to the person who made the reconsideration request within 15 working days after the date on which Council receives all required information relating to a request.

11.2. Objection to a development contribution

In accordance with sections 199C and 199D of the LGA, a person may object to any DC requirement. The right to object does not apply to challenges to the content of the Policy, but can apply if the objector believes Council:

a) Failed to properly take into account features of the objector's development that on their own or cumulatively with other developments, would substantially reduce the impact of the development upon the requirement for Council to provide community facilities; or

b) Required a DC for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or

c) Required a DC in breach of Section 200 of the LGA; or

d) Incorrectly applied the Policy to the development.

Any objection must be lodged with the Council within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for reconsideration.

Objectors should use the objection form found on Council's website and supply any supporting information with the form.

Objectors must pay a deposit of $2,750.00 + GST and are liable for Council's actual and reasonable costs incurred in the objection process, including staff and commissioner time, and other costs incurred by Council associated with any hearings unless the Council is directed to remit costs by the Commissioner.

The other aspects of the objections process are in accordance with sections 199E to 199P and Schedule 13A of the LGA.

When considering a DC objection and any evidence provided in relation to that objection, commissioners must give due consideration to the following:

a) the grounds on which the DC objection was made;

b) the purpose and principles of DCs under Sections 197AA and 197AB of the LGA;

c) the provisions of the Policy under which the DC that is the subject of the objection was, or is, required;

d) the cumulative effects of the objector's development in combination with the other developments in a district or parts of a district, on the requirement to provide the community facilities that the DC is to be used for or toward; and

e) any other relevant factor associated with the relationship between the objector's development and the DC to which the objection relates.

12. Infrastructure Investment Assumptions

The provision of infrastructure to enable development will be prioritised through the LTP to ensure that:

(i) growth projections are aligned with capital spending for growth to enable infrastructure to be provided at the optimal time – not too early and not too late; and

(ii) optimal use is made of existing infrastructure; and

(iii) growth areas identified in the Future Development Strategy are prioritised; and

(iv) sufficient capacity is provided to meet the requirements of the National Policy Statement on Urban Development.

Under this approach, not all identified development areas will be serviced in the next ten years. Developers who intend to undertake a development on areas not programmed to be serviced have the following options:

(i) construct and fund the work themselves; or

(ii) make a submission to the Council's Long Term Plan process to get the required projects funded by the LTP; or

(iii) propose to Council that a private developer agreement is entered into – refer section 8.

13. Calculation Methodology

This section provides an introduction to the DC calculation methodology for DCs.

13.1. One-catchment approach

The Council assessed the effects of adopting a multiple catchment approach for planning and funding services in 2006, 2014 and 2018 when this Policy was reviewed in line with principles outlined in the LGA. The funding framework of Nelson City has been based on a one-catchment approach to reflect the compact nature of the city.

Council has adopted a one-catchment approach to calculating development contributions.

13.2. Calculation method

The key concept of the approach is to define the total capital expenditure (capex) for growth consumed by the growth population over a period of time. This consumption of capex for growth is then apportioned among the increased number of household units of demand (HUDs) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the dwelling equivalent contribution.

The calculation method can be summarised by the following steps:

Step 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.

Step 2: Apportion capital expenditure for growth by the growth population (HUDs) over the design life of the asset, to assess the $/unit of demand.

Step 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – $/unit of demand x the number units of demand.

Step 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in $.

Step 5: Sum each year in the ten-year analysis period and divide by the growth population (new dwelling equivalents) projected over the analysis period to determine the dwelling equivalent contribution.

13.3. Growth costs

Capital expenditure may be attributable to one or more factors: growth, changes to levels of service, statutory requirements, or asset renewal.

Under this Policy all projects have been assessed to calculate a fair, equitable and proportionate portion of council's infrastructure costs that can be attributed to growth.

The growth costs reflect the cost that Council has or will incur because of growth. The growth-related costs are solely those required to meet the additional demand created by the effects (including cumulative effects) of all development within the citywide catchment. This includes capacity in all up and downstream areas of the network, and not just the capacity in the locality of a given development. For example, the growth costs include the capacity in the headwork's assets such as treatment plants and storage asset.

Projects that were/are completed solely to address the demands of, and the benefits to, development, are considered to be 100% growth. Projects that were/are solely to replace existing assets or change levels of service are considered to be 0% growth.

Projects that benefit both the existing community and the future community are apportioned using the following formula:

$$\text{Growth \%} = \frac{\text{(Demand at capacity – Demand at construction)}}{\text{Demand at capacity}}$$

Where possible the demand has been quantified using first principles, e.g. traffic flow, litres used, impermeable surface area (ISA). In other cases the demand is quantified using the number of HUDs, and the increase over the capacity life of the asset. This ensures that only a fair, equitable and proportionate portion of the total costs is passed onto the future community via development contributions.

This approach can be used on projects where growth is not the main driver. For example, an upgrade to a wastewater treatment plant may be a combination of both level of service change for the existing community and provision of capacity for the future community.

13.4. Average cost of growth

DCs are based on the long-term average cost of growth across the city and reflect the average cost of infrastructure required to service new development for each activity. This includes those growth-related projects planned for in the 2021-2031 LTP and also those growth-related projects that have already been completed.

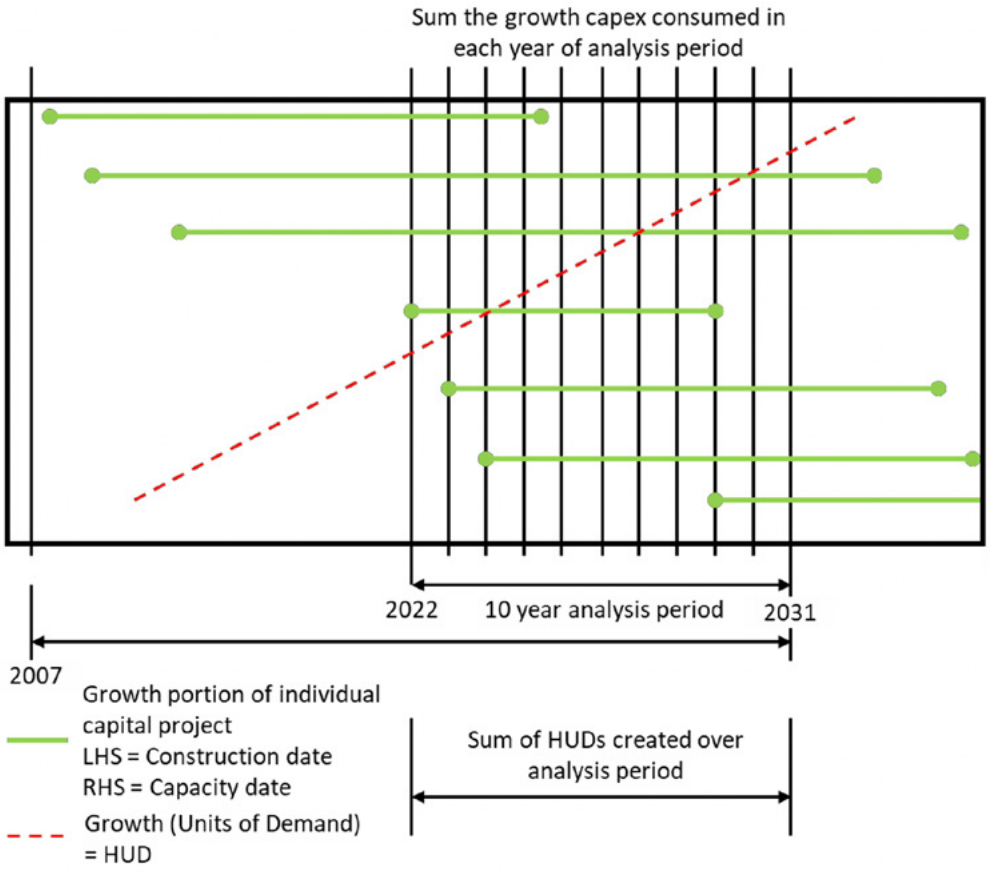
The calculation method uses the capacity life of each asset to fairly apportion the growth costs across the capacity life of the asset created. This ensures that all developments that benefit from the growth-related capital expenditure contribute an equitable portion. This also ensures that the rate the capacity is consumed is considered in the calculation so that early and late developers do not pay an unfairly high proportion of the growth costs. This also means that not all growth costs incurred in the LTP period will be funded over that period.

The standard contribution ($/HUD) is based on the average cost of growth for each activity over a 10-year analysis period.

$$\text{Standard development contribution} = \frac{\$}{\text{HUD}}$$

= Sum of growth costs consumed in analysis period / Sum of new HUDs in analysis period

Figure 1: Long run average cost of growth



Although the method uses a bottom up approach at the project level, the standard contribution reflects the average cost of growth for the overall activity. This is considered the fairest way to ensure all development in the city-wide catchment pays a fair and equitable contribution to fund each activity and service growth over the long term.

For the purpose of the calculations, the design life of the longer life assets has been capped at 30 years. This design life is used in both the calculation of the growth portion and the consumption of the growth costs. This ensures that the interest costs of funding long life assets are not disproportionally high. The 30 years was chosen as it is consistent with Council's 30 Year Infrastructure Strategy.

13.5. Interest considerations

Interest costs have been assessed based on an average 3% interest per annum, as adopted in the LTP 2021-31. The interest component of the standard contribution is based on the average interest costs over the 10-year analysis window. This includes consideration of the existing growth-related debt which is based on the growth costs to date and the contribution income received to date.

14. Significant assumptions

The DC Policy is underpinned by a range of assumptions identified below.

14.1. Best available knowledge

All information used in the calculation of development contributions is the best available knowledge at the time of the calculation models being prepared.

Capital expenditure projections are those that have been forecast in the Long Term Plan. Actual expenditure for the years to and including 2010/11 to 2019/20, and estimates for 2020/21 have been used. Amendments to the capital programme have been made to account for budgets carried forward and expenditure changes. The public scrutiny and the audit of these capital projections provides additional confidence as to the process.

14.2. Growth projections

Council prepared growth projections in 2020 post COVID19 lockdown and these were adopted by Council on 12 November 2020. These projections used Statistics New Zealand census data and projections customised as a result of lower levels of migration growth anticipated as a result of COVID19.

These show that Nelson's population is expected to grow by around 2,020 residents between 2020 and 2030 to a total population of 56,640. The number of households is expected to increase by around 2000 in the life of this LTP.

The increase in residential HUDs in the development contribution model is based on the projected increase in households.

However, Council bases its financial forecasting for income from DCs based on the funds received in previous years. This is because developments, and the income from these, takes time to be realised, and Council needs to minimise the risk of income being lower than forecast. If development is faster or slower than forecast then Council can consider changing its capital work programme to match the rate of growth.

Section 3: Assessment of Development Contributions

15. Assessment method

When Council receives an application for a resource consent, building consent or service connection, it will:

1) test that the application represents a "development" (as defined under Section 197 of the LGA);

2) determine whether the development, alone or cumulatively with other developments, has the effect of requiring new or additional assets of increased capacity;

3) assess whether it has required or will require council, as a consequence, to incur capital expenditure to provide for this.

If Council is satisfied that the legal requirements have been met, as outlined above, and that a development contribution is required and provided for under this Policy, it will then assess the level of contribution payable as follows:

Step One: Assess demand currently on the development site

In attributing units of demand to a particular development or type of development the Council will identify the number of units of demand that existed on the site prior to the development.

Step Two: Assess the post development demand

The number of HUDs post development can be quantified based on the size of the development using the same method.

Step Three: Assess the additional demand

The additional demand is simply the difference between pre-development and post development, quantified in HUDs for each activity.

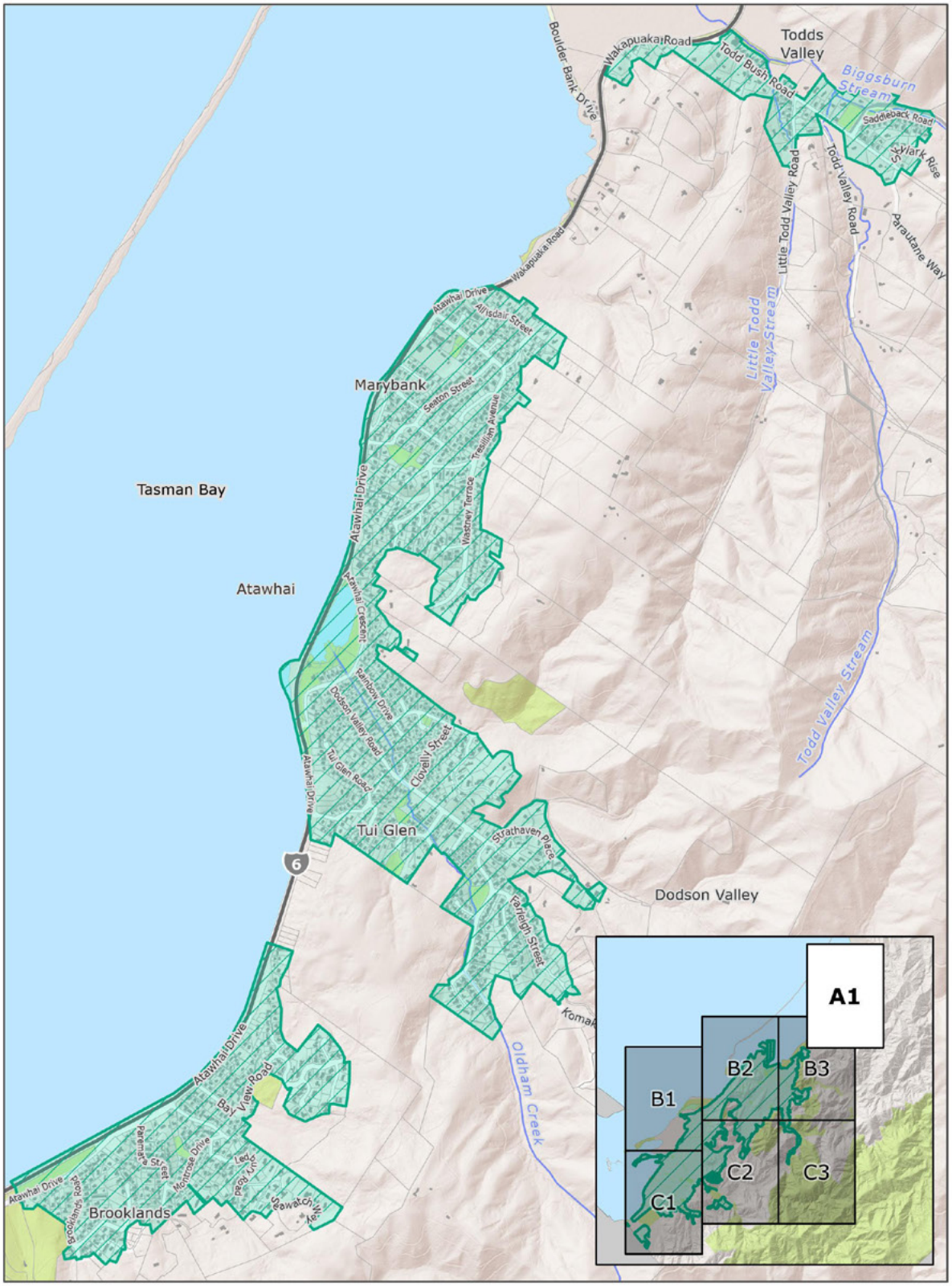
Step Four: Calculating the Development Contribution to be charged

To calculate the contribution the number of additional HUDs is multiplied by the standard contribution of each activity.



Development Contributions Policy – Disclosure schedules and supporting information





Urban Built Area

Map A1

Urban Built Area

0 250 500 750 1,000 m

Scale 1:20,000

N

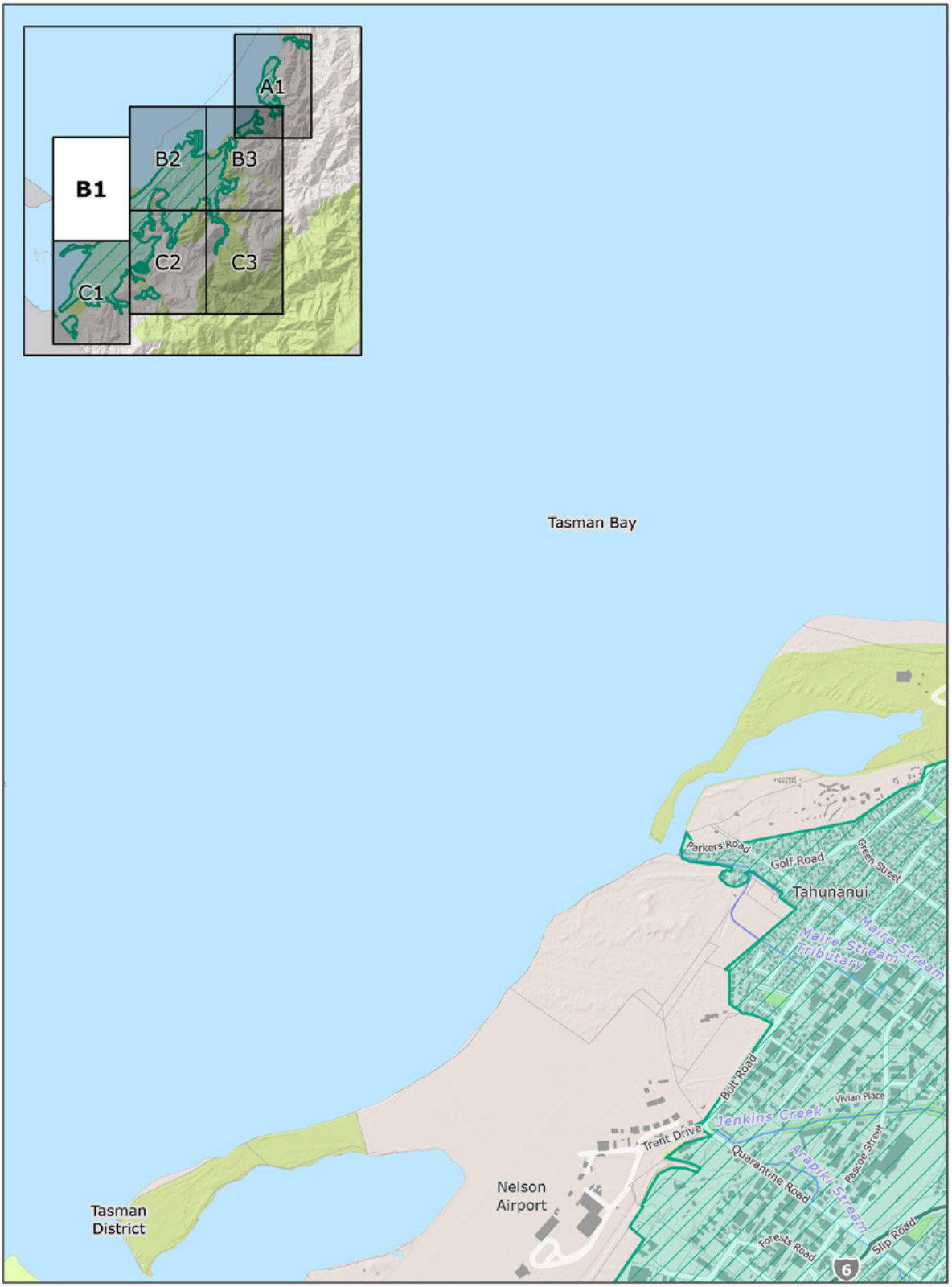
March 2021

Nelson City Council
Te Kaunihera o Whakatū

PO Box 645 Nelson 7040 New Zealand PH 03 5460200 nelson.govt.nz

File Ref: A2583597
MP: Original map size A4.

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED.



Urban Built Area

Map B1

Nelson City Council
Te Kaunihera o Whakatū

Urban Built Area

0 250 500 750 1,000 m

Scale 1:20,000

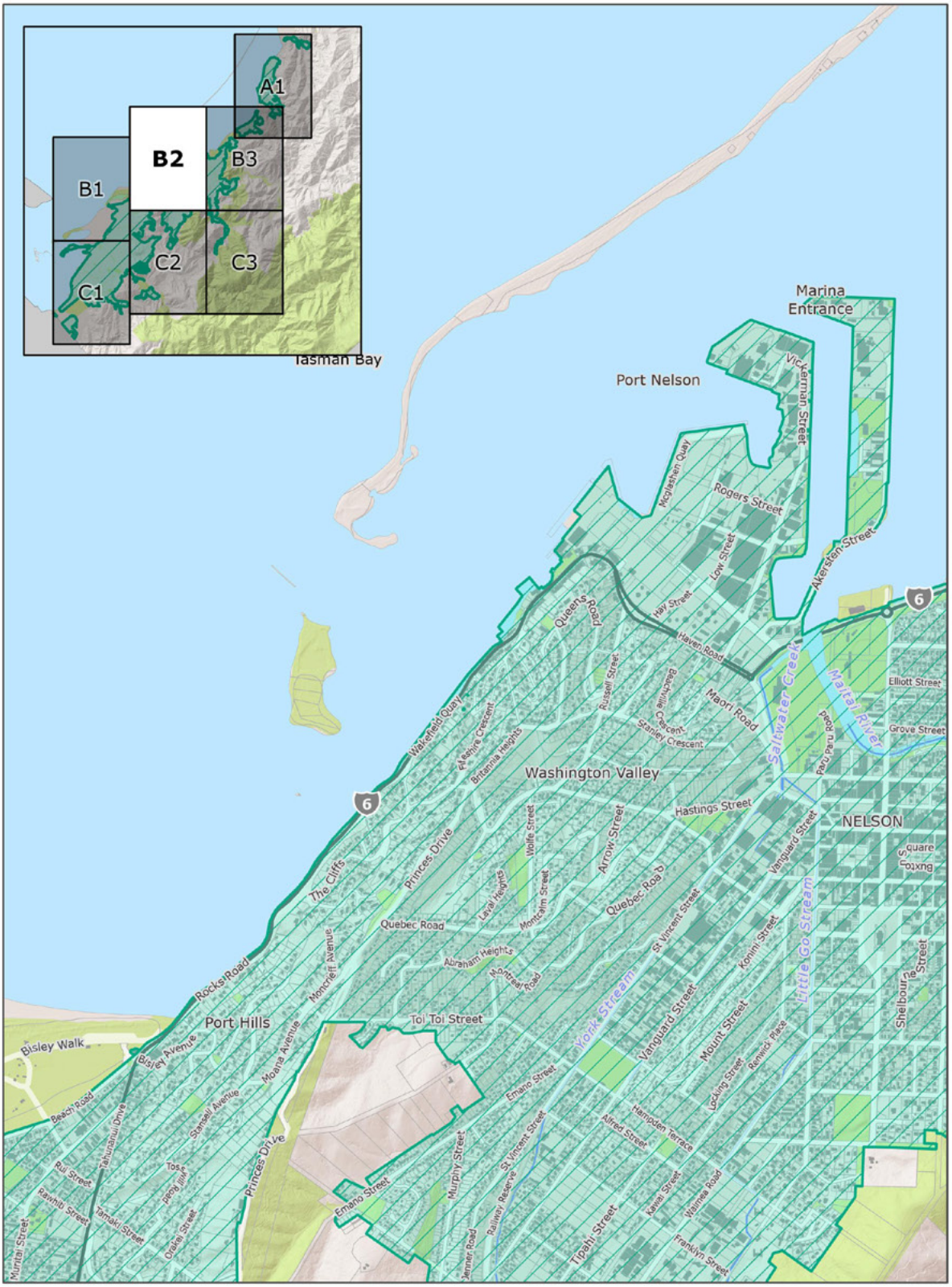
N

March 2021

File Ref: A2583597
MP: Original map size A4.

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED.

PO Box 645 Nelson 7040 New Zealand PH 03 5460200 nelson.govt.nz



Urban Built Area

Map B2

Urban Built Area

0 250 500 750 1,000 m

Scale 1:20,000

N

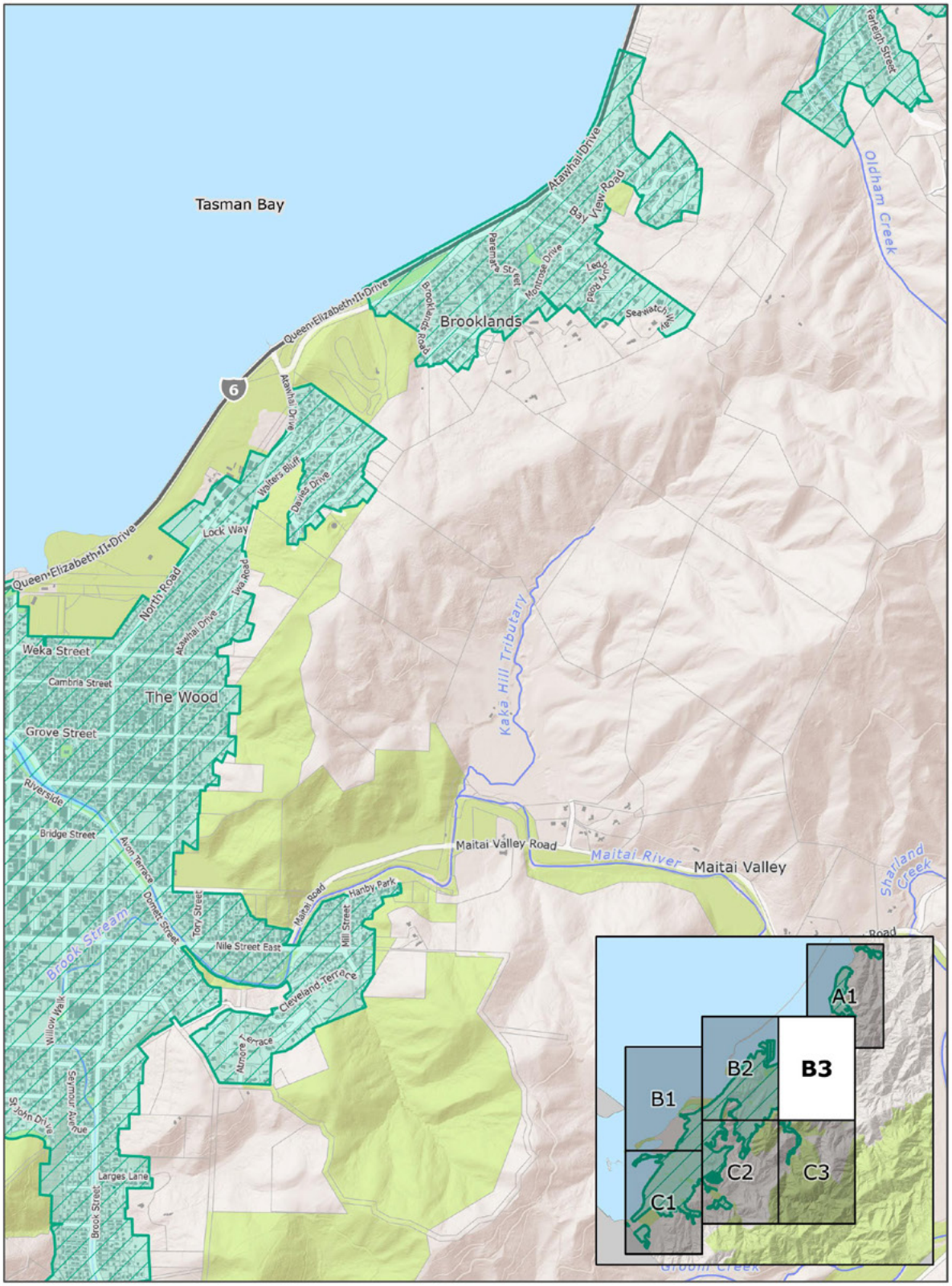
March 2021

Nelson City Council
Te Kaunihera o Whakatū

PO Box 645 Nelson 7040 New Zealand PH 03 5460200 nelson.govt.nz

File Ref: A2583597
MP: Original map size A4.

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED.



Urban Built Area

Map B3

Urban Built Area

Nelson City Council
Te Kaunihera o Whakatū

0 250 500 750 1,000 m

Scale 1:20,000

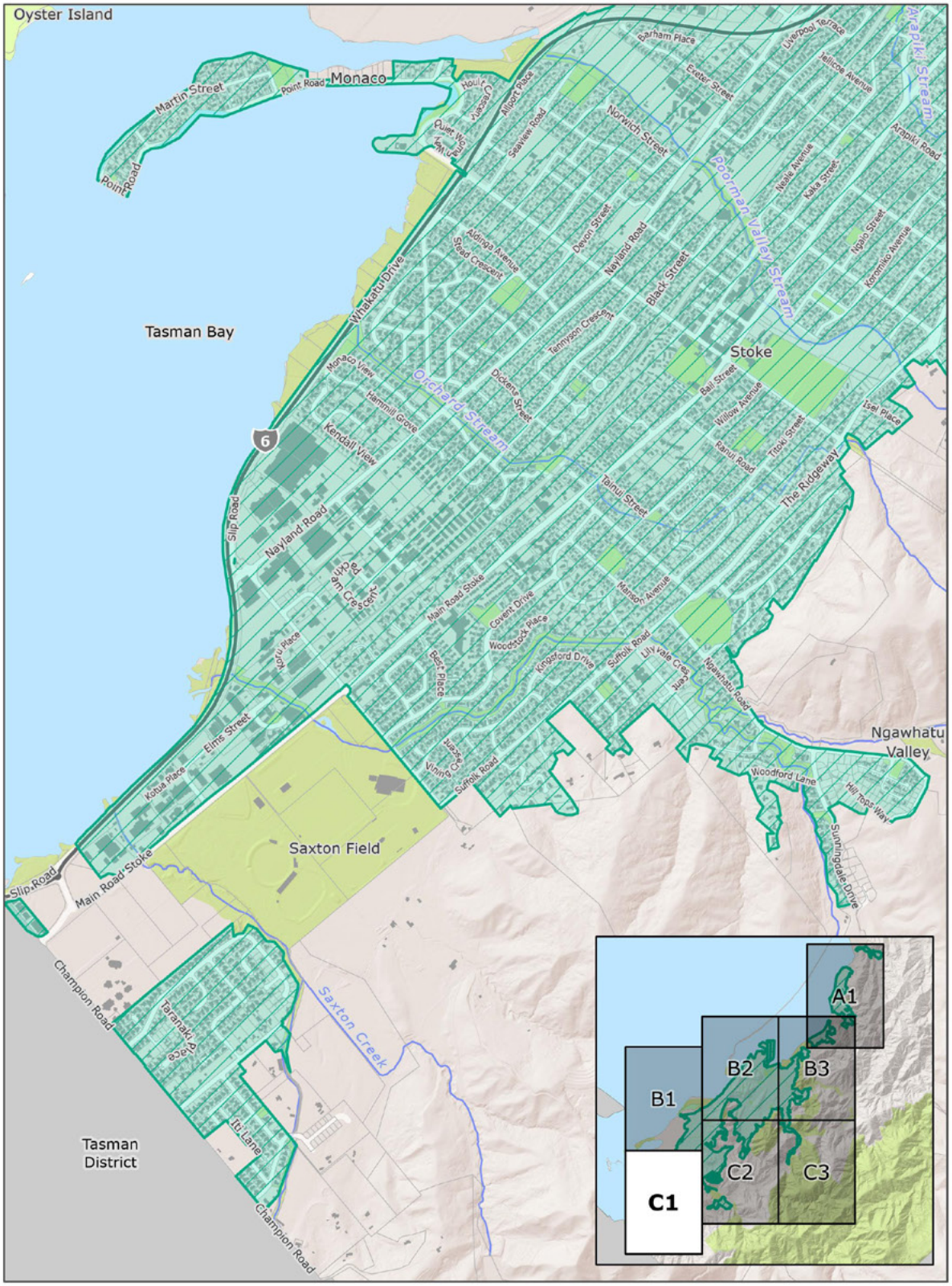
N

March 2021

File Ref: A2583597
MP: Original map size A4.

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED.

PO Box 645 Nelson 7040 New Zealand PH 03 5460200 nelson.govt.nz



Urban Built Area

Map C1

Urban Built Area

0 250 500 750 1,000 m

Scale 1:20,000

N

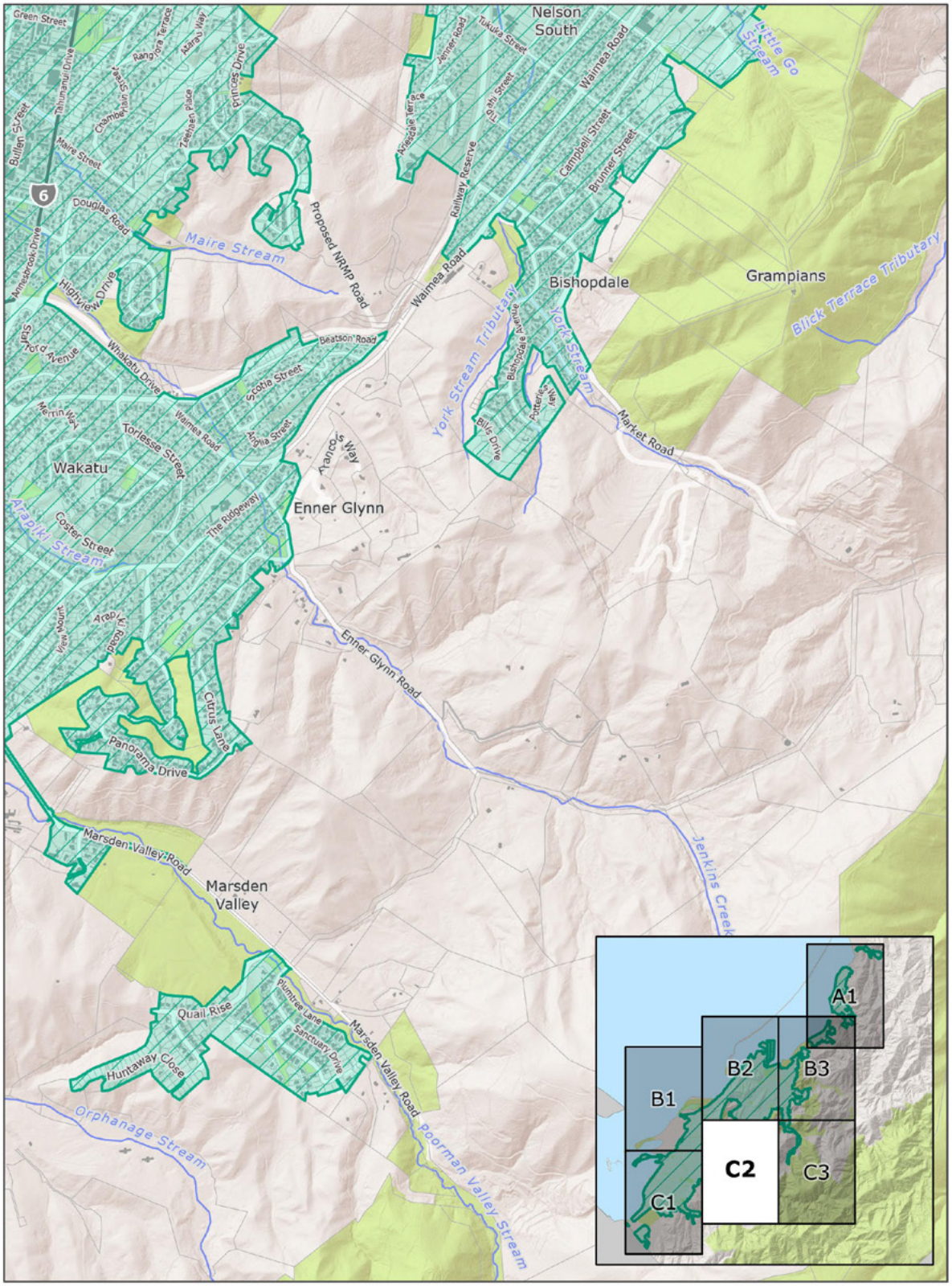
March 2021

Nelson City Council
Te Kaunihera o Whakatū

PO Box 645 Nelson 7040 New Zealand PH 03 5460200 nelson.govt.nz

File Ref: A2583597
MP: Original map size A4.

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED.



Urban Built Area

Map C2

Urban Built Area

0 250 500 750 1,000 m

Scale 1:20,000

N

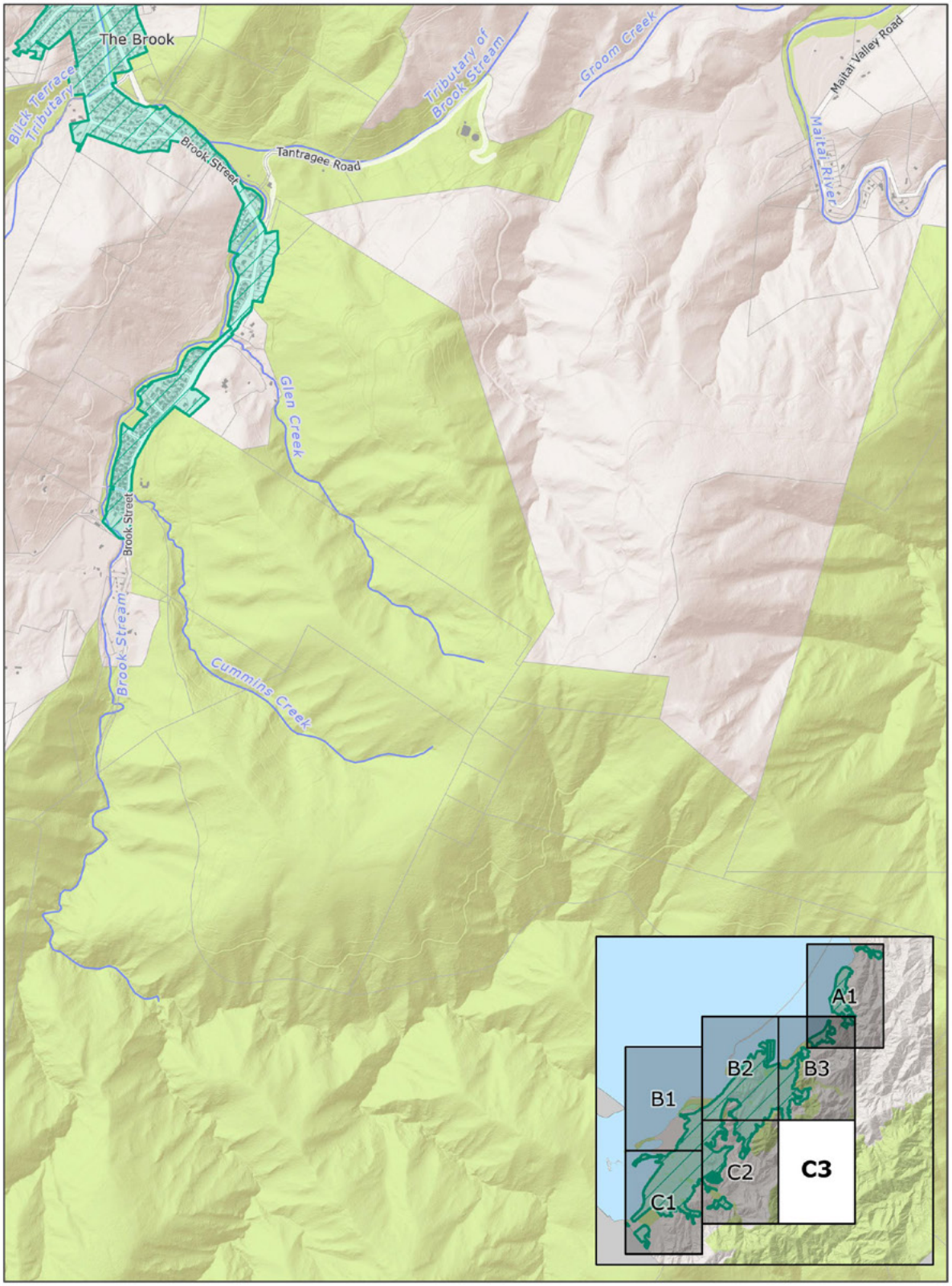
March 2021

Nelson City Council
Te Kaunihera o Whakatū

PO Box 645 Nelson 7040 New Zealand PH 03 5460200 nelson.govt.nz

File Ref: A2583597
MP: Original map size A4.

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED.



Urban Built Area

Map C3

Urban Built Area

0 250 500 750 1,000 m

Scale 1:20,000

N

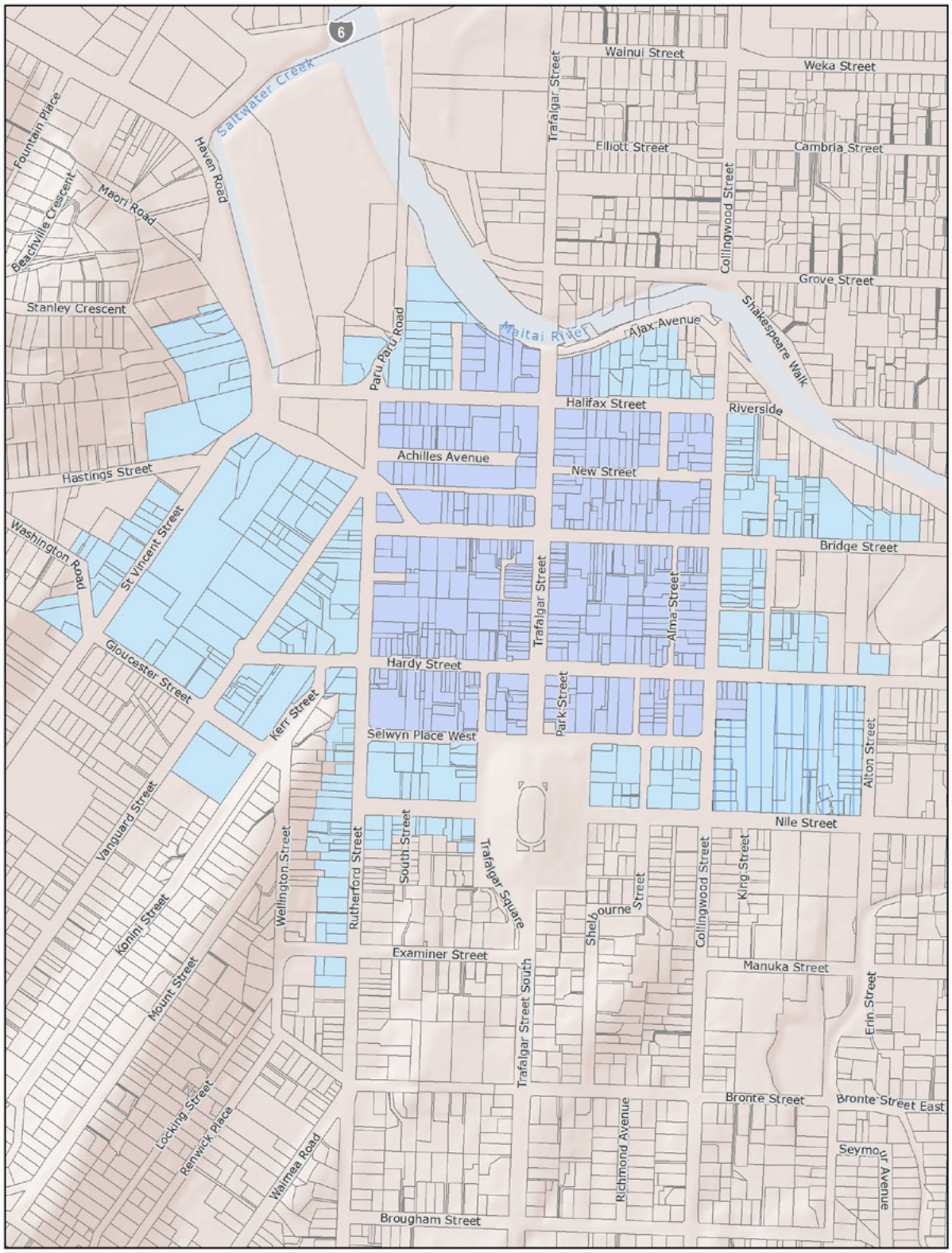
March 2021

Nelson City Council
Te Kaunihera o Whakatū

PO Box 645 Nelson 7040 New Zealand PH 03 5460200 nelson.govt.nz

File Ref: A2583597
MP: Original map size A4.

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED.



Inner City Zone

Development Contributions Policy 2018

Zones

- Inner City - Centre
- Inner City - Fringe
- Inner City - Intense Development

0 50 100 150 200 m

N

July 2018

Nelson City Council
te kaunihera o whakatū

File Ref: A1432371
MP: Original map size A4.

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the date or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED.

PO Box 645 Nelson 7040 New Zealand PH 03 5460200 nelson.govt.nz

16. Consideration of activity funding – Section 101(3)

Section 101(3)	Consideration of services
(a)(i) the community outcomes to which the activity primarily contributes	Network infrastructure, community infrastructure and reserves contribute to several of the Council's joint regional community outcomes: · Our unique natural environment is healthy and protected - Development Contributions enable Council to provide network infrastructure that reduces the impact of people on the environment · Our urban and rural environments are people-friendly, well planned and sustainably managed - Development contributions enable provision of good quality, sustainable and effective infrastructure and facilities · Our infrastructure is efficient, cost effective and meets current and future needs – the Policy provides a funding framework that helps enable integrated land use planning and development by providing efficient and effective infrastructure that meets current and future needs · Our communities are healthy, safe, inclusive and resilient - Development contributions enable council to provide network infrastructure that enables a healthy, safe community · Our region is supported by an innovative and sustainable economy - Development contributions ensure that the cost of growth is fairly and reasonably met by new developments.
(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	Due to the relatively small and compact nature of the city, Council considers that the benefits from capital works on community facilities will generally flow through to developers and the community as a whole. Accordingly, a one-catchment approach is the fairest and simplest for all. A more targeted, catchment by catchment approach is considered to be significantly more complex to develop and assess; more costly and inefficient to administer; and inconsistent with other funding streams. All developments benefit from the network infrastructure provided, accordingly it is considered appropriate that all pay the same equitable amount for the additional capacity built into council's network.
(a) (iii)the period in or over which those benefits are expected to occur	The purpose of development contributions is to assist in providing infrastructure that will ensure intergenerational equity. The approach determines the capacity of each asset and the amount of capacity that will be utilised by the growth community. The length of time over which the asset created will provide a benefit to the future community has been considered. Many of the assets may provide capacity beyond the 10 year window of the LTP. If this benefit extends beyond the current LTP horizon, then growth costs shall be recovered in this LTP and the next, as the capacity is taken up. This approach ensures the developers today do not subsidise future development in an inequitable manner.
(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	Development contributions are a fair source of funding for each of the activities for which they are collected because they allow the capital costs of the activity to be allocated to those that create the need for capital expenditure.
(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and	Development contributions received for a specific activity will only be used for, or towards, the capital expenditure of that activity for which the contributions were required. Using development contributions to fund the cost of providing additional services for growth, provides greater transparency. The benefits of this approach include intergenerational equity, fairer apportionment of costs and a more targeted, user pays system. These benefits are considered to significantly exceed the costs of assessing development contributions.
(b) the overall impact of any allocation of liability for revenue needs on the community	Council believe that the level of contributions required do not place an overly burdensome requirement on developers. The use of contributions ensure that the existing community do not have to subside all growth-related costs through rates. Similarly, the city-wide catchment approach ensures that the liability for revenue does not unreasonably fall on a particular area of the development community.

17. Summary of capital expenditure for growth

The planned expenditure over the 10-year plan, the growth portion and the development contribution revenue projected to be recovered during the 10 year window is shown below. The historic total cost and growth costs considered in the calculations of development contributions are also shown.

Table H: 2021/22-2030/31 LTP – Summary of capital costs, growth costs and projected contribution revenue

	Historical		2021/22 to 2030/31 LTP			2021/22 to 2030/31 LTP	
Activity	**Capital Costs**	**NCC Growth Costs**	**NCC Capital Costs**	**Growth Costs**	**Total Growth Costs Considered**	**Total 10 Year Interest Costs**	**Projected Revenue from development contributions**
Stormwater	59,019,000	13,150,000	135,404,000	22,891,000	36,041,000	4,317,000	13,275,000
Wastewater	57,736,000	18,635,000	129,217,000	28,166,000	46,801,000	4,658,000	14,826,000
Water Supply	53,350,000	10,446,000	78,567,000	14,174,000	24,620,000	2,294,000	8,025,000
Transportation	34,137,000	4,511,000	84,899,000	10,165,000	14,676,000	626,000	4,161,000
Community Infrastructure	14,936,000	2,511,000	54,501,000	9,533,000	12,044,000	1,614,000	5,370,000
Reserves	19,609,000	4,033,000	33,904,000	3,269,000	7,302,000	277,000	2,326,000
Grand Total	**238,787,000**	**53,286,000**	**516,492,000**	**88,198,000**	**141,484,000**	**13,786,000**	**47,983,000**

1. *Due to the transitional nature of the policy, a portion of the revenue may be financial contributions, depending on the location of the future development.*
2. *Council intends to fund all growth costs through development contributions. The projected revenue is based on the forecast number of new HUDs over the next 10 years. The revenue is subject to a number of factors such as the speed of development, the quantum of remissions and exemptions, the lag time between consent and certification (payment) and is therefore difficult to forecast.*

The proposed growth costs for each year of the 2021 LTP are summarised in the below table for each activity.

Table I: 2021/22-2030/31 LTP growth costs by year ($000s)

Activity	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Grand Total
Stormwater	5,143	3,960	2,102	1,722	971	806	1,386	1,853	2,433	2,515	22,891
Wastewater	2,687	2,421	2,199	1,505	2,177	2,470	2,992	2,647	5,492	3,576	28,166
Water Supply	1,118	1,341	1,432	1,196	1,254	1,736	1,597	1,902	1,374	1,224	14,174
Transportation	467	513	547	976	1,342	1,955	1,361	1,073	741	1,189	10,165
Community Infrastructure	625	693	3,654	4,330	81	150					9,533
Reserves	406	429	307	361	337	241	227	284	272	404	3,269
Grand Total	**10,446**	**9,357**	**10,241**	**10,091**	**6,162**	**7,359**	**7,563**	**7,760**	**10,312**	**8,909**	**88,198**

18. Schedule of assets

The following table shows the core component and the interest component of the development contribution for each activity.

Table J: Summary of development contributions component

Activity	Core Component	Interest Component	Total Development Contribution
Stormwater	3,980	1,920	5,900
Wastewater	4,550	2,080	6,630
Water Supply	2,580	1,030	3,610
Transportation	1,460	260	1,720
Community Infrastructure	1,700	730	2,430
General Reserves	670	120	790
Neighbourhood Reserves (Greenfield) – Sites outside the urban boundary	N/A	N/A	10,725
Neighbourhood Reserves (Intensification) – Sites inside the urban boundary	260	0	260
Grand Total Greenfield			**$31,805**
Grand Total Intensification			**$21,340**

The following tables show the schedule of assets as required by Section 201A of the LGA 2002. This table includes both historical and planned capital projects, these have been split out for each activity. The component each project makes up of the total contribution for each activity is also shown. Projects in year 10 of the 2021 to 2031 LTP are not included in this table as the capacity does not start getting consumed until the year following construction, therefore the projects are not included in the contributions.

Table K: Schedule of assets

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
Stormwater	**170,609,402**	**21%**	**79%**	**36,040,574**	**$3,981.8**
Historic	**54,127,788**	**24%**	**76%**	**13,149,526**	**$1,651.7**
SW7;Arapiki Stream (first stage)	6,320,007	31%	69%	1,962,792	$218.4
2689;Saxton Creek upgrade	6,364,488	22%	78%	1,385,305	$208.6
SW2;Q15 reticulation upgrades (Q15 pipelines) - pre-2009	5,070,537	32%	68%	1,631,822	$179.0
SW3;Q15 reticulation upgrades (pump station catchment) - pre-2009	4,400,016	32%	68%	1,416,032	$155.4
2865; Hampden St East Little Go Stream: Stage 2	3,740,829	26%	74%	974,471	$125.0
SW8;Orchard Creek	2,361,308	31%	69%	733,347	$81.6
2964;Saxton Creek Stage4 Upgrade	1,224,201	21%	79%	257,847	$39.9
2079;Capital: Mount St / Konini St	1,162,238	21%	79%	244,812	$37.9
3289;Orphanage Stream - bunding Saxton Road East	1,038,916	21%	79%	219,848	$33.9
SW1;Other conditioned projects (prior to Jul 2006)	283,942	100%	0%	283,942	$30.9
SW4;Nayland Road (to Saxton)	874,924	32%	68%	278,242	$30.7
2624;LOS: Nile Street East	817,849	23%	77%	184,930	$26.9
2866;Whakatu Drive (Storage World)	900,071	18%	82%	164,287	$25.4
2688; Orphanage Stream upgrade	649,995	28%	72%	181,154	$21.9
3330;Tahunanui SH6 Stormwater Culvert Upgrades	650,001	21%	79%	136,906	$21.2
2089;Salt Water Creek/Haven Rd Culvert	601,913	29%	71%	174,400	$20.4
2958;Railway Reserve - Saxton Rd West - Dryden Street	599,495	26%	74%	155,774	$20.0
2688;Orphanage Stream upgrade (Saxton Road East Culvert)	594,582	24%	76%	143,339	$19.7
2054;Montcalm/Arrow/Wash Vly/Hastings	558,481	28%	72%	157,469	$18.8
1069;Tosswill to Tahuna Stormwater Upgrade	745,183	16%	84%	119,003	$18.4
2689; Saxton Creek upgrade	2,965,680	5%	95%	141,223	$17.4

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2058;Tasman St upgrade(Nile to Bronte)	436,157	29%	71%	125,398	$14.7
2861;Parere Street Stormwater upgrade	379,619	23%	77%	85,508	$12.5
2689;Saxton Creek upgrade Land Purchase	360,144	22%	78%	78,052	$11.8
SW5;Stanley Beachville (stage 1)	333,218	32%	68%	105,969	$11.7
2855;Catchment 3 - days Track & SH6 Culverts	320,828	21%	79%	68,756	$10.5
SW6;Iwa Road	299,405	31%	69%	94,093	$10.4
2054;Washington Valley Stormwater Upgrade	269,528	21%	79%	57,216	$8.8
2690;Minor Flood improvement prgm	264,911	21%	79%	56,573	$8.7
1077;Stanley/Beachville stormwater	235,953	28%	72%	65,022	$7.9
3218;Emano Reserve Stormwater	233,010	21%	79%	49,187	$7.6
1178;Maitai flood management	216,155	21%	79%	46,388	$7.1
2964;Saxton Creek Culvert Upgrade	206,186	23%	77%	46,730	$6.8
2473;Wastney Terrace stormwater (pvt drain prgm)	199,641	22%	78%	43,938	$6.5
2100; Hampton St East- Little Go Stream	189,561	28%	72%	53,880	$6.4
2830;Kauri Street	196,000	21%	79%	41,265	$6.4
SW9;New Pumps (part of Pump Station Catchment Wood Area)	178,000	27%	73%	48,760	$6.3
2473;Wastney Terrace stormwater (pvt drain prgm)	182,148	27%	73%	48,972	$6.1
2590;Tahuna Slip Pvt/ Pub Drains	166,520	24%	76%	39,418	$6.1
2095;Airlie St	182,125	22%	78%	39,440	$6.0
1182;Maire Stream: Stage 1	169,220	24%	76%	40,277	$5.6
2072;Neale/Kea/Kaka/Railway Reserve	160,119	31%	69%	49,144	$5.5
2850;Rutherford Stage 1 - Girls College Detention	165,968	21%	79%	35,408	$5.4
2968;Orphanage Stream / Sunningdale	153,038	23%	77%	35,297	$5.1
1110;Nile St East Storm water	153,017	21%	79%	32,381	$5.0
2855;Tahuna Slope Risk Area	145,285	27%	73%	39,118	$4.9

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
1085;Tasman (Cambria/Grove) (part of Pump Station Catchment Wood Area)	140,978	30%	70%	42,180	$4.8
2817;Brooklands	145,892	22%	78%	31,532	$4.8
2061;Main Road Stoke / Arapiki - Maitland Stormwater Upgrade	144,642	21%	79%	30,465	$4.7
1100; Capital: York Stream Channel Upgrade	692,143	5%	95%	38,047	$4.7
3311;Stormwater Network Models	141,294	21%	79%	29,702	$4.6
2090;St Vincent/Hastings St Culvert	123,511	23%	77%	28,251	$4.1
2818;Cawthron Crescent	121,492	21%	79%	25,803	$4.0
1065;147A to 149 Waimea Road Stormwater	114,309	26%	74%	29,487	$3.8
2815;Bisley Avenue	113,741	22%	78%	25,066	$3.7
1095; LOS: York catchment evaluation	106,723	29%	71%	31,115	$3.6
2087;Main Rd Stoke/Poormans St/Culvert op. Fire Station	106,960	21%	79%	22,760	$3.5
2850;Rutherford Stage 1 - Stormwater Upgrade	99,996	21%	79%	21,062	$3.3
1060;Pvt/Pub Drains programme	92,255	27%	73%	25,368	$3.1
3083;Minor Stormwater Improvements Programme	82,174	21%	79%	17,234	$2.7
2823;Fifeshire	79,869	26%	74%	20,531	$2.7
2850;Rutherford Stage 1: Girls College	79,251	27%	73%	21,093	$2.7
2624;LOS: Nile Street East SW & flood protection	78,671	28%	72%	22,240	$2.7
1060;Pvt/Public Drains	164,874	10%	90%	16,476	$2.5
2721; Wakapuaka Flats Stormwater Network Upgrade	73,654	29%	71%	21,476	$2.5
2091;North Esk/Beccles	71,773	29%	71%	20,660	$2.4
2822;Examiner	73,020	21%	79%	15,686	$2.4
2874;Beach Road	72,872	21%	79%	15,308	$2.4
2861;Vanguard Street Stormwater	69,292	27%	73%	18,633	$2.3
1173;Capital: Freshwater Improvement Programme	68,322	21%	79%	14,390	$2.2

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
1106;Athol Street Storm water	57,873	21%	79%	12,164	$1.9
2851;Rutherford Stage 2 - Box Culvert	52,220	21%	79%	10,999	$1.7
1196;Piping Ditches programme	50,026	27%	73%	13,499	$1.7
2689; Saxton Creek upgrade Land Purchase	237,207	5%	95%	11,296	$1.4
2052; Brook Stream Catchment Improvements	39,403	29%	71%	11,489	$1.3
1088; Capital: Todds Valley Stream upgrade	38,139	29%	71%	10,955	$1.3
2059;Capital: Arapiki Road stormwater	38,003	26%	74%	10,032	$1.3
2961;York Terrace	36,361	21%	79%	7,653	$1.2
1057;Capital: Poynters Cres	31,335	21%	79%	6,600	$1.0
2968; Orphanage Stream / Sunningdale	30,316	26%	74%	7,820	$1.0
2625;Jenkins & Arapiki (airport) - Flood Protection	29,999	21%	79%	6,319	$1.0
2964; Saxton Creek, Main Rd Stoke Culvert to Sea	156,104	5%	95%	7,434	$1.0
1107;Catchment Mgt Plans: Maitai	26,323	29%	71%	7,675	$0.9
2073;Oldham Creek upgrade	24,036	24%	76%	5,690	$0.9
2824;Golf/ Parkers	26,359	21%	79%	5,551	$0.9
2589;Stansell Pvt/ Pub Drains	21,514	21%	79%	4,570	$0.8
1182; Maire Stream: Stage 1	22,085	27%	73%	6,066	$0.7
2591;Suburban Club private drain subsidised (storm)	19,258	24%	76%	4,550	$0.7
1041;Nayland-Honey Tye Way	20,550	21%	79%	4,328	$0.7
2677;Chamberlain stormwater upgrade	16,527	29%	71%	4,819	$0.6
2095;Airlie St Stormwater	16,555	26%	74%	4,271	$0.6
1113;Atawhai Crescent Storm Water	15,694	23%	77%	3,538	$0.5
3089;Strawbridge Sq Stormwater improvements	15,752	21%	79%	3,315	$0.5
2778;Tahunanui Hills Stormwater Catchment 4 - Bisley Ave	15,000	21%	79%	3,159	$0.5
2848;Rotoiti	14,142	21%	79%	2,979	$0.5

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
1178; Maitai flood management	13,519	28%	72%	3,821	$0.5
2075;Halifax St upgrade(Tasman to Milton)	9,179	27%	73%	2,521	$0.3
2865;Hampden St East Little Go Stream: Stage 2	7,990	23%	77%	1,800	$0.3
2858;Totara/Hutcheson	6,000	21%	79%	1,264	$0.2
3010;Toi Toi stormwater improvements	5,600	21%	79%	1,179	$0.2
2087; Main Rd Stoke/Poormans St/Culvert op	5,050	29%	71%	1,442	$0.2
2960;Seaton/Allisdair	4,962	21%	79%	1,038	$0.2
2875;Ariesdale/Thompson Tce	3,782	24%	76%	913	$0.1
2679;Ballard Dr stormwater upgrade	1,152	29%	71%	336	$0.0
2821;Dodson Valley	845	21%	79%	178	$0.0
2842;Ngaio/Maitland	605	21%	79%	127	$0.0
2145;Bellevue Heights Stormwater	550	21%	79%	115	$0.0
2062;Capital: Main Rd Stoke (Louisson - Marsd	550	21%	79%	115	$0.0
1100;Capital: York Stream Channel Upgrade	2,238,654	0%	100%	110	$0.0
2835;Manson Ave	256	21%	79%	54	$0.0
2074;Capital: Milton: Grove-Cambria	192	21%	79%	40	$0.0
2021 LTP	**116,481,614**	**20%**	**80%**	**22,891,048**	**$2,330.1**
2964;Saxton Creek Stage4 Upgrade	22,712,500	21%	79%	4,815,960	$711.8
2054;Washington Valley Stormwater Upgrade	7,477,162	21%	79%	1,587,457	$230.7
2850;Rutherford Stage 1 - Stormwater Upgrade	6,219,620	21%	79%	1,321,011	$188.1
1178;Maitai flood management	10,181,700	19%	81%	1,904,097	$131.6
2061;Main Road Stoke / Arapiki - Maitland Stormwater Upgrade	10,470,400	18%	82%	1,886,674	$92.9
3461;7910 LOS: Pipes Gravity	2,800,000	21%	79%	593,758	$89.4
2079;Capital: Mount St / Konini St	2,328,400	21%	79%	495,558	$69.5

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3450;Coastal Response Strategy Implementation	4,869,600	19%	81%	902,520	$57.5
2473;Wastney Terrace stormwater (pvt drain prgm)	1,650,000	21%	79%	349,889	$52.6
2817;Brooklands	1,783,360	21%	79%	380,715	$51.4
1173;Capital: Freshwater Improvement Programme	2,718,300	19%	81%	529,812	$48.5
1379;Centennial Park pump station outfall and stormwater Treatment	1,450,000	21%	79%	307,478	$46.2
2961;York Terrace	1,837,900	20%	80%	369,856	$40.0
2095;Airlie St	1,020,000	21%	79%	216,296	$32.5
3322;Intensification AP N270 City Centre	3,376,100	16%	84%	556,246	$27.2
2074;Capital: Milton: Grove-Cambria	2,024,830	18%	82%	371,225	$21.6
2969;Poormans Stream	2,950,400	18%	82%	523,721	$21.3
2778;Tahunanui Hills Stormwater Catchment 4 - Bisley Ave	726,010	21%	79%	154,811	$21.1
2868;Jenkins Stream stormwater upgrade	2,754,160	18%	82%	488,866	$19.9
1111;Annesbrook Drive Storm Water	720,490	21%	79%	152,230	$19.4
2625;Jenkins & Arapiki (airport) - Flood Protection	641,660	21%	79%	136,503	$19.3
3444;Coastal Inundation Modelling	790,550	20%	80%	158,694	$18.1
3338;Maire Stream Upgrade Stage 2	664,880	21%	79%	140,544	$18.1
2818;Cawthron Crescent	617,267	21%	79%	131,574	$18.0
2858;Totara/Hutcheson	603,140	21%	79%	128,674	$17.4
3089;Strawbridge Sq Stormwater improvements	539,610	21%	79%	115,097	$15.7
2509;Trafalgar Park and Hathaway Tce	486,750	21%	79%	103,775	$14.2
2145;Bellevue Heights Stormwater	417,920	21%	79%	88,918	$12.5
1485;Stormwater Renewals	737,960	19%	81%	142,526	$12.4
2815;Bisley Avenue	396,380	21%	79%	84,291	$11.9
2971;Beatson Road	530,380	20%	80%	107,735	$11.7

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3380;Vanguard Street LOS	549,760	20%	80%	108,580	$11.6
1057;Capital: Poynters Cres	394,530	21%	79%	84,193	$11.4
2872;Upgrade Urban Streams	356,600	21%	79%	75,869	$10.7
3311;Stormwater Network Models	432,180	21%	79%	91,453	$10.3
2866;Whakatu Drive (Storage World)	300,000	21%	79%	63,617	$9.6
3326;Intensification City Wide	2,910,510	16%	84%	479,535	$8.5
2863;Network Capacity Confirmation for Growth Areas	265,980	40%	60%	106,392	$8.4
3010;Toi Toi stormwater improvements	269,840	21%	79%	57,231	$8.3
2690;Minor Flood improvement prgm	434,640	20%	80%	85,211	$8.2
2851;Rutherford Stage 2 - Box Culvert	2,485,200	17%	83%	425,130	$8.1
3447;Coastal Erosion Modelling	374,000	20%	80%	74,714	$8.0
1447;Stormwater Detention Dam Renewals	452,525	19%	81%	87,250	$7.5
3083;Minor Stormwater Improvements Programme	325,980	20%	80%	63,908	$6.2
3149;Atawhai SW Strategy Implementation	1,714,000	17%	83%	293,765	$5.9
1121;Railway Reserve (Bishopdale - St Vincent) stormwater improve	246,420	21%	79%	50,700	$5.9
1100;Capital: York Stream Channel Upgrade	1,182,250	17%	83%	205,040	$5.7
2834;Mahoe/Orsman/Matipo	332,860	19%	81%	64,572	$5.6
2957;Orakei/Tamaki/Rangiora Intersection	321,690	19%	81%	62,436	$5.4
2822;Examiner	150,000	21%	79%	31,808	$4.8
1071;Capital: Shelbourne St s/w upgrade	170,280	21%	79%	35,999	$4.5
2073;Capital: Oldham Creek	858,060	17%	83%	148,404	$3.8
2859;Trafalgar Square	127,580	21%	79%	27,053	$3.4
1069;Tosswill to Tahuna Stormwater Upgrade	100,000	21%	79%	21,206	$3.2
3143;Haven Rd open channel upgrade	518,855	17%	83%	90,156	$2.7
2875;Ariesdale/Thompson Tce	80,000	21%	79%	16,963	$2.5

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3289;Orphanage Stream - bunding Saxton Road East	70,000	21%	79%	14,844	$2.2
1106;Athol Street Storm water	60,000	21%	79%	12,723	$1.9
2852;Central Nelson SW Strategy Implementation	590,100	17%	83%	100,678	$1.9
2854;Stoke SW Strategy Implementation	442,575	17%	83%	75,508	$1.4
2080;Capital: Arapiki Stream	871,310	17%	83%	146,535	$1.4
2862;Natural Hazards Risk Remediation	412,450	17%	83%	70,389	$1.4
1041;Nayland-Honey Tye Way	40,000	21%	79%	8,482	$1.3
3145;Nikau Rd open channel upgrade	233,130	17%	83%	40,529	$1.2
2845;Port Hills SW Strategy Implementation	295,050	17%	83%	50,339	$0.9
1114;Marsden Road storm water	68,160	18%	82%	12,540	$0.8
1088;Capital: Todds Valley Stream upgrade	272,150	17%	83%	46,199	$0.7
2867;Orchard Stream	332,350	17%	83%	56,169	$0.7
2721;Wakapuaka Flats Stormwater Network Upgrade	140,930	17%	83%	24,329	$0.6
1109;Ashdonleigh Grove Storm water	154,150	17%	83%	26,172	$0.4
2833;Kowhai	648,090	17%	83%	107,915	$0.4
Wastewater	**168,906,206**	**28%**	**72%**	**46,636,393**	**$4,549.3**
Historic	**48,145,028**	**39%**	**61%**	**18,634,775**	**$2,189.0**
NRSBU1;WWTP Upgrade Primary Clarifier - NRSBU	4,182,704	100%	0%	4,182,704	$462.6
WW1;Nelson North Wastewater Treatment Plant (NNWWTP) - mechanical treatment	9,721,760	32%	68%	3,133,213	$345.4
1187;Neale Park PS	6,492,394	23%	77%	1,514,426	$215.9
1920;Corder Park Pump Station upgrade	6,248,784	28%	72%	1,746,554	$211.8
NRSBU2;Regional Pipeline - NRSBU	5,979,796	30%	70%	1,793,939	$200.0
1184;Marsden Valley Trunk / Express Sewer (Stage 1)	1,703,565	100%	0%	1,703,565	$195.0
WW4;NNWWTP - wetland treatment	3,416,983	31%	69%	1,075,358	$119.7

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
1194;Marsden Valley Trunk / Express Sewer (Stage 2)	720,751	100%	0%	720,751	$82.7
WW2;Previous contribution conditions	682,280	100%	0%	682,280	$73.7
2884;Gracefield Sewer Diversion	1,925,913	21%	79%	406,379	$63.2
1190;Ngawhatu Valley sewer trunk main	539,592	100%	0%	539,592	$63.0
1716;Awatea Place Pump station	2,472,983	9%	91%	226,164	$34.1
1061;Quarantine/Songer sewer trunk main	937,921	29%	71%	273,799	$31.9
1187;Neale Park PS upgrade	559,177	27%	73%	153,383	$18.9
WW6;Vanguard and Paru Paru pump stations	316,903	25%	75%	80,385	$11.9
1648;Wastewater model calibration	665,547	10%	90%	64,865	$10.1
3294;Vanguard St (Totara - Franklyn) sewer upgrade	299,650	23%	77%	67,487	$9.9
1920;Corder Park Pump Station	228,447	23%	77%	51,911	$7.6
3230;System Performance Improvements	200,577	22%	78%	43,547	$6.6
1272;Nelson WWTP trickling filter cover	182,803	29%	71%	53,365	$6.2
1914;Pump station resilience improvement programme	266,447	13%	87%	34,673	$5.4
2054;Washington Valley Sewer Upgrade	162,029	21%	79%	34,111	$5.3
2885;Atawhai Pump Stations (Brooklands & Marybank)	85,137	21%	79%	17,802	$2.8
2890;Natural Hazards Risk Remediation	56,470	21%	79%	11,888	$1.9
1716;Awatea Place	49,336	26%	74%	12,735	$1.7
3230;System Performance Improvements (Overflow Reduction / I&I)	34,551	21%	79%	7,274	$1.1
3010;Toi Toi St misc sewer renewals	7,014	21%	79%	1,467	$0.2
2822;Examiner St - Rutherford to Trafalgar	5,514	21%	79%	1,159	$0.2
2021 LTP	**120,761,178**	**23%**	**77%**	**28,001,618**	**$2,360.4**
1564;Wastewater Pipe Renewals	20,026,600	20%	80%	3,963,505	$404.1
1716;Awatea Place Pump station	9,760,000	21%	79%	2,068,775	$308.1
2879;Atawhai Rising Main - Stage 1	21,481,400	18%	82%	3,870,092	$192.3

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3355;Pump Station upgrades	9,502,850	19%	81%	1,822,387	$150.8
3322;Intensification City Centre (Maitai Precinct) N270	4,328,210	61%	39%	2,623,977	$138.1
2054;Washington Valley Sewer Upgrade	4,111,723	21%	79%	872,293	$128.3
2768;NWWTP renewals	3,485,230	10%	90%	333,395	$73.9
1563;Rising/swallows renewals	3,393,400	20%	80%	669,601	$65.1
1502;Renewals Pump stations	2,650,280	20%	80%	521,689	$52.3
1914;Pump station resilience improvement programme	3,449,400	19%	81%	655,725	$52.0
3230;System Performance Improvements (Overflow Reduction / I&I)	3,100,100	19%	81%	594,547	$49.9
2890;Natural Hazards Risk Remediation	3,662,200	19%	81%	683,103	$46.9
1648;Wastewater model calibration	1,081,950	10%	90%	104,790	$31.6
3369;Climate Change - Vulnerability Assessment Implementation	2,424,550	19%	81%	453,583	$31.5
;NRSBU - Implement increased capacity through Aeration basin and clarifier phase 2	1,761,000	85%	15%	1,496,850	$31.1
;NRSBU - Saxtons Pump and Discharge pipework upgrade (design under regional pipeline upgrade)	1,022,000	21%	79%	217,485	$30.6
;NRSBU - Beach Rd to Saxtons Rd Pipeline - Construction phase 1	1,067,000	21%	79%	225,866	$28.7
;NRSBU - Beach Rd to Saxtons Rd Pipeline - Construction phase 2	1,067,000	21%	79%	225,866	$28.7
3368;Climate Change - Emissions Reduction Strategy Implementation	1,571,700	19%	81%	304,530	$27.0
;NRSBU - Saxtons Rd to Monaco Pipeline - Construction phase 2	766,500	21%	79%	163,114	$23.0
;NRSBU - Saxtons Rd to Monaco Pipeline - Construction phase 1	766,500	21%	79%	163,114	$23.0
;NRSBU - Install duplicate pipelines from C3 to ponds	783,000	21%	79%	167,288	$22.8
2850;Rutherford St (Little Go Stream) Renewal	704,400	21%	79%	149,473	$21.6
1191;NWWTP Minor Upgrades	1,143,786	20%	80%	223,348	$21.3

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
;NRSBU - Complete installation of new storm pump generators	600,000	21%	79%	127,186	$19.3
3361;Capital WW network small upgrades	1,011,600	19%	81%	196,980	$18.3
;NRSBU - Adjustment to match business plan	332,437	38%	62%	125,631	$17.4
;NRSBU - Install ring main (or generators)	500,000	21%	79%	105,976	$15.4
3326;Intensification City Wide	2,365,400	56%	44%	1,330,538	$15.3
;NRSBU - Installation of Airport storage	511,000	21%	79%	108,742	$15.3
;NRSBU - Install additional screen at inlet works	511,000	21%	79%	108,742	$15.3
;NRSBU - Install second system with second fan plus additional capacity, odour scrubbers for ammonia removal and cooling	375,000	21%	79%	79,491	$12.1
;NRSBU - Undertake desludging in stages (1/2)	375,000	21%	79%	79,482	$11.6
;NRSBU - Implementation of buffer storage	546,000	20%	80%	109,824	$11.4
3370;Climate Change - Adaptation Strategy Implementation	1,982,500	17%	83%	346,226	$11.3
3358;Data Gathering equipment	582,475	9%	91%	53,706	$10.7
;NRSBU - Install pumped overflow screens at Wakatu and Songer PS	300,000	21%	79%	63,593	$9.6
;NRSBU - Construct containment area	300,000	21%	79%	63,585	$9.3
;NRSBU - Investigation and planning	281,050	21%	79%	59,808	$8.4
3359;LoS network problem/issues upgrade/ renewal appraisal	434,640	20%	80%	85,151	$8.3
;NRSBU - Install pilot ultrafiltration plant - phase 2	250,000	21%	79%	52,994	$8.0
;NRSBU - Design-build of new facilities block on Bell Island	250,000	21%	79%	52,994	$8.0
;NRSBU - Design additional screen and revise screening technology to reduce odour and maintenance issues, and increase maintainability at inlet works.	255,500	21%	79%	54,371	$7.7
;NRSBU - Saxtons Rd to Monaco Pipeline - Design and Consent	255,500	21%	79%	54,371	$7.7

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
;NRSBU - Seismic structural strengthening	266,750	21%	79%	56,467	$7.2
;NRSBU - Implement alternative to existing overhead powerlines	266,750	21%	79%	56,467	$7.2
;NRSBU - Install duplicate grit trap	273,000	20%	80%	54,912	$5.7
;NRSBU - Relocate and Install generators at inlet works	175,000	21%	79%	37,096	$5.6
;NRSBU - Beach road bund and sealing system implementation	175,000	21%	79%	37,096	$5.6
;NRSBU - New ducting, controls and biofilter cell	175,000	21%	79%	37,096	$5.6
;NRSBU - Airport 2nd storm pump installation	182,700	21%	79%	39,034	$5.3
;NRSBU - Design increased capacity through Aeration basin and clarifier	293,500	85%	15%	249,475	$5.2
;NRSBU - Install overflow screen & monitoring at Airport	150,000	21%	79%	31,796	$4.8
;NRSBU - Undertake desludging in stages (2/2)	150,000	21%	79%	31,793	$4.6
;NRSBU - Install pumped overflow screens at Saxton PS	150,000	21%	79%	31,793	$4.6
;NRSBU - Implement UV disinfection	279,500	19%	81%	53,212	$4.2
;NRSBU - Wakatu pump capacity increase (design under regional pipeline upgrade)	133,375	21%	79%	28,233	$3.6
;NRSBU - Beach Rd to Saxtons Rd Pipeline -Design and Consent phase 2	133,375	21%	79%	28,233	$3.6
;NRSBU - Beach Rd to Saxtons Rd Pipeline -Design and Consent phase 1	133,375	21%	79%	28,233	$3.6
;NRSBU - Install pilot ultrafiltration plant - phase 1	100,000	21%	79%	21,198	$3.2
;NRSBU - Flooding resilience works implementations including Wetwell cover replacement at Saxtons and Airport	100,000	21%	79%	21,195	$3.1
;NRSBU - Design and install covers for biosolids storage tanks at Rabbit Island	100,000	21%	79%	21,195	$3.1
;NRSBU - Songer street bund and sealing system design installation	75,000	21%	79%	15,896	$2.3
;NRSBU - Design of buffer storage	109,200	20%	80%	21,965	$2.3

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
;NRSBU - Purchase new equipment for forestry clearing and/or application	78,300	21%	79%	16,729	$2.3
;NRSBU - Improvements prior to lease (eg fencing, recontouring, removing old machinery, etc)	80,025	21%	79%	16,940	$2.2
;NRSBU - Wakatu cross connection to two pipes - construction	80,025	21%	79%	16,940	$2.2
;NRSBU - Landscape management plan and planting with saline tolerant species - Bell Is and Best Is	50,000	21%	79%	10,599	$1.6
;NRSBU - Buy new pivot irrigator if current farmer takes his when contract terminated	50,000	21%	79%	10,598	$1.5
;NRSBU - Assess condition of existing 11kV line and cost of mitigation options (ring main/generators/etc)	50,000	21%	79%	10,598	$1.5
;NRSBU - Cover and plant dewatering bags	50,000	21%	79%	10,598	$1.5
;NRSBU - Detailed design of Airport storage (in former digester and clarifier)	51,100	21%	79%	10,874	$1.5
;NRSBU - Condition assessment of Airport digester and clarifier, concept design of improvements	51,100	21%	79%	10,874	$1.5
;NRSBU - Seismic strengthening design	53,350	21%	79%	11,293	$1.4
2876;Ngawhatu Valley TM - Stage 2	299,500	100%	0%	299,500	$1.2
;NRSBU - Design duplicate pipelines from C3 to ponds	41,760	21%	79%	8,922	$1.2
;NRSBU - Design to resolve lack of overflow head at Wakatu, Saxton and Songer	25,000	21%	79%	5,299	$0.8
;NRSBU - Improve accuracy/reliability of flowmeters and data processing of results so able to charge Contributors for all peak flows	25,000	21%	79%	5,299	$0.8
;NRSBU - Flooding, and sea level rise review for Pumpstations	25,000	21%	79%	5,299	$0.8
;NRSBU - Design second system with second fan plus additional capacity, odour scrubbers for ammonia removal and cooling	25,000	21%	79%	5,299	$0.8
;NRSBU - Control pump stations from Bell Island, SCADA data to go straight to IPS at Bell Island	25,000	21%	79%	5,299	$0.8

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
;NRSBU - Design ducting, controls and biofilter cell	25,000	21%	79%	5,299	$0.8
;NRSBU - Link Rabbit Island to Bell Island (controls and SCADA, cross-referencing of FMs)	25,000	21%	79%	5,299	$0.8
;NRSBU - Purchase NRSBU vehicle	24,000	21%	79%	5,087	$0.8
;NRSBU - Design and implement intra-plant pipework modifications to enable re-use	25,550	21%	79%	5,437	$0.8
;NRSBU - Airport 2nd storm pump design	26,100	21%	79%	5,576	$0.8
;NRSBU - Wakatu cross connection to two pipes - design	26,675	21%	79%	5,647	$0.7
;NRSBU - Renovations to facility to house hui	20,000	21%	79%	4,240	$0.6
;NRSBU - Design duplicate grit trap	27,300	20%	80%	5,491	$0.6
;NRSBU - Design UV disinfection facility or similar for re-use water	27,950	19%	81%	5,321	$0.4
;NRSBU - Obtain resource consent for pond desludging	10,000	21%	79%	2,120	$0.3
;NRSBU - Options assessment to select preferred buffer storage options and configuration, including consideration of different water uses and water qualities	13,650	20%	80%	2,746	$0.3
;NRSBU - Begin installation of new generators	5,000	21%	79%	1,060	$0.2
;NRSBU - Acquire digester and clarifier at Airport from NCC	5,110	21%	79%	1,087	$0.2
;NRSBU - Investigate if can irrigate forest on Bell Island or if better to remove and replace with cut to carry crop that can be irrigated	5,110	21%	79%	1,087	$0.2
;NRSBU - Assess options to relocate/ underground existing overhead powerlines to golf course (or consider off-grid solution eg solar power for golf course)	2,668	21%	79%	565	$0.1
Water Supply	103,265,817	24%	76%	24,610,474	$2,578.5
Historic	30,312,198	34%	66%	10,445,736	$1,233.3
1179;Maitai Pipeline (Dam to Water Treatment Plant)	13,171,954	30%	70%	3,950,374	$454.2
WS5;Stoke #3 reservoir and trunkmain	1,575,828	100%	0%	1,575,828	$176.1

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2130;Maitai Pipeline (WTP Westbk Tce)	4,954,723	27%	73%	1,317,106	$167.9
2315;Obs. Hill Res & Pump	982,437	100%	0%	982,437	$115.1
WS1;Cross city link return	2,500,000	34%	66%	838,308	$93.0
2555A;WTP Membranes	2,151,437	28%	72%	610,389	$73.4
2803;Water Loss Reduction Programme	866,013	22%	78%	191,309	$28.8
WS2;Todds Valley upgrade	760,944	34%	66%	255,162	$28.3
WS4;Maitai Pipeline design	537,295	32%	68%	171,320	$19.1
WS3;Wastney Tce pump station	520,191	33%	67%	171,582	$18.9
3164;Suffolk Road (Saxton to Ngawhatu) water upgrade	324,608	31%	69%	100,616	$15.7
2810;Dam Upgrades	195,571	21%	79%	41,882	$6.5
3209;Bolt Road Roundabout	150,000	21%	79%	31,349	$5.0
2800;Pressure Enhancement	112,912	21%	79%	23,761	$3.7
2314;Capital: Atawhai No.2 Reservoi	111,799	22%	78%	24,070	$3.7
1179;Maitai Pipeline Duplication	88,071	29%	71%	25,566	$3.0
2785;Chamboard Place new water ridermain	68,781	24%	76%	16,334	$2.5
2807;Natural Hazards Risk Remediation	179,628	9%	91%	15,783	$2.5
2801;NCC - TDC Link	69,448	21%	79%	14,614	$2.3
1081;System Improvements	255,777	6%	94%	14,257	$2.2
2054;Washington Valley Water Upgrade	62,852	21%	79%	13,227	$2.1
2812;Reservoir Refurbishment Programme	154,451	7%	93%	10,504	$1.9
3259;Water supply H&S risk mitigation programme	51,658	20%	80%	10,112	$1.7
2802;DMA establishment	340,750	3%	97%	9,982	$1.6
2130;Maitai Pipeline (WTP - Westbk Tce)	40,000	23%	77%	9,179	$1.3
1190;Ngawhatu Valley - Polstead/Suffolk ridermain	32,630	29%	71%	9,535	$1.1
0;Plant and Equipment	25,458	21%	79%	5,321	$0.8

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3010;Toi Toi St water ridermain	21,182	21%	79%	4,429	$0.7
1615;Water Model Calibration - Update	5,800	24%	76%	1,401	$0.2
2021 LTP	**72,953,619**	**19%**	**81%**	**14,164,738**	**$1,345.1**
1461;Renewals: Water Pipes	19,420,600	20%	80%	3,801,610	$374.8
2314;Capital: Atawhai No.2 Reservoi	4,930,410	21%	79%	1,026,985	$127.2
3322;City Centre N270 Maitai Precinct Intensification Growth proj	6,870,500	19%	81%	1,284,552	$90.4
3307;Washington (Rentone to Watson) water renewal	2,652,940	21%	79%	563,262	$81.4
2810;Dam Upgrades	2,600,250	21%	79%	552,195	$79.7
2140;Capital: Atawhai Trunkmain	6,913,690	18%	82%	1,254,764	$69.5
1496;Headworks Upgrades	2,615,600	20%	80%	520,407	$56.0
2809;Water Treatment Plant Upgrades	2,476,350	20%	80%	489,187	$50.5
3387;Future growth and Intensification Projects	1,812,750	20%	80%	359,052	$35.3
2951;Water Treatment Plant Renewals	1,768,405	18%	82%	312,239	$28.7
2803;Water Loss Reduction Programme	1,390,670	20%	80%	275,176	$28.6
2313;Capital: Atawhai Res & pump Ma	175,000	100%	0%	175,000	$26.7
3329;Bayview Development Growth project	1,078,950	20%	80%	218,986	$24.7
3385;Washington Road (Hastings to St Vincent) Renewal	815,840	21%	79%	173,185	$22.7
2807;Natural Hazards Risk Remediation	1,136,600	20%	80%	223,346	$22.5
3060;Konini Street water renewal	694,300	21%	79%	147,692	$21.0
2850;Rutherford St (Little Go Stream) Renewal	552,200	21%	79%	117,095	$17.1
3388;Maitai Pump Station upgrade	1,416,800	17%	83%	242,534	$17.0
3165;water pump stations - upgrades	1,671,300	17%	83%	279,442	$16.4
2131;Fire Flow Upgrades	936,600	19%	81%	180,965	$16.1
2805;Future Growth Additional Storage	522,000	21%	79%	111,508	$15.3

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3367;Climate Change Adaptation Projects	2,089,200	18%	82%	368,391	$14.3
2812;Reservoir Refurbishment Programme	750,410	18%	82%	134,398	$13.6
1081;System Improvements	651,960	20%	80%	127,650	$12.5
2811;Pump Stations - Renewals	660,055	18%	82%	118,772	$12.4
2800;Pressure Enhancement	420,300	21%	79%	88,031	$11.5
1496;Renewals: Headworks	460,655	20%	80%	93,108	$11.0
3142;Maitai Pipeline Hazard mitigation	360,470	19%	81%	67,584	$7.7
3010;Toi Toi St water ridermain	208,816	21%	79%	44,250	$6.8
2132;Telemetry/Control Upgrade	244,470	16%	84%	39,631	$6.6
2999;Scada Renewal	341,130	9%	91%	32,229	$6.5
3259;Water supply H&S risk mitigation programme	217,320	18%	82%	39,307	$4.3
1498;Renewals: Misc Pipes & Fittings	217,320	20%	80%	42,550	$4.2
3381;Maitai Raw water pipeline renewal	464,100	18%	82%	81,786	$3.2
3326;Intensification City Wide	2,091,000	17%	83%	350,022	$3.0
3231;Ngawhatu Valley high level reservoir	546,065	17%	83%	93,252	$2.2
2129;Roding Pipeline	405,145	17%	83%	69,594	$1.7
2801;NCC - TDC Link	352,300	17%	83%	60,517	$1.5
2054;Washington Valley Water Upgrade	21,148	21%	79%	4,481	$0.7
Transportation	**74,445,125**	**20%**	**80%**	**14,645,384**	**$1,456.9**
Historic	**18,958,567**	**24%**	**76%**	**4,510,935**	**$581.5**
2172;WC 341 Railway Reserve/Princes Dr cycle crossing upgrade	375,336	100%	0%	375,336	$53.8
TR3;Ridgeway connection	1,466,266	32%	68%	466,845	$48.6
3182;WC 341 Tahunanui Cycle Network - SH6 Tahunanui Drive connect	1,317,990	22%	78%	284,086	$40.1
2798;WC 341 New Footpaths	837,172	22%	78%	182,363	$25.5
3291;WC 341 Seafield Terrace Road Re-instatement	622,811	21%	79%	132,163	$18.9

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2193;Todd Bush Rd upgrade	590,473	26%	74%	155,215	$18.4
2058;Tasman St upgrade(Nile to Bronte)	574,252	28%	72%	158,085	$18.0
1526;Princes Drive	559,124	29%	71%	164,903	$17.7
2173;Maitai Shared Path	563,697	21%	79%	119,332	$17.1
1314;WC 452 UCP Saltwater Creek Crossing	558,636	22%	78%	123,060	$17.1
3036;WC 341 Main Road Stoke cycleway Saxton Creek to Champion Roa	531,205	21%	79%	113,399	$16.1
3151;WC 341 Maitai shared path to Anzac Park active transport fac	615,240	18%	82%	111,686	$16.0
TR2;Nayland Road	443,327	31%	69%	136,616	$14.2
TR5;Footpath: Walkway Connection	443,930	29%	71%	130,929	$14.1
2736;Building Improvements	459,360	21%	79%	97,260	$13.9
TR6;Minor Improvements top up	408,080	29%	71%	120,356	$12.9
1080;WC 341 Streetlight Improvement	357,105	17%	83%	59,074	$11.5
1313;Maitai Walkway (Akerston St to Traf St)	355,361	29%	71%	101,831	$11.2
1227;Bishopdale to the Ridgeway shared path	284,358	22%	78%	62,885	$9.6
2611;Stock Effluent Facility	256,698	29%	71%	73,856	$8.1
2471;Arapiki Rd retaining wall replacement	210,857	23%	77%	48,896	$7.1
2199;WC 341 Waimea Road Retaining Wall at Snows Hill	265,679	18%	82%	48,242	$6.9
TR7;School approaches/frontage treatments	201,553	24%	76%	48,131	$6.9
3389;Beach Road Raised Table - PGF	180,000	21%	79%	38,110	$5.5
2945;WC 531 Integrated Ticketing GRETS	630,059	6%	94%	36,071	$5.2
3287;WC 215 Westbrook Convergence Bridge deck replacement	158,793	22%	78%	35,604	$4.9
2699;Railway Reserve to CBD (via St Vincent (Stage II Gloucester Street to Haven Rd))	132,948	20%	80%	27,248	$4.4
1225;Manuka St minor improvements	130,458	22%	78%	29,157	$4.4
1840;Bridge St enhancement	127,129	28%	72%	35,108	$4.0
1080;Streetlight upgrade Programme	116,838	23%	77%	27,105	$4.0

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3024; WC341 Maori Rd Retaining wall	111,967	22%	78%	24,087	$3.8
3286;WC 341 Athol St slip stabilisation	120,930	23%	77%	27,289	$3.7
3100;Church Street Improvements	107,356	22%	78%	23,690	$3.4
3075; Songer St new footpath - Nayland to Durham	102,439	20%	80%	20,539	$3.4
3105;WC 341 Oldham Bridge Replace	110,405	24%	76%	26,583	$3.4
3105; WC 341 Oldham Bridge Replace	99,496	20%	80%	19,949	$3.3
3430;WC341 TDM Inner City - Bike Shelters	109,270	21%	79%	23,136	$3.3
2896;WC 341 Curtis Street footbridge (Link to Manu Kau reserve)	109,251	21%	79%	23,128	$3.3
2997;WC 531 CBD interchange	108,012	21%	79%	22,980	$3.3
0;Road Drainage Improvements	107,076	21%	79%	22,717	$3.2
1525;WC 341 Minor Improvements	104,323	21%	79%	21,919	$3.2
3284;WC 341 Maitai footbridge cathodic protection	98,738	24%	76%	23,672	$3.0
TR1;Corder Park Cycleway	87,731	32%	68%	28,391	$2.9
3062; WC 341 Elm Street Intersection safety improvements	86,661	20%	80%	17,413	$2.9
3313;WC 341 Ped facilities at Arapiki Road/ The Ridgeway	85,529	21%	79%	18,069	$2.6
TR4;Gloucester / Kerr / Oxford St cyclelane & Hardy St crossing	79,995	25%	75%	20,180	$2.5
3076;Ring Route Signage CBD	74,916	22%	78%	16,195	$2.5
2533;School frontage St Josephs and Central (Willow Walk)	73,230	23%	77%	17,000	$2.5
3215;WC 341 Arapki Road Upgrade - retaining Wall	433,491	4%	96%	16,794	$2.4
3139;Maitai Valley Road shared path modifications	77,342	22%	78%	17,333	$2.4
0;Land Purchase - LOS	99,070	17%	83%	16,518	$2.3
3226;WC 341 Waimea Road / Hampden Street intersection upgrade	74,900	20%	80%	14,900	$2.3

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3046;WC 341 Bronte Street new footpath, Scotland to Collingwood	75,057	24%	76%	18,126	$2.3
2211;Capital: Halifax/Traf St landscape improvements	64,974	23%	77%	15,083	$2.2
2079;WC 341: Mount Street and Konini Street upgrade	70,590	22%	78%	15,256	$2.1
1531;Waimea Rd / Motueka St Intersection	575,280	15%	85%	87,687	$2.1
3299;WC 341 Travel demand management improvements	66,395	21%	79%	13,992	$2.0
3010;WC 341: Toi Toi St upgrade	66,234	22%	78%	14,343	$2.0
2213;Rocks Rd cycling and walking project	61,119	29%	71%	17,514	$1.9
2529;School frontage Nelson Intermediate	55,454	23%	77%	12,873	$1.9
3080;Nikau/Palm new footpaths	58,032	24%	76%	13,973	$1.8
1375;WC 341 Marsden Valley Ridgeway Upgrade	13,053	100%	0%	13,053	$1.8
2932;Rocks Rd to Maitai shared path	52,866	23%	77%	12,240	$1.7
3055;WC 341 Speed Feedback Signs	47,806	23%	77%	10,801	$1.5
3032;WC 341 Airport Bridge Replacement	48,182	21%	79%	10,173	$1.5
2335;WC 531 PT Minor Improvements	227,602	4%	96%	9,958	$1.4
2530;School frontage Auckland Point School	41,924	23%	77%	9,732	$1.4
1076;Road Frontage Planting Program	134,330	7%	93%	9,736	$1.4
2697;Whakatu Drive / Beatson Road	43,376	28%	72%	12,294	$1.4
3224;WC 341 Isel Park Cycle Connections	44,700	21%	79%	9,441	$1.4
1924;WC 341 Nayland Rd Ped crossing	44,336	21%	79%	9,421	$1.3
3319;WC 341 Footpath Connection Bishopdale	39,200	21%	79%	8,300	$1.2
3219;WC341 Seaview Underpass Weir	34,484	21%	79%	7,301	$1.0
2698;Railway Reserve to CBD (via St Vincent (Stage I Railway Reserve to Gloucester Street))	30,469	23%	77%	7,073	$1.0
3179;WC 341 Nayland Road Pedestrian Refuge - Orchard Creek Crossi	33,442	21%	79%	7,123	$1.0

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2703;St Vincent to CBD cycle connection	28,498	21%	79%	5,882	$1.0
3030; WC341 Poleford Bridge seismic upgrade	28,082	21%	79%	5,757	$0.9
2087;WC341 Main Rd Stoke/Poormans St/ Culvert op. Fire Station	29,400	21%	79%	6,190	$0.9
3031; WC341 Gibbs Bridge Seismic upgrade	26,413	20%	80%	5,335	$0.9
1222;The Brook Area Cycling and Walking Improvements	26,037	21%	79%	5,581	$0.9
1525;Roading Minor Improvement Programme	25,766	22%	78%	5,705	$0.9
3037;WC 341 Waimea Road Pedestrian Refuge	24,761	23%	77%	5,654	$0.8
2703;WC 341 St Vincent to CBD cycle connection	24,371	24%	76%	5,868	$0.8
2189;WC341 Kawai Innovate Streets	24,500	21%	79%	5,173	$0.7
1888;WC341 Home Zone Signs	23,673	21%	79%	5,012	$0.7
2947;Muritai SH6 intersection (incl Ped crossing across SH6)	19,902	21%	79%	4,272	$0.7
1062;Road: Queens Rd	20,885	23%	77%	4,711	$0.6
1314;Maitai Walkway (Saltwater Creek Crossing)	19,564	26%	74%	5,012	$0.6
1079;Street Tree Dev	65,784	6%	94%	4,090	$0.6
3104; WC 341 Anti Slip to Maitai Path deck	16,149	20%	80%	3,238	$0.5
0;Rocks Rd Bollards	15,785	21%	79%	3,323	$0.5
3037; WC341 Waimea Road Pedestrian Refuge	12,982	20%	80%	2,659	$0.4
1222;WC 341 Brook Cycle&Walk Imprvmnts	13,778	24%	76%	3,317	$0.4
3026;WC 341 Sharedzone - Wigzell	13,476	23%	77%	3,142	$0.4
2173;Maitai shared path (Collingwood St to Nile St)	13,100	28%	72%	3,609	$0.4
3048;Joyce Place walkway new footpath	12,541	24%	76%	3,020	$0.4
2069;WC341 Collingwood St Drainage	12,740	21%	79%	2,697	$0.4
0;Sundry Land Purchases - Growth	3,000	100%	0%	3,000	$0.4

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
3036; WC452 Main Road Stoke cycleway Saxton Creek to Champion Road	11,384	20%	80%	2,282	$0.4
3219;WC341 4 Stansell Ave Footpath	11,679	21%	79%	2,463	$0.4
3127;Atawhai Dr (near Founders)	11,071	24%	76%	2,666	$0.3
3034;WC 341 Atawhai Crescent - Bus stop relocation	10,969	24%	76%	2,641	$0.3
3025;WC 341 Sharedzone - Beachville Cres	10,899	22%	78%	2,414	$0.3
0;Capital: Plant & Equipment	23,271	10%	90%	2,220	$0.3
2173;WC 341 Maitai shared path to Nelson east programme	10,190	24%	76%	2,446	$0.3
3236;Polytech to CBD enhancements	10,220	21%	79%	2,164	$0.3
2194;WC341 Franklyn St Pedestrian Improvements	10,148	21%	79%	2,137	$0.3
3025; WC341 Sharedzone - Beachville Cres	8,702	22%	78%	1,881	$0.3
2200;Marsden Valley Road Upgrade	10,445	18%	82%	1,927	$0.3
1529;WC 341 Cable Bay catch fence	8,432	24%	76%	2,030	$0.3
1078;Street Garden Dev	30,304	6%	94%	1,694	$0.2
3106;WC 341 Jenkins Creek shared path widening	7,779	24%	76%	1,832	$0.2
3032; WC341 Airport Bridge Replacement	7,099	20%	80%	1,438	$0.2
2333;Tahunanui to Annesbrook cycle connection	6,925	26%	74%	1,814	$0.2
3220;WC341 Seaview Underpass Weir	7,378	21%	79%	1,553	$0.2
2694;Wood to Intermediate via Colleges, part B (Brougham chgs)	7,153	28%	72%	1,981	$0.2
3090;WC 341 Maitai Path underpass flooding improvements	6,137	22%	78%	1,347	$0.2
2613;10 Halstead Rd building conversion (aka Bata, Hub)	5,813	29%	71%	1,673	$0.2
3227;WC 341 Waimea Road Franklyn Street intersection improvements	5,909	21%	79%	1,251	$0.2
2695;Wood to Intermediate via Colleges, part C (Van Deiman St)	5,693	28%	72%	1,611	$0.2

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2176;School approach & Frontage treatments	5,220	23%	77%	1,212	$0.2
1525;WC341 Roading Minor Improvement Programme	5,727	21%	79%	1,206	$0.2
3046; Bronte Street new footpath, Scotland to Collingwood	5,128	20%	80%	1,028	$0.2
1175;Greenmeadows Centre	5,000	24%	76%	1,204	$0.2
3047;Natalie Street new footpath	4,289	24%	76%	1,033	$0.1
3301;WC 421 Travel Demand Management e-bikes	4,138	23%	77%	933	$0.1
3212;WC 341 Cross Town Links Brook to Central Programme	3,415	23%	77%	770	$0.1
3029; WC341 Ridgeway/Marsden Valley Rd, minor improvements	3,054	22%	78%	660	$0.1
3106; WC 341 Jenkins Creek shared path widening	2,930	20%	80%	587	$0.1
2624;WC 341 Nile St/Clouston Tce intersection improvement	2,847	23%	77%	642	$0.1
2193;Todd Bush Rd	2,815	22%	78%	632	$0.1
1313;Maitai shared path (Akerston St to Traf St)	2,634	23%	77%	609	$0.1
0;Plant & Equipment	2,611	21%	79%	553	$0.1
2054;Washington Valley Street Lighting Upgrade	2,450	21%	79%	519	$0.1
3174;WC 341 Stoke East West Cycle Connection	1,400	23%	77%	316	$0.0
2693;Wood to Intermediate via Colleges, part A (Sharrows to Tasman)	1,260	29%	71%	363	$0.0
1810;Toi Toi: Vanguard St intersection	1,153	23%	77%	268	$0.0
3312;WC341 Quarantine Road Bridge Footpath (at Bolt Rd)	1,194	21%	79%	251	$0.0
3076; Ring Route Signage CBD	1,016	20%	80%	204	$0.0
3107; WC 341 Cable Bay Road cycle safety signs	989	20%	80%	198	$0.0
2934;WC 324 Quarantine/Nayland intersection upgrades	1,066	21%	79%	224	$0.0

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2172;Railway Res/Princes Dr ext overbridge	129	100%	0%	129	$0.0
2995;Putaitai St/Main Rd Stoke Right Turn	540	20%	80%	108	$0.0
3310;WC 341 Washington Road Safety Improvements	547	21%	79%	115	$0.0
3074; WC 341 Milton weka intersection safety	497	20%	80%	100	$0.0
2174;Variable speed signs	464	29%	71%	133	$0.0
1881;North Esk ToiToi Street intersections MS	292	29%	71%	84	$0.0
1812;Collingwood St pedestrian refuge at New St	162	29%	71%	47	$0.0
3139;WC 341: Maitai Valley Road shared path modifications	134	23%	77%	30	$0.0
1531;Waimea/Motueka intersection upgrade	779	14%	86%	109	$0.0
3090; WC 341 Maitai Path underpass flooding improvements	78	20%	80%	16	$0.0
2218;WC 531 Stoke interchange	51	23%	77%	12	$0.0
2021 LTP	**55,486,558**	**18%**	**82%**	**10,134,449**	**$875.3**
3211;WC 324 Nelson Future Access Study	14,178,934	20%	80%	2,851,369	$263.5
1525;WC 341 Minor Improvements	3,194,604	16%	84%	506,653	$57.9
1539;WC 214 Sealed Road Pavement Rehabilitation	3,843,560	19%	81%	736,471	$49.8
1173;Freshwater Improvements programme	2,115,820	21%	79%	438,399	$45.2
2798;WC 341 New Footpaths	2,440,053	20%	80%	478,661	$39.5
2997;WC 531 CBD interchange	1,386,100	21%	79%	289,127	$31.4
0;Road Drainage Improvements	1,548,920	20%	80%	314,566	$30.9
3078;WC 222 Traffic Services Renewal - Lighting	1,597,302	16%	84%	253,326	$29.0
2200;Marsden Valley Road Upgrade	2,493,255	18%	82%	460,001	$22.4
3212;WC 341 Cross Town Links Brook to Central Programme	1,068,372	20%	80%	216,734	$20.3
1375;WC 341 Marsden Valley Ridgeway Upgrade	1,757,125	18%	82%	324,186	$19.5

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2335;WC 531 PT Minor Improvements	676,740	17%	83%	116,167	$16.4
3062;WC 341 Elm Street Intersection safety improvements	1,267,606	16%	84%	196,798	$15.9
1971;WC341 Dommett Street - LOS Capital	616,273	21%	79%	131,350	$15.7
3225;WC 452 Nile Street cycle facilities	763,234	20%	80%	155,560	$14.7
3010;WC 341: Toi Toi St upgrade	504,700	21%	79%	107,616	$14.6
2994;Strawbridge Sq Layout & Access Improvement	945,150	16%	84%	150,057	$14.4
2946;Railway Reserve Lighting	482,200	17%	83%	79,597	$14.3
1078;Street Garden Dev	565,980	9%	91%	53,539	$14.3
2736;Building Improvements	390,640	21%	79%	83,183	$11.5
3391;Nelson College Frontage Franklyn St	719,150	20%	80%	141,048	$11.1
2079;WC 341: Mount Street and Konini Street upgrade	408,800	21%	79%	87,260	$11.1
3172;WC 324 Polstead Main Road Stoke Intersection Upgrade	522,835	16%	84%	85,930	$10.5
1079;Street Tree Dev	543,300	16%	84%	86,165	$9.9
1076;Road Frontage Planting Program	488,970	9%	91%	46,370	$9.6
2189;WC341 Kawai Innovate Streets	336,875	21%	79%	72,105	$8.8
1080;WC 341 Streetlight Improvement	365,834	16%	84%	58,820	$7.7
3174;WC 341 Stoke East West Cycle Connection	530,249	19%	81%	102,451	$7.3
3312;WC341 Quarantine Road Bridge Footpath (at Bolt Rd)	200,900	21%	79%	42,754	$5.7
2054;Washington Valley Street Lighting Upgrade	177,694	21%	79%	37,860	$5.0
0;CBD Enhancement	200,050	21%	79%	41,187	$4.1
3026;WC 341 Sharedzone - Wigzell	156,286	21%	79%	33,209	$3.8
3233;WC 452 Atawhai Shared path extension to Todds Valley	2,111,456	17%	83%	362,655	$3.5
3025;WC 341 Sharedzone - Beachville Cres	124,656	21%	79%	26,592	$3.4
2074;Milton St (Grove to Cambria)	664,350	18%	82%	117,246	$3.1

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2218;WC 531 Stoke interchange	700,150	18%	82%	123,254	$3.1
2945;WC 531 Integrated Ticketing GRETS	106,700	11%	89%	11,635	$2.9
1525;WC341 Roading Minor Improvement Programme	159,730	16%	84%	25,333	$2.9
3320;WC 151 Asset Management Capex	86,289	10%	90%	8,310	$2.8
3226;WC 341 Waimea Road / Hampden Street intersection upgrade	84,917	17%	83%	14,219	$2.5
1484;Renewals: On and Off St Parking Meter	1,268,663	8%	92%	101,709	$2.3
1884;WC341 School Speed Zone Signs	75,117	21%	79%	16,034	$2.0
3176;WC341 Songer Street signals review	59,878	17%	83%	10,033	$1.7
3333;Bay View Rd SH6 intersection improvements	61,725	17%	83%	10,596	$1.7
0;Plant & Equipment	86,928	20%	80%	17,175	$1.5
2984;Stoke Centre Enhancements	173,300	15%	85%	25,586	$1.2
3038;WC 215 Structures component replacement - Bridges	82,173	19%	81%	15,803	$1.1
0;Capital: Plant & Equipment	45,372	20%	80%	8,915	$0.8
2537;WC 452 CBD Cycle parking facilities	40,477	10%	90%	3,979	$0.7
2934;WC 324 Quarantine/Nayland intersection upgrades	702,930	17%	83%	120,040	$0.7
3120;Stoke Centre Traffic Calming and Ped Safety Works non sub ae	1,923,400	14%	86%	266,463	$0.4
3291;WC 341 Seafield Terrace Road Re-instatement	12,250	21%	79%	2,609	$0.4
2075;Halifax (Maitai to Milton)	179,100	17%	83%	30,539	$0.2
3151;WC 341 Maitai shared path to Anzac Park active transport fac	4,900	21%	79%	1,043	$0.1
2199;WC 341 Waimea Road Retaining Wall at Snows Hill	4,900	21%	79%	1,043	$0.1
2933;WC 324 Main Rd Stoke/Marsden Rd	93,218	17%	83%	15,484	$0.1
3173;WC 341 Ngawhatu Suffolk Intersection	146,471	13%	87%	19,636	$0.1
Community Infrastructure	56,232,987	21%	79%	12,044,219	$1,701.3

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
Historic	11,429,798	22%	78%	2,511,334	$354.8
1175;Greenmeadows Centre	8,212,612	24%	76%	2,009,545	$277.6
2226;Elma Turner Library Extension/ Relocation	1,055,552	21%	79%	222,024	$35.0
2002;Growth: Millers Acre Toilet	688,638	21%	79%	145,018	$22.9
3238;Octopus Garden playground upgrade (Ngawhatu Reserve)	150,406	24%	76%	36,201	$5.1
3277;Mako St playground development	139,026	23%	77%	31,304	$4.7
1175; CP: Greenmeadows Centre	125,336	27%	73%	33,241	$4.3
3300;Marsden Park playground	86,457	16%	84%	13,505	$2.2
3180;Tahunanui Lions Toilet Upgrade	925,076	1%	99%	9,727	$1.5
3292;Pepper Tree Park playground	35,000	23%	77%	7,881	$1.2
3097;Freedom Camping signage	9,373	24%	76%	2,265	$0.3
1175; AM: Greenmeadows Centre	1,322	28%	72%	364	$0.0
1175; Cafe facility	1,000	26%	74%	258	$0.0
2021 LTP	**44,803,189**	**21%**	**79%**	**9,532,884**	**$1,346.5**
2226;Elma Turner Library Extension/ Relocation	44,786,809	21%	79%	9,529,593	$1,346.1
1175;Greenmeadows Centre	16,380	20%	80%	3,292	$0.3
General Reserves	**23,746,848**	**23%**	**77%**	**5,384,504**	**$669.3**
Historic	**8,888,136**	**29%**	**71%**	**2,597,485**	**$352.4**
1049; Capital: General Development	580,070	100%	0%	580,070	$68.6
2154; Relocate Overhead Power	868,538	30%	70%	260,821	$30.1
1049;Capital: General Development	240,973	67%	33%	161,270	$25.3
1051;Capital: Planting	266,960	44%	56%	117,827	$18.2
1052;Esplanade & Foreshore Planting Prgm	269,322	44%	56%	118,340	$18.1
1101; Road Entrance Main Rd Stoke	474,566	31%	69%	146,227	$16.6
3111;Brook MTB Hub	400,026	21%	79%	85,210	$12.5
1044;New cycle/path development	332,407	24%	76%	78,533	$11.2

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2247;Landscape reserves	97,258	66%	34%	63,827	$10.1
1832; Upgrade for multiuse	262,426	30%	70%	78,764	$9.1
1186;Capital: Mountainbike Tracks	277,484	7%	93%	19,835	$9.0
2689; Saxton Creek recreation pond enhancements	256,525	26%	74%	66,289	$8.7
2718; Cricket oval drainage remediation	243,025	30%	70%	72,980	$8.4
2894;Poormans walkway (Main rd - Neale ave)	1,190,279	4%	96%	45,034	$6.9
1379;Modellers Pond Solution	462,739	9%	91%	42,926	$6.3
2245;Fringed hill Revegetation	250,505	16%	84%	39,546	$5.8
2345;Capital: Park Upgrades	165,312	22%	78%	36,481	$5.5
1044; new Cycle / Path development	43,722	100%	0%	43,722	$5.4
3309;Maungatapu to Coppermine Trail	37,709	84%	16%	31,613	$5.0
1165;Capital: Acessway / Carparks	124,784	23%	77%	29,142	$4.4
1068;Capital: Security Gates/Bollards	54,549	52%	48%	28,144	$4.4
1050;Capital: Planting	53,307	45%	55%	23,774	$3.7
1049; CP: Saxton Field General Development	106,716	29%	71%	30,455	$3.7
3152;Maitai MTB Hub	109,735	21%	79%	23,222	$3.6
3194;Wakapuaka Sandflats Esplanade shared path	98,132	21%	79%	20,945	$3.3
2893;Maitai revegetation	123,175	17%	83%	21,122	$3.2
2734; Capital: Stadium Surface Water Deflection	80,001	28%	72%	22,710	$2.7
3067; Saxton Oval electrical improvements	77,856	28%	72%	21,440	$2.7
1257;Capital: Minor Development	137,170	13%	87%	17,566	$2.6
1629;Isel park bridge upgrade	75,498	21%	79%	16,092	$2.5
1731;Paremata Flats upgrade (growth)	43,818	37%	63%	16,231	$2.5
1044; CP: Saxton -Walkways/cycleways	67,677	28%	72%	18,926	$2.3
1731;Growth: Furniture/Signs	26,713	50%	50%	13,466	$2.1

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2901;Minor LOS improvements	60,455	23%	77%	13,626	$2.0
2159; Capital: land purchase (Daelyn)	15,424	100%	0%	15,424	$2.0
2433; Saxton Oval Util shed & Fire Alarm (CWC)	51,349	29%	71%	15,024	$1.8
1072;Capital: Signs	28,225	37%	63%	10,436	$1.6
2432; Cricket ODI	44,796	30%	70%	13,452	$1.6
2902;LOS: accessibility improvement items	54,314	19%	81%	10,256	$1.5
3093; Hammer throw at Saxton Field	35,713	26%	74%	9,229	$1.2
3140;Codgers new MTB tracks	33,748	24%	76%	8,156	$1.1
3247;Complete tree planting (Hareke and Champion)	30,658	21%	79%	6,449	$1.0
3244;Mountain Bike track development (P59)	28,639	23%	77%	6,448	$1.0
3273;Back Beach Car Parking Renewal	26,400	21%	79%	5,514	$0.9
3242;Alliance Green levelling, irrigation and drainage	25,550	21%	79%	5,337	$0.9
3135;Almond Tree flats to Maitai track connection	23,689	21%	79%	4,948	$0.8
1101; CP: Saxton Road Construction Main Road Stoke	22,071	31%	69%	6,801	$0.8
2150; CP: Grant: Road Entrance Champion Drive	22,105	27%	73%	5,882	$0.8
2154; CP: Relocate Overhead Power	21,629	30%	70%	6,529	$0.8
2433; Cricket World Cup Ltd	21,750	29%	71%	6,364	$0.7
3193;Eureka Park walkway development	76,901	5%	95%	4,225	$0.7
3274;Delaware Bay water access	19,096	23%	77%	4,300	$0.6
1731;Capital: Fences / Walls	18,081	22%	78%	4,028	$0.6
1029; Cricket/Athletics Pavilion	4,819	100%	0%	4,819	$0.5
3265;Glen - boulder bank pathway (P7)	15,670	21%	79%	3,296	$0.5
1832; Internet Upgrade	13,370	30%	70%	4,015	$0.5
3246;Accessibility Improvements	13,737	23%	77%	3,093	$0.5

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
0604; Athletics equipment shed	11,761	29%	71%	3,441	$0.4
3269;Courtside lighting and seating for outdoor netball courts	10,000	21%	79%	2,089	$0.3
1073;Capital: Signs/Furniture	21,539	10%	90%	2,090	$0.3
1072;Upgrade: Structures	9,721	24%	76%	2,349	$0.3
2433; CWC Legacy	8,826	29%	71%	2,582	$0.3
3110;Marsden Valley mountain bike tracks stage one 2016-17	8,638	24%	76%	2,088	$0.3
1730;Capital: New Planting	7,411	24%	76%	1,791	$0.3
2159; AM: Daelyn land purchase	5,846	29%	71%	1,696	$0.2
1257; Minor Development	5,767	26%	74%	1,490	$0.2
2345;Capital: Lighting / Signs	5,783	24%	76%	1,398	$0.2
2718; CP: Cricket oval drainage remediation	4,601	30%	70%	1,382	$0.2
1175;Greenmeadows Centre	4,319	24%	76%	1,044	$0.1
1049; PP: Saxton Field General Development	3,614	31%	69%	1,114	$0.1
3108;Codgers MTB track renewals	6,000	12%	88%	725	$0.1
1938; PP: Saxton Cycle Track (Regional Velodrome)	2,711	31%	69%	835	$0.1
3093;Hammer throw at Saxton Field	1,493	24%	76%	361	$0.1
2159; PP: Daelyn land purchase	758	30%	70%	230	$0.0
1548;Rutherford/ Trafalgar Park Development	592	24%	76%	143	$0.0
1029; CP: Cricket/Athletics Pavilion	414	31%	69%	127	$0.0
1049; PF: Saxton Field General Development	365	31%	69%	112	$0.0
1044; PP: Saxton -Walkways/cycleways	290	31%	69%	89	$0.0
2924; CP: Grant: Champion carpark	162	26%	74%	42	$0.0
1938; CP: Saxton Cycle Track (Regional Velodrome)	138	31%	69%	42	$0.0
3195;Dog exercise park	160,220	0%	100%	25	$0.0
3242;Harekeke Green levelling, irrigation and drainage	1	21%	79%	0	$0.0

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
2021 LTP	**14,858,712**	**19%**	**81%**	**2,787,019**	**$316.9**
3152;Maitai MTB Hub	900,000	21%	79%	190,645	$29.3
1186;Capital: Mountainbike Tracks	1,017,945	10%	90%	98,414	$29.3
3397;Collection store H&S	710,000	21%	79%	150,394	$22.4
3398;Energy centre venue development	759,870	20%	80%	155,354	$18.3
3135;Almond Tree flats to Maitai track connection	591,545	21%	79%	125,395	$16.4
1052;Esplanade & Foreshore Planting Prgm	689,701	16%	84%	109,896	$15.6
1051;Capital: Planting	753,611	16%	84%	119,713	$15.3
3254;Harekeke Green toilets and changing rooms	1,272,699	18%	82%	227,836	$11.2
2895;Jenkins Stream (Pascoe to Airport)	666,950	19%	81%	128,518	$11.1
1257;Capital: Minor Development	402,931	21%	79%	83,822	$10.9
3071;Cultural space development	363,300	21%	79%	77,206	$10.7
1731;Paremata Flats upgrade (growth)	92,752	100%	0%	92,752	$10.4
3242;Harekeke Green levelling, irrigation and drainage	261,000	21%	79%	55,744	$7.7
3194;Wakapuaka Sandflats Esplanade shared path	252,524	21%	79%	53,713	$7.7
1165;Capital: Acessway / Carparks	345,601	16%	84%	55,252	$7.5
3192;Marsden Valley MTB Hub	224,400	21%	79%	47,713	$6.8
2893;Maitai revegetation	347,821	20%	80%	68,053	$6.7
3241;Play Facilities	238,950	21%	79%	50,592	$6.6
1044;New cycle/path development	205,000	21%	79%	43,423	$6.4
2325;Capital: Trafalgar Park Stand Removal	190,800	16%	84%	31,436	$6.3
2247;Landscape reserves	181,235	16%	84%	29,446	$5.0
3416;Entrance development	154,400	21%	79%	32,889	$4.6
3268;Guppy Park Facility	143,080	21%	79%	30,434	$4.4
3399;Granary venue development	155,590	21%	79%	32,517	$4.0

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
1049;Capital: General Development	182,990	16%	84%	29,129	$4.0
3265;Glen - boulder bank pathway (P7)	124,400	21%	79%	26,534	$3.7
1050;Capital: Planting	173,910	16%	84%	27,626	$3.5
1731;Growth: Furniture/Signs	23,188	100%	0%	23,188	$3.1
3404;Sand storage shed	90,000	21%	79%	19,064	$2.8
3272;Walkway link from the Wood (Cambria St) to Stanley Whitehead	91,760	21%	79%	19,509	$2.8
1731;Capital: Fences / Walls	81,158	21%	79%	16,999	$2.6
1068;Capital: Security Gates/Bollards	115,940	13%	87%	15,006	$2.4
3246;Accessibility Improvements	107,620	20%	80%	21,342	$2.3
2902;LOS: accessibility improvement items	115,940	20%	80%	22,684	$2.2
1072;Capital: Signs	77,300	10%	90%	7,389	$2.0
3253;Harekeke Green cricket wicket blocks (x2)	52,200	21%	79%	11,149	$1.5
1072;Upgrade: Structures	42,000	21%	79%	8,897	$1.4
3402;Media towers	327,995	17%	83%	56,049	$1.3
3203;Saxton Oval renewals	63,079	20%	80%	12,336	$1.2
3417;Wayfinding	35,000	21%	79%	7,414	$1.1
3255;Lighting Improvements	257,700	17%	83%	44,041	$1.1
3400;Church venue development	28,710	21%	79%	6,132	$0.8
1073;Capital: Signs/Furniture	23,188	10%	90%	2,222	$0.5
3250;Harekeke Green car park and paths	1,201,000	17%	83%	198,492	$0.4
3403;Wastewater solution	12,500	21%	79%	2,648	$0.4
2786;Temporary Seating	9,814	21%	79%	2,088	$0.3
3251;Harrier/cross country running tracks with trestles etc	22,900	18%	82%	4,126	$0.2
3245;Champion Green facility	676,713	17%	83%	111,803	$0.2
Neighbourhood Reserves	**5,703,225**	**34%**	**66%**	**1,917,003**	**$258.7**

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
Historic	**2,028,546**	**71%**	**29%**	**1,435,293**	**$180.7**
1063; Reserve Development Programme	783,558	100%	0%	783,558	$97.1
1728; Capital: Planting	140,679	100%	0%	140,679	$16.3
1422; Capital: Fences and Walls	122,084	100%	0%	122,084	$14.5
3275;Paddys Knob reserve development	196,540	43%	57%	84,566	$13.4
1422; Capital: Furniture	99,380	100%	0%	99,380	$11.6
1093; Capital: Upgrd Accessways/Carp	63,591	100%	0%	63,591	$7.4
1422;Upgrade: Structures	81,617	27%	73%	21,984	$3.5
1422;Capital: Furniture	48,024	45%	55%	21,549	$3.3
1422;Capital: Fences and Walls	60,349	36%	64%	21,913	$3.3
1422; Upgrade: Structures	22,323	100%	0%	22,323	$2.7
1728;Capital: Planting	27,361	61%	39%	16,563	$2.6
1422;New entrance signs	34,750	20%	80%	6,936	$1.0
1422; OPs: Neighbourhood Parks Upgrade Prgm	24,930	28%	72%	6,896	$0.9
1093;Capital: Upgrd Accessways/Carp	40,890	11%	89%	4,394	$0.7
1422; New entrance signs	3,653	100%	0%	3,653	$0.5
1308; HoN: Bio & Eco Planting	3,031	100%	0%	3,031	$0.3
1728; OPs: New Planting Prgm	9,845	30%	70%	2,931	$0.3
0;Cable Bay House	9,817	22%	78%	2,194	$0.3
3190;Atawhai Reserve Improvements	240,000	1%	99%	1,515	$0.2
1422; PF: Neighbourhood Parks Upgrade Prgm	7,027	26%	74%	1,840	$0.2
1318; HoN: Trees & Plants	1,344	100%	0%	1,344	$0.2
1093; CP: Neigh Parks: Capital Accesswayscarparks	3,396	31%	69%	1,046	$0.1
1170; CP: Branford Park	1,811	31%	69%	555	$0.1
1728; PF: Neighbourhood Parks Planting Prgm	1,450	31%	69%	447	$0.1

Table K: Schedule of assets – *Continued*

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component $/HUD
1093; ET: Neigh Parks: Capital Accesswayscarparks	640	30%	70%	193	$0.0
1170; PP: Branford Park cycleway	226	31%	69%	70	$0.0
3112; CP: Victory Square - Skateboard half pipe	232	26%	74%	60	$0.0
2021 LTP	**3,674,679**	**13%**	**87%**	**481,710**	**$78.0**
1063; Reserve Development Programme	2,986,296	13%	87%	386,627	$62.0
1422;Capital: Fences and Walls	231,970	13%	87%	30,146	$6.6
1422;Capital: Furniture	139,128	13%	87%	18,007	$2.9
1422;Capital: Furniture	139,128	13%	87%	18,007	$2.9
1422;Upgrade: Structures	118,965	13%	87%	15,409	$2.7
1093;Capital: Upgrd Accessways/Carp	117,050	19%	81%	22,597	$2.1
1728;Capital: Planting	69,564	10%	90%	6,665	$1.5
1422;New entrance signs	11,705	19%	81%	2,260	$0.2
Grand Total	**602,909,611**	**23%**	**77%**	**141,278,550**	

19. Previous development contributions

Table L: Historical Development Contributions and Financial Contribution exemption

Activity	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Stormwater	2,999	3,043	3,075	2,370	2,394	2,442	3,230	3,360	3,460
Wastewater	2,756	2,796	2,825	4,270	4,319	4,418	5,000	5,190	5,360
Water Supply	3,054	3,098	3,131	2,950	2,984	3,053	2,050	2,130	2,200
Transport	882	895	904	980	998	1,034	1,370	1,420	1,470
Community Infrastructure	0	0	0	0	0	0	280	290	300
Reserves	0	0	0	0	0	0	1,160	1,200	1,240
Total Development Contributions[1]	**9,691**	**9,832**	**9,935**	**10,570**	**10,695**	**10,947**	**13,090**	**13,590**	**14,030**
Financial contribution exemption amount	88,371	89,657	90,598	91,974	92,747	94,299	N/A	N/A	N/A

[1]*Contributions set in the 2012, 2015 and 2018 Long Term Plans and adjusted for inflation in between*

Significance and Engagement Policy

1. Purpose

1.1. This Significance and Engagement Policy lets both Council and the community identify the degree of significance attached to particular decisions, to understand when the community can expect to be engaged in Council's decision making processes, and know how this engagement is likely to take place.

2. Introduction

2.1. The Local Government Act 2002 states that one role of a Council is to enable democratic local decision-making and action by, and on behalf of, communities. This Policy explains how Council will decide the level of significance that a matter has, the types of matters where the community will be involved in the decision- making process and when the community can expect Council to make a decision on its behalf.

2.2. There are many informal ways that Council engages with the community during its everyday business which helps to inform it on community views. There are also decisions that a Council must make which require a more structured form of engagement. This is because of the importance that a matter has within the wider community, or for groups within the community.

2.3. The first part of this policy sets out how Council will decide whether or not a matter is "significant". The second part of this policy sets out when and how the community's views will be heard on these significant, and other, matters.

3. Determining Significance

3.1. Local authorities must make decisions about a wide range of matters and most will have a degree of significance, but not all issues will be considered to be "significant". An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs.

3.2. Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- Whether the asset is a strategic asset as listed in schedule two of this policy;
- The impact on levels of service provided by Council or the way in which services are delivered;
- The degree of impact on Council's debt or the level of rates it charges;
- Whether the decision is reversible and the likely impact on future generations;
- The impact on the community, how many people are affected and by how much;
- Whether the decision or action flows from, or promotes, a decision or action that has already been taken by Council or furthers a community outcome, policy or strategy;
- Is there a past history of the issue generating wide public interest within the region or is there a reasonable expectation that it would generate this interest now;
- The impact on Council's financial capacity and capability.

3.3. It may be that only one of the criteria applies, but to such a high degree that the decision will be considered "significant". Conversely, several criteria may be applicable, but to only a low degree, and therefore will be considered to have a lower level of significance. Each decision will involve staff making an assessment for consideration by elected members. Schedule one of this policy sets out how the criteria will be used to assess significance.

4. Community Engagement

4.1. The ways engagement can take place are varied and will be in proportion to the significance of the matter being considered.

Special Consultative Procedure

4.2. There are still situations where the Special Consultative Procedure must be used under both the Local Government Act 2002 and a number of other statutes.

4.3. It is important to note that formal consultation using a Special Consultative Procedure is a structured process outlined in legislation and supported by case-law. In other engagement processes, however, there are no explicit statutory or legal rules constraining or defining community engagement processes. The Local Government Act 2002 has given local authorities the ability to determine this as appropriate for their communities.

Engagement on Other Matters

4.4. Outside of matters where it remains mandatory for a special consultative procedure to be undertaken, Council will determine the appropriate level of engagement on a case by case basis.

4.5. Council may decide it will use a special consultative procedure if the matter is of high significance, or it may choose another form of appropriate consultation. In instances where significance is judged to be moderate, engagement with the community could involve consulting through an advisory committee or focus group, public meetings, or surveys.

4.6. When Council decides that a matter is of low to moderate significance, or in instances where it is considered that the views of the community are already known, it may make a decision on behalf of the community and then inform the community of the outcome. This may be, for instance, through publication on the Council website or social media channels, through the Council's own delivered newsletter (Our Nelson), by working with local media to publicise the announcement or through any other appropriate means.

5. Principles of Engagement

5.1. In any engagement process undertaken with the community, that engagement will be in proportion to the matter being considered. When any engagement takes place, other than simply providing information, we will:

- Seek to hear a range of views on a decision;



- Ask for views early in the decision making process so that there is enough time for feedback to be provided, and for this to be considered properly;
- Listen and consider views in an open and honest way;
- Respect everyone's point of view;
- Provide information that is clear and easy to understand;
- Consider different ways in which the community can share views with us;
- Ensure that the engagement process is efficient and cost effective.

6. Matching Engagement to Significance

Low ⟵	Moderate ⟷	⟶ High
Desired outcome of engagement based on level of significance		
Information to assist the public in understanding the problems, solutions, and performance is available via existing Council material	Feedback is obtained from the community to assist in formulation of alternatives and decisions	Council seeks direct input from the community in formulating solutions.

Examples of engagement used	
· Shape Nelson, surveys, online consultation	· Discussion groups and workshops
· Our Nelson – with feedback forms included	· Public meetings, open days, roadshows
· Customer services	· Public hearings
· Identified staff as point of contact	· Special Consultative Procedure (LGA)
· Information display at Council offices or local venues near activity/ initiative	· Residents' survey
· Expert opinion, focus groups, work groups, advisory boards on outcomes sought by initiative/activity	· Community led activities
	· Pre-engagement to heighten awareness and create interest and/or participation

7. Information Requirements

7.1. Council will ensure that, when conducting any engagement or consultation process in relation to a significant decision, it provides:

- Clear information on what is being proposed and why it is being proposed;
- Sufficient information on which to provide meaningful feedback;
- The advantages and disadvantages of each option being considered;
- What impacts, if any, will occur if the proposal goes ahead;
- How the community can provide its views;
- The timeframe for completing the community engagement or consultation;
- How submitters and participants can learn about the outcome.

8. Engagement with Māori and local Iwi

8.1. Although the Treaty is between Māori and the Crown, the Crown has made certain requirements to local government to meet its Treaty obligations through the Local Government Act 2002, and the Resource Management Act 1991. The LGA introduced responsibilities and opportunities for engagement and cooperation between councils and Māori, and places obligations on councils to facilitate participation by Māori in local authorities' decision making processes.

8.2. Aside from the legislative context, there are compelling reasons for Council and iwi to work together, and not all engagement with iwi is driven by statute. Iwi provide a unique and defining part of the Whakatū community and region, and hold a wealth of knowledge about the cultural, natural, physical and social landscape, and are also key contributors to the region's economic development.

8.3. Council's values of Māori and iwi engagement align with the Treaty principles of partnership, protection and participation. Council will:

8.3.1. implement the intent of the Local Government Act

8.3.2. work to improve Māori participation in Council's decision-making process

8.3.3. provide information for effective and genuine participation in decision-making

8.3.4. endeavor to engage iwi early in decision-making processes.

8.4. Council will also take into account its obligations as outlined under legislation including, Te Tau Ihu Claims Settlements, Resource Management Act, and all other relevant Acts. Council will also take into account National Policy Statement Frameworks, and will honour all engagement and relationship agreements developed with Māori and iwi as they relate to its decision-making processes.

9. Definitions Used in This Policy

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Decisions	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed to be significant).
Engagement	Describes the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Significance	As defined in section 5 of the LGA 2002 in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: (a) The district or region; (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so.
Strategic Asset	As defined in section 5 of the LGA 2002 in relation to the assets held by the local authority, means 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 well-being of the community, and includes: (a) any asset or group of assets listed in accordance with section 76AA(3) 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

Schedule One: Assessing Significance against Criteria

Criteria	Lower Significance	Moderate Significance	Higher Significance
Change in levels, or delivery, of service provided by Council.	There is a medium to low level of change to services.	There is a high to medium level of change to services.	There is a major and/or long term change to services.
Level of financial impact.	There is a medium to low level of impact.	There is a high to medium level of impact which could be long or short term.	There is a major and long term financial impact.
Impact on the community.	The impact on the community is medium to low.	The impact on the community is moderate on sections or all of the community.	The decision would have a major impact on sections or all of the community.
Decision involves a "strategic asset" as listed in this policy.	The decision does not impact on the Council's ownership of the asset.	The decision does not impact on the Council's ownership of the asset.	The decision involves the sale or transfer of more than 20% of a strategic asset.

Schedule One: Assessing Significance against Criteria

Criteria	Lower Significance	Moderate Significance	Higher Significance
Impact on Council debt or level of rates.	The impact is of a medium to low level	The impact is of a high to medium level in the short or long term.	The impact is major and/or long term on either debt levels or rates.
Reversibility of decision.	The decision is not irreversible, or if it were, the impact on future generations would not be high.	The decision may not be irreversible but difficult to undertake, and/or, there is a somewhat impact on future generations.	The decision is irreversible and would impact negatively on future generations to a high degree.
Building on previous decisions.	The decision or action is consequential to, or promotes, a decision or action already taken by Council or the views of the community on this matter are already known.	The decision or action relates to previous decisions but not necessarily consequential. Community views are already known or somewhat known through previous consultation on similar matters.	The matter is considered to be significant by other criteria, and has not been previously consulted with the community.
Historic or reasonable expectation of interest.	There is no history of the matter generating widespread interest or there is no reasonable expectation of the matter generating wide and intense public interest.	There is some history of the matter generating public interest in general or with particular sectors, or there is neither a reasonable or unreasonable expectation of the matter generating wide and intense public interest.	There is a history of the matter generating wide and intense public interest or there is a reasonable expectation of the matter generating wide and intense public interest now.
The impact on Council's financial capacity and capability.	There is low capital or operational expenditure. The financial transaction has a minor value compared to rates revenue.	There is moderate capital or operational expenditure. The financial transaction has a moderate value compared to rates revenue.	There is high capital or operational expenditure. The financial transaction has a high value compared to rates revenue.

Schedule Two: List of Strategic Assets

The Local Government Act 2002 definition of a strategic asset is outlined in the Significance and Engagement Policy.

The list of assets outlined below are considered to be "strategic assets", however not all decisions made regarding them will be significant. For example, the road network is strategic but the purchase or sale of small land parcels that make up the network may not amount to a significant decision.

- Water supply catchments and supply network as a whole;
- Wastewater network as a whole;
- Stormwater and flood protection network as a whole;
- Land transport network as a whole;
- Ownership in the Nelson Airport Company;
- Ownership in the Nelson Port Company;
- Ownership of Nelmac Ltd.



Council committees and portfolios

Mayor

Rachel Reese

Deputy Mayor

Judene Edgar

Community and Recreation Committee

This is a committee of the whole. Membership is:

Councillor Skinner *(Chairperson)*

Councillor Brand *(Deputy Chairperson)*

Councillor Bowater *(Deputy Chairperson)*

Councillor Courtney

Councillor Edgar

Councillor Fulton

Councillor Lawrey

Councillor McGurk

Councillor Noonan

Councillor O'Neill-Stevens

Councillor Rainey

Councillor Sanson

Her Worship the Mayor Reese

Environment and Climate Committee

This is a committee of the whole. Membership is:

Councillor Fulton *(Chairperson)*

Councillor McGurk *(Deputy Chairperson)*

Councillor Courtney *(Deputy Chairperson)*

Councillor Brand

Councillor Bowater

Councillor Edgar

Councillor Lawrey

Councillor Noonan

Councillor O'Neill-Stevens

Councillor Rainey

Councillor Sanson

Councillor Skinner

Her Worship the Mayor Reese

Glenice Paine (external appointment)

Infrastructure Committee

This is a committee of the whole. Membership is:

Councillor McGurk *(Chairperson)*

Councillor O'Neill-Stevens *(Deputy Chairperson)*

Councillor Brand

Councillor Bowater

Councillor Courtney

Councillor Edgar

Councillor Fulton

Councillor Lawrey

Councillor Noonan

Councillor Rainey

Councillor Sanson

Councillor Skinner

Her Worship the Mayor Reese

Chief Executive Employment Committee

Her Worship the Mayor Reese *(Chairperson)*

Councillor Edgar *(Deputy Chairperson)*

Councillor Noonan

Councillor Rainey

Civil Defence Emergency Management Group

Chairperson: Alternating *(see procedure)*

Her Worship the Mayor Reese

Deputy Mayor

Note: This Committee also includes the Mayor and Deputy Mayor of Tasman District Council.

Joint Committee of Tasman District and Nelson City

Chairperson: Alternating *(see procedure)*

Deputy Chairperson: None

Her Worship the Mayor Reese

Councillor Brand

Councillor Bowater

Councillor Courtney

Councillor Edgar

Councillor Fulton

Councillor Lawrey

Councillor McGurk

Councillor Noonan

Councillor O'Neill-Stevens

Councillor Rainey

Councillor Sanson

Councillor Skinner

Note: This committee also includes The Mayor, Deputy Mayor and 12 Councillors of Tasman District Council giving a total of 27 members for the Committee

Nelson City Council Tasman District Council Joint Shareholders Committee

Chairperson: Alternating *(see procedure)*

Deputy Chairperson: None

Her Worship the Mayor Reese

Councillor Courtney

Councillor Edgar

Councillor McGurk

Councillor Noonan

Councillor Sanson

Note: This Committee also includes The Mayor, Deputy Mayor and four elected members of Tasman District Council

Nelson Regional Sewerage Business Unit

Councillor McGurk *(Deputy Chairperson)*

Councillor Skinner

Note: This Committee also includes two representatives from Tasman District Council, Brendon Silcock (external appointment), a representative of the Nelson Regional Sewerage Scheme Customer Group, and an Iwi representative.

Nelson Tasman Regional Landfill Business Unit

Councillor Edgar *(Chairperson)*

Councillor Courtney

Note: This Committee also includes two representatives from Tasman District Council, an iwi representative Andrew Stephens and an independent member

Regional Transport Committee

Councillor McGurk *(Chairperson)*

Councillor Edgar *(Deputy Chairperson)*

Councillor O'Neill-Stevens

Her Worship the Mayor Reese

New Zealand Transport Agency Representative

Resource Management Act Procedures Committee

Her Worship the Mayor Reese

Councillor Fulton

Councillor McGurk

Saxton Field Committee

Councillor Edgar

Councillor Skinner

Derek Shaw *(external appointment)*

Note: This Committee also includes two representatives from Tasman District Council, and one independent member, giving a total of five members for the Committee.

Audit Risk and Finance Subcommittee

John Peters *(Chairperson, external appointment)*

John Murray *(external appointment)*

Her Worship the Mayor Reese

Councillor Edgar

Councillor Lawrey

Councillor Sanson

Forestry Subcommittee

John Murray *(Chairperson)*

Her Worship the Mayor Reese

Councillor Fulton

Councillor Skinner

Peter Gorman *(independent forestry expert)*

Tenders Subcommittee

Her Worship the Mayor Reese

Councillor Edgar

Chair of committee relevant to tender

Chief Executive

Urban Development Subcommittee

Councillor Edgar *(Chairperson)*

Her Worship the Mayor Reese

Councillor Courtney

Councillor Fulton

Councillor McGurk

Councillor Rainey

One Māori representative

Strategic Development and Property Subcommittee

Councillor Noonan *(Chairperson)*

Her Worship the Mayor Reese

Councillor Skinner

Councillor Bowater

Councillor Brand

Mr John Peters

Mr John Murray

One Māori representative

District Licensing Committee

Oke Blaikie *(Chairperson, external appointment)*

Councillor Fulton *(deputy Chairperson)*

Councillor Noonan

Gail Collingwood *(external appointment)*

Derek Shaw *(external appointment)*

Laurie Gabites *(external appointment)*

Hearings Panel – Resource Management Act

All members holding current 'Making Good Decisions' certification

Hearings Panel - Other

All Councillors *(aside from Her Worship the Mayor)*

A Chairperson is appointed for each Hearings Panel – Other, from councillors who have previously completed the 'Making Good Decisions' course

Community Investment Funding Panel

Group Manager Community Services *(Chairperson)*

Rachel Gordon *(external appointment)*

Rosalie Grant *(external appointment)*

Viv Lock *(external appointment)*

Bhoj Subba *(external appointment)*

Graeme Thomas *(external appointment)*

Tangata whenua representative

Iwi-Council Partnership Group

Her Worship the Mayor Reese

Councillor Edgar

Councillor Lawrey

Councillor Sanson

Representative from Te Ātiawa

Representative from Ngāti Kuia

Representative from Ngāti Toa Rangatira

Representative from Ngāti Tama

Representative from Ngāti Rārua

Representative from Ngāti Koata

Representative from Ngāti Apa ki te Rā Tō

Representative from Rangitane

City Centre Engagement Group

Councillor Courtney *(Chairperson)*

Deputy Mayor Judene Edgar

City for All Ages Councillor Working Group

Councillor Lawrey *(Chairperson)*

Councillor Bowater

Councillor Brand

Councillor Noonan

Council management structure

Council management structure

Council employs a Chief Executive, who is responsible for employing staff to enable Council to deliver its services and activities. The Chief Executive is ultimately accountable for the delivery of Council business and is the bridge between governance and management.

Office of the Chief Executive

Responsible for ensuring that Executive Support Services are available to the Mayor, Deputy Mayor, councillors and the Chief Executive. The Office of the Chief Executive also includes Te Kāhui Whiria/Māori Partnerships team and the People and Capability team, responsible respectively for leading the development of strategic rangatira to rangatira relationships between Nelson City Council and the eight iwi of Te Tau Ihu, and supporting the organisation effectively in all matters related to its people. There are five groups, each headed by a group manager reporting to the Chief Executive, that cover the substantive activities of Council, and maintain relationships with (and oversight of) Council Controlled Organisations, Council Controlled Trading Organisations, Trusts and other partners and stakeholders in the city. These groups are:

Infrastructure: roading and solid waste, utilities, capital projects

Responsible for providing strategic direction and recommendations to Council in relation to key infrastructural assets. The group manages the operations of transport, roading, subdivisions, traffic management, solid waste, the transfer station, landfill, recycling, wastewater, stormwater and water supply services. It provides design and project management services for implementing Council-wide capital and renewals projects.

Community services: libraries and heritage facilities, community partnerships, parks and facilities

Responsible for delivering Council's social and community development, libraries and heritage facilities, arts/ culture initiatives, and parks and recreation facilities. The Group oversees the delivery of key festivals and events and through those contributes to the region's economic development and tourism support activities.

Environmental management: science and environment, city development, housing, environmental planning, resource consents and compliance, building consents, and regulatory activities

Responsible for developing formal documents including environmental bylaws, resource management policies and plans and a city development strategy.

Ensures Council:

(a) Delivers on its regional council functions including air quality, freshwater, coastal, biodiversity, biosecurity, land management which includes monitoring and reporting on these matters

(b) Meets statutory obligations to manage building and resource consents and enforcement and compliance requirements

(c) Actively works to encourage development within the City.

Strategy and Communications: strategic planning, climate change response, communications, legal, governance and administration support, record management, fundraising

This group is responsible for developing the Long Term Plan, annual plans, annual reports, and other policies, strategies and plans. This team produces Our Nelson and prepares media releases and briefings. It provides advice to Council on climate change mitigation and adaptation, and supports community engagement and action related to climate change. Additionally, this group provides Council's records, research and archive services and fundraising activities for Council's work programme. It also provides legal, governance and

administrative support to the organisation and elected members, ensuring that the activities and democratic processes of the Council are robust and aligned with legislative and regulatory requirements for the operation of local government organisations.

Corporate services: accounting services, property services, finance, business improvement, emergency management, information services, customer services

Responsible for providing strategic financial planning, the Corporate Services Group maintains an oversight of Council's finances and ensures Council meets its financial key performance indicators. The team provides a broad range of support services across Council to enable it to function smoothly, effectively and efficiently. The Group also provides front-line customer service to the City's residents and ratepayers, manages information technology for the organisation and oversees the management of Council owned and leased property.



Glossary

Some technical words are hard to avoid using, as they have a specific meaning or are used in the Local Government Act 2002. While we do our best to keep these to a minimum and use plain English wherever possible, there are some less familiar local government terms and abbreviations used in this document. We have separated the glossary into general and financial.

General

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. Our Annual Report is one way that we are held accountable to the community for the results of the past year's work.

Activities ('Groups of Activities') are the services, projects or goods produced by Council. These are broad groups of Council's services and facilities, each with common elements. For example, the Environment 'activity' includes regulation, compliance and education. For practical management of our work, we assign responsibility for these activities to various Council teams, each with their own budgets. Activity can also be used to mean the action Council takes in carrying out a project or providing a service.

Annual Plan sets out Council's current financial situation, intended activities and work programme for the next financial year. It is published in the second and third year of a Long Term Plan to explain changes each year since the Long Term Plan was published.

Annual Report is an audited account of the results of Council's planned work programme for the past year. Any difference to planned work is explained. The Annual Report is published by Council around October following the end of each financial year (30 June each year).

Asset(s) are resources owned by Council that have an economic life greater than one year. Examples are buildings, equipment, vehicles, and computers.

Activity Management Plan (AMP) is a Council plan for the management of assets and activities. 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.

Audit is the regular official inspection of Council's accounts and processes, carried out by Audit NZ.

Biodiversity is the natural diversity of all life, including diversity in genes, species, populations and ecosystems.

Consultation Document is the basis of discussions between Council and the community about the issues facing our district and how Council is proposing to address those issues. It includes how rates, debt and levels of service might be affected by Council's proposals.

Council Controlled Organisation (CCO) is a company controlled by one or more local authorities that does not operate only to make a profit, for example the Bishop Suter Gallery.

Council Controlled Trading Organisation (CCTO) is a type of Council controlled organisation that operates for the purpose of making a profit, for example Nelmac Limited.

Community Outcomes are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities.

Development Contributions are payments to Council by developers to provide new network infrastructure, or network infrastructure of greater capacity, needed to service growth in demand for that infrastructure.

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 title containing one residential unit.

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.

Infrastructure Strategy identifies critical challenges for our transport, water supply, wastewater and stormwater and flood protection assets over the next 30 years, and the options for responding to them.

Levels of service (LOS), 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, described in terms of quality, quantity, reliability, timelines, cost or similar variables.

Local Government Act 2002 (LGA) sets out the purpose and powers of local government. The LGA provides for democratic local government and promotes accountability to communities.

Long Term Plan or LTP (formerly Long Term Council Community Plan or LTCCP) is the final adopted version of this document. A Long Term Plan is required by the Local Government Act 2002 to describe Council's activities, providing integrated decision-making and coordinating Council resources. It gives a long term focus for the decisions and activities of Nelson City Council and is an important basis for the accountability of Council to Nelson residents.

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.

Regulator is 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.

Resource Management Act 1991 (RMA) 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.

Statement of Intent (SOI), is required annually from each council controlled organisation to provide accountability for meeting agreed targets and outcomes.

Unitary authority is a city or district council that also has the responsibilities of a regional council. There are only six of these: Auckland, Nelson City, Tasman District, Marlborough District, Gisborne District and Chatham Islands Councils.

Common Financial Terms

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.

Depreciation is the wearing out, consumption or loss of value of an asset, where funding is set aside towards the asset's eventual replacement.

Financial year for Council runs for 12 months each year from 1 July ending 30 June the following year.

GAAP (Generally Accepted Accounting Practices) is a collection of commonly followed accounting rules and standards for financial reporting.

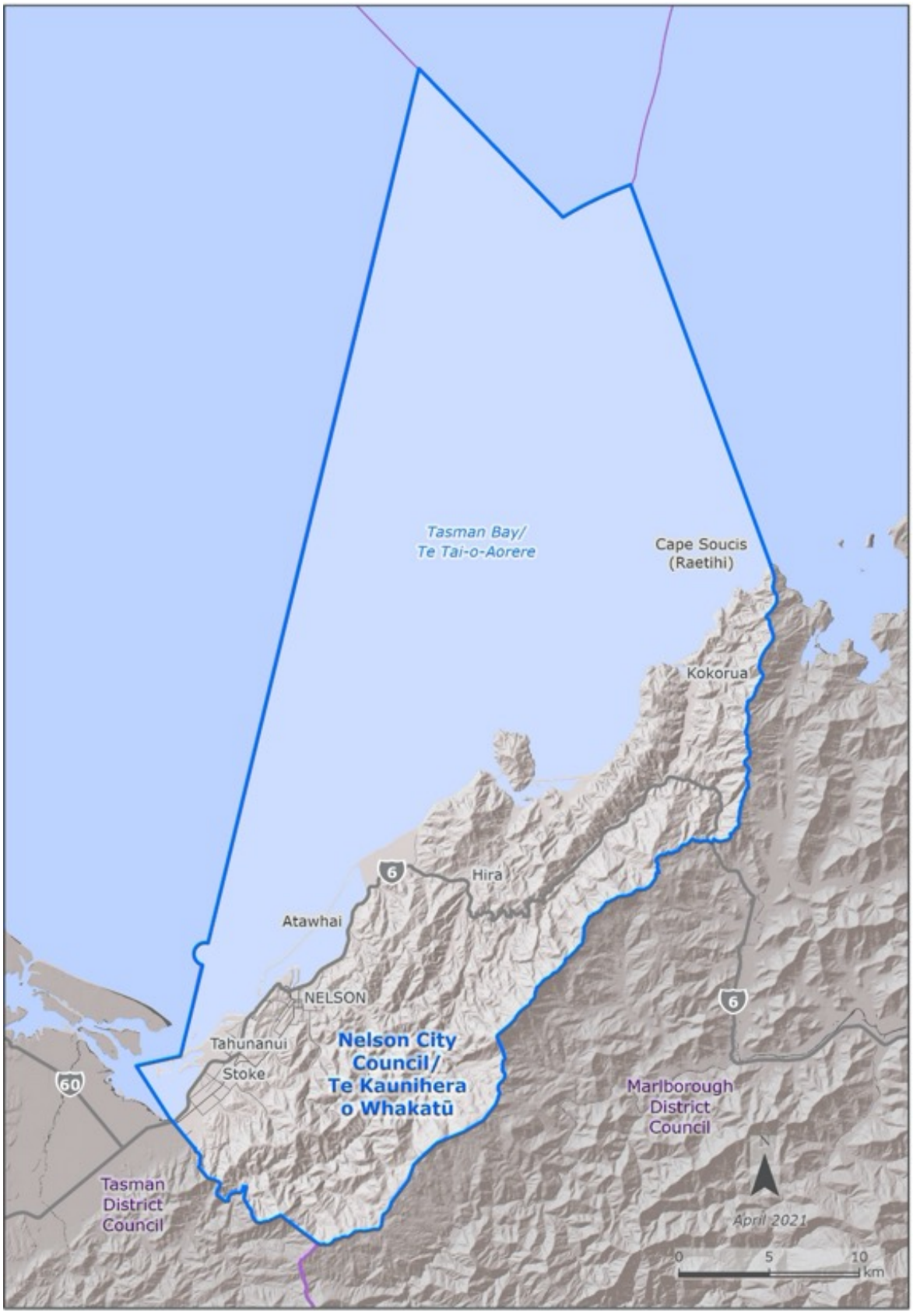
General rate is charged based on the land value of a landowner's property. The money pays for Council services and facilities that benefit the community as a whole.

Operating expenditure (OPEX) is the cost of operating and maintaining an asset and running normal day to day business. Money spent on operations and maintenance does not alter the value of an asset and is not included in the asset valuation. It is operating expenditure that has the greatest effect on rates, as it has to be fully funded from income each year, whereas capital expenditure is generally borrowed.

PBE IPSAS (Public Benefit Entity International Public Sector Accounting Standards) are the accounting standards that public sector public benefit entities must apply in the preparation of financial statements.

Targeted rates are a charge on ratepayers to fund a specific service such as stormwater drainage.

Map of Nelson City Council boundaries



The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that licence. For more information please contact us. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED. KS. File Ref: A2622177

Contact us
Whakapā mai ki a Mātou

Contact Information

Civic House, 110 Trafalgar Street, Nelson City Council

PO Box 645, Nelson, 7040

enquiry@ncc.govt.nz

03 546 0200

nelson.govt.nz

Council Customer Service Centre

Open from 8:30am to 5:00pm weekdays (9:00am on Wednesdays) in Civic House, corner Halifax and Trafalgar Streets

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. Council meetings are also streamed live on Council's YouTube channel youtube.com/user/NelsonCouncil

Public Forums

There is a Public Forum at the beginning of most ordinary Council and Committee meetings where up to 30 minutes will be available for members of the public to speak to Council. (Note that five minutes is the time limit given to an individual speaker). You need to book a time before the meeting by contacting a Council Governance Adviser on 546 0200.

Petitions

The presentation of a petition to Council or its Standing Committees must also conform to certain rules. Petitions need to be provided to the Chief Executive at least five working days before the meeting it is being presented at. For more information contact a Council Governance Adviser on 546 0200.

Contact Us

Civic House, 110 Trafalgar St, Nelson
PO Box 645, Nelson, 7040
enquiry@ncc.govt.nz
03 546 0200
nelson.govt.nz

Nelson City Council
Te Kaunihera o Whakatū