

ANNUAL PLAN 2020/21

Variations to Year Three of
the Long Term Plan 2018-28

Consultation Document



SHAPING NELSON'S FUTURE



Nelson City Council
te kaunihera o whakatū

WHAT'S IN THIS CONSULTATION DOCUMENT

ngā rārangi take o te uiringa nei

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Watch out for Gabe the Nelson Green Gecko

Look for Gabe as he points out the consultation issues and other matters we'd like your feedback on.

The Nelson Green Gecko is a rare species unique to the Nelson & Tasman region, and is threatened by introduced pests. Its lives in native forest and scrub and despite its striking green colour is almost never seen.

THE ANNUAL PLAN CONSULTATION DOCUMENT 2020/21 IS OPEN FOR SUBMISSIONS

Council's Annual Plan Consultation Document outlines the main changes to Council's work programme for 2020/21, compared to what was approved in the Long Term Plan 2018-28.

A more complete list of changes and financial information is set out in the supporting information, which is available on our website.

2020 TIMELINE






HOW TO HAVE YOUR SAY – IT'S EASY!

Whakahoki kōrero mai





Submissions on the Annual Plan 2020/21 Consultation Document can be made online, or using a submission form. Submissions must be received by **5.00pm on 17 April 2020**.

All submitters may speak to their submissions at the **public hearings on 5 and 7 May 2020**. Council will then write to submitters and provide feedback on any suggested changes.

Submissions can be made:

-  Online at nelson.govt.nz/council/consultations
-  By post to PO Box 645, Nelson 7010
-  By dropping off to Civic House, 110 Trafalgar Street

We have popped a submission form into every hard copy of this document. You can pick up more from:

-  Our Customer Service Centre at the corner of Trafalgar and Halifax Streets
-  The public libraries in Nelson, Tāhunanui, and Stoke
-  Online at nelson.govt.nz
-  Or write your own

Information about all consultations can be found on Council's website, at the Customer Service Centre or at Council's public libraries.

You can keep informed about Council's consultations by visiting shape.nelson.govt.nz

NOTE: All numbers in this document exclude GST unless otherwise stated. All references to the 'Long Term Plan' or 'LTP' refer to the Long Term Plan 2018-28 unless otherwise stated.



MAYOR'S MESSAGE

E ngā mana, e ngā reo
E ngā rau rangatira mā
Tēnā koutou katoa

Since the election in October 2019, Council's work is now well underway and I am confident this group of committed Nelsonians will grasp opportunities for our region to thrive.

Council work can be impacted by civil emergencies; Cyclone Gita in 2018 and 2019's fires caused disruption to last year's work programme. This year we are mindful that the Covid-19 virus will have economic and social impacts at all levels. Council is closely engaged with national bodies to ensure we have a robust and well thought out plan to ensure public welfare and business continuity in the event of a wider outbreak in New Zealand.

Every three years, Nelson City Council develops a Long Term Plan (LTP) setting the financial outlook and projects the Council will tackle over a ten year period. The 2018 LTP set out four key priorities for Nelson: core infrastructure, protecting and enhancing our natural environment, developing our City Centre, and lifting Council performance. This year, elected members have agreed three lenses to focus on for the next three years. These are: affordable housing, developing the Maitai River Precinct and creating a sustainable transport culture. These topics present our Smart Little City with a range of challenges and opportunities, and tackling these will guide Council's decision-making process.

This consultation document includes a wide array of important projects for the Nelson region, as well as necessary variations to the 2018 LTP.

Our work to create a sustainable transport culture will see the introduction of electronic ticketing for our bus system, paperless parking meters that will reduce ticket waste to zero and new shared cycling and walking paths, making it easier for Nelsonians to choose to leave the car at home when they travel to and around the city.

Crucial work on our stormwater and wastewater systems will improve our resilience to flooding. With heavy rainfall events likely to be more common due to climate change, this is urgent work that we must undertake to protect our homes, businesses, and environment. We also have work scheduled on the Gracefield sewer diversion, the Mount Street and Konini Street stormwater upgrades and the Saxton Creek upgrade will improve our various water networks.

The divestment of community housing assets to a third-party provider who can further develop social housing will progress. Due to the affordability of housing continuing to deteriorate, Council is proposes that all of the proceeds from the planned sale should go to a Housing Reserve, instead of partially being used to pay down debt.

There will also be visible changes to the Maitai River Precinct, with a pop-up playground planned for the vacant space next to the Elma Turner Library. Planning for our redevelopment of the Library will also progress. Council will also continue its focus on improving the Precinct's resilience to climate change, increasing the amount of public space and recreation areas, and improving links from the River to other parts of the city.

The LTP valued the importance of working in partnership with iwi, and this Annual Plan seeks to continue that work. Working with the eight iwi of Te Tau Ihu is one of our key priorities, and we will strengthen this relationship through collaborative engagement and decision-making throughout this next year and beyond. We have been delighted to welcome two new Kaumātua (Kereopa Ratahi and Mel

McGregor) to our team, and they have already provided Council with invaluable support and guidance.

Over the next five years, Nelson will benefit from hosting a series of Kapa Haka competitions culminating in potentially hosting the Te Matatini National Kapa Haka Festival in 2025. Combined, these events are expected to bring 80,000 spectators to the region, providing an economic boost of up to \$20 million.

This Annual Plan is also influenced by our declaration of a climate emergency in 2019. This was a landmark moment for the significant work needed to empower Nelson's response to climate change. The 2020/2021 Annual Plan incorporates climate change considerations into council work planning and budgets. The Nelson Plan, which incorporates the district, regional and coastal plans, will look at sea level rise, flooding and other associated hazards. Last year, the Government enacted the Zero Carbon Act, which requires commitments from all sectors of New Zealand society to achieve carbon reduction goals. At the end of February, we, along with many other organisations and individuals took part in the launch of the Nelson Tasman Climate Change Forum. At this seminal community meeting the message was clear; we can only meet the needs of our community through working together.

The 2018 LTP and 2020/21 Annual Plan contain a wide range of high quality services and vital projects that the community has told us are important for Nelson's success. To deliver what the community needs, our rates rise will be 0.6% higher than the proposed 3.1%. This is a lower rate rise than last year, and still below the rate cap of 4.2%.

As Mayor, I will be proactively working with the Chief Executive to look for savings before the document is signed off.

We want to hear from you

The consultation document is an important part of our engagement with Nelson for the 2020/21 Annual Plan. This draft is always improved once we receive feedback from Nelsonians. What have we missed? Where can we make trade-offs? We now want to hear from Nelsonians of all backgrounds during the consultation period from March 17 to April 17. This is your chance to have your say on a wide range of projects that will bring positive benefits to the Nelson region. This year we have a goal to increase the number of submissions we receive online. You can of course send us a submission in all the usual ways, outlined on page three, but why not try going to nelson.govt.nz/annual-plan to give us your thoughts via our website.

Ehara taku toa I toa takitahi, engari he toa takitini. My successes are not mine alone, they are ours and the greatest successes we will have are from working together.



Rachel Reese

MAYOR OF NELSON



VISUALISING OUR D 2020/21 ANNUAL PL

2018-28 LONG TERM PLAN

VISION

Nelson is the Smart Little City
he tāone tōrire a Whakatū.

MISSION

We leverage our resources to shape an
exceptional place to live, work and play.

EIGHT 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



THE FOUR ASPECTS OF WELLBEING

1. SOCIAL
2. ECONOMIC

ALL ACTIVITY IS VIEWED THROUGH

RECTION FOR THE AN

2018-28 LONG TERM PLAN

THE FOUR PRIORITIES

1. INFRASTRUCTURE
2. ENVIRONMENT
3. CITY CENTRE
DEVELOPMENT
4. LIFTING COUNCIL
PERFORMANCE

2020/21 ANNUAL PLAN

THREE FOCUSES FOR THE NEW TRIENNium

1. CREATING A
SUSTAINABLE
TRANSPORT
CULTURE
2. HOUSING
AFFORDABILITY AND
INTENSIFICATION
3. MAITAI RIVER
PRECINCT

Work on these focuses will be
driven by the elected members.

3. ENVIRONMENTAL
4. CULTURAL

(The Four Aspects of Wellbeing were
reinstated into the Local Government act in
2019 - formal recognition that councils have
a significant role to play in lifting people's
quality of life, alongside 'core services')

GH A CLIMATE CHANGE LENS



IWI AND COUNCIL PARTNERSHIP

Council and iwi are committed to working together.

In 2020/21, the Iwi-Council Partnership Group will continue to meet quarterly, and on a regular basis. The Group includes representatives of each of the eight Te Tau Ihu (Top of the south) iwi (Ngāti Kuia, Rangitāne, Ngāti Apa, Ngāti Koata, Ngāti Rārua, Ngāti Toa Rangatira, Ngāti Tama, and Te Ātiawa), the Mayor, and three Council elected members.

The Partnership Group is currently reviewing the draft Joint Memorandum of Understanding between Tangata Whenua o Whakatū and Council, and developing an Iwi Engagement and Partnership Strategy. These will remain a priority in 2020/21.

As of 2019/20, iwi have representatives on the Nelson Regional Sewerage Business Unit, and Nelson Tasman Regional Landfill Business Unit. The Nelson Regional Development Agency appointed two representatives endorsed by iwi to its Board in 2019/20. Iwi representation in Council decision-making will continue to be progressed in 2020/21.

A key objective for our work together is to strengthen the relationship between iwi and Council, support communication, and implement a genuine partnership.

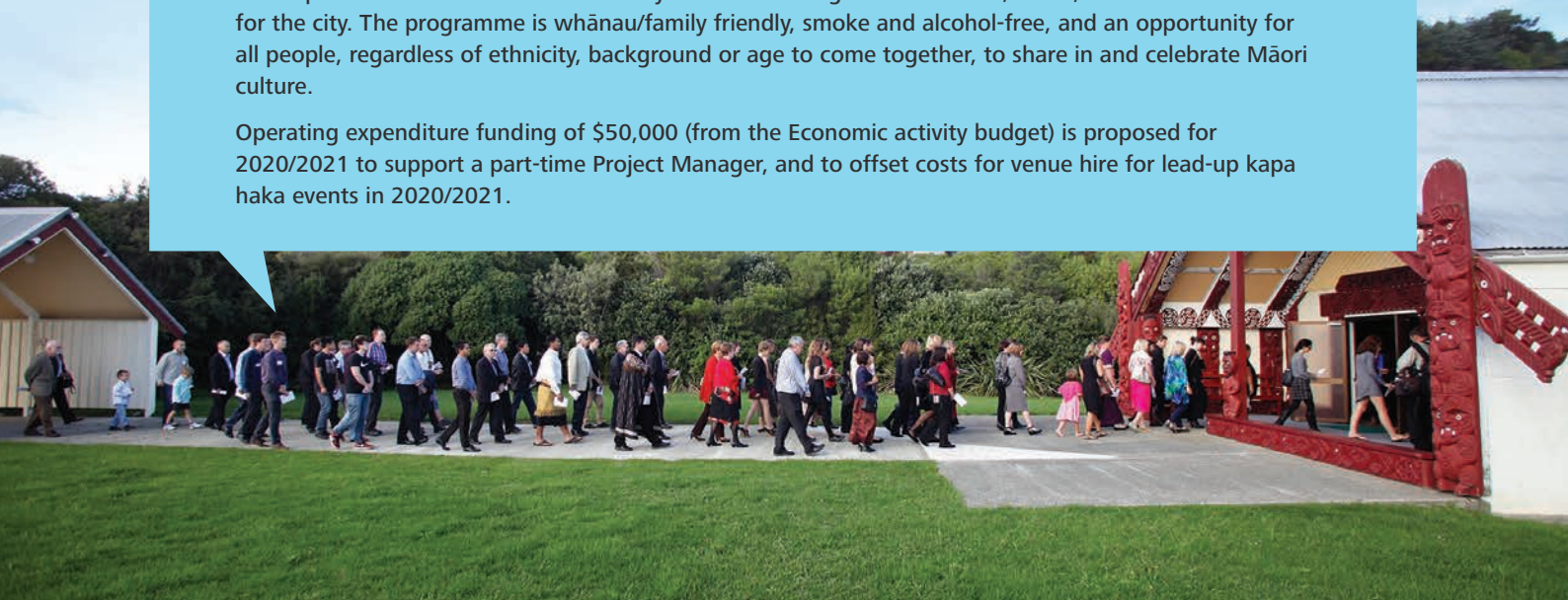
TE MATATINI 2025 NATIONAL KAPA HAKA FESTIVAL

Nelson has been offered the exciting opportunity to host Te Matatini National Kapa Haka Festival in 2025 - pending the successful hosting of two major competitions leading up to Te Matatini. These are Te Mana Kuratahi – the National Primary Schools Kapa Haka Competition in 2021, and Ngā Kura Tuarua Kapa Haka – the National Secondary School Kapa Haka Competition in 2022. These events draw in around 10,000 spectators each.

Te Matatini is a biennial national event hosted by a different region each year. It is a world-class four day festival showcasing Māori performance in competitive kapa haka. It is expected to attract up to 60,000 spectators to the region (based on numbers that attended the previous event in Wellington). Te Matatini 2025 and its lead-in events may provide an economic boost of up to \$20 million to the region over the next five years.

The kapa haka events over the next five years will have significant cultural, social, and economic benefits for the city. The programme is whānau/family friendly, smoke and alcohol-free, and an opportunity for all people, regardless of ethnicity, background or age to come together, to share in and celebrate Māori culture.

Operating expenditure funding of \$50,000 (from the Economic activity budget) is proposed for 2020/2021 to support a part-time Project Manager, and to offset costs for venue hire for lead-up kapa haka events in 2020/2021.



DELIVERING ON OUR LONG TERM PLAN 2018-28

When the Long Term Plan 2018-28 was developed and consulted on, Council identified four priorities for the ten year period that contribute towards Council's vision.

VISION

Nelson is the Smart Little City:
he tāone tōrire a whakatū

Nelson is the Smart Little City. It 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 leverage our resources to shape an exceptional place to live, work and play.



THE FOUR PRIORITIES

1. INFRASTRUCTURE

Ko nga Tūāpapa

Our city, community and environment all depend on our core infrastructure networks to provide safe and smart transport, water, wastewater, stormwater, and flood protection. Key city assets need ongoing maintenance and replacement so we can depend on these essential utilities. This work also enables and protects investment in our city and removes constraints on our growth. Council is putting essential infrastructure at the forefront to future-proof our city.

2. ENVIRONMENT

Ko te Taiao

Council recognises that investing in the environment is essential for our future. A healthy environment underpins the health of our community and the way people enjoy Nelson, supports the economy and means we have functioning ecosystems to support our treasured species. Responding to climate change and growing our community's resilience to the more extreme weather events it will bring is a top priority.

3. CITY CENTRE DEVELOPMENT

Whakahoū tāone

Our aim for Nelson's central business district is for it to be attractive to businesses, residents and visitors, with an exceptional mix of events, civic facilities and retail. We are working to build an environment that supports commerce, encourages inner city living and is a catalyst for private sector investment. The Top of the South, Te Tau Ihu, needs a strong commercial centre to thrive. We want our city centre to enrich and build our local culture - the bustling meeting place for everyone who lives, works and visits here.

4. LIFTING COUNCIL PERFORMANCE

Whakapikinga pūkenga

To achieve our vision of a Smart Little City, we need a Council team that enables things to happen. It needs to provide solutions to cut through the red tape so that real value can be delivered to our community. Nelson deserves a Council that is strategic, achieves excellence in delivery and asset management, is business-friendly and has a strong culture of engagement with its community. The projects in this Annual Plan seek to follow best practice principles, while always seeking to improve how we partner with our community.

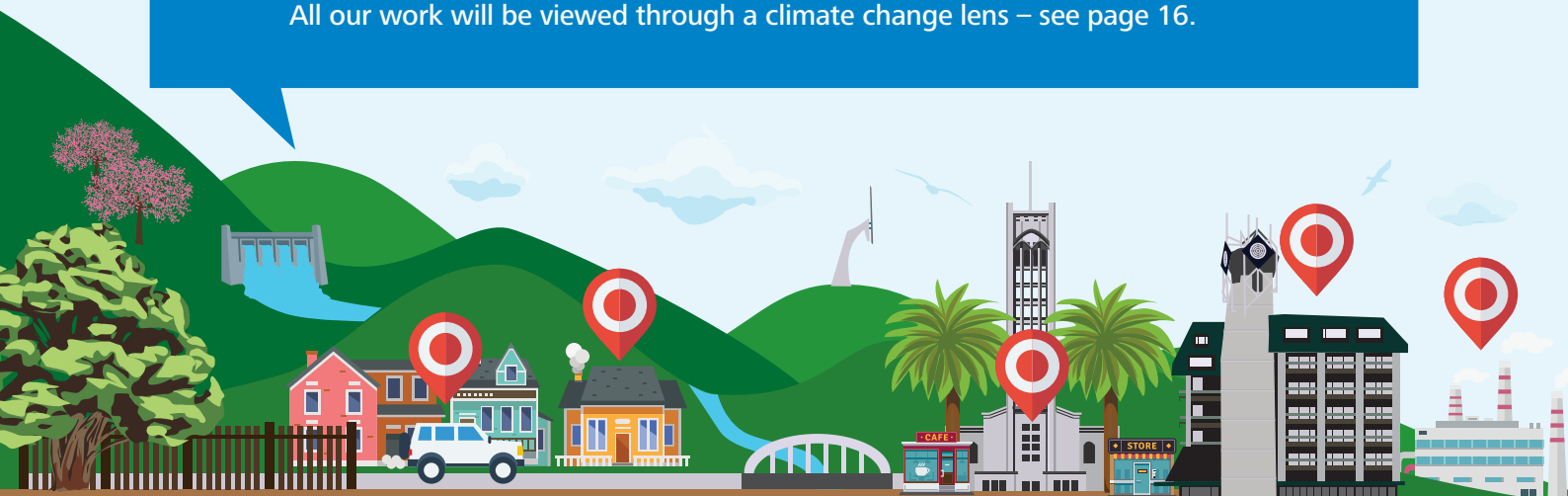
COUNCIL'S FOCUS FOR 2020/21

In October 2019 a new council was sworn in. In addition to the LTP vision and priorities, elected members have identified three key areas that need more governance oversight to ensure that they deliver outcomes for the community:

- 1. CREATING A SUSTAINABLE TRANSPORT CULTURE**
- 2. HOUSING - INTENSIFICATION AND AFFORDABILITY**
- 3. MAITAI RIVER PRECINCT**

In this Annual Plan we will consider how all our choices affect these focus areas – making sure that the work we do contributes to getting the best possible results.

All our work will be viewed through a climate change lens – see page 16.



CREATING A SUSTAINABLE TRANSPORT CULTURE



A well designed transport network is essential to allow the safe and efficient movement of people and goods around our Smart Little City.

As Nelson continues to grow, the number of vehicles on our roads is also increasing. Council is looking at ways to improve the network to not only reduce congestion, but to reduce the emissions from fossil-fuelled vehicles. This will have a direct impact on reducing our contribution to climate change.

Council wants to work with the community on creating a sustainable transport culture in the city.

- We want to increase the proportion of journeys made using sustainable transport options (active transport - cycling and walking, electric vehicles, micro-mobility, and public transport). We are working on:
 - Electronic bus ticketing which is coming in 2020 - this will modernise our NBus service and make it easier to use
 - The City Centre Development project, which will encourage a more walkable CBD with improved cross-town links
- We are looking at ways to make choices about using sustainable travel modes easier.
- We want to better manage how urban growth impacts our transport network, by reducing undesirable impacts on people and our environment, and introducing improvements offered by new technology (such as ticketless parking meters).

The upcoming Transport Activity Management Plan will set goals to start Council's journey towards a sustainable transport culture. Work has begun on shaping those plans, including a public transport review, a speed limit bylaw review, a parking strategy and an Active Transport Strategy review.

In addition to this, Council is working with its strategic partner, the New Zealand Transport Agency, on the Nelson Future Access Project. This project will develop, in consultation with the community, specific projects that will feed into the Transport Activity Management Plan. The work for 2020/21 includes developing a preferred option and specific projects that will need to be costed for inclusion in the next LTP, the Regional Land Transport Plan, and prioritised for investment in Central Government's National Land Transport Programme.



HOUSING - INTENSIFICATION AND AFFORDABILITY



INTENSIFICATION

Population growth presents both challenges and opportunities for Council. Nelson's population is projected to grow to approximately 59,000 people by 2028. The Nelson Tasman Future Development Strategy (FDS) identified that more intensive residential development will be necessary if we are to accommodate the projected 8,000 additional households in the combined Nelson-Richmond area by 2048. Enabling housing intensification is a focus for Council in 2020/21.

Intensification occurs when an existing building, site or area within the existing urban area is developed or redeveloped at a density higher than that which currently exists. This can occur through:

- Infill: insertion of additional houses into an already-approved property, creating new residential lots by further subdivision, or dividing existing larger homes into multiple dwellings
- Comprehensive redevelopment of sites: removal of a number of buildings on adjoining properties, and building more houses on the total site, than were there originally
- Urban renewal: including conversion of existing buildings, such as office buildings in the Central Business District to residential, and partitioning of larger residences into smaller ones

As part of the FDS, Nelson City Council and Tasman District Council agreed to create a programme of actions so that we can deliver on the vision of the strategy.

This work includes encouraging an increase in housing supply within existing neighbourhoods which are suitable for residential intensification. To achieve this we need to improve the perception of medium density living, provide the right supporting and enabling rules and policies, connect and develop the right infrastructure, including sustainable building practices.

There is an opportunity to consider intensification options as part of the new Nelson Plan. When intensification is undertaken, Council supports waste material from construction and deconstruction being managed in line with sustainable practices. The Joint Nelson Tasman Waste Management and Minimisation Plan 2019 includes several policies encouraging this - specifically supporting investigation and development of markets for reuse or recycling of recovered materials.



AFFORDABLE HOUSING

Having access to safe, warm, dry and affordable housing is important to the health and wellbeing of our community. However, Nelson has consistently been one of the least affordable regions for housing in New Zealand. The Massey Home Affordability Index shows that housing affordability declined a further 5% in Nelson over the 12 months to September 2019, reflecting rising house prices. Affordability issues are exacerbated by Nelson incomes being lower than the national average. Waiting lists for social housing have also increased, as reflected by the Ministry for Social Development Housing Register which has increased by over 40% in the year to September 2019.

Nelson also experiences strong demand for emergency housing, which needs to cater for both adults and children.

For these reasons Council has decided to make housing affordability one of its top priorities during its three year term. This will mean the issue will get extra governance oversight to ensure Council is doing everything it can to deliver better outcomes for the community, including working with partners and advocating with central government. One initiative Council would like to progress to support this priority is outlined below.



Community Housing/Housing Reserve

Last year, following consultation with the community, Council decided to progress divestment of its community housing assets to a provider who could use it to grow the amount of subsidised housing in Nelson. Negotiations on the divestment are ongoing but in that period the affordability situation in Nelson's housing market has deteriorated further.

Council is therefore proposing that the Housing Reserve it indicated would be established with the proceeds of sale up to the book value of the community housing (\$8.382 Million) be increased to include all the proceeds of the divestment. When Council consulted on this decision last year, it indicated that any remainder would be used to pay down debt. The actual impact of this is dependent on divestment occurring and, if it does, the final sale price Council can achieve.

Council believes that housing affordability is such a critical issue for Nelson that setting aside all of the proceeds for action on new initiatives makes good sense. The Reserve would allow Council to work with and support partners who have the ability to deliver social and affordable housing solutions for the community.



MAITAI RIVER PRECINCT



Over the last few years the Maitai River Precinct has improved significantly, with the upgrade of the Maitai walkway providing a better link from city to sea, open space for recreation, as well as the installation of artworks to admire. All these changes have improved residents' and visitors' enjoyment of this area. However, there is still much more to achieve.

The Maitai River Precinct is a significant cultural site for iwi and this partnership is an important component in considering options and developing this area. As key stakeholders, adjoining landowners will also be involved in the development process.

Early engagement with the community about the library area of the Precinct started last year, and a theme that came through many times was that this area could be so much more. Feedback from the community on the proposed new library has consistently included suggestions that we improve the links between the central city and the Maitai River. Ideas from the public for both the Precinct and the proposed library have been inspiring. There is also an opportunity to transform this space by working with other property owners in this area.

Residents don't have to wait long to see some changes in this area as a new pop-up playground is already planned in the space next to the library, which will become vacant when a building is demolished. The pop-up park is a collaboration project between Council and Wakatū Incorporation and will include a pump track for skaters, bicycles and scooters, a basketball court, and an 'imagination playground' for younger children. It is a temporary installation for the area while planning for the library and civic space is undertaken. Council has also decided to bring forward the removal of an unoccupied earthquake-prone building next to Elma Turner Library, at 23 Halifax Street. This will offer new opportunities for interesting temporary urban space while we refine options for the Maitai River Precinct.

In 2020/21 Council will continue to develop options for this area, including improved resilience for this area to the impact of climate change. Our intention is that the future Maitai River Precinct will include more open public space and recreation areas, as well as providing improved links to the City Centre, Trafalgar Centre, Rutherford Park and down to the Haven Precinct.



CLIMATE CHANGE

GOOD LEADERSHIP, COMMUNITY FOCUS AND SMART ACTIONS

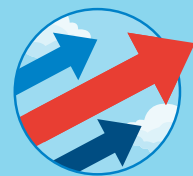


The declaration of a Climate Emergency in 2019 signalled Council's recognition that urgent, meaningful action was needed to respond to the challenge of climate change. Global and national momentum on climate change issues built significantly in 2019 – the Climate Change Response (Zero Carbon) Amendment Act 2019 was passed in New Zealand, bringing new national policies to limit the country's contribution to global temperature increase, and prepare for the challenges ahead. There is strong support for this legislation from Parliament and Local Government New Zealand. Many decisions that are made by local government have intergenerational effect, and may fall under the requirements of the Zero Carbon Act, so climate change is now at the forefront of Council's decision-making.

Recent major fires, droughts, significant storm events, and flooding have given us an idea of what more frequent intense weather events may be like – a predicted outcome of climate change. Protests, school strikes, submissions to the last Annual Plan, and community action in our region have made it clear that the Nelson community expects urgent responses.

We are prioritising work to support climate change mitigation, and are thinking smarter to help the city adapt to this global reality. We are encouraging a whole of community response. Addressing climate change now gives us the greatest potential to manage risks, and also to harness the opportunities of a climate conscious society.

SINCE THE CLIMATE EMERGENCY DECLARATION, COUNCIL HAS:



- Created a Climate Change Reserve of \$500,000 to fund new climate initiatives. Since its establishment in May 2019, \$120,000 has been allocated from the Reserve for the 2019/20 year. This was distributed across two projects - the City Centre Spatial Plan (\$100,000), and project management of a proposed visit by Danish climate change experts in 2020 (\$20,000).
- Approved a Principles of Collaboration agreement to sign with our counterparts in Lemvig, Denmark and locally with Wakatū Incorporation. The Danish are world leaders in climate change adaptation and emissions reduction - we aim to build a strong relationship with them and exchange valuable knowledge. We also recognise that actions need to include businesses, residents and central government.
- In February 2020 Council joined the **Nelson Tasman Climate Forum**, a community-led initiative that is the first of its kind in New Zealand. The Launch event was a great success, and the forum will continue to meet on a monthly basis. A current focus is drafting the first Nelson Tasman Climate Strategy. Everyone is welcome to join the forum - find out more on their website neltontasmanclimateforum.org
- Created a new position of Climate Change Champion to work collaboratively with a range of partners to ensure that tangible and effective climate change action occurs.
- Prioritised Creating a Sustainable Transport Culture, Housing - Intensification and Affordability, and the Maitai River Precinct.
- Carried out flood modelling, to examine the possible impacts of sea level rise and extreme rainfall events on our waterways and infrastructure. This will help us to explore options for adaptation.

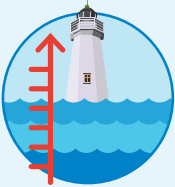
- Continued work to develop a City Centre Spatial Plan. It will consider a range of opportunities to build resilience and capacity for the City Centre, against the effects and risks of climate change.
- Continued developing a Council emissions reduction action plan - considering how to reduce emissions from areas such as landfill and use of electricity.
- Represented Nelson in national level discussions – our Mayor represents Local Government New Zealand on a whole of Government project on Community Resilience. A senior staff member co-leads a project that supports the work of local

government to collectively respond to climate change.

- Joined the New Zealand Green Building Council, a voluntary organisation that promotes the development and adoption of green building practices.
- Initiated a review of opportunities for offsetting Emissions Trading Scheme liabilities through earning carbon credits from our own forestry and reserves.
- Increased the number of electric vehicles (EVs) in its fleet, and committed to replacing outgoing Council vehicles with EVs when practical.

CHALLENGES FOR NELSON

Climate change presents major challenges for our region. Local Government New Zealand's 2019 report on the economic impacts of sea level rise identified Nelson as one of the South Island's priority areas, in terms of the financial implications of sea level rise on water management, buildings and facilities. Scientific projections suggest that in our lifetime the major effects on Nelson will include:

| Major anticipated climate change effects on Nelson | Challenges for Nelson |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Sea level rise (The Ministry for the Environment estimates a rise of between 0.6 and 1.5 metres by 2120).</p>  | <ul style="list-style-type: none"> • Sea level rise is the biggest climate challenge for Nelson, as a large proportion of our investments (buildings and infrastructure, pipes, roads, seawalls etc.) are coastal or low-lying. These areas will become more vulnerable to erosion and inundation (flooding). There will be an increased risk of stormwater/wastewater overflows, which can damage the built and natural environment |

More heavy rainfall and flooding events



- Increased likelihood and severity of flooding in low-lying areas of Nelson
- The capacity and resilience of our water infrastructure will be tested, with an increased risk of stormwater/wastewater overflows
- Some areas of land will be more vulnerable to slips

More frequent and severe droughts, and extreme temperatures



- Greater fire risk
- Less water available in our rivers and reservoirs
- Negative impacts on our local biodiversity

These challenges will drive a need for greater mitigation (reducing net greenhouse gas emissions), adaptation (adjusting to the effects of climate change), innovation and community resilience.

GOOD LEADERSHIP - A WHOLE OF COMMUNITY RESPONSE

Council is committed to walking the talk, advocating for climate issues, and showing good leadership. We want to reduce our emissions as an organisation, and find opportunities to work more sustainably

Climate change requires a whole of community response. Partnerships with all sections of the Nelson community will be essential for achieving substantial reductions in emissions and becoming more resilient to the effects of climate change. Iwi of Te Tau Ihu o te waka a Mauī (the top of the South) will be a key partner in the development of a Climate Change Charter and a Climate Change action plan that reflects responsibilities of kaitiakitanga (guardianship) within Te Tau Ihu. Community engagement on Council's climate change actions will be given a high priority in the coming years. It is critical to involve our residents in these discussions, as this issue affects everyone in Whakatū - there will be skills, resources and great ideas to share. The next Residents' Survey will ask for views on Council's response to climate change.

OUR PROPOSED ACTIONS ON CLIMATE CHANGE FOR 2020/21

CLIMATE CHANGE PROJECTS

- \$62,500 of funding from the Climate Change Reserve is proposed to help fund the Nelson Tasman Climate Forum in its first year.
- \$120,000 from the Reserve is proposed for a kerbside food waste collection trial. Organic matter contributes significantly to emissions from landfills - keeping food waste out of our landfill with collections for composting is a smart and accessible way to reduce waste. It is an exciting opportunity for people to try a new sustainable action - 220 households in Nelson will take part in the trial. The aim is to expand the project if it is successful.
- Work on developing a Climate Taskforce will advance in 2020/21. The taskforce will consist of a high performing team of environmental experts, community representatives and business leaders, who bring specialist knowledge and experience to guide the development of policy and strategy for climate response.
- Council will identify coastal areas that could be impacted by coastal erosion and flooding over the next 100 years. We will be working with our community and government to find out how they want to respond.
- Work on refreshing the Spatial Plan, City Centre Development Plan, thirty-year Infrastructure Strategy and the Nelson Plan will continue, focusing on planning a climate adapted and resilient city. There will be public engagement in this process.
- We are investing in projects to adapt our above and below ground infrastructure to coastal hazards, and increased flooding risk. See the variations to work programme section on pages 26 to 28 for more detail on water management projects.
- We will only accept viable types of plastics for recycling from 2020/21, (types 1, 2 and 5). These plastics are processed in New Zealand and we are confident that they are able to be recycled locally, responsibly and ethically. This will prevent Nelson's excess plastic waste being shipped abroad where we cannot trace its impact on other nations.



Further information:



If you would like further information on climate change and the action we are currently taking, you can go to our website where we have included links to other internet sites which have national and international information on climate change.

nelson.govt.nz/environment/climate-change

Planting trees is an effective strategy for combating climate change. Council plants thousands of trees every year through its operations in Parks and Reserves, Transport, and Nelson Nature.

WANT TO JOIN THE NELSON TASMAN CLIMATE FORUM?



Be a part of the conversation - register your interest as an individual or organisation at actionnetwork.org/forms/join-the-nelson-tasman-climate-forum



CITY CENTRE DEVELOPMENT



ECONOMIC

The focus on activation of Nelson's City Centre is an exciting initiative that is a key component of achieving the vision of Nelson as the Smart Little City. Our approach is people-focused, aiming to create a stronger commercial centre, and bustling social hub for everyone who lives, works, and visits here.

Council aims to make Nelson's Central City even more attractive to businesses, residents and visitors, with an exceptional mix of events, civic facilities, retail, and hospitality destinations. We are working to build an environment that supports commerce, encourages inner city living, and is a catalyst for more private sector investment. Developing a City Centre Spatial Plan (in progress) and prioritising capital projects will be essential to the City Centre's long term success.

Our proposed plans for 2020/21 include activation to bring people to the City Centre for longer periods of time and therefore support local businesses. Some upcoming projects are - a study of how people use Selwyn Place, bringing back the popular 4 lanes Festival, moving to Stage 2 of the Upper Trafalgar Street activation, and installing a movable urban pop up park near the Maitai River.

Our City Centre is relatively compact so it makes sense to focus on how people move around the City, ensuring that people can get where they need to go easily on foot. These projects will be considered alongside improved mobility and walking spaces around the city, and public transport options, in the context of a sustainable transport culture.

Our work programme focuses on these six key moves:





1. DESTINATION NELSON

A people-focussed City Centre expressing its unique identity hosting major events, and supporting and growing existing precincts including The Haven/ Waterfront, Maitai River, Civic, Justice, Medical/Professional, Arts, Learning, Shopping/Hospitality.



2. WALKABLE NELSON

Well-designed areas and laneway links in order to easily move about the City Centre on foot (Upper Trafalgar, Church Street, Laneway Circuit) and amenity standards.



3. BLUE GREEN HEART

Integrating frameworks linking Nelson's City Centre to its iconic natural environment in order to deliver meaningful social spaces with areas that appeal to all ages (City Centre Urban Park, Marina link, River walk and street trees).



4. SMART DEVELOPMENT

Attracting and enabling high quality development that supports our vision and positively contributes to the City Centre.



5. LIVEABLE CENTRE

Trends across New Zealand show a desire by some to live in close proximity to safe urban centres that offer a diverse selection of amenities including retail, restaurants and bars, and cultural and arts facilities.



6. CLEVER BUSINESS

Supporting local businesses that contribute to Nelson's identity and sense of place to attract customers and visitors to the City Centre.



LIFTING COUNCIL PERFORMANCE

In the Long Term Plan, one of Council's four priorities was to lift Council performance. To enable this, we have increased staffing in critical areas, implemented new systems of monitoring and reporting on programmes and projects, and developed a sharper focus on continuous improvement of key systems and processes.



CORPORATE

The addition of 23.2 full time equivalent staff positions was agreed in the Long Term Plan for 2018/19 and 2019/20 - these have now been recruited. In addition, existing activity budgets and external project funds have been used to hire extra staff in key activity areas such as environmental programme management, infrastructure development, economic development, and to support successful event management. These activity/externally funded positions enhance Council's ability to deliver outcomes of value to the city, without increasing the rates demand on the community.

Increasing staff numbers by eight full time equivalent positions for 2020/21 in key areas (including the three focuses outlined on pages 11 to 15), along with improved staff retention in the past two years, will directly improve our ability to deliver the priority projects planned over the coming years. The eight staffing changes will add approximately \$600,000 of expenses, to be funded from rates. This increase is partly offset by lower costs in other areas.

Ongoing investment in people is still required to continue lifting Council's ability to successfully deliver programmed work, especially in the management of Nelson's extensive green spaces, parks and community facilities, responding to increasing environmental management and regulatory requirements, supporting climate change mitigation and adaptation (particularly adaptation of our infrastructure), and providing continued support to building partnerships with iwi across the 'Top of the South'.

We continue to see the benefits from these changes, with ongoing improvements to the services that we provide to businesses and residents, and better meeting of project timelines.

CIVIC HOUSE – VARIANCE TO 2020/21 CAPITAL BUDGET

Ceiling tiles: There are risks to building occupants from heavy plaster ceiling tiles, which each weigh over 7.5 kg, falling during an earthquake. Council has prioritised replacing critical ceiling tiles in 2020/21 as well as improving seismic bracing in the ceiling grids. This is budgeted at \$400,000 in 2020/21.

The programme to carry out more extensive building modifications at Civic House is on hold, and the budget of \$1.34 million for 2020/21, that was included in the LTP, is proposed to be deferred to future years.

Civic House is now nearly forty years old and is in need of major refurbishment if it is to meet modern standards of office accommodation and energy efficiency.

Before Council starts on an extensive upgrade project, this is the appropriate time to consider two questions:

- Would it be more prudent to accommodate Council services on an alternative site somewhere in or around the City Centre?
- Are there other potential uses for Civic House that may make a greater contribution to city centre vitality?

This review of the future of Civic House ties in very well with the work being undertaken on the City Centre Spatial Plan and Maitai River Precinct plans.



LIVING WAGE

Throughout this year Council will be having discussions with businesses undertaking contracts for Council about paying their staff The Living Wage, when contracts come up for renewal. Council is making provision to support this initiative, including consideration, through Council's procurement policy, of Council's role in encouraging suppliers to support or to work towards a living wage for their employees.

Council pays at least The Living Wage hourly rate to all its employees, with the exception of several short term training positions.





VARIATIONS TO THE 2020/21 WORK PROGRAMME

The following sections cover the significant or material changes in activity areas from what was stated in Year Three (2020/21) of the Long Term Plan 2018-28 (LTP). A more complete list of changes is included in the supporting information available on our website. The amounts mentioned in this section are mostly capital expenditure, and are normally funded by loan. Where the expenditure is operational expenditure, and funded from rates or charges, this is mentioned.

The LTP proposed a larger than usual work programme for 2020/21, with capital expenditure of \$47 million (excluding vested assets, staff costs, Nelson Regional Sewerage Business Unit, and the Nelson Tasman Regional Landfill Business Unit). As part of the process of developing this consultation document, the work programme was reviewed and a more achievable capital expenditure budget of \$41.2 million is proposed. It has become apparent that with some larger projects sufficient time had not been allowed to obtain landowner agreements, secure resource consents, and finalise design. This will be addressed during the preparation of the 2021/31 LTP. Major variances to year three of the LTP are detailed here.



CAPITAL AND OPERATING COSTS

Capital expenditure is generally expenditure on assets that are expected to last more than one year. An increase in capital expenditure of \$1 million increases rates by between \$100,000 and \$250,000 per annum. This covers interest, depreciation, maintenance and running costs for the asset. The reason for the range of increased costs is that depreciation and running costs vary between different assets, for example library books wear out much faster than pipes in the ground, which can last for over 80 years before they need to be replaced.

Maintaining Nelson's infrastructure of transport, water, stormwater and wastewater makes up approximately 68% of Council's capital expenditure in 2020/21. This infrastructure is important to businesses and residents' health, and the social, economic, environmental, and cultural wellbeing of the community.

Operating costs include expenditure for items such as staff costs and overheads, asset maintenance, running costs and depreciation, interest on borrowings, and grants made by Council. An increase of \$100,000 in operating costs increases rates by 0.13%, or to put it another way, 1% of rates is \$773,000. So, by considering the impact of increasing or decreasing Council expenditure you can estimate what effect any changes to our work programme will have on rates.

TRANSPORT

There is an overall reduction of \$635,000 proposed to the 2020/21 Transport activity capital expenditure programme. Many projects are eligible for a New Zealand Transport Agency subsidy and the figures in this document are the costs before these are applied (subsidies of up to 51%).

The major changes to the transport budgets for 2020/21 are outlined below:

TOI TOI STREET UPGRADE

A safety upgrade of Toi Toi Street is planned, to add a footpath and to put traffic calming measures in place. In 2020/21 \$150,000 of the allocated budget will be used to complete detailed design, with construction funding of \$524,500 proposed to be re-phased into 2021/22. This re-phasing will enable the work to be aligned with stormwater projects in this neighbourhood – excavating the road once for the two projects saves money and reduces disruption overall.

SEAFIELD TERRACE ROAD REINSTATEMENT

Following the damage caused by ex-Cyclone Fehi, work is required on Seafield Terrace Road to minimise the chance of damage occurring again in the future. The adjoining boulder bank is recognised nationally as an outstanding natural feature with significant cultural values and requires the input of iwi, Heritage NZ and the Department of Conservation. Resource Consent is not yet



secured and construction scheduled for 2019/20 is now anticipated to occur in 2020/21. This delay will result in a proposed 2020/21 budget increase from zero in the LTP to \$1,204,000. We will continue to work with the community on this project, and would like to thank affected residents for their cooperation and understanding.

ANZAC PARK TO MAITAI SHARED PATHWAY

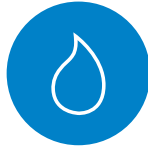
A project to connect Anzac Park to the Maitai Shared Pathway will improve the Great Taste Trail through Nelson's City Centre. The budget is proposed to increase from \$261,120 to \$820,000, reflecting a carry forward from 2019/20 and following detailed design and revised estimates. This pathway will provide a safer route for users into and out of the central city.

PARKING STRATEGY

It is proposed that \$100,000 operating expenditure be included in the 2020/21 budget to develop a Parking Strategy for Nelson. Most vehicle journeys require parking at the start and end of each trip and how Council provides for and manages parking influences peoples' travel decisions. The objective is to work with the community to integrate parking provision with other key strategies, including the Public Transport Review and City Development projects, to reduce Nelson's carbon emissions, achieve a more sustainable transport network, reduce the impact of parking on urban areas, and create a walkable city that is good for people and businesses.

WATER SUPPLY

Council proposes an overall reduction of \$200,000 to the capital expenditure programme.



RESIDENTIAL WATER METERS

Residential water meters are being upgraded around the city, to make sure we can accurately measure our water usage.

In 2018/19, 1,200 residential water meters were installed, and in 2019/20 a further 5,000 are being installed in Tāhunanui, Stoke and Annesbrook. 5,000 meters are projected to be installed in 2020/21, and 4,500 in 2021/22 to complete the project.

This programme is anticipating an overall saving of \$1.2 million against the LTP as the awarded tender came in lower than the LTP budget.

The 2020/21 budget for the renewal of residential water meters is proposed to reduce from \$1.04 million to \$750,000 due to projected savings.

5,000

NEW WATER METERS TO BE INSTALLED

\$160,000

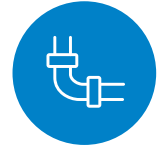
TO RESOLVE THE ODOUR ISSUE AT NEALE PARK

ATAWHAI RESERVOIR NUMBER 2

The Atawhai Reservoir Number 2 is a key project for improving water supply security for the north Atawhai community. The budget has been reduced from \$313,000 to \$175,000 for 2020/21. This is due to the time taken in identifying a suitable site for the large water storage reservoir. Construction is not expected to be delayed and is still planned to begin in 2022/23.

WASTEWATER

Council proposes an overall reduction of \$850,000 to the wastewater capital expenditure programme.



AWATEA PUMP STATION

This project involves the construction of a large pump station, new gravity trunk main, pumping main and an additional storage tank facility in Beach Road. This pump station will significantly reduce operation and maintenance costs, and improve odour control and wet weather pumping capacity. The project is expected to be completed in 2021/22 as per the LTP.

Council proposes to re-phase the project by reducing the Awatea Pump Station budget in 2020/21 from \$3.65 million to \$1 million. This rephasing of the budget is necessary to better align with the timing of construction and finalisation of landowner agreements. There is no reduction to the overall project budget.

\$400,000

TO UPGRADE OUR WASTEWATER HYDRAULIC MODEL

WASTEWATER MODELLING

An accurate and detailed wastewater hydraulic model is critical for understanding the performance of the wastewater network. The original budget set aside in the LTP only considered a high level upgrade of this model. To enable a detailed update of this model, a \$400,000 increase to the budget (from zero in the LTP) is proposed for 2020/21. The overall upgrade is scheduled to be completed in 2021/22. A detail model is required to ensure the Council makes the appropriate decisions when considering upgrades to the network to accommodate key factors such as population growth, and reducing sewer overflows.

NEALE PARK PUMP STATION

The Neale Park Pump Station was upgraded in 2019, which was critical for providing wet weather pumping capacity. After several months of operating, odour has been identified as an issue. While the upgrade of the pump station has significantly reduced the odour from the site, the continued levels are unacceptable during peak times. Additional funding of \$160,000 is proposed for 2020/21 to resolve the issue.

GRACEFIELD SEWER DIVERSION

This project is key for reducing sewer overflows during wet weather events. This project is running one year ahead of the LTP programme and accordingly Council is proposing to bring forward the 2021/22 budget through to the 2020/21 year. This will increase the 2020/21 budget from \$565,000 to \$1.67 million.

STORMWATER

Council is planning a reduction of approximately \$2.1 million to the 2020/21 stormwater capital expenditure programme provided for under the LTP.



WASHINGTON VALLEY STORMWATER UPGRADE

This project seeks to address overflows from the stormwater network that occur during heavy rain events. The proposed stormwater upgrade will also reduce flooding of the road reserve and private property which has historically resulted in a number of landslips. The overall scope of this project has been increased to include upgrades to the water and sewer networks. This will improve services for the community, including a reduction of wastewater overflows during storm events. Changing the scope of the project results in the budget for the stormwater work in 2020/21 being reduced from \$1.13 million to \$120,000. This will allow for detailed design and resource consenting to be completed in 2020/21, with construction proposed to commence in 2021/22. The updated project construction timelines will be reviewed as part of the next LTP, but it is provisionally planned for construction to be staged over three years.

LITTLE GO STREAM UPGRADE - RUTHERFORD STREET

Stage 1 of this project involves stormwater upgrades from Snows Hill on Waimea Road to the Rutherford Street/Examiner Street intersection. This project is part of a larger programme to upgrade Little Go Stream's capacity to cope with a 'one in one-hundred year' flood event and follows on from the completed upgrades in Waimea Road. The budget for this project in 2020/21 is proposed to be reduced by \$944,000 to \$100,000. This will allow for detailed design and property agreements to be concluded in 2020/21, with the construction proposed to get underway in 2021/22. The delay in implementation is due to additional investigations being required to finalise the route. This requires careful consideration, given the potential disruption associated with routing a new stormwater pipe along Rutherford Street.

WASTNEY TERRACE STORMWATER UPGRADE

This project is key for enabling development within the Marybank area in Atawhai. The project has experienced significant delays due to landowner negotiations, but these are now progressing well. Council is proposing the 2020/21 budget is reduced from \$835,000 to \$50,000 to give time to finalise landowner agreements and the resource consent, with construction now planned for 2021/22. Council prefers to work with landowners to find mutually agreeable solutions, rather than using more formal legislative powers to acquire land for infrastructure projects. This is preferable for all parties but can result in project delays.

\$1.2 MILLION
FOR STAGE ONE OF THE MOUNT STREET
AND KONINI STREET STORMWATER
UPGRADES

MOUNT STREET AND KONINI STREET UPGRADES

This proposed stormwater upgrade aims to reduce uncontrolled overland flows along these streets and through private property, which has led to a significant number of slips in the area. The budget for 2020/21 is proposed to be increased by \$635,000 to \$1.2 million so the first stage of this project can be completed. This increase in budget is required to allow the stormwater reticulation to be routed along the public road rather than through private property as originally planned

**WASHINGTON VALLEY STORMWATER
UPGRADE - PROJECT INCLUDES WATER
AND SEWER RENEWALS**

FLOOD PROTECTION

Council is planning a reduction of approximately \$1.7 million to the 2020/21 capital programme.



SAXTON CREEK UPGRADE

The major change in this activity is the re-phasing of the Saxton Creek Upgrade Programme. The upgrade of the Saxton Creek was included in Council's work programme following the 2013 extreme rainfall event that caused severe flooding in the area. The programme is being done under four stages, with stage one to three being - Main Road Stoke to Champion Road, and the fourth stage between Main Road Stoke to the sea. The first and second stage have been completed, and the third stage has seen several delays over the past four years due to landowner negotiations. Due to the complexities of the negotiations, stage four start date was rephased. The 2020/21 budget for the fourth stage is proposed to be reduced from \$3.9 million to \$300,000 – the reduction is to allow land negotiations to be resolved, reallocating approximately \$3.6 million into future years.

This reallocation is partly offset by an increase in the budget for stage three of the Saxton Creek Upgrade (between Main Road Stoke and Champion Road). This project is under construction following Council approval in December 2019 of \$2.1 million for 2020/21. The increased budget mainly reflects the delay in the project, but also higher environmental requirements and changes to bridge design standards.

WHAKATŪ DRIVE (STORAGE WORLD)

The aim of this project is to provide flood protection to properties in the Wakatū Industrial Estate, including the Storage World property. This project has seen historic delays due to negotiations with the New Zealand Transport Agency and construction challenges. Council is undertaking work this financial year to confirm secondary flow paths for the whole industrial estate, and is proposing to allocate \$80,000 in 2020/21 to enable the completion of detailed design, with construction planned in 2021/22.

**WHAKATU DRIVE (STORAGE WORLD)
FLOOD PROTECTION DESIGN SCHEDULED
FOR 2020/21**

ORPHANAGE STREAM

A programme of works to upgrade Orphanage stream was implemented following the extreme rainfall event in 2013. Substantial work has already been completed and the next stage of this programme is to construct a bund and flood wall upstream of Saxton Road East, as well as improving water flow downstream of Suffolk Road. This project has been delayed to enable a review of the proposed location of the bund and wall, and to continue with landowner negotiations at Suffolk Road. The 2020/21 budget is proposed to be reduced from \$668,000 to \$500,000 for 2020/21 to allow for construction to be progressed upstream of Saxton Road East. The project construction timeline for works downstream of Suffolk Road will be completed in 2021/22, which will conclude the Orphanage Stream upgrade programme.

NATIONAL THREE WATERS REVIEW - NEW GOVERNMENT REGULATIONS COMING

National Three Waters Review

In 2017 the Government commenced a process of reforming the regulation and supply arrangements for drinking water, wastewater and stormwater (three waters) to better support New Zealand's prosperity, health, safety, and environment. Reforms could have a significant impact on how all councils in New Zealand manage their water. Central government acknowledges that three waters service providers like councils will need support and time to adjust.

The National Policy Statement for Freshwater Management 2014 (as amended 2017), and National Environmental Standard for Sources of Human Drinking Water are particularly significant, as they are likely to necessitate further investment in our networks and monitoring processes.

Council has begun to prepare for anticipated changes. A comprehensive work programme will be developed as part of the Long Term Plan 2021-31, so that Council is in the best possible position to respond to changes in the delivery and funding arrangements for three waters services, on behalf of the community.

SOLID WASTE



YORK VALLEY LANDFILL CHARGES

The fees and charges for the York Valley Regional Landfill facility are set by the Nelson Tasman Regional Landfill Business Unit. The budget makes provision for the local disposal levy required to undertake their solid waste activities. A \$10 levy on each ton of waste sent to the landfill is collected from the operator. Half of the money collected through this levy is paid to Council quarterly. In Nelson, this levy is used to manage the Pascoe Street Transfer Station, undertake waste minimisation initiatives, and green waste disposal and recycling. For 2020/21 the York Valley Regional Landfill budget has been set at \$2.4 million. This is operational expenditure, on a closed account, and has no impact on rates.

In setting the fees and charges, other important factors are taken into account, such as the costs to run the regional landfill, essential renewal work required at the landfill, work on stormwater systems, mechanisms to mitigate potential groundwater contamination, and increased costs for the Emission Trading Scheme (ETS). In addition, as a part of a national focus on climate change and sustainability, new central government policy on the ETS and Landfill Levy is expected in 2020/21. Future changes may include the Climate Change Commission setting reduction targets for CO2 emissions. Council needs to prepare for new costs associated with complying with anticipated national policies.

To provide for increased costs to the Business Unit in 2020/21 the York Valley landfill fees for residual waste will be increasing by 5%, from \$163/tonne (including GST) in 2019/20 to \$171/tonne in 2020/21 (including GST).

FOOD WASTE COLLECTION TRIAL

Council is proposing a 12 month kerbside food waste collection trial in 2020/21, at a cost of \$120,000 (operating expenditure). This is proposed to be funded from Council's Climate Change Reserve.

The Joint Waste Management and Minimisation Plan for Nelson and Tasman has set a target to reduce waste to landfill by 10% per resident by 2030. Organic matter contributes significantly to emissions from landfills and approximately 8,000 tonnes of food waste goes to the landfill each year. Keeping more of this out of our landfill through kerbside collection would be a smart

and accessible way to reduce waste, and create useful compost. This proposed trial is an exciting opportunity for residents to try a new sustainable action at home - 220 households in Nelson will take part initially. The trial will provide valuable data regarding uptake and cost. If the trial proves successful, an expanded version will be considered for inclusion in next LTP.

ENVIRONMENT



Our environmental activities include planning, city development, scientific monitoring and reporting, education, assistance, and on the ground projects, as well as building and resource consents, compliance and enforcement. Environmental activities have a significant role in our climate change response. They include:

- Planning to make our city and communities more resilient to the impacts of climate change – e.g. through the Nelson Plan and City Centre Spatial Plan, which are under development;
- Monitoring the state of our land, air, waterways and biodiversity, and reporting on their condition;
- Making physical changes to improve the resilience of our environment, such as installing fish passages in our streams, planting trees to reduce erosion, provide habitat or shade waterways, and removing wilding conifers;
- Managing existing and new biosecurity risks in the Nelson region, which are likely to increase as a result of climate change;
- Providing advice and assistance to rural and urban residents who wish to improve the resilience of their land and homes, such as drought readiness and energy efficiency; and
- Leading education programmes in the community, to increase public awareness, and participation in positive climate action e.g. through the Enviroschools programme, a whole school educational approach with a vision to help our young people think and act sustainably. The majority of schools in Nelson are Enviroschools, or connected to the programme.

FOOD WASTE COLLECTION TRIAL - \$120,000 IN 2020/21

DEVELOPMENT CONTRIBUTIONS

Council proposes to carry out a full review of its Development Contributions Policy in 2020/21 as part of the LTP process, to ensure that development contributions support our priorities of revitalisation of the city centre, as well as enable the housing intensification we need. \$50,000 of operational expenditure would be allocated for this in 2020/21.

\$50,000

TO ASSIST WITH THE DELIVERY OF THE CITY CENTRE SPATIAL PLAN

CBD ENHANCEMENTS

\$50,000 of operational expenditure is proposed to be added to the CBD Enhancement budget, for necessary consultancy services to assist with the delivery of the City Centre Spatial Plan.

\$20,000

TO CONTROL PEST TAIWAN CHERRY TREES

BIOSECURITY AND REGIONAL PEST MANAGEMENT PLAN IMPLEMENTATION

As part of our Regional Council function we are responsible for the management of biosecurity risks as specified in the Tasman-Nelson Regional Pest Management Plan 2019-2029. This is a statutory plan produced under the Biosecurity Act 1993. The plan requires the eradication of Taiwan cherry and sabella (Mediterranean fanworm) in the Nelson region.

The cost of effectively controlling Taiwan cherry in Nelson is expected to be \$20,000 per year for up to 15 years, and the cost of controlling sabella is expected to be \$20,000 per year on an ongoing basis. Therefore, an additional \$40,000 was allocated to the biosecurity budget in 2019/20.

For the 2020/21 year the Taiwan cherry funding represents an additional \$20,000 included in the biosecurity budget. The \$20,000 sabella funding is proposed to be moved to the Nelson Marina account from 2020/21 onwards, and so will not affect the biosecurity budget. The closed Marina account means there is no impact on rates. The main threat of Sabella incursions is from recreational vessels, and recent occurrences have all been in the Nelson Marina area, either on vessels or pontoons. Therefore the total proposed increase to the biosecurity budget is \$20,000.



Nelson Plan

The Whakamahere Whakatū Nelson Plan is Council's statutory resource management plan and sets out the framework for sustainable management of the city. Legislation requires us to review the Plan every 10 years.

Council sees the content of the Plan as crucial to enabling our Smart Little City, providing for growth whilst managing our natural environment. Development of the Plan is well advanced, with the majority of the draft going to be released for early public engagement shortly, and the rest expected later in 2020. The draft Plan brings all of Nelson's resource management plans together into one integrated document as well as other Plans such as the Nelson Air Quality Plan. Work on the Plan will continue into 2020/21 when it will be publicly notified, at which point the public will be able to formally make a submission on it. 2020/21 will see an increase in costs from \$379,000 in the LTP to \$1.66 million to account for the changes to Government directives such as in the areas of freshwater management, and urban development, and for the hearing processes that are now required. (For example, Government changes around freshwater have added a five panel hearing process).

The Nelson Plan has multiple year benefits, and therefore it is proposed to loan fund the remaining spend over 18 years. In 2020/21 \$1.122 million will be loan funded. This is in line with Council's Revenue and Financing Policy.

SOCIAL



Arts and heritage assets, and the festivals and events that celebrate our city, contribute to our identity and build civic pride. This activity also supports the community through grants to community groups, partnering with social agencies to deliver services to vulnerable groups, as well as supplying city assets such as public toilets and libraries. These activities contribute to the wellbeing of residents and help to build a more cohesive community.

Key work in 2020/21 is the continuation of planning for the proposed Elma Turner Library redevelopment, taking into account wider issues involving the development of the Maitai River Precinct. Council aims to activate the Precinct as a vibrant community space over the next few years – the library will be a significant feature. Public engagement will continue as the project progresses. The library redevelopment budget has been reduced to \$300,000 in 2020/21 while the business case for options is prepared. The budget forecast for the year was \$2.5 million in the LTP, pre-dating the project's incorporation into Maitai River Precinct planning. The overall LTP budget provision for the project was \$14.9 million, with completion scheduled for 2022/23 – this will change as part of the Precinct plan, depending on the redevelopment option chosen, and will be updated in the next LTP.

The Heritage Strategy is currently under review, commencing with engagement with iwi and proceeding to the inclusion of residents' input over the coming year. We want to understand what the community values around heritage, why they value it, and how they wish to see it protected, promoted and celebrated. The Strategy will create a prioritised approach for meeting the needs of our heritage taonga and the community, set priorities for funding, and build mechanisms for effective delivery through partnership. The updated version is proposed to be adopted at the end of 2020/21.

The Social activity is planning a reduction of approximately \$1.34 million to the overall 2020/21 capital expenditure programme, compared to LTP budgets. Key changes are listed below:

NELSON PROVINCIAL MUSEUM STORAGE FACILITY

The Museum advises that further investigation of options for this facility is required and has requested that Council carry forward the 2020/21 budget of \$1.5 million for this project through to 2021/22.

STOKE MEMORIAL HALL

Council is proposing to include \$120,000 for design work for earthquake strengthening of the Stoke Memorial Hall, and is confirming overall costs. Strengthening work for the

hall originally had \$458,024 budgeted for 2024/25 but is now proposed to be brought forward. The total cost for construction will be higher than this – the amount will be confirmed once the design is completed. In planning for this project, Council received a peer review of the original engineering advice and considers that, given the earthquake risk of the building and the number of users of the community hall, the project should be carried out earlier than originally proposed. In the meantime, the hall has been closed to protect public safety, and Council has assisted users into alternative venues.

REFINERY BUILDING

The Refinery Art Space building on Halifax Street is owned by Council and has been run as a contemporary art space since 2003, supporting local emerging artists, providing a space for community art exhibitions and highlighting Nelson's wealth of artistic talent.

The Refinery has an Earthquake-Prone Building notice under section 133AL of the Building Act 2004. Council has budgeted to undertake the strengthening with project design budgeted in 2019/20 and physical works budgeted in 2020/21. In the meantime, Council has decided to close the building from the end of March 2020 until strengthening work has been completed. Council is working closely with tenants to assist them in finding new locations.

Council was previously allocated resource for a feasibility study on the development of a Community Arts Centre. The study is near completion, including stakeholder engagement. The final feasibility report with recommendations is planned to be presented to Council in June 2020.

PARKS AND ACTIVE RECREATION



Council's parks and reserves, including sports grounds, have a key role in promoting wellbeing by providing opportunities for exercise, active transport, and recreation. Their environmental benefits are numerous, including protection of biodiversity, controlling and storing groundwater, carbon storage, and improving air and water quality. Council is currently working on Ecological Restoration Plans for our priority reserves. These plans focus on long-term restoration to protect and enhance Nelson's unique biodiversity.

Council continues to support a wide range of sporting and recreational activities. Projects ongoing in 2020/21 include investigation into drainage and levelling at Alliance Green (Saxton field) to achieve a playable surface. A study into the need for an artificial turf surface is expected to

be completed by the end of June 2020, and this will help inform the next LTP. A shared path for cyclists and walkers is being developed at Wakapuaka Sandflats Esplanade Reserve, and investigations continue into a recreation hub in the Maitai Valley and the completion of the Great Taste Trail.

An increase of \$915,000 is proposed to the Parks and Active Recreation capital expenditure budget in 2020/21 - the majority brought forward from future years to advance Marina Hardstand improvements. Key variations are listed below:

MARINA HARDSTAND IMPROVEMENTS

The Marina Hardstand development project is to ensure that the existing hardstand is meeting resource consent and biosecurity requirements. Design for the area is underway and the resource consent is being prepared for submission. Work in 2020/21 will include a continuation of 2019/20 work (including extending the hardstand area to have 12 sealed bays, a wash bay and improved filtration systems), as well as starting work to seal the remainder of the existing hardstand area. The budget for 2020/21 is proposed to be \$950,000 (zero in the LTP - this is new funding). The scope for this project has increased from the original plans, to ensure that biosecurity requirements can be met in the longer term and so that consent requirements can be met.

SEA SPORTS BUILDING

Through the LTP, Council committed to a project to support sea sports users to have a building at the marina for storage and club activities. Council has been meeting with the group to determine its requirements and preferences for the project, and plans to carry out design for the preferred option in 2020/21, with the \$365,000 funding proposed in the Annual Plan. There was no budget assigned to this project in year three of the LTP, but the funding is within the total project budget for the LTP (which was programmed for 2018/19 and 2019/20). The total project budget will be higher than specified in the LTP once construction is budgeted for, which would be in a future year. This needs to be confirmed through the next LTP. It is anticipated that the clubs will contribute towards the capital construction cost of the project.

Although there was no budget assigned to this project in year three of the LTP, the funding is within the total project budget for the 10 year LTP (which was programmed for 2018/19 and 2019/20). The total project budget will be considered as part of the 2021 LTP. It is anticipated that the clubs will contribute towards the capital construction cost of the project.

MODELLERS POND SOLUTION

Council has been engaging with iwi on its preferred option for the pond, which includes landscaping to provide a shared community space, and the potential to include

a model boat pond at some future time. Council will be considering this feedback before making a final decision. Once a decision has been made, work will begin on the final design and public engagement will be undertaken. \$100,000 of new funding has been included in the proposed budget for 2020/21 for this work, including for resource consents.

\$47,000 annually is in operational budgets for cleaning of the pond.

STOKE YOUTH PARK

The LTP proposed funding of \$500,000 for the Stoke Youth Park in 2020/21, however Council is now proposing to reduce this budget and spread the cost over two financial years - with \$250,000 in 2020/21 and \$250,000 in 2021/22. The first stage of the investigation was adopted by the Community Services Committee in February 2019, with 'Targeted Options' being resolved as the way forward. A Council workshop then discussed those options, including opportunities for Whanake Youth and relocatable recreation options in the short term. In the meantime the temporary skate ramp Council built in the Marsden Reserve carpark is getting great use. Rephrasing the budget allows time to determine the best location for the park that will meet the needs of our youth.

KOATA PARK

Council has taken a close interest in a project, led by Nelson Adventure Park (NAP), to create a world class gondola-serviced visitor attraction near the top of Fringe Hill. The project envisages construction of a gondola which would enable residents and visitors to take in stunning views and enjoy a mix of recreational, environmental and cultural experiences. 'Koata Park' as the attraction is currently labelled, would be situated on land owned by Ngāti Koata. Ngāti Koata are also guardians of the Tuatara for all of Aotearoa, and this offers the project an exciting opportunity to incorporate Tuatara to create a visitor experience that would be unique in New Zealand. There is also the possibility to re-naturalise up to 200 hectares of land around the gondola site, providing not just an enhanced environmental experience for visitors, but adding further to the city's much-loved green backdrop.

In short, the project presents an exciting opportunity to promote Nelson's environment, and has the potential to be a major regional tourist attraction. It also has the potential to attract Government and external funding.

Council has previously provided \$100,000 to assist with the initial development of the business case for this project. Council proposes to support Ngāti Koata, as guardians of the whenua, and the other partners in the Nelson Adventure Park project, to advance the gondola project. As NAP's planning moves to the next stage, Council proposes to also engage with the public more directly in discussions on next steps.

THE FINANCIALS

For the full set of financial statements, please refer to the Supporting Financial Information document online at nelson.govt.nz/council/plans-strategies-policies/annual-plans/annual-plan-2020-21

HOW WE PLAN TO FUND THE 2020/21 WORK PROGRAMME

This section of the Annual Plan outlines Nelson City Council's Financial Strategy for the next year. Council must, under the Local Government Act 2002, manage its assets, expenses, revenues, investments, liabilities and general financial dealings prudently. It must manage these in a manner that sustainably promotes the community's current and future interests.

KEEPING WITHIN THE LIMITS SET OUT IN OUR FINANCIAL STRATEGY

A key priority for Council is to keep within the rating and debt limits that were set as part of last year's Long Term Plan. The following table summarises the Annual Plan 2020/21 values against those agreed in the Long Term Plan. An explanation of those benchmarks can be found in the supporting information on our website.

| Benchmark | Long Term Plan Limit | 2020/21 Annual Plan | Met |
|--------------------------------|----------------------|---------------------|-----|
| Rates affordability benchmark: | | | |
| • income | \$105m | \$80m | Yes |
| • increase | 4.2% | 3.7% | Yes |
| Debt affordability benchmark | <150% | 90% | Yes |
| Balanced budget benchmark | >100% | 97% | No |
| Essential services benchmark | >100% | 209% | Yes |
| Debt servicing benchmark | <10% | 2.9% | Yes |

Council does not meet the balanced budget benchmark as significant proposed costs (contribution to the Waimea Dam of \$5 million and Nelson Plan costs of \$1.122 million) are designated as operating rather than capital expenses for Council. This benchmark is affected because Council intends to fund the expenditure from borrowings due to intergenerational equity considerations.

Updated information on some of the key drivers of our operating expenditure for 2020/21 have resulted in the proposed rates increase being 3.7% (compared to 3.1% in the Long Term Plan) and total net debt is forecast to be \$108.9 million (compared to the \$138.7 million projected in the Long Term Plan) at the end of June 2021. The lower proposed debt forecast reflects a smaller capital programme than originally planned, as well as lower opening debt levels anticipated at 30 June 2020 compared to the Long Term Plan.

Council has had to carefully consider the mix of projects and programmes that it intends to provide in 2020/21. Total operating expenditure is forecast to be \$125.1 million compared to \$119.8 million in the Long Term Plan for 2020/21. A portion of this increase relates to the Nelson Plan and is loan funded. In addition, total revenue has also increased, from \$129.2 million in the 2020/21 Long Term Plan to \$131.8.

Capital expenditure is proposed to be \$41.2 million in 2020/21 (excluding vested assets, staff costs, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit), which is significantly lower than the Long Term Plan forecast of \$47 million. The size of the new capital programme is considered more appropriate in terms of deliverability, and is in line with the 2019/20 Annual Plan figure of \$41.4 million.

COMMERCIAL DIFFERENTIAL

The commercial differential recognises the additional Council services that businesses receive, such as extra rubbish collection, street sweeping, and events to attract visitors. In the Long Term Plan, Council consulted on reducing the commercial differential by 0.5% each year for five years, to be reviewed annually.

Reducing the commercial differential reduces the rates collected from the City Centre and Stoke and allows a re-balancing of the relative rating contributions from commercial and residential properties. It also keeps our Central Business District competitive relative to other centres that do not have such a charge.

In the Long Term Plan, Council reduced the commercial differential for 2018/19 for the City Centre and Stoke commercial areas by 0.5%, subject to reassessing this at each Annual Plan. Council is proposing to implement the 0.5% reduction again this year. This will mean that the City Centre and Stoke City Centre rates will increase by less than they would have without this change. Residential rates will increase slightly more as a result of this change.

Council proposes that in 2020/21, 23.6% of total rates are collected from commercial rates (a 0.5% reduction from 24.1% in 2019/20). With less rates collected from those commercial ratepayers in 2020/21, there will be an increase to residential rates, depending on land value.

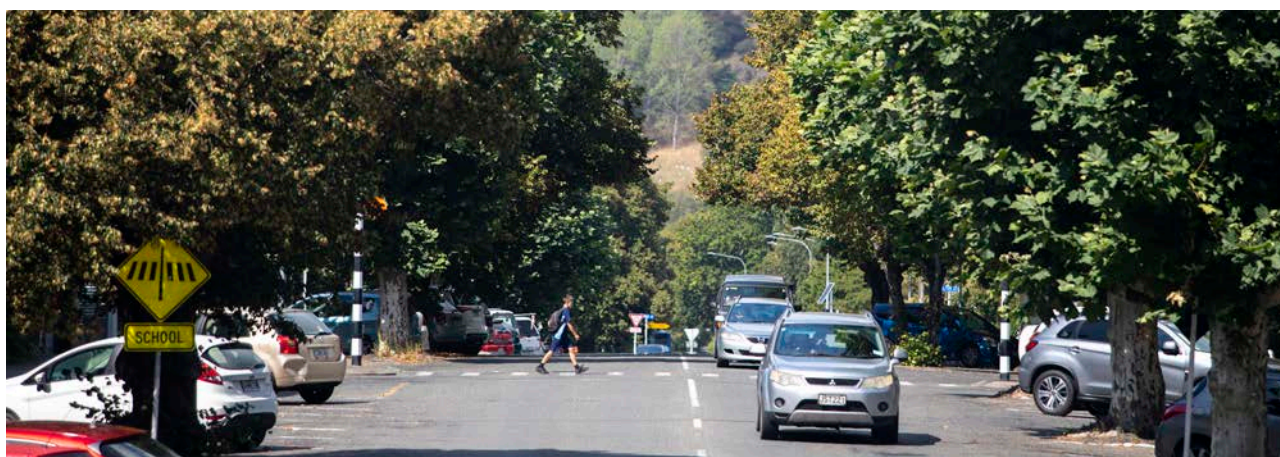
WHAT HAS CHANGED?

| | Annual Plan 2019/20 (\$000) | Long Term Plan 2020/21 (\$000) | Annual Plan 2020/21 (\$000) | Difference to Long Term Plan 2020/21 (\$000) |
|-----------------------------|-----------------------------------|--------------------------------------|-----------------------------------|-------------------------------------------------------|
| Total Revenue | 128,712 | 129,188 | 131,842 | 2,654 |
| Total Operating Expenditure | 112,867 | 119,771 | 125,071 | 5,300 |
| Total Capital expenditure* | 41,436 | 46,997 | 41,213 | (5,783) |

*Capital Expenditure excludes vested assets, capital staff costs and Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit.

WHAT WILL THE NEW RATES BE?

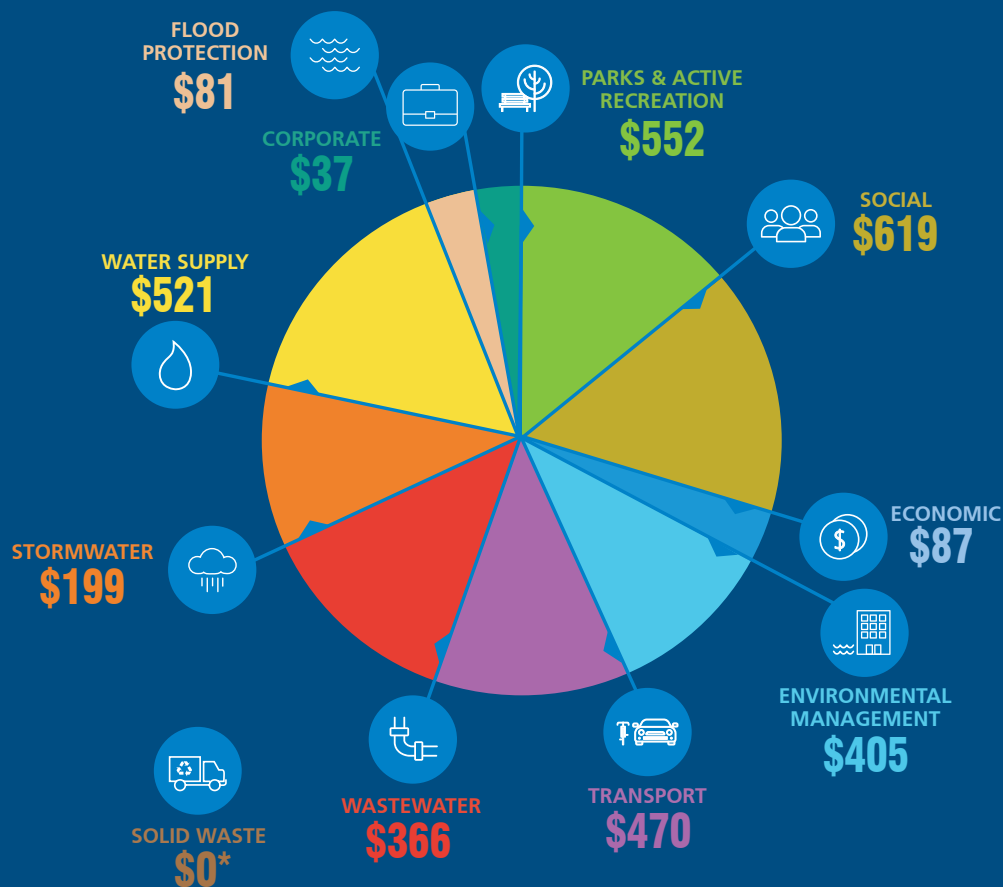
The overall increase in rates that are required by Council for 2020/21 is set at 3.7%, including an allowance for growth in the total number of rating units. The percentage change in rates for individual properties will differ from this overall increase figure. You can view examples of rates impacts for different land uses and values on pages 36-37 of this document. The average residential property rates increase is 4.43%. The average commercial property rates increase is 3.69%. For further information on how Council sets its rates and charges, please refer to the Funding Impact Statement section in the Supporting Financial Information document. The three yearly valuation of the city for rating purposes was undertaken in 2018. The new values were used as the basis for assessing rates as from 1 July 2019.



AVERAGE ANNUAL RATES BILL

There are two types of rates: the general rate based on the land value of a property, and targeted rates for specific services received, such as wastewater services.

MAKEUP OF THE AVERAGE ANNUAL RATES BILL (\$3,337 INCL GST)



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

EXAMPLES OF PROPOSED RATES FOR 2020/21

To further clarify the rates changes from 2019/20 to those for the 2020/21 rating year a selection of properties have 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)

| Property Type | 2018 Land Value | 2019/20 Rates | 2020/21 Rates | |
|--------------------------------------------------------------------------------------|-----------------|---------------|---------------|---------|
| | | | General Rate | UAGC |
| Residential (Average 2018 Land Value \$280,000) | \$147,000 | \$2,199 | \$795 | \$452 |
| | \$160,000 | \$2,266 | \$866 | \$452 |
| | \$175,000 | \$2,343 | \$947 | \$452 |
| | \$220,000 | \$2,574 | \$1,190 | \$452 |
| | \$275,000 | \$2,856 | \$1,488 | \$452 |
| | \$315,000 | \$3,061 | \$1,705 | \$452 |
| | \$370,000 | \$3,344 | \$2,002 | \$452 |
| | \$400,000 | \$3,498 | \$2,165 | \$452 |
| | \$435,000 | \$3,678 | \$2,354 | \$452 |
| | \$495,000 | \$3,986 | \$2,679 | \$452 |
| | \$650,000 | \$4,782 | \$3,517 | \$452 |
| | \$800,000 | \$5,552 | \$4,329 | \$452 |
| Multi Residential (Two flats - Two UAGC & Wastewater Charges) | \$320,000 | \$4,365 | \$1,905 | \$905 |
| | \$1,100,000 | \$8,570 | \$6,548 | \$905 |
| Empty Residential Section (Water annual charge included if water meter is installed) | \$113,000 | \$1,346 | \$611 | \$452 |
| | \$295,000 | \$2,481 | \$1,596 | \$452 |
| | \$560,000 | \$3,841 | \$3,030 | \$452 |
| Small Holding (Water annual charge included if water meter installed) | \$370,000 | \$2,476 | \$1,802 | \$452 |
| | \$520,000 | \$3,369 | \$2,533 | \$452 |
| Rural (Water annual charge included if water meter installed) | \$920,000 | \$3,506 | \$3,236 | \$452 |
| | \$2,140,000 | \$7,778 | \$7,527 | \$452 |
| Commercial - Outside Inner City / Stoke - 1 Unit | \$475,000 | \$7,849 | \$7,114 | \$452 |
| Commercial - Outside Inner City / Stoke - 2 Units | \$530,000 | \$8,632 | \$7,937 | \$452 |
| Commercial - Outside Inner City / Stoke - 2 Units | \$205,000 | \$5,114 | \$3,070 | \$1,357 |
| Commercial - Stoke - 1 Unit | \$44,000 | \$1,685 | \$745 | \$452 |
| Commercial - Inner City - 2 Units | \$365,000 | \$8,473 | \$6,413 | \$905 |
| Commercial - Inner City - 2 Units | \$415,000 | \$9,409 | \$7,292 | \$905 |
| Commercial - Inner City - 1 Unit | \$1,450,000 | \$28,231 | \$25,477 | \$452 |

This table does not include water charges based on consumption. This is charged at \$2.136 per cubic meter and an average residential ratepayer uses 160 m³ costing \$341.76 (GST Incl).



2020/21 Rates

| Stormwater/ Flood Protection | Waste water | Water Annual Charge | Total Rates | % increase on 2019/20 | \$ increase on 2019/20 |
|------------------------------|-------------|---------------------|-------------|-----------------------|------------------------|
| \$365 | \$478 | \$204 | \$2,295 | 4.38 | \$96 |
| \$365 | \$478 | \$204 | \$2,366 | 4.41 | \$100 |
| \$365 | \$478 | \$204 | \$2,447 | 4.44 | \$104 |
| \$365 | \$478 | \$204 | \$2,690 | 4.53 | \$116 |
| \$365 | \$478 | \$204 | \$2,988 | 4.61 | \$132 |
| \$365 | \$478 | \$204 | \$3,204 | 4.67 | \$143 |
| \$365 | \$478 | \$204 | \$3,502 | 4.73 | \$158 |
| \$365 | \$478 | \$204 | \$3,664 | 4.76 | \$166 |
| \$365 | \$478 | \$204 | \$3,854 | 4.79 | \$176 |
| \$365 | \$478 | \$204 | \$4,178 | 4.83 | \$192 |
| \$365 | \$478 | \$204 | \$5,017 | 4.93 | \$235 |
| \$365 | \$478 | \$204 | \$5,829 | 4.99 | \$277 |
| | | | | | |
| \$365 | \$956 | \$408 | \$4,539 | 3.99 | \$174 |
| \$365 | \$956 | \$204 | \$8,978 | 4.76 | \$408 |
| | | | | | |
| \$365 | | | \$1,429 | 6.16 | \$83 |
| \$365 | | \$204 | \$2,618 | 5.52 | \$137 |
| \$365 | | \$204 | \$4,052 | 5.48 | \$211 |
| | | | | | |
| \$365 | | | \$2,619 | 5.81 | \$143 |
| \$365 | | \$204 | \$3,554 | 5.49 | \$185 |
| | | | | | |
| | | | \$3,688 | 5.21 | \$182 |
| | | \$204 | \$8,184 | 5.22 | \$406 |
| | | | | | |
| \$365 | \$120 | \$204 | \$8,255 | 5.17 | \$406 |
| \$365 | \$120 | \$204 | \$9,078 | 5.17 | \$446 |
| \$365 | \$359 | \$204 | \$5,355 | 4.72 | \$241 |
| \$365 | \$120 | \$0 | \$1,682 | -0.15 | -\$3 |
| \$365 | \$239 | \$204 | \$8,126 | -4.10 | -\$347 |
| \$365 | \$239 | \$204 | \$9,005 | -4.30 | -\$404 |
| \$365 | \$120 | \$204 | \$26,618 | -5.71 | -\$1,613 |

The actual proposed rates increase for each property is available on Council's website at <http://www.nelson.govt.nz/rates-search/>







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