

# DRAFT Council Activity Summaries for the Long Term Plan 2024–2034

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## Introduction

Council structures its work programme around the eleven activities listed in the table of contents.

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 2024 -2034 are included in the relevant activity sections.

Each activity section is set out in a consistent way:

- What we do
- Why we do it
- Challenges
- Council's priorities for the next three years
- Drivers of capital expenditure
- Assumptions
- Risks
- Significant negative effects (Any significant negative effects that the activity may have on the social, economic, environmental, or cultural wellbeing of the local community)
- Intended changes to levels of service (Any intended changes to the level of service compared to the year prior to the start of this Long Term Plan)
- The reason for any material change to the cost of a service
- Community outcomes
- Service levels, performance measures and targets (delivery standards and how they are measured as well as current performance and future performance targets)
- Summary of financial information

These activity summaries and the Long Term Plan contain the key levels of service and performance measures for each activity. Council will monitor and report on them through the relevant Annual Report. We have further performance measures in the Activity Management Plans, which are not carried through into the Long Term Plan and will be reported to Council outside of the Annual Report process.

# Transport

## What we do

While the New Zealand Transport Agency Waka Kotahi is responsible for State Highway 6 that runs through the Nelson City area, Council provides everything else – including the roads, paths and footpaths used for driving, parking, cycling, other modes and walking. The services we provide include public transport, road safety, traffic and parking control, street sweeping and litter collection, and streetlights.

Council also regulates activities on the local roads. This includes setting speed limits, implementing the traffic and parking bylaw, processing requests to undertake work or activities on road reserve, reviewing temporary traffic management plans, granting licences for structures to be located on road reserve, and managing routes which can be used by heavy vehicles.

## Why we do it

We deliver a safe, efficient, accessible transport network to enable different modes of transport and choice for all users, including active and low carbon options that support sustainable transport.

Transport systems are vital to getting people and freight around Nelson, and they need to cater for a wide range of users – be they by car, truck, bus, foot or cycle.

We recognise that Tasman residents work and play in Nelson and vice versa. That's why we have a Joint Regional Transport Committee and a combined Regional Land Transport Plan and Regional Public Transport Plan to provide integrated land transport planning and investment across the Nelson/Tasman region.

We also work collaboratively with Tasman District Council on a range of projects and initiatives that affect transport across the region, including the joint Future Development Strategy and speed management.

## Challenges

### Environmental impact/climate change

Transport is one of Nelson's largest sources of greenhouse gas emissions.

Latest census data from 2018 shows that 71% of journeys to work were by car, truck or van, 6% by bicycle, 7% by walking and 0.8% by public bus. We need to be investing in improving the transport network to address our region's significant population and economic growth.

We don't yet have many alternatives for transporting freight, other than by road, which limits our ability to reduce emissions from this source.

### Congestion

Population and business growth are causing congestion resulting in increased travel times and lost economic and social opportunities.

Our current population is approximately 54,500 people. This is an increase of 3.6% since 2018, and forecasts indicate population growth will continue over the next 30 years, with the rate of growth slowing over time. Council's planning is based on 67,308 people living in Nelson by 2058.

The Nelson Future Access project undertook extensive modelling of the transport system to understand the likely level of congestion over time. It found that without any significant transport system change:

- the major north south arterials, including both Rocks Road and Waimea Road, will be over capacity during the afternoon peak period between 3pm and 6pm by 2048, with travel times more than doubling.
- the total growth in travel demand is forecast to increase by 17% by 2028 and 51% by 2048, averaged over the three peak hours modelled.

Moving to a sustainable transport culture doesn't mean every commuter will bus, walk or cycle to work, but by gradually increasing the numbers of people who make that choice, we will make our city people-focused and meet emissions goals, while still providing a reliable road network for those that need it, for business and freight.

### Safety

Nelson's crash rate is overrepresented at intersections, particularly with cyclists and elderly road users. This results in increased social cost and deters active mode use (those who use forms of transport that involve physical exercise, such as walking and cycling).

The national focus for road safety is on the reduction of crashes that result in death or serious injury (DSI). The number of DSI crashes in Nelson over the last 10 years is increasing. The number of crashes involving cyclists over the last 10 years has also increased, but the numbers have remained relatively steady for the last five years.

The goal to reduce DSI crashes will be difficult to achieve if we don't make changes to how the whole network operates.

### Network resilience/road maintenance

More intense storm events and historical under-investment in maintenance is resulting in our roads deteriorating over time.

Our roads are typically degrading over time with an increased number of cracks, shoves (ripples) and potholes on the road surface. If these defects aren't fixed they will allow water into the road pavement layers, speeding up their deterioration rate.

Our road condition and maintenance data shows that an increase in the quantity of reseals per year is required.

Our preferred option to address the quality of our roads is to increase the operations, maintenance and renewal budgets in order to maintain asset conditions.

## **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Improving public transport infrastructure and services – including the Millers Acre Regional Bus Exchange.
- Connecting and expanding the active mode network, and implementing safer regulatory speeds and safety improvements, including:
  - The Stoke School speed zone upgrade.

- Contribute to the 'Bridge to Better' project to improve pedestrian and cycling facilities through central Nelson.
- Intersection treatments to improve the St Vincent Street cycle facility.
- Traffic calming to support speed reduction on residential streets.
- Safety treatments at roundabouts at Halifax/Haven, Gloucester/Vanguard, Gloucester/St Vincent, Hardy/St Vincent, Nayland/Songer Street and Nile Collingwood Street.
- Traffic signals at Waimea Road/Franklyn Street and at Toi Toi/Vanguard Street intersections.
- Connecting and expanding the active mode network, particularly the East–West active travel corridor that will connect the Maitai/Brook in the east with the Railway Reserve corridor in the west.
- Progressing the Mahitahi area development (subject to the Environment Court outcome), including working on upgrades to transport connections at the existing intersection of Nile Street and Maitai Valley Road and improved cycleway, footpath and bridge connections in the Maitai Valley locality.
- Lifting specific maintenance and renewal programmes by increasing:
  - reseals and rehabilitations of road pavements
  - footpath renewals.
- Increasing maintenance of sealed roads.
- Increasing maintenance of bridges/structures and drainage.
- Improving public transport initiatives, including participating in a national ticketing programme and more real-time travel information.

## **Drivers of capital expenditure**

The following factors drive capital expenditure on transport:

- Improving congestion and traffic safety.
- Slowing the rate of deterioration of our sealed roads.
- Responding to the damage caused by the August 2022 severe weather event.
- Developing transport solutions that reduce greenhouse gas emissions and support intensification of our existing urban areas.

## **Assumptions**

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions apply to the transport activity:

- The New Zealand Transport Agency Waka Kotahi supports and funds the transport activity via the National Land Transport Programme.
- Tasman District Council will continue to contribute its fair and equitable share to public transport and Total Mobility services for the Tasman region.

- Public transport patronage will be at a level that continues to support the public transport level of service.
- Staff resources will be available to commission the scheduled projects, activities and actions.
- The New Zealand Transport Agency Waka Kotahi will co-fund the establishment, operation and maintenance of the proposed new public facility at Millers Acre.

## **Risks**

### Access and lifeline routes - resilience

An event (a slip, flooding, earthquake, a crash or a fire) can prevent access to the transport network resulting in:

- congestion or loss of access
- loss of access to a critical utility infrastructure that could be at risk of failure
- damage to the transport asset resulting in loss of safe access.

### Funding Partner Support

Central government via the New Zealand Transport Agency Waka Kotahi co-invest in local road transport system costs, typically at 51%. There is a risk that central government funding to match the local needs of the transport system are unavailable. This will result in either an increased local share to maintain levels of service or a drop in level of service.

### Resourcing

Continuing to resource the transport team with an appropriate level of staff is an ongoing challenge given the tight labour market in the transport field. This affects the ability of the team to deliver on the work programme, plan for the future and maintain continuity. The current vacancies are being actively recruited for to mitigate this risk.

### Change in legislation

Change in legislation often comes with increased cost and change of strategic direction. To mitigate this risk staff look ahead to see what changes are signalled by central government and plan accordingly.

### Change in demands

Demand on the transport network can take many forms including things like an ageing population putting increased demand on the Total Mobility service or increased population increasing traffic volumes and congestion. Staff rely on population projections and other modelling to attempt to predict any increases in demand over time.

### Change in costs

As each transport contract comes up for renewal, the costs increase to reflect the changes in material and labour costs and current market movements since the last contract was let. Depending on the type of contract and the type of labour and materials required, this cost increase can vary by a large amount, well in excess of general inflation. Staff try to anticipate these cost escalations but given their natural uncertainty, this is difficult to do reliably.

## **Significant negative effects**

- Transport is one of Nelson's largest sources of greenhouse gas emissions, accelerating climate change and causing environmental degradation.
- Road works are disruptive for network users and neighbours.
- Travel times may increase if decisions are made to reduce speed limits in our residential and school neighbourhoods, and in our busy town centres.
- A congested transport system adds cost to the economy through increased travel time and lost opportunity.

## **Intended changes to the level of service**

There have been minor changes to the transport levels of service. The level of service relating to walking and cycling modes has been removed as part of work to streamline levels of service through the Plan.

Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.

## **The reason for any material change to the cost of a service**

Increased knowledge on the size and condition of the network has led to an increase in the amount and cost of maintenance and renewal works to maintain appropriate levels of service.

## **Community outcomes**

Council's transport 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 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.

## Service levels, performance measures and targets

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
Our urban and rural environments are people friendly, well planned and sustainably managed.  Our communities are healthy, safe, inclusive and resilient.	<b>Safety:</b> We provide a transport system which is safe for all people regardless of transport choice or demographic.	Reducing trend in the number of death and serious injury (DSI) crashes, per financial year on the local road network from the 2020/21 base year. (Mandatory Measure 1)	There were ten death or serious injury (DSI) crashes on local roads in this financial year. This is a slight increase over the nine DSI crashes from 2021/22 but well down on the 20 from 2020/21.	A reducing trend in the number of fatal or serious injury crashes as recorded in the New Zealand Transport Agency Waka Kotahi Crash Analysis System.
Our urban and rural environments are people friendly, well planned and sustainably managed.	<b>Amenity:</b> Our assets are maintained in good condition and operated in a way that contributes to quality neighbourhood environments.	The average quality of ride on a sealed local road network, as measured by smooth travel exposure in the Road Asset Maintenance and Management system (RAMM). (Mandatory Measure 2)	Smooth travel exposure was measured at 82% for the 2022/23 financial year.	At least 80% of all journeys are on smooth roads, when measured against the One Network Road Classification guidance every second year from 2024/25.
		Percentage of customer service requests relating to roads and footpaths to which Council responds within fifteen working days. (Mandatory Measure 5)	75% of transport related service requests were completed on time for the 2022/23 financial year.	70% of service requests responded to within fifteen working days.
		The percentage of footpaths that fall within the level of service standard for condition of footpath, as in Activity Management Plan. (Mandatory Measure 4)	The 2021/22 assessment determined that 85% of the network has a condition rating better than 4. This result includes shared paths and walkways.	80% of the footpath network by length has a condition rating of no worse than 4 (poor) <sup>1</sup> , measured every second year from 2025/26.

<sup>1</sup> If a footpath is scored as 4 (poor) then it is in the category that 20% is not meeting the standard or 80% is acceptable



Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
Our infrastructure is efficient, cost effective and meets current and future needs.	<b>Accessibility and efficiency:</b> We provide people with access to a connected transport system that delivers their journey needs.	The annual growth in use of passenger transport increases year on year from the 2023/24 year baseline. Measured using annual patronage data from BCard system (Nelson and Tasman).	A total of 454,943 trips were taken on the public transport system in the last financial year.  This represents a 42% increase from the patronage in the 2021/22 financial year.	Number of bus patrons increases each year.
Our infrastructure is efficient, cost effective and meets current and future needs.	<b>Value for money:</b> Our transportation network is maintained cost effectively and whole of life costs are optimised.	The percentage of the sealed local road network resurfaced each financial year, as measured in lane kilometres from RAMM data.  (Mandatory Measure 3)	6.6 lane-km of a total 495 lane-km was resurfaced in 2022/23 which is 1.3% of the network.	Not less than 3% of the network is resurfaced every year.

FUNDING IMPACT STATEMENT		Transport									
	Annual Plan 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	12,933	14,398	15,462	16,819	18,430	19,754	22,201	23,472	24,581	24,883	25,956
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	8,049	7,297	7,514	8,482	8,979	9,102	11,523	11,860	11,977	11,307	11,920
Fees and charges	2,037	3,091	3,187	3,353	3,436	3,508	3,804	3,891	3,969	4,046	4,125
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,972	1,168	1,209	1,261	1,292	1,324	1,356	1,390	1,418	1,453	1,497
<b>Total Operating Funding</b>	<b>24,992</b>	<b>25,954</b>	<b>27,372</b>	<b>29,914</b>	<b>32,137</b>	<b>33,688</b>	<b>38,885</b>	<b>40,613</b>	<b>41,944</b>	<b>41,689</b>	<b>43,498</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	19,419	20,547	20,962	22,764	24,030	24,372	28,869	29,621	30,048	28,963	30,230
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	551	845	1,009	1,258	1,710	2,272	2,603	3,022	3,439	3,719	4,074
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>19,971</b>	<b>21,392</b>	<b>21,971</b>	<b>24,022</b>	<b>25,739</b>	<b>26,644</b>	<b>31,472</b>	<b>32,643</b>	<b>33,487</b>	<b>32,682</b>	<b>34,304</b>
<b>Surplus (Deficit) of operating funding</b>	<b>5,022</b>	<b>4,562</b>	<b>5,401</b>	<b>5,892</b>	<b>6,398</b>	<b>7,044</b>	<b>7,413</b>	<b>7,970</b>	<b>8,457</b>	<b>9,007</b>	<b>9,194</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	17,453	10,719	13,433	23,005	15,036	10,956	12,985	14,767	13,966	15,615	16,333
Development and financial contributions	329	294	785	802	819	835	1,542	1,573	1,606	1,638	1,673
Increase (decrease) in debt	5,950	6,145	4,749	7,360	12,620	4,885	5,908	8,890	5,081	6,022	9,022
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>23,732</b>	<b>17,159</b>	<b>18,967</b>	<b>31,167</b>	<b>28,475</b>	<b>16,676</b>	<b>20,434</b>	<b>25,231</b>	<b>20,653</b>	<b>23,275</b>	<b>27,029</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	3,198	4,103	6,316	13,303	10,855	3,067	3,394	1,952	55	392	3,794
- to improve level of service	14,100	4,190	6,809	11,575	8,882	4,945	7,390	12,828	10,696	10,402	10,161
- to replace existing assets	11,456	13,427	11,243	12,181	15,136	15,708	17,063	18,420	18,360	21,489	22,267
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>28,754</b>	<b>21,721</b>	<b>24,368</b>	<b>37,059</b>	<b>34,873</b>	<b>23,720</b>	<b>27,847</b>	<b>33,201</b>	<b>29,111</b>	<b>32,282</b>	<b>36,222</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(5,022)</b>	<b>(4,562)</b>	<b>(5,401)</b>	<b>(5,892)</b>	<b>(6,398)</b>	<b>(7,044)</b>	<b>(7,413)</b>	<b>(7,970)</b>	<b>(8,457)</b>	<b>(9,007)</b>	<b>(9,194)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	5,022	4,562	5,401	5,892	6,398	7,044	7,413	7,970	8,457	9,007	9,194
Subsidies and grants for capital expenditure	17,453	10,719	13,433	23,005	15,036	10,956	12,985	14,767	13,966	15,615	16,333
Development and financial contributions	329	294	785	802	819	835	1,542	1,573	1,606	1,638	1,673
Vested Assets	2,454	1,251	1,279	1,309	1,339	1,369	1,397	1,427	1,455	1,485	1,513
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(12,218)	(12,411)	(12,946)	(13,490)	(14,371)	(15,164)	(15,709)	(16,378)	(17,021)	(17,604)	(18,238)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	13,039	4,416	7,951	17,519	9,221	5,039	7,628	9,359	8,463	10,141	10,475
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR											
Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Transport</b>											
<b>Subsidised Roading</b>											
WC221 Stock Effluent Facility renewals	-	-	-	209,300	-	-	-	-	-	-	-
WC 214 Quarantine Road Rehab	-	-	-	-	-	-	-	-	122,946	125,408	127,786
WC341 W Stoke Youth Park ped refuge	150,000	-	-	-	-	-	-	-	-	-	-
WC341 W Andrew Street crossing	160,000	-	-	-	-	-	-	-	-	-	-
WC341W - Maori Road raised crossing	-	-	-	313,950	-	-	-	-	-	-	-
WC 341W Walkway and Footpath Lighting Improvements	-	-	-	-	214,120	-	-	228,120	-	-	241,840
WC 341W Pedestrian and Cycle Crossing Improvements	-	-	-	-	481,770	218,840	893,680	-	-	-	-
WC452 NFAS Washington Road	85,614	-	-	-	214,120	-	-	-	-	-	-
WC341W Railway Reserve Lighting	550,000	-	-	-	-	-	-	-	-	-	-
WC 341 Cross Town Links Brook to Central Programme	-	-	408,800	2,197,650	749,420	-	-	-	-	-	-
WC341 St Vincent Street sepataaed cycle facility improvements	-	200,000	122,640	-	-	-	-	570,300	581,700	-	-
WC225 Renewals: Footpaths	2,401,261	2,100,000	2,197,300	2,825,550	3,640,040	3,720,280	5,697,210	5,817,060	5,933,340	6,052,170	6,166,920
WC 141 Days Track Flood Repairs	600,000	-	-	-	-	-	-	-	-	-	-
WC 222 Traffic Service Renewals - Signs, markings and deline	89,826	110,000	112,420	156,975	128,472	131,304	223,420	228,120	232,680	237,340	241,840
WC 222 Traffic Service Renewals - Signals	92,997	200,000	204,400	209,300	214,120	186,014	189,907	193,902	197,778	201,739	205,564
WC341 School speed sign upgrades	123,000	-	-	-	-	-	-	-	-	-	-
WC341Z Speed Limit changes speed signs	82,000	200,000	204,400	-	-	-	-	-	-	-	-
WC 341 Marsden Valley Ridgeway Upgrade	-	-	-	-	214,120	2,626,080	2,681,040	-	-	-	-
WC 324 Main Rd Stoke/Marsden Rd	-	-	-	-	-	-	-	-	-	118,670	1,813,800
WC 341 Gloucester Street intersection improvements	100,000	-	-	-	-	-	-	-	-	-	-
WC 324 Polstead Main Road Stoke Intersection Upgrade	-	-	-	-	-	-	223,420	2,053,080	-	-	-
WC 341 Ngawhatu Suffolk Intersection	-	-	-	-	-	-	-	-	-	237,340	2,176,560
WC341 Maitai Bayview Growth programme	-	100,000	1,022,000	-	-	-	-	-	-	-	-
WC 452 Nile Street cycle facilities	-	-	102,200	1,465,100	-	-	-	-	-	-	-
WC222 Washington Valley Streetlight renewal	-	-	-	209,300	214,120	-	-	-	-	-	-
WC 111: Pre Seal Programme	-	400,000	459,900	470,925	481,770	492,390	502,695	513,270	523,530	534,015	544,140
WC 341 Minor Improvements	57,905	-	-	-	678,833	693,797	708,317	723,218	737,675	752,448	766,715
WC 341L: Mount Street and Konini Street upgrade	90,000	-	-	-	-	-	111,710	570,300	-	-	-
WC 341Z Haven/Halifax Intersection Improvements	-	100,000	10,220	1,465,100	-	-	-	-	-	-	-
Nile St/Maitai Rd Interserction (Bayview/Maitai)	-	100,000	204,400	1,569,750	-	-	-	-	-	-	-
WC 341 Elm Street Intersection safety improvements	-	-	-	-	-	-	-	-	-	237,340	2,176,560
2189 WC341 Innovative Streets - Kawai St	52,839	-	-	-	2,141,200	-	-	-	-	-	-
WC 324 Quarantine/Nayland intersection upgrades	200,000	-	-	-	-	-	-	-	-	-	-
WC 341Z Toi Toi/Vanguard intersection upgrade	150,000	225,000	20,440	1,831,375	-	-	-	-	-	-	-
WC341L Selwyn Place Pedestrian Crossings	192,341	-	-	20,930	642,360	-	-	-	-	-	-
WC341 Domett St Upgrade	190,000	-	-	-	-	-	-	-	-	-	-
WC452 SFP Hospital Connection	1,400,000	-	-	-	-	-	-	-	-	-	120,920
WC 341Z - Gloucester Vanguard intersection safety	100,000	-	817,600	-	-	-	-	-	-	-	-
WC341Z - Gloucester St Vincent intersection safety	100,000	-	817,600	-	-	-	-	-	-	-	-
WC341Z - Hardy Vanguard intersection safety	100,000	800,000	-	-	-	-	-	-	-	-	-
WC341L - Halifax Street East- associated improvements	111,356	-	-	-	-	-	-	-	-	-	-
WC341L - Nayland Songer Roundabout safety	100,000	800,000	-	-	-	-	-	-	-	-	-
WC341L - Nile Collingwood	-	-	-	837,200	-	-	-	-	-	-	-
WC 341L IAF Active Linear Corridor	-	50,000	970,900	-	-	-	-	-	-	-	-

Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
WC 341L Quarantine/Pascoe Intersection Improvements	-	-	102,200	-	-	-	-	-	-	-	-
WC 341Z Victory School Speed Zone Upgrade	-	-	-	-	-	-	111,710	1,026,540	-	-	-
WC 341L Driver Information Boards	-	-	-	104,650	107,060	109,420	-	-	-	-	-
WC 341L Cable Bay Roading Improvements	-	-	-	-	-	1,094,200	1,117,100	-	-	-	-
WC 341L Little Todd Roading Improvements	-	-	-	20,930	299,768	-	-	-	-	-	-
WC341 Iwa Catch wall	-	-	-	-	-	218,840	-	-	-	-	-
WC341L Road Drainage Improvements	-	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
WC341W Quarantine Road Bridge Footpath (at Bolt Rd)	382,700	-	-	-	-	-	-	-	-	-	-
WC 341L Streetlight Improvement	105,678	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	30,230
WC 341L Transport Temporary Works	-	-	-	-	214,120	-	-	228,120	-	-	241,840
Freshwater Improvements programme	-	-	-	-	-	10,942	55,855	-	116,340	2,373,400	-
WC 341W Cycleway and Cycle Lane Improvements	-	-	-	261,625	374,710	1,039,490	279,275	-	581,700	593,350	604,600
WC 452 Transport Choices	4,000,000	-	-	-	-	-	-	-	-	-	-
WC 224 Atawhai and Whakatu Cycle path Renewals	35,000	20,000	122,640	52,325	53,530	54,710	55,855	57,030	58,170	59,335	60,460
WC 111 Sealed Pavement Heavy Works	158,517	330,000	337,260	313,950	321,180	328,260	312,788	319,368	325,752	332,276	338,576
WC 214 Sealed Road Pavement Rehabilitation	-	3,496,860	3,900,052	3,130,992	2,150,471	1,761,632	1,568,023	1,601,009	1,762,945	1,593,536	1,623,750
WC 212 Sealed Road Resurfacing	2,026,485	2,242,854	2,490,004	2,549,696	2,783,560	2,844,920	2,904,460	2,965,560	3,024,840	3,085,420	3,143,920
WC 211 Unsealed Road Metalling	70,382	70,382	71,930	146,909	150,292	153,605	156,820	194,337	198,222	202,192	206,025
WC 224 Cyclepath renewals	236,557	105,678	108,003	110,592	113,139	1,099,671	1,122,686	1,146,303	1,169,217	1,192,634	1,215,246
WC141 Todd Valley Road Flood Repairs	35,000	300,000	-	-	-	-	-	-	-	-	-
WC 141 Kokoroa Road Flood Repairs	150,000	100,000	-	-	-	-	-	-	-	-	-
WC141 Maori Road Flood Repair	150,000	250,000	-	-	-	-	-	-	-	-	-
WC141 Ross Road Flood Repairs	140,000	300,000	-	-	-	-	-	-	-	-	-
Wc141 Atmore Terrace Flood Repairs	280,000	-	-	-	-	-	-	-	-	-	-
WC141 Maitai Valley Road Flood Repairs	200,000	100,000	-	-	-	-	-	-	-	-	-
WC141 Flood Recovery - Unspecified	1,024,837	100,000	112,420	303,485	42,824	-	-	-	-	-	-
WC141 Slip Repair Maitai Road	530,000	-	-	-	-	-	-	-	-	-	-
WC141 Cable Bay Road slip repairs	1,700,000	500,000	-	-	-	-	-	-	-	-	-
WC 141 Glen Creek washout repairs	50,000	100,000	-	-	-	-	-	-	-	-	-
WC141 Moana Ave slip protection	20,000	-	-	-	-	-	-	-	-	-	-
WC141 Walters Bluff slip drainage	50,000	-	-	-	-	-	-	-	-	-	-
WC141 Teal Valley Road flood repairs	-	700,000	-	-	-	-	-	-	-	-	-
WC141 Arrow Street Retaining Wall Slip Protection	110,000	300,000	-	-	-	-	-	-	-	-	-
WC 324 Nelson Future Access Study	362,915	-	-	-	214,120	218,840	2,047,419	6,026,816	7,376,747	5,016,323	3,696,258
WC 341Z Waimea Road / Hampden Street intersection upgrade	157,000	-	-	-	-	-	-	-	-	-	-

Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
WC 341L Waimea Road Franklyn Street intersection improvement	1,500,000	110,000	1,839,600	-	-	-	-	-	-	-	-
WC 341 Railway Reserve Improvements	-	-	-	-	-	-	-	-	491,783	501,632	511,143
WC 141 35 Konini Street	80,000	200,000	-	-	-	-	-	-	-	-	-
WC141 Iwa Road flood repairs	-	350,000	-	-	-	-	-	-	-	-	-
WC341 Nayland Road school zone Upgrade	-	-	-	-	-	109,420	1,005,390	-	-	-	-
WC341 Central School speed zone upgrade	-	-	-	104,650	963,540	-	-	-	-	-	-
WC341 Stoke School speed zone upgrade	-	100,000	459,900	470,925	-	-	-	-	-	-	-
WC341L Traffic calming to support speed reduction	180,000	100,000	102,200	104,650	321,180	547,100	335,130	570,300	581,700	593,350	604,600
WC341Z St Vincent Street Toi Toi Street raised roundabout	666,100	-	-	-	-	-	-	-	-	-	-
WC341Z Nile Tasman Roundabout raised platform	670,000	-	-	-	-	-	-	-	-	-	-
WC341 School Speed Zone Haven Road	77,500	-	-	156,975	-	-	-	-	-	-	-
WC141 333 Wakefield Quay	230,000	-	-	-	-	-	-	-	-	-	-
Enner Glynn Rd Stream Protection	-	300,000	-	-	-	-	-	-	-	-	-
WC 213 Drainage Renewals	344,778	500,000	511,000	837,200	1,520,252	1,455,286	1,753,847	2,332,527	2,495,493	4,800,202	2,496,998
WC 216: Structures Renewals	-	-	-	-	642,360	-	-	-	-	-	-
WC216 Trafalgar Centre Footbridge	819,736	-	-	-	-	-	-	-	-	-	-
WC 215 Structures component replacement - Bridges	-	50,000	245,280	366,275	1,092,012	547,100	167,565	1,197,630	174,510	1,424,040	1,451,040
WC215 Structure replacement	353,123	280,000	459,900	627,900	856,480	1,196,074	536,208	661,548	674,772	688,286	701,336
WC 222 Streetlight renewals	317,034	610,000	613,200	837,200	1,070,600	1,313,040	1,340,520	1,368,720	1,396,080	1,424,040	2,418,400
<b>Unsubsidised Roading</b>											
Maitai Bayview Growth programme	250,000	-	-	-	-	-	-	-	-	-	-
Land Purchase	450,000	-	-	-	-	-	-	-	-	-	-
Structures replacement	310,868	-	-	52,325	718,587	698,100	558,550	114,060	267,582	712,020	2,708,608
Wastney Terrace cul de sac	158,517	-	-	-	-	-	-	-	-	-	-
IAF Active Linear Corridor	2,100,000	2,200,000	3,372,600	14,046,217	10,822,107	-	-	-	-	-	-
Street Garden Dev	31,703	150,000	153,300	156,975	-	-	-	-	-	-	-
Slip 8 Atmore Terrace	658,200	-	-	-	-	-	-	-	-	-	-
Railway Reserve Lighting	1,020,000	30,000	-	-	-	-	-	-	-	-	-
Hill Street Investigation	100,000	-	-	-	-	-	-	-	-	-	-
Airport Bus Improvements	81,897	-	-	-	-	-	-	-	-	-	-
Road Drainage Improvements	157,745	-	-	-	-	-	-	-	-	-	-
Slip 9 Maire Street	95,000	-	-	-	-	-	-	-	-	-	-
Slip 13 Cleveland Terrace	585,100	792,900	-	-	-	-	-	-	-	-	-

Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Public Transport</b>											
WC 531 Stoke interchange	-	-	-	-	565,694	578,164	590,264	-	-	-	-
WC 531 Integrated Ticketing GRETS	-	-	204,400	209,300	-	-	-	-	-	-	-
WC 531 CBD interchange	355,678	1,800,000	1,839,600	-	-	-	-	-	-	-	-
WC531 Bridge Street Bus interchange	108,218	-	-	-	-	-	-	-	-	-	-
WC 554: PT Signals priority	-	100,000	102,200	104,650	-	-	-	-	-	-	-
WC 532 Bus Shelter Lighting	-	50,000	102,200	104,650	107,060	-	-	-	-	-	-
WC532 PT Minor Improvements	281,678	20,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
WC532 Bus stop improvements	-	-	-	-	-	-	111,710	1,026,540	-	118,670	1,088,280
<b>Parking and CBD Enhancement</b>											
Renewals: On and Off St Parking Meter	-	-	-	-	-	-	629,812	643,061	-	-	-
Renewal: CBD aesthetic elements	169,138	100,000	102,200	104,650	181,079	185,071	223,420	228,120	232,680	237,340	241,840
CBD Carpark Resurfacing	-	100,000	102,200	104,650	428,240	656,520	446,840	456,240	988,890	296,675	302,300
Strawbridge Sq Layout & access improvement	-	-	54,001	110,592	791,972	-	-	-	-	-	-
Stoke Centre Traffic Calming and Ped Safety Works	-	-	-	-	-	-	118,053	1,808,045	-	-	-
Stoke Centre Enhancements	-	-	-	-	-	54,710	111,710	57,030	-	-	-
<b>Millers Acre Centre</b>											
Strategic Land Purchase	800,000	-	-	-	-	-	-	-	-	-	-
<b>Vested Assets</b>	2,453,843	1,251,001	1,278,523	1,309,173	1,339,322	1,368,845	1,397,493	1,426,892	1,455,415	1,484,563	1,512,710
<b>Projects under \$100,000</b>	1,462,325	1,458,005	1,448,858	1,446,001	1,363,481	1,537,807	1,565,263	1,470,016	1,594,644	1,614,626	1,576,510
<b>Total Transport</b>	<b>36,122,391</b>	<b>25,252,680</b>	<b>28,217,491</b>	<b>42,346,467</b>	<b>39,944,385</b>	<b>27,578,732</b>	<b>32,190,295</b>	<b>38,165,362</b>	<b>33,646,151</b>	<b>37,196,390</b>	<b>41,599,155</b>
Scope Adjustment	- 4,914,815	- 2,280,749	- 2,570,790	- 3,978,155	- 3,732,197	- 2,490,112	- 2,945,776	- 3,537,677	- 3,080,182	- 3,429,518	- 3,864,154
<b>Total Transport Less Scope Adjustment</b>	<b>31,207,576</b>	<b>22,971,931</b>	<b>25,646,701</b>	<b>38,368,312</b>	<b>36,212,188</b>	<b>25,088,620</b>	<b>29,244,519</b>	<b>34,627,685</b>	<b>30,565,969</b>	<b>33,766,872</b>	<b>37,735,001</b>



# Water Supply

## What we do

Council supplies high quality water that is safe to drink to households and businesses through a piped network. The water supply system includes dams and weirs on the Maitai and Roding Rivers, the ultra-filtration water treatment plant at the Tantragee Saddle, and the network of pipes, pump stations and storage reservoirs throughout the city.

User charges are based on metered water use to incentivise efficient use of water and to share costs fairly between users.

## Why we do it

We all rely on the quality of our water supply for our health and to sustain our industries and tourism sector. This makes it a high priority for Council, who aims to provide a safe, reliable and efficient supply of water to residents and businesses while ensuring the ecological, recreational and cultural interests of the community in the water sources are recognised and enhanced.

## Challenges

### Climate change

Both increased droughts and extreme rainfall events can limit access to water from the Maitai and Roding rivers, increasing our dependence on water from the Maitai Dam. It can store up to 4.1 million cubic metres of water, giving us an extremely valuable buffer for getting through both drought and storm events.

### Natural hazards

The piped water supply network is at risk of damage during earthquakes and damage from weather events.

Nelson's water supply is dependent on the water sourced from the Maitai and Roding rivers, the Maitai Dam and the Roding Weir. We rely on very long pipelines to transport this water to the Tantragee Water Treatment Plant, and these pipes are vulnerable to damage from earthquakes and flood events (and land slips associated with these events).

Having the second pipeline between the Maitai River water sources and the water treatment plant provides security against damage to one or other of the pipelines. In addition, the ultra-filtration process at the water treatment plant gives us flexibility and peace of mind to use water from a variety of raw water sources of variable quality.

The pipes which deliver water from the water treatment plant to households and businesses are also vulnerable to damage during earthquakes and flood events. The specific risks to our network have been investigated and response options are being developed.

Significant sections of the Nelson water supply network were installed in the city from the 1950s–1970s as part of a surge of new developments. These earlier networks are now approximately 60–70 years old, which is why many of them will need to be replaced within the next 30 years.

Approximately 20km of pipework (in addition to the normal rate of renewals) will need to be replaced in the 2030s. At today's rates this could cost an additional \$20M–\$30M over and above the normal renewals budget within a 5–10 year timeframe.



Draft renewal budgets have been incrementally increased in years 5-10 to address this issue because not investing in these extra renewals would result in more failures in the network and disruptions to the water supply.

#### Maintaining, renewing and upgrading

Planned levels of service for water supply will not be met unless assets are maintained, renewed and upgraded.

- Pipe materials – Some pipe materials have not performed as well as expected which means they need to be replaced earlier than anticipated. We will need to continue doing this for the next 8–10 years before returning to a more normal renewal strategy.
- Maitai pipeline – Council will continue to use the original above ground pipeline between the Maitai Dam and the water treatment plant for as long as it remains economical to do so (alongside the more recently installed duplicate pipeline). A multi-year project to renew or repair necessary sections of original above ground pipe below the dam will start from 2027/28.
- Maitai Dam – The Maitai Dam is considered a high impact structure as it would pose a significant risk to residents if it collapsed, releasing water down into the Maitai Valley. Although the likelihood of this is extremely low, Council will continue to work with emergency response agencies to plan for this event. Council and the other emergency response agencies will plan to meet with Maitai Valley residents (2024/25) to advise them of the various emergency events for which residents need to develop their own response plans.
- Reticulation constraints – New residential development areas in the eastern parts of the city don't yet have the water supply pipes they will need in the future. Budget has been included in the Long Term Plan for the Council's share of the costs to upgrade one of the first developments in the Mahitahi and Bayview area. This will help support any future development in the wider area (subject to the Environment Court outcome).
- In addition, future residential development and intensification across the city that might need a water supply with a higher flow rate to support sprinkler systems can be addressed as part of the normal renewal programme.

#### Unaccounted for water

Council is unable to account for 20–25% of water supplied through the water supply network. We carry out leak detection within the urban area's water supply network but so far we haven't found any substantial leaks to account for this volume of water losses.

We are continuing to investigate the large trunk mains from the water treatment plant to the urban areas and ensuring all property connections to the network are metered.

We will continue to investigate other potential sources of unaccounted for water use such as contractor use, irrigation services and un-metered fire-fighting connections.

Testing at the water treatment plant in 2020 identified over-recording of flows to the city meaning it was reporting higher volumes of water than were actually occurring. Similar testing has also found that some residential water meters may be reporting lower volumes of water use than is actually occurring. Based on these results, we think a substantial amount of the unaccounted for water is likely to relate to meter performance rather than actual water losses.

In 2021/22, Council replaced approximately 15,000 of the residential water meters installed in the mid-1990s. The remainder will be replaced as they come to the end of their lives in the next

10 years. More accurate water use data will help us to track down the unaccounted for water. Additional testing of larger commercial and industrial meters is planned between 2024/25 and 2026/27.

#### Maitai Dam water

Using water from the Maitai Dam increases impacts on the water treatment plant processing system.

Council has three raw water sources – the Maitai Dam, Maitai South Branch and Roding River. However, the Maitai Dam is the only reliable source of water when river flows are low, and this makes it critically important to Nelson's water supply during dry conditions. A 2017 drought security study concluded the Maitai Dam would provide enough water to allow the city to withstand a 1:100 year drought into the latter half of this century.

The water treatment plant has to work harder when processing water from the Maitai Dam, to remove naturally occurring organic material. This is done through a combination of chemicals, and by mechanical cleaning using the ultra-filtration membranes at the water treatment plant.

In 2019 sampling of the water in the Maitai Dam identified an invasive freshwater algae species, *Lindavia intermedia*. *Lindavia* is known to cause 'lake snow' in freshwater lakes if the right conditions occur for it to bloom. If lake snow did occur in the Maitai Dam it could clog the water treatment membranes. Our intake screens at the water treatment plant reduce this risk, but de-fouling these screens would increase our operational costs.

#### Discoloured water

Some customers receive discoloured water. Over the long term it is important for the city to be able to rely on the Maitai Dam as a raw water source. Operational changes have been made to address discolouration of water by changing the coagulant chemical at the treatment plant from ferric chloride to aluminium chlorohydrate to reduce the amount of iron introduced into the network. This change also has supply chain availability and operational cost benefits. An additional benefit is that the chemical is less hazardous to handle and store than ferric chloride. Some operational changes to the treatment plant have been made to address discolouration of water.

Future work will concentrate on pre-treating the water from the Dam via a primary clarifier, or more regular replacement of the membranes at the water treatment plant.

A method for removing residual oxide material from inside the water supply pipes is also being investigated to reduce discolouration of water.

#### Maitai River water quality

There is a need to improve the quality of water discharges from the Maitai Dam into the Maitai River to avoid impacts on the downstream environment.

Taking water directly from the south branch of the Maitai River (above the dam) has an impact on the quantity of water remaining in the river. We replace that water by discharging stored water from the Maitai Dam into the river, but this is of a lower quality than the water taken directly from the south branch of the Maitai River.

Council is undertaking a project to aerate the water in the Maitai Dam so that it contains the levels of oxygen needed to support aquatic life when it is released into the river. Construction of the aeration works is expected to be completed in 2025/26.

## **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Continued focus on natural hazard risk reduction, as the piped water supply network is at risk of damage during earthquakes, landslides and flood events.
- Ongoing renewal of the water supply assets and construction of the Bridge Street upgrade and part of the CBD ring main.
- Construction of a new water storage reservoir for the North of Nelson.
- Continued review of assets supporting levels of service, as the planned levels of service for water supply will not be met unless assets are maintained, renewed and upgraded.
- Further action to reduce water losses.
- Continue works to reduce the frequency of complaints related to discoloured water from the network.
- Construction of the preferred option to improve aeration of the Maitai Dam and enhance water quality.
- Continuing recovery works from the August 2022 severe weather event.
- Support growth projects in the city.

## **Drivers of capital expenditure**

The following factors drive capital expenditure on water supply:

- Providing sufficient water supply capacity to support intensification and provide minimum services after natural disasters.
- Extending the water supply network to support development areas on the periphery of the city.
- Improving the quality of the water discharged from the Maitai Dam to the Maitai River.
- Reducing losses from the water supply network.

## **Assumptions**

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions apply to the water supply activity:

- Renewals will be continued at a rate that is sustainable, based on consideration of both resource and financial aspects.
- On average, the change in Nelson's climate will remain relatively consistent for the next decade, with the likelihood of more severe and frequent extreme weather events continuing to increase.
- Future resource consents for the existing sources of water supply and abstraction volumes will be granted.
- There will be reductions in water losses.

- Water supply will 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 promotion of the importance of water conservation; however the demand for water is expected to continue to be primarily managed through Council's water metering and charging system.
- Existing treatment plant membranes will continue to operate satisfactorily.

## **Risks**

Risks that are rated as high for the water supply activity are listed below alongside ways to address them:

- Lack of resources to complete indicative business cases, which can be addressed by outsourcing of some of this work to other staff and to consultants.
- Failure to comply with resource consents. Methods to avoid this risk include having processes in place for compliance and reporting; independent contractor monitoring and reporting; installing alarm systems and water level indicators; and completing external audits.
- Communication risks include public misinformation about the performance of water systems, which can be managed by good messaging through Council's communication channels and responding to unscheduled requests.
- People risks include lack of staff with sufficient experience. The main ways to manage this are through recruitment decisions and employment conditions. A risk of contractors not meeting health and safety standards can be managed with reporting and auditing systems.
- Contamination of water within the water supply network is a risk which can be managed with backflow prevention devices and annual testing of these devices, development of a network contamination response plan, and an inspection and maintenance programme.
- Compromise of the water treatment plant to provide potable water to the city is a risk which can be managed with physical security, a backup generator, stockpiling chemicals and by having contingency plans in place.
- Climate change risks, including sea level rise, can be managed through resilience/adaptation programmes, developing solutions to minimise the risk of failure due to a natural hazard event.

## **Significant negative effects**

Water takes, and discharges from the Maitai Dam, can impact on water quality and quantity, and aquatic health in the Maitai River.

## **Intended changes to the level of service**

- The new water regulatory environment has led to new drinking water standards being introduced by central government and Taumata Arowai. The level of service for water quality has been changed to reflect this.

- Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.

### **The reason for any material change to the cost of a service**

- Increasing financial pressures due to:
  - more expensive insurance, caused by valuation increases and global weather events
  - rising prices for both contracted labour and materials
  - asset re-valuation leading to increased depreciation costs.
- Recovery from the August 2022 severe weather event is ongoing.

### **Community outcomes**

Council's water supply activity contributes 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.

## Service levels, performance measures and targets

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
Our communities are healthy, safe, inclusive and resilient.	<b>Quality:</b> We provide good quality water which is safe to drink.	The extent to which drinking water supply complies with: a) Table 1 of the drinking water standards# (Maximum acceptable values for microbiological determinands) b) Table 2 of the drinking water standards# (Maximum acceptable values for inorganic determinands) c) Table 3 of the drinking water standards# (Maximum acceptable values for organic determinands).  (Mandatory Performance Measure 1)	For the period 1 January 2023 – 30 June 2023 the drinking water quality compliance was assessed against the new Water Services (Drinking Water Standards for New Zealand (DWSNZ)) Regulations 2022 - with full compliance recorded for bacterial and protozoa tests and 99.9% compliance for the sampling frequency and 100% for the minimum chlorine residual.	100% compliance with Tables 1,2 and 3 of the drinking water standards.
		Total number of complaints per 1,000 connections about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) Council's response to the above issues.	26 complaints per 1,000 connections in 2022/23.	No more than 50 valid complaints per 1,000 connections.

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
		(Mandatory Performance Measure 4)		
Our infrastructure is efficient, cost effective and meets current and future needs.	<b>Reliability:</b> We provide a reliable water supply for our customers.	Average drinking water standard consumption per day per resident.	275L per person per day 2022/23.	Normal demand less than 500L per person per day. This includes both domestic and commercial-industrial.
		(Mandatory Performance Measure 5)		
		Percentage real water loss from the system.	22.1% in 2022/23.	Real water loss less than 25%.
		(Mandatory Performance Measure 2)		
Our infrastructure is efficient, cost effective and meets current and future needs.	<b>Customer Service:</b> We provide well built, operated and maintained water supply systems so that any failures can be managed and responded to quickly.	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 b) resolution of urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption c) attendance for non-urgent callouts: from the time notification is received to the time	Median attendance times: a) 22 minutes in 2022/23. b) 172 minutes in 2022/23. c) 100 minutes in 2022/23. d) 1113 minutes in 2022/23.	a) Contractor to attend urgent call-outs in a median time of 30 minutes or less. b) Contractor to resolve urgent call-outs in a median time of 480 minutes or less. c) Contractor to attend non-urgent call-outs in a median time of 120 minutes or less. d) Contractor to resolve non-urgent call-outs in a median time of 24 hours (1,440 mins) or less.

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
		service personnel reach the site 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. (Mandatory Performance Measure 3)		



FUNDING IMPACT STATEMENT		Water Supply									
	Annual Plan 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates including water by meter	14,451	16,269	17,284	18,657	19,381	20,934	21,768	23,107	24,122	26,095	26,495
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	40	57	58	60	61	62	63	65	66	67	59
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	15	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Funding</b>	<b>14,506</b>	<b>16,326</b>	<b>17,343</b>	<b>18,717</b>	<b>19,442</b>	<b>20,996</b>	<b>21,831</b>	<b>23,172</b>	<b>24,188</b>	<b>26,162</b>	<b>26,553</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,721	8,888	9,244	9,695	9,964	10,358	10,564	10,878	11,161	11,949	12,284
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,417	1,650	1,616	1,710	1,915	2,160	2,462	2,645	2,730	2,908	3,085
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>9,138</b>	<b>10,538</b>	<b>10,860</b>	<b>11,405</b>	<b>11,879</b>	<b>12,518</b>	<b>13,026</b>	<b>13,522</b>	<b>13,891</b>	<b>14,858</b>	<b>15,369</b>
<b>Surplus (Deficit) of operating funding</b>	<b>5,368</b>	<b>5,788</b>	<b>6,483</b>	<b>7,312</b>	<b>7,563</b>	<b>8,477</b>	<b>8,806</b>	<b>9,650</b>	<b>10,297</b>	<b>11,305</b>	<b>11,184</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	1,226	940	274	109	792	0	0	0	0	0	0
Development and financial contributions	455	617	980	1,002	1,022	1,042	1,989	2,029	2,072	2,113	2,158
Increase (decrease) in debt	(520)	369	1,607	2,725	3,582	5,167	2,339	947	3,156	3,640	2,121
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,161</b>	<b>1,926</b>	<b>2,861</b>	<b>3,836</b>	<b>5,396</b>	<b>6,209</b>	<b>4,328</b>	<b>2,976</b>	<b>5,228</b>	<b>5,754</b>	<b>4,279</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	891	3,172	4,407	5,612	4,910	3,829	2,641	2,407	3,975	3,643	5,331
- to improve level of service	4,100	3,424	3,102	4,489	6,612	6,038	4,485	4,218	4,350	3,626	3,643
- to replace existing assets	1,538	1,119	1,834	1,047	1,437	4,820	6,008	6,000	7,199	9,788	6,489
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>6,529</b>	<b>7,714</b>	<b>9,344</b>	<b>11,148</b>	<b>12,959</b>	<b>14,687</b>	<b>13,134</b>	<b>12,626</b>	<b>15,524</b>	<b>17,058</b>	<b>15,463</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(5,368)</b>	<b>(5,788)</b>	<b>(6,483)</b>	<b>(7,312)</b>	<b>(7,563)</b>	<b>(8,477)</b>	<b>(8,806)</b>	<b>(9,650)</b>	<b>(10,297)</b>	<b>(11,305)</b>	<b>(11,184)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	5,368	5,788	6,483	7,312	7,563	8,477	8,806	9,650	10,297	11,305	11,184
Subsidies and grants for capital expenditure	1,226	940	274	109	792	0	0	0	0	0	0
Development and financial contributions	455	617	980	1,002	1,022	1,042	1,989	2,029	2,072	2,113	2,158
Vested Assets	1,380	1,577	1,611	1,650	1,688	1,725	1,761	1,798	1,834	1,871	1,907
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(6,831)	(8,004)	(8,324)	(8,595)	(8,906)	(9,252)	(9,600)	(9,994)	(10,414)	(10,803)	(11,194)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	1,598	918	1,025	1,478	2,160	1,994	2,956	3,484	3,789	4,486	4,055
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR											
Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Water Supply</b>											
Water Treatment Plant Renewals	166,561	165,000	127,750	261,625	256,944	361,086	390,985	273,744	232,680	237,340	241,840
Scada Renewal	4,500	25,000	10,220	5,232	267,650	5,471	5,586	57,030	5,817	77,136	27,812
Renewals: Headworks	50,000	50,000	22,995	23,546	74,942	125,833	139,638	68,436	69,804	356,010	24,184
Maitai Dam renewals	-	-	-	-	-	109,420	111,710	114,060	-	-	-
Roding Dam renewals	-	-	-	-	-	109,420	111,710	114,060	-	-	181,380
Maitai Raw water pipeline renewal & upgrade	-	-	-	-	107,060	109,420	111,710	114,060	581,700	1,186,700	3,023,000
Renewals & Upgrades: Water Pipes	1,125,000	285,000	1,313,270	298,252	305,121	2,171,987	2,217,444	2,264,091	2,850,330	2,907,415	2,962,540
Washington Valley Water Renewal & upgrade	164,148	50,000	-	-	-	109,420	2,792,750	2,851,500	-	-	-
Roding Pipeline	-	-	-	-	-	125,833	240,176	-	-	-	-
Konini Street water renewal	-	-	51,100	-	53,530	875,360	-	-	-	-	-
Pump Stations - Renewals	30,000	65,000	68,474	71,685	53,530	164,130	55,855	171,090	58,170	178,005	60,460
Renewals: Commercial Meters	150,000	150,000	153,300	179,998	184,143	210,086	214,483	228,120	232,680	237,340	266,024
Residential Meters renewals	-	-	-	-	53,530	547,100	-	-	-	-	120,920
Renewal: Membranes WTP	-	-	-	-	-	-	-	114,060	3,490,200	5,340,150	-
Reservoir Refurbishment Programme	25,000	136,000	90,958	52,325	53,530	164,130	55,855	57,030	232,680	59,335	60,460
Thompson Terrace Reservoir Refurbishment - Electrical/E	-	250,000	102,200	209,300	107,060	-	-	-	-	-	-
NCC - TDC Link	-	-	-	-	-	109,420	111,710	114,060	1,745,100	1,780,050	-
Suffolk Road (Saxton to Ngawhatu) water upgrade	-	-	-	-	-	-	-	-	58,170	118,670	120,920
Maitahi Development Growth project	50,000	270,000	102,200	680,225	2,141,200	2,243,110	167,565	171,090	174,510	-	-
Bayview Development Growth project	105,678	50,000	153,300	994,175	107,060	547,100	558,550	-	-	-	-
Future growth and Intensification Projects	-	150,000	51,100	1,046,500	107,060	196,956	167,565	182,496	610,785	741,688	4,957,720
IAF Watermain Upgrade	365,000	-	-	-	-	-	-	-	-	-	-
Water Loss Reduction Programme	158,517	100,000	102,200	104,650	107,060	153,188	156,394	171,090	174,510	178,005	181,380
Natural Hazards Risk Remediation	105,678	100,000	102,200	104,650	123,119	125,833	128,466	136,872	349,020	356,010	1,209,200
Maitai Pump Station upgrade	100,000	100,000	51,100	1,046,500	1,605,900	1,094,200	558,550	-	-	-	-
WTP Fluoride Dosing	821,000	-	-	-	-	-	-	-	-	-	-
Capital: Atawhai No.2 Reservoir	264,105	750,000	1,328,600	1,726,725	2,676,500	1,094,200	-	-	-	-	-
Dam Upgrades	1,752,675	1,500,000	511,000	523,250	-	-	-	-	-	-	-
Maitai Pipeline Hazard mitigation	-	50,000	51,100	104,650	107,060	-	-	-	116,340	118,670	120,920
WTP New Clear Water Reservoir	-	-	-	-	-	109,420	167,565	171,090	1,745,100	1,780,050	-
Water network upgrades	-	-	-	-	-	-	-	-	1,163,400	118,670	120,920
Taumata Arowai - Contractor access to mains	100,000	100,000	102,200	-	-	-	-	-	-	-	-
Flood Recovery 2022 - WTP	232,478	150,000	153,300	156,975	107,060	-	-	-	-	-	-
Flood Recovery 2022 - Headworks	131,891	150,000	102,200	104,650	107,060	-	-	-	-	-	-
Flood Recovery 2022 - Reticulation	30,794	100,000	102,200	261,625	107,060	-	-	-	-	-	-
Climate Change Emission Reduction Projects	-	-	-	-	53,530	54,710	55,855	171,090	58,170	59,335	604,600
IAF Bridge St	-	385,000	1,686,300	2,783,481	2,258,752	-	-	-	-	-	-
IAF Collingwood St	-	859,100	-	-	-	-	-	-	-	-	-
IAF Halifax St	-	1,226,150	1,253,483	-	-	-	-	-	-	-	-
water pump stations - upgrades	86,246	70,000	56,721	131,336	64,236	65,652	189,907	68,436	69,804	237,340	72,552
Water Treatment Plant Upgrades	220,000	245,000	388,360	253,253	331,886	355,615	178,736	433,428	511,896	213,606	459,496
Capital: Atawhai Res & pump Ma	175,000	-	-	-	-	218,840	111,710	-	872,550	712,020	-
Ngawhatu Valley high level reservoir	-	-	-	104,650	165,943	169,601	1,117,100	1,365,298	-	-	-
Water model upgrade	-	50,000	51,100	-	-	109,420	111,710	114,060	116,340	-	-
Headworks Upgrades	401,576	215,000	255,500	144,417	117,766	382,970	240,176	364,992	430,458	557,749	604,600
Toi Toi St water ridemain	-	-	-	-	-	-	-	-	58,170	118,670	362,760
Capital: Backflow Prevention	220,000	100,000	102,200	104,650	107,060	268,079	284,860	290,853	296,667	314,476	320,438
Capital: Atawhai Trunkmain	101,500	50,000	153,300	209,300	1,605,900	2,735,500	2,792,750	2,851,500	-	-	-
Pressure Enhancement	-	-	-	-	53,530	109,420	111,710	-	-	-	-
Fire Flow Upgrades	-	-	-	-	-	109,420	111,710	114,060	116,340	118,670	120,920
IAF Rutherford St	-	22,000	929,151	-	-	-	-	-	-	-	-
<b>Vested Assets</b>	1,380,155	1,576,711	1,611,399	1,650,028	1,688,027	1,725,237	1,761,344	1,798,397	1,834,346	1,871,083	1,906,559
<b>Projects under \$100,000</b>	499,904	572,006	620,704	666,221	794,060	843,155	787,893	845,161	791,663	813,429	918,101
<b>Total Water Supply</b>	<b>9,017,406</b>	<b>10,116,967</b>	<b>11,961,185</b>	<b>14,003,874</b>	<b>16,053,869</b>	<b>18,009,742</b>	<b>16,319,728</b>	<b>15,791,254</b>	<b>19,047,400</b>	<b>20,787,622</b>	<b>19,049,706</b>
Scope Adjustment	- 1,108,204	- 825,875	- 1,005,919	- 1,205,756	- 1,406,372	- 1,597,641	- 1,424,414	- 1,367,237	- 1,688,617	- 1,858,313	- 1,680,304
<b>Total Water Supply Less Scope Adjustment</b>	<b>7,909,202</b>	<b>9,291,092</b>	<b>10,955,266</b>	<b>12,798,118</b>	<b>14,647,497</b>	<b>16,412,101</b>	<b>14,895,314</b>	<b>14,424,017</b>	<b>17,358,783</b>	<b>18,929,309</b>	<b>17,369,402</b>

# Wastewater

## What we do

Council operates and maintains a network of pump stations and pipes across the city that carry approximately eight million litres of wastewater per day from Stoke and Tāhunanui for treatment at the regional Bell Island Wastewater Treatment Plant, and another eight million litres per day from central Nelson and Atawhai to the Nelson Wastewater Treatment Plant (NWWTP) near Wakapuaka.

Council owns and operates the NWWTP at Wakapuaka. This plant consists of a pre-treatment facility, two oxidation ponds and wetlands with discharge to Tasman Bay.

## Why we do it

Providing a piped wastewater system and treatment is critical to prevent harm to people and property and to avoid contamination of the environment.

The Wastewater Treatment Plant at Bell Island is managed by the Nelson Regional Sewerage Business Unit of which the Nelson City and Tasman District councils are both 50% shareholders. It consists of a pre-treatment facility and a series of five oxidation ponds which treat wastewater from Stoke, Tāhunanui, the Wakatu Industrial Estate, Richmond, Wakefield, Brightwater and Mapua, as well as trade waste from some large industrial operations.

## Challenges

### The location of the NWWTP

The current NWWTP is located next to the Boulder Bank, so in the long term it may be affected by sea level rise and freshwater flooding.

While we expect to continue operating from the current location in the medium term, we are considering the climate change-related risks for treating wastewater in this location. We are also looking at alternative options for treatment of Nelson's wastewater over the longer term with the aim of ultimately moving away from water-based discharge so will explore land-based discharge options.

### Natural hazards

Council has recently undertaken a Three Waters Natural Hazards study to understand which of our critical assets are likely to be exposed to specific natural hazard events. The next step is to work out how to increase the resilience of the most important and vulnerable assets.

### The need to maintain, renew and upgrade the wastewater assets

A significant portion of Nelson's wastewater infrastructure was installed during the 1950s–1970s as part of a surge in urban development. This infrastructure is now 60–70 years old and approaching the end of its useful life. This means replacement of these assets will be required from the mid-2030s onward, creating an increase in work and funding required.

Some of these assets will be renewed early (coinciding with upgrades to other assets in the same location) and some replacements will be delayed if our assessments show our pipes are in a better condition than anticipated.

General pipe renewals will reduce to approximately \$0.5 million per year for the first three years of the Long Term Plan as work on other renewal projects such as Bridge Street and the Atawhai Rising Main increases. Council will increase spending on pipe renewals from 2027/28 (from approximately \$0.5 million in 2024/25 to more than \$3 million in 2033/34) and then maintain this level of spending over a period of time. This steady approach will encourage efficiency and provide a degree of certainty to the contractors who are doing the work.

### Wastewater overflows

Wastewater overflows are most likely to happen during wet weather, when stormwater or groundwater flows into the wastewater. Stormwater can get into the sewer network through manhole lids, low gully traps, and in crossed connections between stormwater pipes and sewer pipes. Groundwater can also get into sewer pipes through cracks in the pipes, failed joints, broken pipes, poor lateral connections and through manholes and pump stations.

The Ministry for the Environment proposes to develop a National Environmental Standard – Wastewater to provide guidance on managing these wastewater overflows.

Council has also begun work on improving its understanding of how the wastewater network performs and where there are capacity constraints, using computer modelling. This will support better decision making and investment to reduce wastewater overflows.

Part of the 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. We also need to investigate high E.coli readings in water samples and repair any damage in the public network with urgency.

The issue of broken or misconnected pipes (stormwater pipes connected to the wastewater network) on private property is another challenge for Council and will be the subject of ongoing educational efforts.

### Atawhai Rising Main

Failures of the Atawhai Rising Main are occasionally causing untreated wastewater discharges directly into the Nelson Haven.

The Atawhai Rising Main is a pressured pipeline (rising main) which transports wastewater from Nelson city (Neale Park) to the NWWTP near Wakapuaka. It is a high value and fragile asset that needs to be replaced soon because the inside of the concrete pipe is being impacted by the presence of sulphuric acid.

The full pipeline was inspected and sections were repaired or replaced with more durable material in the early 1990s. However, further failures have occasionally caused small volumes of untreated wastewater to directly discharge into the Haven. These 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.

Construction of the replacement pipe is subject to obtaining resource consents and is scheduled to begin in 2026/27.

### Growth and intensification

Management of increased wastewater flows needs to meet the needs of future urban intensification and growth.

Council has planned for 11,500 new dwellings in Nelson over the next 30 years, with 78% of this growth expected to be achieved by building more houses in existing urban areas, and the remaining 22% to be built in new areas (greenfield development).

As development decisions are made by private investors, future wastewater infrastructure development will need to be flexible to match provision of wastewater services with the location of new houses. We will use our computer modelling to understand where and when to invest in network renewals, upgrades and storage.

## **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Continuing to work 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.
- Start the detailed design work for the replacement of the Atawhai Rising Main. We aim to obtain resource consents in 2024/25 and construction is scheduled to begin in 2026/27.
- 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 much of this pipework will be due for renewal. To manage this large volume of work Council is increasing its renewals programme.
- Applying for renewal of the NWWTP Resource Consent. The current resource consent is due to expire in December 2024. A new consent application was lodged in December 2023 and Council will continue to support the consent process until a new consent is obtained. The proposal is to ensure that the plant continues to operate in its existing location until its long term future is decided.
- Defining options for the location and disposal route for the NWWTP in the long term. We expect the NWWTP to remain in its current location for the medium term as Council renews its resource consent for this facility. However, we will undertake work to identify options available in the future and the levels of risk and cost associated with these options.
- Improving natural hazard network resilience. This is a continuation of a programme commenced in the last Long Term Plan, which will increase the resilience of the wastewater network. Work to date has focused 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.
- Implementing pump station resilience and upgrade programmes. 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 we need to review our pump station operations and either increase their resilience (by increasing operational redundancy) or upgrade them.

## **Drivers of capital expenditure**

The following factors drive capital expenditure on wastewater:

- Increasing the capacity of the wastewater network to meet the demands of a larger population.
- Extending the piped network to support residential development in greenfield areas.

- Undertaking renewals, including the Atawhai Rising Main and wastewater pipe renewal programme.
- Meeting demand of new potential wet processing industries for wastewater services.
- Reducing wastewater overflows.
- Reducing greenhouse gas emissions associated with the NWWTP.
- Improving the quality of wastewater discharges to coastal waters.

## **Assumptions**

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions apply to the wastewater activity:

- The typical useful lives from the NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 1.0 have been used as a guide in determining base lives, with variations if needed to reflect local experience (such as the shorter life of the Atawhai rising main).
- Where an asset has exceeded its nominated base life, and is shown to be in good condition, a residual life of five years is assumed.
- On average, the change in Nelson's climate will remain relatively consistent for the next decade, with the likelihood of more severe and frequent extreme weather events continuing to increase.
- Wastewater activities will continue to be funded from wastewater charges, and most capital expenditure will be borrowed. Development contributions will fund the increased provision of services related to population growth.
- 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. A philosophy of smoothing out the renewal's "surge" will be employed. This will involve early replacement for some assets and later replacement for others.

## **Trade Waste Changes**

Wastewater charges for commercial and service properties are set according to Council's Trade Waste Bylaw. To calculate the charges to these producers Council examines the flow rates and effluent strength in the network over the previous three years and uses them as the basis for trade waste charges for the following year. The various charging formulas can be viewed on the Council website.

We are proposing a change to the way trade waste charges are charged. Currently there are two categories for charging for trade waste, Trade Waste A and Trade Waste B. We are proposing to move to the following three graduated methods of charging:

Method A remains unchanged and will apply to the largest trade waste contributors, of which there are less than 10. The charge is calculated on measuring both discharge rates and effluent strength.

Method B is new and will apply to the next largest trade waste contributors, of which there are approximately 20 in Nelson city. The charge is calculated based on the estimated volume of effluent discharged and the measured effluent strength.

Method B customers may choose to install the appropriate effluent volume measuring equipment and then become a Method A wastewater contributor. The volume and effluent strength charges will be as per Method A.

Method C, previously known as Trade Waste B, will apply to all other trade waste contributors, of which there are approximately 1400. The charge will be calculated based on the estimated volume of effluent discharged and then calculated using a combined conveyance and treatment rate.

The specific detail of the individual methods including criteria for identifying the appropriate method for each customer can be found in the Commercial Wastewater Charge – Trade Waste Charges section which follows the Funding Impact Statement in the supporting information at [nelson.govt.nz](http://nelson.govt.nz).

## **Risks**

Many of the risks (and responses to these risks) for the wastewater activity are the same as the water supply activity, such as lack of resources to complete indicative business cases, communication risks (public misinformation and unscheduled requests), lack of staff with sufficient experience, contractors not meeting health and safety standards, failure to comply with resource consents, and climate change/sea level rise.

Additional risks which are specific to wastewater activity includes:

- Failure to achieve consent conditions at the NWWTP, which can be managed through chemical storage monitoring pond performance, pre-treatment processes, desludging, rapid responses to potential breaches, and ongoing investment in the pond management team.
- Failure of the Atawhai Rising Main. The primary response is construction of the replacement main starting in 2026/27. In the interim, this risk can be managed by stocking spare materials for rapid repairs, having systems in place for reporting and responding to issues, assessing the internal and external condition of the main, and running exercises to practise responding to a failure of the main.
- Failure of pump stations, which can be managed with duplication of pumps or alarm systems, as well as additional storage capacity, stocking spares of critical equipment, and running exercises to practise responding to a failure of critical pump stations.
- Insufficient storage capacity at pump stations, which can be managed with high level and overflow alarms, high-capacity pumps for peak conditions, and further work to build storage capacity.

## **Significant negative effects**

Wet weather overflows from the piped network can have negative impacts on environmental and cultural wellbeing.

## **Any intended changes to the level of service**

- Minor update of text to the performance measures to add the words 'Measurement procedure' to the reference numbers 1 and 2.
- Addition of the word 'valid' to the text for the quality level of service to read 'The total number of valid complaints received about any of the following'.



- Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.

### **The reason for any material change to the cost of a service**

- Increasing financial pressures due to:
  - more expensive insurance, caused by valuation increases and global weather events
  - rising prices for both contracted labour and materials
  - asset re-valuation leading to increased depreciation costs.
- Recovery from the August 2022 severe weather event is ongoing.

### **Community outcomes**

Council's wastewater activity contributes 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.

## Service levels, performance measures and targets

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
Our infrastructure is efficient, cost effective and meets current and future needs.	<b>Reliability:</b> We provide reliable wastewater systems with a minimum of odours, overflows or disturbance to the public.	Level of compliance of treatment plant with resource consent conditions.	100% compliance in 2022/23.	Compliance with 100% of the resource consent conditions for 90% of the time.
		Number of dry weather overflows from the sewerage system, per 1,000 connections. (Mandatory Performance Measure 1)	3 dry weather overflows per 1,000 connections in 2022/23.	Fewer than 15 per 1,000 connections.
Our region is supported by an innovative and sustainable economy.	<b>Response:</b> We provide well built, operated and maintained wastewater systems so that any failures can be managed and responded to quickly.	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 of notification is received to the time service staff confirm resolution of the blockage or other fault. (Mandatory Performance Measure 3)	Median response time of 20 minutes in 2022/23.  Median resolution time of 163 minutes in 2022/23.	a) Contractor to attend in median time of 60 minutes or less.  b) Contractor to resolve issue in a median time of 480 minutes or less.

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
Our unique natural environment is healthy and protected.	<b>Quality:</b> We provide wastewater systems that aim to have minimal adverse effect on the environment.	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. (Mandatory Performance Measure 2)	100% compliance in 2022/23.	a) ≤2 b) ≤2 c) 0 d) 0
		The total number of valid complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockage d) Council's response to issues with the sewerage system, expressed per 1,000 connections to the sewerage system. (Mandatory Performance Measure 4)	17 valid complaints per 1,000 connections in 2022/23.	No more than 20 valid complaints a year per 1,000 connections.

FUNDING IMPACT STATEMENT	Wastewater										
	Annual Plan	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term
	2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32	Plan 2032/33	Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates including water by meter	11,907	12,467	13,249	14,791	16,149	18,238	18,947	21,358	22,673	24,923	25,626
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	3,682	7,996	8,808	9,374	10,156	10,840	11,225	12,192	13,187	13,778	14,640
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,766	(1,265)	(1,325)	(1,505)	(1,743)	(1,988)	(2,247)	(2,544)	(2,786)	(2,974)	(3,383)
<b>Total Operating Funding</b>	<b>17,354</b>	<b>19,198</b>	<b>20,732</b>	<b>22,660</b>	<b>24,561</b>	<b>27,091</b>	<b>27,925</b>	<b>31,006</b>	<b>33,074</b>	<b>35,727</b>	<b>36,884</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	10,375	11,633	12,173	12,702	13,883	14,606	14,672	16,114	19,213	17,664	18,619
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	231	305	314	555	933	1,278	1,729	2,245	2,757	3,217	3,763
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>10,606</b>	<b>11,938</b>	<b>12,487</b>	<b>13,257</b>	<b>14,816</b>	<b>15,884</b>	<b>16,401</b>	<b>18,360</b>	<b>21,970</b>	<b>20,881</b>	<b>22,382</b>
<b>Surplus (Deficit) of operating funding</b>	<b>6,749</b>	<b>7,260</b>	<b>8,245</b>	<b>9,403</b>	<b>9,746</b>	<b>11,206</b>	<b>11,524</b>	<b>12,646</b>	<b>11,104</b>	<b>14,846</b>	<b>14,502</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	352	218	224	3,544	5,316	0	0	0	0	0	0
Development and financial contributions	704	1,134	1,883	1,923	1,962	2,000	3,805	3,879	3,959	4,037	4,121
Increase (decrease) in debt	2,269	2,075	6,099	9,866	8,221	10,135	10,862	13,166	11,318	12,260	15,873
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>3,325</b>	<b>3,427</b>	<b>8,206</b>	<b>15,332</b>	<b>15,499</b>	<b>12,135</b>	<b>14,667</b>	<b>17,045</b>	<b>15,277</b>	<b>16,298</b>	<b>19,994</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	1,030	1,491	9,405	13,373	10,637	1,459	939	4,781	5,690	11,758	13,217
- to improve level of service	7,153	5,256	3,085	2,922	4,863	7,809	9,391	7,397	4,011	5,804	12,046
- to replace existing assets	1,890	3,941	3,962	8,441	9,745	14,072	15,861	17,513	16,680	13,582	9,233
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>10,074</b>	<b>10,687</b>	<b>16,451</b>	<b>24,735</b>	<b>25,244</b>	<b>23,341</b>	<b>26,191</b>	<b>29,692</b>	<b>26,381</b>	<b>31,144</b>	<b>34,496</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(6,749)</b>	<b>(7,260)</b>	<b>(8,245)</b>	<b>(9,403)</b>	<b>(9,746)</b>	<b>(11,206)</b>	<b>(11,524)</b>	<b>(12,646)</b>	<b>(11,104)</b>	<b>(14,846)</b>	<b>(14,502)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	6,749	7,260	8,245	9,403	9,746	11,206	11,524	12,646	11,104	14,846	14,502
Subsidies and grants for capital expenditure	352	218	224	3,544	5,316	0	0	0	0	0	0
Development and financial contributions	704	1,134	1,883	1,923	1,962	2,000	3,805	3,879	3,959	4,037	4,121
Vested Assets	663	1,189	1,215	1,244	1,273	1,301	1,328	1,356	1,383	1,411	1,438
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(8,485)	(10,613)	(11,067)	(11,386)	(11,925)	(12,536)	(12,990)	(13,459)	(13,961)	(14,448)	(14,959)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	(18)	(811)	500	4,727	6,371	1,971	3,668	4,422	2,485	5,846	5,102
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR											
Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Wastewater</b>											
Wastewater model calibration	26,420	25,000	25,550	209,300	321,180	273,550	27,928	28,515	29,085	474,680	483,680
Wastewater Pipe Renewals & upgrades	100,000	500,000	511,000	523,250	2,141,200	2,188,400	2,234,200	1,140,600	1,745,100	2,373,400	3,023,000
Mount St and Konini St	-	50,000	-	-	-	109,420	893,680	-	-	-	-
Manhole replacement	20,000	50,000	56,210	62,790	69,589	76,594	83,782	91,248	98,889	106,803	114,874
Collingwood St Sewer renewal Manuka to Bronte	150,800	-	-	-	-	-	-	-	-	-	-
Pipe Renewals - Wolfe Street	200,000	-	-	-	-	-	-	-	-	-	-
Emano/Murphy St Wastewater pipe Renewal & Upgrades	-	-	-	-	-	-	-	3,421,800	3,490,200	3,560,100	3,627,600
Awatea/Quarantine/Airport RM network - Renewal and Upgrade	-	-	-	-	-	-	-	-	-	-	120,920
Halifax St East - WW pipe renewal	-	-	-	-	-	-	1,340,520	1,368,720	-	-	-
Atawhai Rising Main renewal & upgrade - Stage 1	235,678	500,000	1,022,000	5,232,500	5,353,000	9,847,800	10,053,900	10,265,400	10,470,600	5,933,500	-
Capital WW network Reactive	50,000	75,000	76,650	78,488	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Renewals & upgrades Swallow Rising Main Watercourse Crossing	-	200,000	511,000	523,250	-	-	-	-	-	-	-
Renewals Pump stations	300,000	350,000	357,700	366,275	374,710	382,970	335,130	342,180	349,020	356,010	362,760
Vangaurd PS	-	-	-	-	-	-	-	-	-	118,670	241,840
NWWTP renewals	322,318	330,000	337,260	523,250	535,300	361,086	368,643	376,398	325,752	332,276	338,576
NWWTP Wetlands Plant renewal	389,195	200,000	20,440	20,930	21,412	109,420	22,342	22,812	23,268	23,734	120,920
NWWTP Resource Consent Renewal	100,000	600,000	102,200	-	-	-	-	-	-	-	-
Wastewater Overflows Resource Consent renewal	-	-	-	-	-	382,970	390,985	342,180	-	-	-
SCADA renewals	65,000	24,000	5,110	5,232	371,498	5,471	5,586	27,374	5,817	77,136	29,021
Generator Renewal	-	70,000	71,540	156,975	85,648	87,536	-	114,060	116,340	-	-
Saxton Road sewer upgrade	-	-	-	-	-	-	-	-	232,680	3,560,100	3,385,760
Central City Intensification Capacity Increases	-	-	-	-	-	-	-	-	-	1,305,370	1,934,720
Ngawhatu Valley TM - Stage 2	-	-	-	-	-	54,710	223,420	3,421,800	3,199,350	-	-
Mahitahi Development	200,000	600,000	4,088,000	2,629,854	1,070,600	1,094,200	-	-	-	-	-
Bayview Development	-	-	-	-	-	-	223,420	1,368,720	1,407,714	-	-
IAF Wastewater Pipeline Upgrade	135,000	467,500	4,705,901	2,239,447	1,571,587	-	-	-	-	-	-
IAF Paru Paru PS Upgrade	300,000	420,000	429,240	8,390,628	8,583,857	-	-	-	-	-	-
Pump Station upgrades	317,034	-	51,100	261,625	107,060	109,420	111,710	114,060	116,340	118,670	120,920
NWWTP Replacement	-	-	613,200	784,875	-	-	-	-	581,700	7,120,200	7,255,200
Climate Change - Emissions Reduction Strategy Implementation	132,928	30,000	51,100	52,325	-	-	-	-	581,700	593,350	604,600
Climate Change - Vulnerability Assessment Implementation	-	-	-	-	80,295	218,840	223,420	-	-	-	120,920
Climate Change - Adaptation Strategy Implementation	-	-	-	-	-	82,065	223,420	228,120	-	-	604,600
Quarantine Rd Sewer PS/Catchment Upgrades	-	1,000,000	-	-	-	-	-	-	-	-	120,920
Washington Valley Sewer Upgrade	50,000	40,000	10,220	-	-	109,420	2,234,200	2,281,200	-	-	-
Natural Hazards Risk Remediation	100,000	-	-	-	107,060	218,840	558,550	114,060	232,680	593,350	241,840
Overflow Reduction/I&I Capital Works	100,000	100,000	102,200	104,650	133,825	164,130	195,492	228,120	261,765	178,005	211,610
City Centre (gravity and pressure) network risk mitigation	-	-	-	-	-	-	-	114,060	290,850	2,373,400	2,418,400
Awatea Place Pump station	1,500,000	-	-	-	-	-	-	-	-	-	-
Flood Recovery 2022 - Wastewater Improvements	240,000	-	-	-	-	-	-	-	-	-	-
Trade Waste Monitoring	300,000	-	-	-	-	-	-	-	-	-	-
Pump station resilience improvement programme	211,356	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Nelson Regional Sewerage	4,604,112	4,768,303	3,729,566	3,912,264	4,158,138	4,390,198	4,725,650	5,265,390	3,592,103	3,777,804	10,404,502
NWWTP Minor Upgrades	103,000	100,000	109,354	111,976	114,554	120,362	122,881	125,466	139,608	142,404	145,104
NWWTP Inlet Work Bypass	-	-	-	-	107,060	1,094,200	-	-	-	-	-
System Performance Improvements (Overflow Reduction / I&I)	211,356	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Pump Station/Network Overflow Screening	-	-	-	-	642,360	765,940	670,260	570,300	581,700	-	-
Washington/Hastings to Paru Paru PS Capacity Improvements	-	-	-	-	535,300	1,641,300	1,675,650	-	-	-	-
Storage Facility - WW spares/pipes	-	-	-	-	107,060	547,100	558,550	-	-	-	-
<b>Vested Assets</b>	662,601	1,189,073	1,215,233	1,244,365	1,273,022	1,301,084	1,328,313	1,356,257	1,383,368	1,411,073	1,437,827
<b>Projects under \$100,000</b>	523,436	603,389	630,610	605,344	628,712	636,212	690,473	642,926	642,974	659,381	726,780
<b>Total WasteWater</b>	<b>11,650,234</b>	<b>12,492,265</b>	<b>19,036,784</b>	<b>28,248,893</b>	<b>28,815,207</b>	<b>26,701,498</b>	<b>29,857,235</b>	<b>33,713,946</b>	<b>30,247,623</b>	<b>35,545,426</b>	<b>38,559,654</b>
Scope Adjustment	- 913,912	- 615,750	- 1,370,155	- 2,269,413	- 2,297,802	- 2,059,613	- 2,338,090	- 2,666,152	- 2,483,277	- 2,990,840	- 2,626,020
<b>Total WW Less Scope Adjustment</b>	<b>10,736,322</b>	<b>11,876,515</b>	<b>17,666,629</b>	<b>25,979,480</b>	<b>26,517,405</b>	<b>24,641,885</b>	<b>27,519,145</b>	<b>31,047,794</b>	<b>27,764,346</b>	<b>32,554,586</b>	<b>35,933,634</b>

# Stormwater

## 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.

## 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.

## Challenges

### Climate change

The level of service provided by existing stormwater assets will progressively reduce over time as we experience more intense storms and sea level rise.

Decades of development on flood plains adjacent to urban watercourses means the city has a considerable investment in these areas. We need to both reduce risks for existing development and ensure any new development in these areas is built to be resilient to flooding, with raised building platforms and/or floor levels.

Many stormwater flow paths are on private property and will carry stormwater during significant storm events. These pathways need to be identified and landowners made aware of the importance of keeping them clear so as not to cause damage to their property and downstream properties during heavy rainfall.

### Natural hazards

An assessment of natural hazard risk to Nelson stormwater assets has defined the areas which are potentially subject to natural hazards and rated the criticality of the assets.

The severe weather event in August 2022 resulted in multiple landslips across the city, and a significant number of stormwater intakes overflowed due to debris blockages. This has led to a review of our stormwater intake capacity – which are the sites where stormwater enters pipes and waterways. Prioritising 'resilience works' will lead to network upgrades which focus on the stormwater intakes, detention basins, pump stations, and the piped network in specific areas of the city.

Our larger stormwater detention dams also need to be classified and managed to meet new Dam safety requirements.

### The need to maintain, renew and upgrade the stormwater assets

An immediate priority is the implementation of the August 2022 Flood Recovery Programme and completion of upgrades and renewals in York Terrace, Bridge Street, St Vincent Street and in the Tāhunanui Slump catchments.

We also need a more strategic approach to identifying and responding to stormwater requirements across the city. Following on from the Stoke Stormwater Strategy, funding was

allocated in the Long Term Plan 2021-31 for additional stormwater strategies (or catchment management plans) to cover Tāhunanui, Port Hills, Central Nelson and Atawhai.

Council is developing a Stormwater Renewal Strategy to manage the replacement of existing stormwater pipes from 2050s onwards, and to identify any renewals which need to happen sooner due to poor condition. New funding has been established for renewal of detention basins, as the number of these is increasing rapidly to service areas of urban growth.

#### Meeting new freshwater quality objectives and standards

Significant improvements to stormwater quality are likely to be needed to meet freshwater requirements related to macroinvertebrates, E.coli, water temperature, water clarity, and phosphorous levels. Nitrogen levels also need to be addressed at specific sites.

Reducing contaminants from stormwater runoff from roads will be particularly important.

#### Management of increased stormwater flows associated with urban intensification and growth

Council is planning for about 11,500 new dwellings in Nelson over the next 30 years, with 78% of this growth to be achieved by adding new houses in existing urban areas, and the remaining 22% expected to be in new (greenfield) areas.

Stormwater disposal options for these new developments range from low impact disposal to land (infiltration), detention (onsite tanks or larger ponds) and public drains. No single response is going to be able to be applied across the whole city given the need for freshwater quality improvements and the cost of constructing conventional piped drainage networks. Any upgrading of the public network undertaken to support growth areas will, where possible, be co-ordinated with other utility upgrades in the same area.

### **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Completing major stormwater upgrades in St Vincent Street, York Terrace, Bridge Street as part of the 'Bridge to Better' project and progressing stormwater upgrades for the Tāhunanui Hills catchments.
- Progressing stormwater quality improvements to respond to freshwater quality targets to be set in the Nelson Plan and the aims of the National Policy Statement – Freshwater Management 2020.
- Progressing stormwater designs for Murphy Street/Emano Street, Mount Street/Konini Street and culverts under SH6 at Atawhai.
- Completing stormwater works in Airlie Street and Strawbridge Square.
- Continuing recovery works from the August 2022 severe weather event.

### **Drivers of capital expenditure**

The following factors drive capital expenditure on stormwater infrastructure:

- Significant population growth and residential expansion into greenfield areas as the development of more impervious surfaces leads to increased runoff rates.
- Changes in residents' expectations related to levels of protection from flooding, creating demand for stormwater reticulation to be installed in existing urban areas.



- Community expectations that stormwater quality will be improved to enhance freshwater environments.
- The community expects more protection from tidal flooding in the areas of the city where this type of flooding currently occurs due to backflow through the stormwater network.
- Council needs to comply with legislative changes related to freshwater management, urban development and dam safety.
- The need to reduce stormwater flows into the wastewater network by extending or upgrading stormwater reticulation in priority areas.

## Assumptions

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions apply to the stormwater activity:

- The typical useful lives from the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines can be used to guide how long assets will last, combined with local experience.
- Where an asset has exceeded its nominated base life, a residual life of five years is assumed.
- 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 storm event that has a probability of occurring on average once every 15 years (a Q15 event), and that takes into account the impacts of warming climate and more intense rainfall up to the year 2090.
- No new legislation will be imposed during the next decade to require a higher level of service for stormwater reticulation than for the Q15 event described above.
- A storm event with a 2% probability of occurring in any one year (a Q50 rainfall event) would very likely cause major flood damage, which would have to be managed by emergency management systems, and insurance.
- No significant effects on stormwater structures are expected within the next 10 years from climate change-induced sea level rise (however, these effects are expected to arise in the longer term).

## Risks

Many of the risks (and responses to these risks) for stormwater are the same as for the water supply activity, such as lack of resources to complete indicative business cases, communication risks (public misinformation and unscheduled requests), lack of staff with sufficient experience, contractors not meeting health and safety standards, failure to comply with resource consents, and climate change/sea level rise.

Medium level risks which are specific to stormwater activities include:

- A flood event where reticulation or an open channel has insufficient capacity to deal with rainfall which is larger than a Q15 event. Ways to manage this are to inspect and maintain existing capacity, respond to emergencies as they occur and fix damage after events, or upgrade sections to improve capacity (based on the assessed risk).

- Flooding occurs after an accumulation of debris creates blockages to existing channels. Ways to manage this include carrying out regular inspections and maintenance of drains and waterways as well as culverts, intakes and outfalls, and responding to emergencies as they occur.
- A flood event coinciding with high tide. Ways to manage this include responding to emergencies as they occur, using stormwater pumping systems in Tāhunanui and The Wood, and through insurance.
- Earthquake risks to stormwater assets can be managed through emergency responses followed by repairs to the assets, regular inspections and maintenance, and proactive works to increase resilience to slope instability and earthquake impacts, particularly liquefaction.
- Stormwater discharges fail to meet water quality standards. This risk can be managed through the stormwater quality improvements, capital investments in stormwater treatment infrastructure, and monitoring to evaluate the impacts of interventions.

## **Significant negative effects**

Stormwater discharges from the wider network can impact on water quality and aquatic health in the streams and rivers they connect to. Council intends to investigate nature-based solutions where possible, in order to help mitigate this effect.

Areas which lack a stormwater network with the capacity to cope with storm events can suffer property damage and business disruption.

## **Intended changes to the level of service**

A change in the target of the performance measure "Compliance with resource consents for discharge from the stormwater system" from "100%" to "80%".

A minor text change has been made to the wording of the Customer Response level of service to confirm that only 'justifiable' complaints will be considered.

Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.

## **The reasons for any material change to the cost of a service**

- Increasing financial pressures due to:
  - more expensive insurance, caused by valuation increases and global weather events
  - rising prices for both contracted labour and materials
  - asset re-valuation leading to increased depreciation costs.
- Recovery from the August 2022 severe weather event is ongoing.

## **Community outcomes**

Council's stormwater activity contributes 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.

## Service levels, performance measures and targets

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
Our unique natural environment is healthy and protected.	<b>Environmental Protection:</b> We provide stormwater systems that do not adversely affect or degrade the receiving environment.	Compliance with resource consents for discharge from the stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) successful prosecutions received in relation to those resource consents. Measure Procedure: Council RMA infringement records at 1 July.  (Mandatory Performance Measure 2)	No contraventions in 2022/23.	a) ≤2 b) ≤2 c) 0 d) 0
Our region is supported by an innovative and sustainable economy.	<b>Customer response:</b> We provide well built, operated and maintained stormwater systems so that any failures can be managed and responded to quickly.	The number of justifiable complaints received about the performance of the stormwater system, per 1,000 properties connected to the stormwater network. Measurement Procedure: Report from service request system at 1 July.  (Mandatory Performance Measure 4)	20 complaints per 1,000 properties in 2022/23.	No more than 20 valid complaints per 1,000 connections per year.
Our communities are healthy, safe, inclusive and resilient.	<b>Customer service:</b> We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community.	a) The number of flooding events that occur b) For each flooding event, the number of habitable floors affected per 1,000	2022/23: a) One major flood event on 17-20 August 2022 and one moderate flood event on 6 May 2023.	No more than 10 per 1,000 urban properties with habitable floor damage in any one year.

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
		<p>properties connected to the stormwater network. Measurement Procedure: Report from service request system at 1 July.</p> <p>(Mandatory Performance Measure 1)</p>	b) Aug 2022: 2 per 1,000 properties affected; May 2023 < 1 per 1,000 properties affected.	
		<p>Median response time to attend a flooding event, measured from the time that notification is received to the time service personnel reach the site.</p> <p>Measurement Procedure: Report from service request system at 1 July.</p> <p>(Mandatory Performance Measure 3)</p>	Median response time was 10 minutes in 2022/23.	Median response time is less than 60 minutes.

FUNDING IMPACT STATEMENT	Stormwater										
	Annual Plan 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	
Targeted rates including water by meter	6,355	7,663	8,297	8,898	9,389	10,037	10,572	11,336	12,026	12,841	13,127
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	5	5	5	5	6	6	6	6	6	6	6
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding	6,361	7,668	8,302	8,904	9,394	10,043	10,577	11,342	12,032	12,847	13,133
Applications of operating funding											
Payments to staff and suppliers	1,850	2,087	2,193	2,285	2,439	2,509	2,667	2,771	2,886	2,947	3,005
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,142	1,665	1,686	1,690	1,720	1,832	1,955	2,117	2,224	2,373	2,475
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	2,992	3,751	3,879	3,975	4,160	4,341	4,621	4,888	5,110	5,320	5,480
Surplus (Deficit) of operating funding	3,369	3,917	4,423	4,929	5,234	5,702	5,956	6,454	6,922	7,527	7,653
Sources of capital funding											
Subsidies and grants for capital	592	230	721	2,162	721	0	0	0	0	0	0
Development and financial contributions	388	1,009	1,716	1,749	1,781	1,812	3,438	3,499	3,565	3,628	3,697
Increase (decrease) in debt	3,059	2,461	541	(1,307)	1,649	964	2,109	1,725	2,975	2,416	520
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	4,039	3,700	2,977	2,603	4,150	2,776	5,548	5,225	6,540	6,044	4,217
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	292	1,835	1,343	2,650	2,069	329	218	222	2,246	3,440	2,957
- to improve level of service	4,121	3,244	2,102	3,581	6,018	7,546	10,486	10,989	10,710	9,328	8,085
- to replace existing assets	2,995	2,537	3,956	1,301	1,297	603	800	467	505	803	828
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	7,408	7,617	7,400	7,532	9,384	8,477	11,504	11,678	13,462	13,571	11,870
Surplus (Deficit) of capital funding	(3,369)	(3,917)	(4,423)	(4,929)	(5,234)	(5,702)	(5,956)	(6,454)	(6,922)	(7,527)	(7,653)
Funding balance	0	0	0	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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,369	3,917	4,423	4,929	5,234	5,702	5,956	6,454	6,922	7,527	7,653
Subsidies and grants for capital expenditure	592	230	721	2,162	721	0	0	0	0	0	0
Development and financial contributions	388	1,009	1,716	1,749	1,781	1,812	3,438	3,499	3,565	3,628	3,697
Vested Assets	862	1,623	1,659	1,699	1,738	1,776	1,813	1,852	1,889	1,926	1,963
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(4,570)	(4,983)	(5,229)	(5,408)	(5,611)	(5,832)	(6,052)	(6,346)	(6,690)	(7,031)	(7,341)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	641	1,796	3,289	5,129	3,862	3,458	5,156	5,459	5,685	6,051	5,972
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR											
Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Stormwater</b>											
Stormwater Renewals	40,000	50,000	102,200	104,650	160,590	164,130	279,275	285,150	290,850	593,350	604,600
Haven/St Vincent Culvert renewal & upgrade	3,114,447	2,000,000	3,577,000	523,250	-	-	-	-	-	-	-
Atawhai SH6 Stormwater Culverts	-	100,000	102,200	523,250	535,300	218,840	-	-	-	-	-
York Terrace	181,553	1,500,000	766,500	-	-	-	-	-	-	-	-
Intensification AP N270 City Centre	-	-	-	-	-	218,840	111,710	114,060	1,745,100	1,780,050	1,209,200
Intensification City Wide	-	-	-	-	-	109,420	111,710	114,060	581,700	1,780,050	1,813,800
Capital: Poynters Cres	-	-	-	-	53,530	109,420	279,275	285,150	58,170	-	-
IAF Stormwater Pipeline Upgrade	100,000	330,000	562,100	2,621,169	2,092,702	-	-	-	-	-	-
Capital: Freshwater Improvement Programme	264,195	100,000	102,200	104,650	160,590	164,130	223,420	228,120	232,680	237,340	241,840
Washington Valley Stormwater Upgrade	100,000	-	102,200	104,650	1,177,660	109,420	2,234,200	2,281,200	2,326,800	1,186,700	60,460
Main Road Stoke / Arapiki / Maitland Stormwater Upgrade	-	-	-	-	-	-	223,420	228,120	232,680	830,690	1,813,800
Capital: Milton: Grove-Cambria	-	-	-	-	-	-	111,710	114,060	814,380	949,360	60,460
Capital: Mount St / Konini St	20,000	-	51,100	104,650	1,177,660	1,094,200	111,710	-	-	-	-
Airlie St	-	200,000	-	-	-	-	-	-	-	-	-
Annesbrook Drive Storm Water	104,607	-	-	-	-	-	-	-	116,340	118,670	846,440
Tahunanui Hills - Maire Stream Stage 2	-	-	-	-	-	109,420	111,710	570,300	116,340	-	-
Flood Recovery Intakes Resilience	100,000	200,000	306,600	313,950	321,180	-	-	-	-	-	-
Flood Recovery 2022 Intakes Resilience Cleveland Terrace	150,000	750,000	-	-	-	-	-	-	-	-	-
Flood Recovery 2022 Intakes Resilience Devenish Place	300,000	100,000	204,400	-	-	-	-	-	-	-	-
Stormwater Network Models	84,542	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Wastney Terrace stormwater (pvt drain prgm)	100,000	-	-	-	-	54,710	558,550	-	-	-	-
Bisley Avenue	314,195	250,000	-	-	-	-	-	-	-	-	-
Murphy / Emano Street upgrade	150,000	100,000	102,200	104,650	107,060	2,188,400	2,234,200	2,281,200	2,326,800	2,373,400	120,920
The Wood Stormwater Upgrade	-	-	-	-	-	-	-	-	116,340	237,340	181,380
Tahunanui Hills Stormwater Catchment 2 - Moncrieff Avenue	80,000	350,000	-	-	-	-	-	-	-	-	-
Stormwater Network Extensions	-	-	-	-	-	-	167,565	570,300	581,700	593,350	604,600
Flood Recovery Minor Stormwater Improvements	100,000	300,000	306,600	313,950	321,180	-	-	-	-	-	-
Stormwater Pump Station Renewals & upgrades	40,000	300,000	51,100	52,325	508,535	109,420	430,084	79,842	116,340	118,670	120,920
Tahunanui Hills Stormwater Catchment 9 - Moana Ave to Rocks	208,678	100,000	511,000	2,093,000	2,141,200	2,188,400	1,675,650	57,030	-	-	-
Tahunanui Hills Stormwater Catchment 4 - Bisley Ave	392,000	-	-	-	-	-	-	-	-	-	-
Anglia/Scotia	-	-	-	-	-	-	-	-	-	-	120,920
Brooklands	-	-	-	-	53,530	109,420	558,550	1,140,600	581,700	118,670	-
Kowhai	-	-	-	-	-	-	111,710	171,090	1,628,760	178,005	-
Cawthron Crescent	225,000	-	-	-	-	109,420	167,565	1,939,020	58,170	-	-
Rutherford Stage 2 - Box Culvert Examiner to Hardy	-	-	-	-	-	-	-	-	-	-	241,840
Tahunanui Hills Stormwater Catchment 3 - Days Track	930,000	-	-	-	-	-	-	-	-	-	-
Tahunanui SW Strategy Implementation	-	-	-	-	107,060	109,420	279,275	114,060	581,700	1,186,700	1,209,200
Totara/Hutcheson	150,000	-	-	-	107,060	109,420	1,117,100	570,300	58,170	-	-
Central Nelson SW Strategy Implementation	-	-	-	-	-	218,840	223,420	228,120	581,700	949,360	967,360
Toi Toi St Upgrade	100,000	-	-	104,650	53,530	547,100	55,855	-	-	-	-
Vanguard Street LOS	380,000	-	-	-	-	-	-	114,060	116,340	118,670	1,209,200
Minor Stormwater Improvements Programme	50,000	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Strawbridge Sq Stormwater improvements	21,136	500,000	102,200	-	-	-	-	-	-	-	-
Natural Hazards Risk Remediation	-	-	-	-	-	-	-	57,030	232,680	237,340	241,840
<b>Vested Assets</b>	<b>862,332</b>	<b>1,623,395</b>	<b>1,659,110</b>	<b>1,698,883</b>	<b>1,738,007</b>	<b>1,776,319</b>	<b>1,813,495</b>	<b>1,851,644</b>	<b>1,888,658</b>	<b>1,926,483</b>	<b>1,963,009</b>
<b>Project under \$100,000</b>	<b>808,055</b>	<b>950,843</b>	<b>983,199</b>	<b>1,003,667</b>	<b>1,045,807</b>	<b>1,067,201</b>	<b>1,088,817</b>	<b>1,110,825</b>	<b>1,133,018</b>	<b>1,155,655</b>	<b>1,178,465</b>
<b>Total Stormwater</b>	<b>9,470,740</b>	<b>10,004,238</b>	<b>9,796,309</b>	<b>9,980,644</b>	<b>12,076,301</b>	<b>11,104,730</b>	<b>14,503,396</b>	<b>14,733,461</b>	<b>16,749,796</b>	<b>16,907,193</b>	<b>15,052,094</b>
Scope Adjustment	- 1,200,128	- 764,000	- 736,862	- 749,786	- 953,872	- 851,288	- 1,185,802	- 1,203,333	- 1,399,570	- 1,409,800	- 1,218,874
<b>Total Stormwater Less Scope Adjustment</b>	<b>8,270,612</b>	<b>9,240,238</b>	<b>9,059,447</b>	<b>9,230,858</b>	<b>11,122,429</b>	<b>10,253,442</b>	<b>13,317,594</b>	<b>13,530,128</b>	<b>15,350,226</b>	<b>15,497,393</b>	<b>13,833,220</b>



# Flood Protection

## What we do

Council's flood protection activity covers the larger streams, culverts and constructed channels through which streams flow. Works include channel maintenance and physical upgrades to rivers and streams to increase the volume of flood water they can carry, protecting channel banks from erosion, and removing accumulated gravel where flow capacity is reduced. Council aims to undertake this work in a way that is sensitive to the freshwater environment.

Council also carries out flood modelling and land use planning to identify and manage the risks to new development 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.

Up until now, Council's has not undertaken flood protection activities on properties greater than 15ha in area and all properties located on the eastern side of the Gentle Annie Saddle. Council is now proposing a change to this approach, by extending flood protection services to rural areas and charging a flood protection rate for this service and moving this rate to be on a land value basis across the city. This will be separate from the stormwater rate charged to properties which have access to stormwater services through a uniform charge.

## 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. The purpose of Council's flood protection activity seeks to prevent harm to people and property where this is feasible and affordable and protect the environment from harm related to in-stream protection works.

## Challenges

### Climate change

Unless additional capacity is allowed for, the level of service provided by existing flood protection assets will progressively reduce over time due to more intense storms and sea level rise.

In the past, Council's flood protection works have been based on providing protection from flooding in an event with a 2% chance of happening in any one year (a Q50 event). However, this approach has changed as more intense rainfall events are now predicted to occur more frequently, as a result of climate change.

Where new land development and subdivision is proposed, the Nelson Tasman Land Development Manual 2020 has adopted a flow capacity design standard of a future Q100 (with a 1% chance of happening in any one year, based on the predicted climate in 2090).

Achieving this high level of service for all urban streams and rivers is not realistic where urban development has already occurred. The costs of channel widening or bunding to achieve a future Q100 level of service is expected to be very high due to the presence of properties, structures and land of high natural, economic and recreational value on the margins of these rivers and streams.

As well as being unaffordable for the community, the scale of works required within and along these watercourses may not be acceptable to the community for amenity, environmental or cultural reasons.

Instead, a risk-based approach will enable Council to target resources to higher risk areas where it is clear that a high level of benefit can be achieved through flood protection works.

#### Natural hazards

An assessment of risks to Nelson flood protection assets from natural hazards is proposed to be carried out between 2027 and 2030. It will focus on stop banks, stream culvert intakes and bank retaining structures in specific areas of the city.

#### The need to maintain, renew and upgrade flood protection assets

Increases in rainfall intensity and sea level rise will impact on flood protection assets. We may experience more:

- Blocking of culverts within streams.
- gravel accumulation and silting up of tidal streams.
- Undermining of in-stream structures due to scouring of the channel bed.
- Tidal inflows due to blockages at flood gates.

For these reasons, we will need to carefully monitor our flood protection assets to track their condition and to provide early warning of any issues that could lead to failure of the assets.

An immediate priority is to complete the flood protection works at Saxton Creek and Orphanage Creek. Other work will include development of flood management plans for five key catchments and flood protection asset condition assessments to prioritise renewals.

Council receives multiple requests from rural landowners for assistance with flood management so a decision is also required on whether to extend the flood protection rate to rural catchments. If implemented, this change is likely to coincide with the proposed changes to the Council stormwater rate from year 2024/25.

#### Delivering flood protection in a sustainable way that complies with legislative requirements

Council needs to develop a clearer picture of the extent of rivers, streams and culverted stream channels which do not meet capacity standards in the Nelson Tasman Land Development Manual and Activity Management Plan.

Sustainability needs to be the focus of all parts of the flood protection activity including removal of barriers to fish passage (while still having options for managing the flooding effects of tidal inflows from estuaries), natural gravel management in beds where practicable, protection of river banks, river bank shade through vegetation, management of aquatic weeds in waterways, protection of fish spawning areas, protection of natural 'pool and riffle' stream bed form and incorporation of natural-based solutions and natural meanders where possible.

### **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Implementing the 'Flood Recovery Programme', which includes removing gravel, managing stream bank erosion and making improvements to rivers and streams.
- Completing investigations, design and minor works for the Maitai Flood Mitigation Project.

- Constructing a stopbank along Jenkins Creek at Trent Drive (2025/26 and 2026/27).
- 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.

## **Drivers of capital expenditure**

The following factors drive capital expenditure on flood protection:

- New greenfield sites and areas of urban intensification have been identified for the next 10 years, and consideration has been given to their exposure to future flooding within the Future Development Strategy.
- The need to install flood protection assets in existing urban and rural areas to address erosion issues and reduce the extent, frequency and duration of flooding on property and roads during and after storms. This has significant cost implications because retrofitting flood protection is more expensive, particularly in existing urban areas due to the presence of buildings and recreational assets adjacent to watercourses.
- Developing flood protection solutions that do not adversely impact on the natural environment of streams and rivers requires Council to provide an enhanced response to design and construction of stream channel work. This increases the complexity and costs of flood protection.
- Investment in increased protection from the impacts of climate change will be required, particularly in low-lying areas of the city which will be increasingly exposed to sea level rise. It is expected that climate change adaptation planning for the city may include flood response measures to reduce medium term risks to existing urban areas.

## **Assumptions**

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions apply to the flood protection activity:

- Typical useful lives from the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines (from National Asset Management Support 2006 Edition) are used as a guide in determining base lives of assets, supported by local knowledge of the assets.
- Where an asset has exceeded its nominated base life, a residual life of five years is assumed.
- Where feasible and practicable, flood protection assets will be designed for a Q100 event at 2090 with roads and overland flow paths providing for larger events.
- Council expects that a storm event with more than Q50 rainfall would very likely cause major flood damage, which would have to be managed by Emergency Management systems. This has been borne out by the damage sustained during the August 2022 severe weather event, which exceeded a Q50 flood in the Maitai River.
- No new environmental legislation will be imposed during the next decade that would require a specific level of service for flood protection assets.
- No significant effects on flood protection structures are expected within the next 10 years from climate change-induced sea level rise, however, such effects are expected to arise in the longer term.

## Risks

Many of the risks (and responses to these risks) are the same as those described in the summary of the three waters activities, such as lack of resources to complete indicative business cases, communication risks (public misinformation and unscheduled requests), lack of staff with sufficient experience, contractors not meeting health and safety standards, failure to comply with resource consents, and climate change/sea level rise.

Medium level operational risks which are specific to flood protection activities include:

- A flood event where reticulation/open channel has insufficient capacity. This risk relates to the capacity of the network in a large Q20, Q50 or Q100 flood event.

Existing ways to manage this risk include inspecting and maintaining existing capacity, an emergency management response during the event and responding to flood damage after the event and using a risk-based approach to make decisions on upgrading the capacity of channel sections.

- A flood event occurring after a period of inadequate maintenance. This risk relates to reduced capacity of open channels including watercourses and the condition of structures especially intakes within the channels. The risk may be elevated due to accumulation of debris, resulting in blockages.

Existing ways to manage this risk are regular inspections and a maintenance programme for streams and rivers, following the processes in the Emergency Procedures Manual, an emergency management response during the event, and regular monitoring and maintenance of stream culverts, in-channel structures and outfalls.

- A flood event coinciding with high tide. Existing ways to manage this risk are following the processes in the Emergency Action Plan and the Emergency Procedures Manual, an emergency management response during the event, and using the stormwater pumping systems at Tāhunanui and The Wood in the event of major river overflows. The remaining risk is managed through insurance.
- An earthquake has the potential to cause failure of flood protection assets such as detention dams, stream culverts, flood gates, stopbanks and stream bank retaining structures. An extremely large and rare seismic event may lead to structural failure of the Maitai Dam (which would potentially lead to the discharge of a large volume of water into the Maitai River and cause extensive flooding in the city).

Existing ways to manage this risk are following the processes in the Emergency Action Plan and Emergency Procedures Manual and emergency management response during the event, responding to damage after the event, carrying out regular inspections and maintenance of the structures, and initiatives to increase the resilience of flood protection assets to earthquake risks (such as liquefaction).

## Significant negative effects

- Flood protection works have the potential for environment impacts on instream habitats/riparian margins and for social impacts related to the amenity/use of esplanade reserves.
- Flood protection methods also have the potential for social and economic impacts on communities which are in areas which are vulnerable to sea level rise and more intense flood events (e.g. more requirements or restrictions related to development or specific costs associated with Council's physical flood protection works).

## **Intended changes to the level of service**

- Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.
- A new measure has been included for Flood Protection: 'No failure of flood protection in the existing stopbank system maintained by the Council below the original design levels. (Target 100% – Achieved). Further work will be undertaken over the first three years of this Plan to review and document the original design levels and flows for the stopbank system.'
- Three performance measures have been removed as part of work to streamline levels of service throughout the Plan. They related to:
  - 'Flooding of habitable floors'.
  - 'Developing risk-based Maitai flood response options'.
  - 'Developing city wide flood protection strategies'.

## **The reason for any material change to the cost of a service**

- Extending the Flood Protection activity to rural areas.
- Increasing financial pressures due to:
  - more expensive insurance, caused by valuation increases and global weather events
  - rising prices for both contracted labour and materials
  - asset re-valuation leading to increased depreciation costs.
- Recovery from the August 2022 severe weather event is ongoing.

## **Community outcomes**

Council's flood protection 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 demands.
- Our communities are healthy, safe, inclusive and resilient.

## Service levels, performance measures and targets

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
<p>Our unique natural environment is healthy and protected.</p> <p>Our infrastructure is efficient, cost effective and meets current and future demands.</p> <p>Our urban and rural environments are people-friendly, well planned and sustainably managed.</p> <p>Our communities are healthy, safe, inclusive and resilient.</p>	<p><b>Protection:</b> Our flood protection structures and channels are managed to reduce the impact of flooding and erosion now and in the future.</p>	<p>The major flood protection and control works are maintained, repaired and renewed to the key standards defined in the Flood Protection Activity Management Plan 2024–34.</p> <p>(Mandatory Measure 1)</p>	<p>2022/23 Major works undertaken to maintain capacity in all urban watercourses.</p> <p>2022/23: 2 major flood events, August 2022 and May 2023. Five year flood recovery programme put in place.</p>	<p>No failure of flood protection in the existing stopbank system maintained by Council, below the specified design levels.</p> <p>Maitai River Stopbanks:</p> <ul style="list-style-type: none"> <li>○ Hamby Park to Clouston Bridge = approximately 250 m<sup>3</sup>/s at Girlies Hole flow gauge, (2 % AEP<sup>2</sup> to 3% AEP in 2020)</li> <li>○ Clouston Bridge flood wall = approximately 290m<sup>3</sup>/s at Girlies Hole flow gauge, (1% AEP to 2% AEP in 2020)</li> <li>○ Clouston Terrace = approximately 170 m<sup>3</sup>/s at Girlies Hole flow gauge (10% AEP to 20% AEP in 2020)</li> <li>○ Downstream of Trafalgar Street (Left bank) <ul style="list-style-type: none"> <li>▪ River Flow Capacity = approximately 450</li> </ul> </li> </ul>

<sup>2</sup> Footnote: AEP = Annual Exceedance Probability

				<p>m<sup>3</sup>/s at Avon Terrace flow gauge (1% AEP in 2090)</p> <ul style="list-style-type: none"> <li>▪ Coastal Inundation = 1% AEP event in 2060.</li> </ul>
				<p>Following major flood events: Flood event damage identified, and repair work prioritised.</p>

FUNDING IMPACT STATEMENT		Flood Protection									
	Annual Plan 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates including water by meter	4,228	5,522	5,680	5,930	6,310	6,601	7,006	7,289	7,600	7,919	8,192
Subsidies and grants for operating purposes	180	180	110	94	77	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Funding</b>	<b>4,408</b>	<b>5,702</b>	<b>5,791</b>	<b>6,024</b>	<b>6,387</b>	<b>6,601</b>	<b>7,006</b>	<b>7,289</b>	<b>7,600</b>	<b>7,919</b>	<b>8,192</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,350	1,267	1,143	1,111	1,171	979	1,086	985	955	973	992
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,683	2,464	2,443	2,583	2,786	2,955	3,197	3,502	3,720	3,882	4,038
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>3,033</b>	<b>3,731</b>	<b>3,586</b>	<b>3,694</b>	<b>3,957</b>	<b>3,934</b>	<b>4,283</b>	<b>4,487</b>	<b>4,675</b>	<b>4,856</b>	<b>5,029</b>
<b>Surplus (Deficit) of operating funding</b>	<b>1,375</b>	<b>1,971</b>	<b>2,205</b>	<b>2,330</b>	<b>2,430</b>	<b>2,667</b>	<b>2,723</b>	<b>2,802</b>	<b>2,925</b>	<b>3,063</b>	<b>3,163</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	5,494	1,495	3,186	2,495	2,023	2,523	3,917	4,469	3,257	2,654	3,926
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>5,494</b>	<b>1,495</b>	<b>3,186</b>	<b>2,495</b>	<b>2,023</b>	<b>2,523</b>	<b>3,917</b>	<b>4,469</b>	<b>3,257</b>	<b>2,654</b>	<b>3,926</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	23	60	350	0	0	0	0	0	0	0	0
- to improve level of service	6,846	3,405	5,041	4,825	4,453	5,076	6,527	7,158	6,063	5,595	6,846
- to replace existing assets	0	0	0	0	0	113	112	114	119	123	244
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>6,869</b>	<b>3,466</b>	<b>5,391</b>	<b>4,825</b>	<b>4,453</b>	<b>5,190</b>	<b>6,640</b>	<b>7,271</b>	<b>6,181</b>	<b>5,718</b>	<b>7,089</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(1,375)</b>	<b>(1,971)</b>	<b>(2,205)</b>	<b>(2,330)</b>	<b>(2,430)</b>	<b>(2,667)</b>	<b>(2,723)</b>	<b>(2,802)</b>	<b>(2,925)</b>	<b>(3,063)</b>	<b>(3,163)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,375	1,971	2,205	2,330	2,430	2,667	2,723	2,802	2,925	3,063	3,163
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(854)	(893)	(997)	(1,080)	(1,162)	(1,244)	(1,307)	(1,373)	(1,492)	(1,610)	(1,731)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	521	1,078	1,208	1,250	1,268	1,423	1,416	1,429	1,433	1,453	1,431
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

<b>SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR</b>											
<b>Project</b>	<b>Annual Plan 2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Flood Protection</b>											
Channel Bank Renewal	-	-	-	-	-	109,420	111,710	114,060	116,340	118,670	241,840
IAF Flood Gate Upgrade	25,000	55,000	342,881	-	-	-	-	-	-	-	-
Trafalgar Park and Hathaway Tce	-	-	-	-	107,060	109,420	558,550	57,030	-	-	-
Capital: York Stream Channel Upgrade	-	-	-	-	-	-	-	-	116,340	178,005	181,380
Maitai flood management	369,873	300,000	511,000	523,250	1,070,600	1,094,200	1,675,650	2,281,200	2,326,800	2,373,400	2,418,400
Capital: Oldham Creek	-	-	-	-	107,060	109,420	558,550	570,300	581,700	593,350	60,460
Coastal Inundation Modelling	80,000	80,000	-	-	-	109,420	111,710	-	-	-	-
Coastal Erosion Modelling	51,500	50,000	-	-	-	109,420	55,855	-	-	-	-
Coastal Response Strategy Implementation	-	-	-	-	-	109,420	223,420	228,120	581,700	949,360	1,209,200
Capital: Todds Valley Stream upgrade	-	-	-	-	107,060	164,130	1,117,100	1,140,600	116,340	-	-
Brook Stream fish passage	-	-	-	104,650	107,060	109,420	111,710	-	-	-	-
Jenkins & Arapiki (airport) - Flood Protection	160,000	100,000	1,226,400	523,250	53,530	-	-	-	-	-	-
Wakapuaka Flats Stormwater Network Upgrade	-	150,000	153,300	-	-	54,710	111,710	285,150	116,340	-	-
Orchard Stream	-	-	-	-	-	-	-	34,218	116,340	178,005	241,840
Jenkins Stream stormwater upgrade	-	-	-	209,300	160,590	547,100	558,550	570,300	290,850	-	-
Poormans Stream	-	-	-	-	-	-	-	114,060	174,510	178,005	1,813,800
Orphanage Stream Flood Management Stage 2	-	-	-	-	-	109,420	446,840	456,240	116,340	-	-
Flood Recovery Channel Bank protection	1,500,000	1,600,000	1,124,200	1,046,500	321,180	-	-	-	-	-	-
Flood Recovery 2022 River Stream Improvements	575,000	500,000	1,277,500	1,674,400	1,659,430	1,696,010	-	-	-	-	-
Saxton Creek Stage 4 Upgrade	4,200,000	50,000	-	-	-	-	-	-	-	-	-
Brook Stream Catchment Improvements	100,000	100,000	408,800	313,950	160,590	164,130	111,710	570,300	581,700	118,670	-
Inventory of Urban Streams	200,000	100,000	153,300	156,975	107,060	164,130	167,565	171,090	116,340	118,670	120,920
Flood Mitigation	120,000	80,000	81,760	83,720	85,648	87,536	72,612	74,139	75,621	77,136	78,598
Rural Rivers	42,000	-	-	-	107,060	109,420	558,550	570,300	581,700	593,350	604,600
<b>Project under \$100,000</b>	<b>575,894</b>	<b>621,257</b>	<b>643,955</b>	<b>656,921</b>	<b>723,678</b>	<b>738,309</b>	<b>753,188</b>	<b>768,317</b>	<b>783,666</b>	<b>799,318</b>	<b>827,280</b>
<b>Total</b>	<b>7,999,267</b>	<b>3,786,257</b>	<b>5,923,096</b>	<b>5,292,916</b>	<b>4,877,606</b>	<b>5,695,035</b>	<b>7,304,980</b>	<b>8,005,424</b>	<b>6,792,627</b>	<b>6,275,939</b>	<b>7,798,318</b>
Scope Adjustment	- 1,130,306	- 320,500	- 532,002	- 467,786	- 425,028	- 505,520	- 665,233	- 733,976	- 611,367	- 558,342	- 709,196
<b>Total Flood Protection Less Scope Adjustment</b>	<b>6,868,961</b>	<b>3,465,757</b>	<b>5,391,094</b>	<b>4,825,130</b>	<b>4,452,578</b>	<b>5,189,515</b>	<b>6,639,747</b>	<b>7,271,448</b>	<b>6,181,260</b>	<b>5,717,597</b>	<b>7,089,122</b>

# Solid waste

## What we do

Council's solid waste activities are focused on avoiding or reducing the creation of waste and diversion of waste from landfill.

The solid waste activity includes the delivery of the Rethink Waste Whakaarohia programme and the operation of the Nelson Waste Recovery Centre, collection of litter from on-street bins, greenwaste and transport of material to landfill and the domestic kerbside recycling collection.

Funding comes via the local disposal levy given to each Council, which is derived from the jointly owned Nelson City and Tasman District Councils' landfill gate fees, central government levies and income from Pascoe Recovery fees and charges. This means the activity does not rely on rates.

The activity does not include landfill management, as the landfills at York Valley and Eves Valley are owned by the two Councils and managed by the joint Nelson Tasman Regional Landfill Business Unit, on behalf of the Nelson City and Tasman District Councils. However, 50% of the impact, being our share of the joint landfill, is included in the financial tables.

## Why we do it

Waste is produced by almost every activity in Nelson, and the goal of this activity is to reduce the creation of waste to landfills through reuse, recycling and reprocessing – making better use of resources, protecting the environment and minimising greenhouse gas emissions from waste.

## Challenges

### Meeting our target of 10% per capita reduction in waste by 2030

Since creating a 2018/19 baseline, Nelson has achieved a 5.7% reduction in waste per capita, and is on track for a 10% reduction by 2030 as required by the Nelson City and Tasman District Councils' Joint Waste Management and Minimisation Plan.

### Reducing emissions from organic waste

Emission-producing material that is presently being disposed of to landfill includes kitchenwaste, mixed greenwaste and construction and demolition waste.

Actions to reduce emissions include the diversion of food waste from landfill through education and engagement programmes/activities. The Nelson Waste Recovery Centre (off Pascoe Street) annually diverts 1,150 tonnes of greenwaste from landfill to produce compost for sale.

The New Zealand Waste Strategy 2023 currently proposes that kerbside foodwaste collection should be a compulsory council activity. Council is preparing to meet this obligation should the legislation be enacted. A residential kitchenwaste service is currently being researched through a jointly funded business case (with Nelson City Council, Tasman District Council and the Ministry for the Environment) that will guide future decisions.

### Meeting the recycling requirements in proposed legislation

The Ministry for the Environment has gazetted (made compulsory) a list of materials to be collected for recycling throughout New Zealand. The list is almost the same as to what is being collected in Nelson now, but it specifies that no other material can be added or removed from

the list. This means if a local solution for a (non-listed) plastic was developed, Council would not be permitted to collect this in the general kerbside collection.

A mandatory list of materials for recycling is also a risk to Council, in that Council cannot decide to stop collecting any of the listed materials. This means central government would be placing the financial and operational risks on councils related to a commodity price collapse, or lack of a processing option for a listed material. This could increase the costs that Council presently pays to subsidise recycling.

#### The Materials Recovery Facility in Tasman is at capacity

Without the Materials Recovery Facility the collected materials would have to be landfilled or transported out of the region. Access to, and the processing capacity of, the Materials Recovery Facility is critical to the Nelson recycling service. An expansion of the existing facility, with both Nelson City and Tasman District Councils having input into the development and/or management of it, would ensure Nelson has enough sorting capacity to support recycling in the Nelson and Tasman region.

#### Unsorted materials from construction sites are currently disposed to landfill

Landfill disposal is primarily due to the labour cost of sorting the materials. It is also common practice that buildings are demolished rather than deconstructed. Council is engaging with the construction and deconstruction sectors, as well as community groups, to promote diversion of construction and deconstruction materials away from landfill. While this reduces emission-producing tonnage from landfill, it also has identifiable social outcomes for employment and training benefits.

### **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Through the Nelson Tasman Joint Waste Management and Minimisation Plan (JWMMP) 2019:
  - Reducing waste per capita by 10% by 2030 or aligning with any new targets in the JWMMP 2024.
  - 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.
  - Reducing the emissions caused by waste and waste services.
  - Diverting specific waste streams from landfill, such as construction and demolition.
- Continuing to support effective domestic recycling through kerbside collection and through advocacy with government.
- Kitchenwaste – Tasman District Council and Nelson City Council have a joint business case underway to explore the viability of a kitchenwaste collection service that will look at the diversion of kitchenwaste from landfill for composting, fertilizer production, and/or energy generation. Provision has been made from 2027/28 with budget of \$10.88 million over the 10 years of the Plan. (Funded from central government levy,

local landfill disposal levy, and solid waste reserves. Rates funding may be needed following those 10 years.)

## **Drivers of capital expenditure**

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

## **Assumptions**

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions 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 or potentially paid through rates.
- The proposed increase to the Waste Disposal Levy will be implemented in the timeframe that was required by the Ministry for the Environment, and the current method for distribution of the fund will continue.
- The current user-pays green waste companies in the Nelson/Tasman region will continue to offer services to residents and Council.
- Proposed waste legislation will not require Council to deliver a kerbside collection service for refuse (rather than relying on other providers to do this).

## **Risks**

### Waste legislation reform

Central Government legislation may be introduced in 2024 which requires Council to reduce tonnages of refuse collected in kerbside collections. Council is not able to control this as Nelson's kerbside refuse collection is operated by a private company. That means there is a risk that:

- Council will not meet the required standards and will need to introduce new rubbish collection services which will put Council in direct competition with the existing commercial waste operators.
- Council will not receive the Waste Disposal Levy (approximately \$1.2 million of solid waste revenue) as a penalty for non-achievement of the refuse reduction standard.
- Council does not collect plastics where there is not a New Zealand based processor available to take them. This approach would be in conflict with the proposed legislation which means decisions on what to collect are made by central government rather than Council.

### Relying on a private company to operate Nelson's kerbside refuse collection

This way of providing kerbside refuse collection poses risks that Council might have to subsidise or supply collection services if a private company decides it is uneconomic to collect from some areas.

### The cost of recycling will increase

The low commodity value of recycled materials and the high export costs has created a need for Council to subsidise the recycling service to ensure it continues in Nelson. Following the expiry

of the Nelmac collection contract in 2025, Council will inherit the full costs of the commodity shortfall, and this has been budgeted in the Long Term Plan.

#### Increased waste levy and landfill prices lead to illegal dumping

The increase in the Waste Disposal Levy will increase the cost of disposal of refuse. At this stage price increases are not directly linked with increases in illegal dumping of rubbish, but there may be a price point at which this does occur.

#### Service delivery through multiple private contracts

Council is reliant on a range of partners in the private and community sectors to deliver its waste management and minimisation activities. As the Nelson market is small, there is a risk that current providers would be difficult to replace if they stopped providing their services.

### **Significant negative effects**

There are no significant negative effects associated with the solid waste activity.

### **Intended changes to the level of service**

Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.

The number of levels of service has been reduced from three to two as part of work to streamline levels of service throughout the Plan. The performance measures and targets have been rewritten to better reflect our services.

New services will be provided to reflect central government legislation or Council directives.

### **The reason for any material change to the cost of a service**

Fees and charges at the Recovery Centre will be maintained in line with the costs of landfill disposal (York Valley/Eves Valley).

### **Community outcomes**

Council's solid waste 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 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.

## Service levels, performance measures and targets

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current performance (2022/23 unless stated)	Targets			
				Years 1–10			
Our unique natural environment is healthy and protected.	We enable effective waste minimisation activities and services.	A quantifiable reduction of refuse from the Nelson Waste Recovery Centre to landfill, as measured by the tonnage carted to landfill compared to 2021/22 baseline of 4,337 tonnes (excluding waste generated from any natural event/disaster).	New measure	Year 1: reduction of 3 - 5 % from baseline year	Year 2: further reduction of 3 - 5 % from baseline year	Year 3: further reduction of 2 - 3 % from baseline year	Years 4-10: further reduction of 2% from previous year. <sup>3</sup>
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 kerbside services are reliable, easy to use.	Recycling service is provided to all Nelson residents with less than 1% verified missed collection complaints.	New measure.	Less than 1% verified missed collection complaints.			

<sup>3</sup> The targets are designed to achieve the aim of reducing waste to landfill by 10% per person by 2030, set out in the Nelson Tasman Joint Waste Management and Minimisation Plan 2019.

FUNDING IMPACT STATEMENT		Solid Waste									
	Annual Plan 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	1,611	1,527	1,561	1,576	1,612	1,648	1,682	1,716	1,750	1,784	1,817
Fees and charges	10,589	9,900	10,613	10,984	12,679	12,996	13,290	13,776	14,543	15,279	16,960
Interest and dividends from investments	0	(507)	(543)	(761)	(926)	(897)	(899)	(1,091)	(1,546)	(1,978)	(2,073)
Internal charges and overheads recovered *	4,193	2,581	1,998	2,075	3,458	3,517	3,589	3,773	3,758	3,896	3,906
Local authorities fuel tax, fines, infringement fees, and other receipts	271	0	0	18	18	18	19	16	16	12	13
<b>Total Operating Funding</b>	<b>16,665</b>	<b>13,501</b>	<b>13,629</b>	<b>13,892</b>	<b>16,842</b>	<b>17,282</b>	<b>17,680</b>	<b>18,189</b>	<b>18,522</b>	<b>18,993</b>	<b>20,624</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	11,838	9,142	9,026	9,423	11,651	11,977	12,264	12,664	12,886	13,248	14,771
Finance costs	262	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	4,266	2,654	2,068	2,141	3,525	3,586	3,659	3,844	3,831	3,970	3,982
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>16,367</b>	<b>11,796</b>	<b>11,094</b>	<b>11,564</b>	<b>15,177</b>	<b>15,563</b>	<b>15,922</b>	<b>16,508</b>	<b>16,718</b>	<b>17,218</b>	<b>18,753</b>
<b>Surplus (Deficit) of operating funding</b>	<b>298</b>	<b>1,705</b>	<b>2,536</b>	<b>2,328</b>	<b>1,665</b>	<b>1,719</b>	<b>1,758</b>	<b>1,681</b>	<b>1,804</b>	<b>1,775</b>	<b>1,871</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	4,014	141	697	3,953	(1,796)	(1,994)	(607)	5,487	9,595	5,175	656
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>4,014</b>	<b>141</b>	<b>697</b>	<b>3,953</b>	<b>(1,796)</b>	<b>(1,994)</b>	<b>(607)</b>	<b>5,487</b>	<b>9,595</b>	<b>5,175</b>	<b>656</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	2,513	0	0	0	0	0	0	0	0	0	0
- to improve level of service	896	1,598	2,487	5,914	48	0	0	51	0	0	54
- to replace existing assets	439	581	1,089	722	188	104	1,541	5,808	9,196	4,707	580
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	464	(332)	(343)	(355)	(367)	(378)	(390)	1,309	2,203	2,243	1,893
<b>Total applications of capital funding</b>	<b>4,311</b>	<b>1,846</b>	<b>3,233</b>	<b>6,281</b>	<b>(131)</b>	<b>(275)</b>	<b>1,151</b>	<b>7,168</b>	<b>11,399</b>	<b>6,950</b>	<b>2,527</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(298)</b>	<b>(1,705)</b>	<b>(2,536)</b>	<b>(2,328)</b>	<b>(1,665)</b>	<b>(1,719)</b>	<b>(1,758)</b>	<b>(1,681)</b>	<b>(1,804)</b>	<b>(1,775)</b>	<b>(1,871)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	298	1,705	2,536	2,328	1,665	1,719	1,758	1,681	1,804	1,775	1,871
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(1,124)	(1,223)	(1,306)	(1,460)	(1,597)	(1,635)	(1,673)	(1,708)	(1,745)	(1,782)	(1,817)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	(826)	483	1,230	867	68	84	85	(27)	60	(7)	54
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR											
Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Solid Waste</b>											
New kiosk building	-	-	613,200	-	-	-	-	-	-	-	-
Freight Bins	-	-	306,600	313,950	-	-	-	-	-	-	-
Renewals: 1920 to 84 Landfill	-	-	255,500	261,625	-	-	-	-	-	-	-
Joint Landfill Upgrade	3,786,000	2,178,000	2,517,953	6,117,316	236,067	103,514	1,540,760	5,858,977	9,195,804	4,707,342	633,923
<b>Project under \$100,000</b>	72,918	-	-	-	-	-	-	-	-	-	-
<b>Total Solid Waste</b>	<b>3,858,918</b>	<b>2,178,000</b>	<b>3,693,253</b>	<b>6,692,891</b>	<b>236,067</b>	<b>103,514</b>	<b>1,540,760</b>	<b>5,858,977</b>	<b>9,195,804</b>	<b>4,707,342</b>	<b>633,923</b>
Scope Adjustment	- 10,938	-	- 117,530	- 57,557	-	-	-	-	-	-	-
<b>Total Solid Waste Less Scope Adjustment</b>	<b>3,847,980</b>	<b>2,178,000</b>	<b>3,575,723</b>	<b>6,635,334</b>	<b>236,067</b>	<b>103,514</b>	<b>1,540,760</b>	<b>5,858,977</b>	<b>9,195,804</b>	<b>4,707,342</b>	<b>633,923</b>

## Environment

### What we do

Council is a unitary authority, meaning it is a combined regional and district council. This requires us to consider all aspects of the environment, including air quality, freshwater, marine and coastal environments, biodiversity, biosecurity and land management, as well as the built environment, urban development and regional growth.

Roles include resource management planning, resource and building consents (including compliance), delivery of environmental projects and a regulatory biosecurity programme, and monitoring and reporting on environmental health.

The City Centre programme is focused on delivering a people-friendly, well planned and sustainably managed city. Planning for urban growth and coordination of infrastructure to support it, is part of the environment activity.

We are also responsible for the marine environment extending 12 nautical miles out into Tasman Bay from the Waimea Estuary to Cape Soucis, and navigational safety is managed by our harbourmasters to ensure our harbour is safe for the variety of users.

### Why we do it

We carry out these activities to ensure our unique natural environment is healthy and protected, the kaitiakitanga role of local iwi is recognised, our urban and rural environments are people-friendly, well-planned, and sustainably managed, and our regulatory services are efficient and effective.

### Challenges

#### Changes to environmental legislation and policy statements

Central government requirements direct a significant proportion of Council's environmental activities, so Council must stay up to date, and adapt to, any changes signalled by the new Government.

#### Climate change

The incidence of new pests and new incursions, including marine pests, is likely to increase as the climate changes and becomes more suitable for species not usually found here.

Sea level rise will affect the marine and coastal environments.

The Environmental Management Group has a role in helping the community to proactively respond to the predicted impacts of climate change.

#### Lack of affordable housing

The ways Council is helping to address this issue includes:

- Use of a \$12 million enduring housing reserve to work with and support partners who have the ability to deliver social and affordable housing solutions for the community.
- Amendments to planning rules to enable greater housing supply and intensification.

### Recruitment and retention of staff

The recruitment and retention of senior and experienced staff is particularly challenging. We are actively recruiting staff to make workloads manageable, enhance relations with iwi, reduce the reliance on consultants, and meet the service expectations of our customer.

## **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Reviewing our planning and regulatory processes to ensure they are fit for purpose and that our systems provide easy processes for applicants.
- Enhancing public spaces to encourage private development and increase activity in the centres for all parts of our community.
- Ensuring the planning provisions are fit for purpose.
- Implementing Te Ara ō Whakatū City Centre Spatial Plan through revitalisation of city centre spaces.
- Reviewing planning provisions and use the most up to date information when assessing new developments.
- Improving how we identify and address issues for our freshwater management units.
- Responding to new biosecurity incursions and emerging pests, including anticipating what changes there may be due to changes in climate.

## **Specific projects/actions proposed**

### Resource management planning review and implementation

We will review and update our planning framework and content to comply with national legislation and best planning practice. The new provisions will be applied and monitored to ensure stated outcomes are achieved, such as improving the water quality in degraded freshwater catchments.

### Housing Reserve Fund changes

We are proposing to broaden the purpose of the Housing Reserve Fund so that Council could also support and work with partners to develop and provide accommodation for our vulnerable and highest need residents, in addition to continuing to support to deliver social and affordable housing (this is also included in the Social Activity section).

### Rocks Road marine restoration

Council to lead a campaign of education to encourage habitat restoration of the rock pools along Rocks Road commencing in 2024/25. Marine life in the rock pools has been depleted by people over-harvesting them. This project will seek to reverse the decline and maintain a healthy level of rock pool species. A total of \$30,000 will be provided across 2024/25 and 2025/26 to initiate the campaign and will continue within existing resources in the following years.

## **Drivers of capital expenditure**

The following factors drive capital expenditure on environmental activities:

- Council has budgeted \$4.2 million for developing the city centre.

- Existing air quality monitors are reaching the end of their life and will need to be replaced over a three-year period.
- Riparian and restoration planting on Council land as part of the Healthy Streams programme.

## Assumptions

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions apply to the environment activity:

- Legislative changes occur regularly. We have made assumptions in relation to some of the expected changes but these will need to adapt to the new Government's work programme.
- Future budgets are based on a similar level of effort required to respond to the demands of this activity. We have also assumed access to existing funding sources remain.
- We understand the growing impacts of climate change, and what mitigation and adaptation actions we will need to take.
- We have the data and information we need to inform our policy development and regulatory responses, but there are knowledge gaps. We can only use the best available information, and more national direction will be provided.

## Risks

Our highest risk is not having sufficient competent and trained staff. Ways to manage this risk include active staff recruitment, retention policies, staff training and competency assessments, quality assurance and audit processes, and professional indemnity and public liability insurance.

Other risks for the environmental management activity are listed below.

- Extreme weather conditions being made worse by climate change, increasing erosion, coastal and river flooding, land instability and fires. The main responses are identifying and monitoring these risks and trends and planning responses to them.
- Damage to the partnership with iwi due to failure to deliver on regional council and territorial authority responsibilities in relation to freshwater, coastal and marine environment, land management, air quality, biodiversity, biosecurity and urban environments. The main methods for managing this risk are cooperation and joint action within the region and with our neighbouring councils and partners.
- Financial and capacity impacts of the changes initiated by the Government. We will review Government consultation documents and participate in working groups to ensure early notifications of potential regulatory changes.
- A significant incident involving a large vessel(s) within our harbour. The main methods to manage this risk are ensuring our Port and Harbour Marine Safety Code remains compliant with national standards and best practice, and that our harbourmasters continue to work with parties (Port Nelson Ltd, Maritime NZ and other stakeholders) to ensure their safety practices are implemented, reviewed and improved.
- The risk of poor customer experiences, which is managed by ensuring our staff are well trained in customer services and health and safety and maintaining sufficient capability to deliver or access to others to assist.

- Loss of reputation related to decision making. We will manage this risk by assessing and analysing options and implications clearly to support robust decision-making, determining our communities' needs through consultation and understanding, and having peer review arrangements in place to ensure decision-making achieves best practice and legal compliance.
- Being resourced to be able to respond to government law changes affecting the local government sector.

## **Significant negative effects**

There are economic costs related to regulations and building/resource consent requirements. However, costs for an applicant can be kept to a minimum if they provide all required information when lodging an application and meet consent conditions (reducing inspection or monitoring costs).

## **Any intended changes to the level of service**

While the new Government will change the environmental planning framework, the principles of strategic planning and achieving good outcomes for our natural and urban environments will remain. Our current planning provisions are over 20 years old and need to be updated. The work which is already underway will need to be reframed in response to the new legislation.

The number of levels of service and performance measures for this activity have been reduced as part of work to streamline levels of service throughout the Plan. Text changes have been made to the levels of service statements to clarify the level of service delivered to the community.

## **The reason for any material change to the cost of a service**

All building consent fees, except the insurance charge, are proposed to rise by CPI so that more of the cost of processing consents are met by the consent holder rather than the general ratepayer. The cost of insurance claims and premiums has increase so the insurance charge under this activity is proposed to increase at a higher rate to meet expected costs.

## **Community outcomes**

Council's environmental activities contribute 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.

**Service levels, performance measures and targets**

<b>Community Outcomes</b>	<b>What Council will Provide (Level of Service)</b>	<b>Performance Measure</b>	<b>Current Performance (2022/23 unless stated)</b>	<b>Targets Years 1–10</b>
Our unique natural environment is healthy and protected.	We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes, and risks.	Provision of easily accessible, accurate, up to date and fit for purpose state of the environment monitoring data for all environmental domains, as measured by the production of an annual State of the Environment (SOE) report in compliance with section 35 of the Resource Management Act 1991.	In 2021/22 the State of the Environment web reporting programme was completed, with 2021 updates for water quality, and a new module for rainfall.	At least one SOE domain report per year e.g. Air Quality, Freshwater, Coastal/Marine, Biodiversity/Biosecurity, Land/Soils.
Our unique natural environment is healthy and protected.	We implement the Tasman Nelson Regional Pest Management Plan provisions as they apply to Nelson City.	Compliance with the Tasman Nelson Regional Pest Management Plan reporting requirements (e.g. annual reporting on yearly operational targets and progress towards 10 year Plan objectives).	A report on the delivery of the 2021/22 Operational Plan was presented to the Council at its 15 December 2022 meeting.	100% delivery of operational plans and operational plan reviews reported to Council each year.
Our unique natural environment is healthy and protected.  Our urban and rural environments are people friendly, well planned and sustainably managed.	We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.	All resource consents are processed within statutory timeframes, as measured by MagiQ reports.	Of the 316 consents decided in 2022/23, 57% were on time.  COVID delays, the August 2022 storm event and subsequent availability of specialists and planners has collectively created a backlog of applications and impacted the ability	100%

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
			to achieve timeframes. Despite this, slightly more consents have been decided than last year and the backlog has reduced significantly.	
Our communities are healthy, safe, inclusive and resilient.	We provide building control services in a professional and timely manner, to ensure building work is safe and in accordance with the New Zealand Building Code and is therefore safe and healthy	% building consents and code compliance certificates issued within the statutory timeframe of 20 working days as measured by monthly reporting.	There was 90.25% compliance for the granting of building consents and 99% compliance for the issuing of Code Compliance Certificates (CCCs) at year end for 2022/23. The vast majority of building consent granting breaches were incurred due to the disruption of the August 2022 weather events and the unavailability of geotechnicians to review building consents. Substantive compliance of 95% (for IANZ accreditation) was achieved for the issuing of CCCs, but not for granting of building consents.	95% (as per IANZ requirements)
Our communities are healthy, safe, inclusive and resilient.	We provide an environmental health service that ensures food	Respond to food safety complaints within one working day, as tracked	All six food safety complaints responded to within one working day.	100%.



Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10
	provided for sale is safe, free from contamination and prepared in suitable premises, and in association with other agencies, fosters the responsible sale and consumption of alcohol.	and measured through Council's MagiQ system. High risk alcohol selling premises are inspected at least two times each year as tracked and recorded through inspection reports.		
			All high risk premises were inspected twice.	100%.
Our communities are healthy, safe, inclusive and resilient.	We provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered.	We respond to reports of dog attacks that have just occurred within 60 minutes, 24 hours a day, seven days a week as tracked and measured through Council's MagiQ system.	All six urgent dog attacks responded to within one hour.	90%.

DRAFT Activity Summaries LTP 2024-2034

FUNDING IMPACT STATEMENT	Environment										
	Annual Plan	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term
	2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32	Plan 2032/33	Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	12,372	12,569	12,943	13,306	14,367	14,604	14,939	15,418	15,692	15,953	16,195
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	1,286	971	641	279	78	80	82	83	85	269	274
Fees and charges	503	6,916	7,054	7,290	7,436	7,585	7,737	7,904	8,062	8,223	8,388
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	53	54	55	57	58	59	60	62	63	64	65
Local authorities fuel tax, fines, infringement fees, and other receipts	5,855	56	57	59	60	61	62	63	65	66	67
<b>Total Operating Funding</b>	<b>20,068</b>	<b>20,566</b>	<b>20,751</b>	<b>20,990</b>	<b>21,999</b>	<b>22,389</b>	<b>22,880</b>	<b>23,531</b>	<b>23,966</b>	<b>24,575</b>	<b>24,990</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	23,915	21,998	22,080	21,512	21,082	21,316	21,671	21,459	21,881	22,492	22,922
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	464	600	629	677	742	839	918	958	949	930	903
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>24,379</b>	<b>22,598</b>	<b>22,708</b>	<b>22,189</b>	<b>21,824</b>	<b>22,155</b>	<b>22,589</b>	<b>22,417</b>	<b>22,830</b>	<b>23,422</b>	<b>23,825</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(4,311)</b>	<b>(2,032)</b>	<b>(1,958)</b>	<b>(1,199)</b>	<b>175</b>	<b>234</b>	<b>291</b>	<b>1,114</b>	<b>1,136</b>	<b>1,153</b>	<b>1,165</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	0	125	2,300	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	5,604	2,429	2,769	1,724	1,447	979	168	(601)	(769)	(992)	(1,001)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>5,604</b>	<b>2,554</b>	<b>5,069</b>	<b>1,724</b>	<b>1,447</b>	<b>979</b>	<b>168</b>	<b>(601)</b>	<b>(769)</b>	<b>(992)</b>	<b>(1,001)</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	38	0	0	0	0	0	0	0	0	0	0
- to improve level of service	914	470	2,982	510	1,567	1,075	444	454	361	154	157
- to replace existing assets	342	52	129	14	55	138	15	59	6	6	7
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>1,293</b>	<b>522</b>	<b>3,111</b>	<b>525</b>	<b>1,622</b>	<b>1,213</b>	<b>460</b>	<b>513</b>	<b>367</b>	<b>161</b>	<b>164</b>
<b>Surplus (Deficit) of capital funding</b>	<b>4,311</b>	<b>2,032</b>	<b>1,958</b>	<b>1,199</b>	<b>(175)</b>	<b>(234)</b>	<b>(291)</b>	<b>(1,114)</b>	<b>(1,136)</b>	<b>(1,153)</b>	<b>(1,165)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(4,311)	(2,032)	(1,958)	(1,199)	175	234	291	1,114	1,136	1,153	1,165
Subsidies and grants for capital expenditure	0	125	2,300	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(178)	(203)	(272)	(343)	(363)	(416)	(467)	(484)	(500)	(510)	(515)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	(4,489)	(2,110)	70	(1,542)	(188)	(182)	(176)	630	636	643	649
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

<b>SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR</b>											
<b>Project</b>	<b>Annual Plan 2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Environmental Management</b>											
<b>Monitoring The Environment</b>											
Renewals: Monitoring Equipment	298,181	53,552	11,529	11,806	57,333	12,344	12,602	61,082	2,625	2,677	2,728
Plant & Equipment	201,871	170,000	173,740	125,635	128,529	131,362	134,111	136,932	139,670	142,467	145,168
Healthy Streams	121,944	121,944	124,627	127,614	130,553	133,431	136,224	139,089	28,417	28,986	29,535
<b>City Development</b>											
3W-BOF-City Centre Playspace	-	125,000	2,350,600	-	-	-	-	-	-	-	-
Streets for People	400,000	-	-	-	-	-	-	-	-	-	-
Upper Trafalgar Street Stage 2	-	-	-	-	1,160,804	109,420	-	-	-	-	-
CBD Enhancements	300,000	105,678	664,866	313,950	321,180	820,650	223,420	228,120	232,680	-	-
<b>Navigation Safety</b>											
Renewal: Boat/Trailer	100,000	-	127,750	-	-	136,775	-	-	-	-	-
<b>Project under \$100,000</b>	99,349	3,767	3,850	3,942	4,033	4,122	4,208	4,297	4,383	4,470	4,555
<b>Total Environmental Management</b>	<b>1,521,345</b>	<b>579,941</b>	<b>3,456,962</b>	<b>582,947</b>	<b>1,802,432</b>	<b>1,348,104</b>	<b>510,565</b>	<b>569,520</b>	<b>407,775</b>	<b>178,600</b>	<b>181,986</b>
Scope Adjustment	- 228,203	- 57,995	- 345,697	- 58,295	- 180,243	- 134,811	- 51,057	- 56,952	- 40,777	- 17,860	- 18,199
<b>Total Environmental Management Less Scope Adjustment</b>	<b>1,293,142</b>	<b>521,946</b>	<b>3,111,265</b>	<b>524,652</b>	<b>1,622,189</b>	<b>1,213,293</b>	<b>459,508</b>	<b>512,568</b>	<b>366,998</b>	<b>160,740</b>	<b>163,787</b>

## Social

### What we do

We provide social, cultural, arts and heritage activities, services and facilities. Examples include libraries, campgrounds, community halls, public toilets, cemeteries, arts and heritage facilities, kapa haka, Opera in the Park and grants to support events such as the Nelson Arts Festival and Te Ramaroa (Light Nelson).

Council also supports community development by providing grants, partnerships and other forms of support for community groups and social agencies (prioritising those supporting Nelson's communities of greatest need).

### Why we do it

We invest in social activities to enhance the quality of life for Nelson residents by providing a diverse range of arts, cultural, environmental, and recreational opportunities that support individual and community resilience and celebrate our history and heritage.

Our community development activities contribute to the wellbeing of Nelson residents and the vibrancy of the city as well as increasing the cohesiveness of the community.

### Challenges

#### Affordable housing, housing vulnerability and homelessness

Most agencies and community groups consider sustainable and affordable housing to be the biggest social issue facing our community, and we know it is becoming an issue for an increasing number of people.

#### Crematorium

The crematorium's resource consent to discharge to air expires in 2026. Council is considering divesting the crematorium service, but if it continues to provide the service, Council will need to apply for a new resource consent.

Although the current diesel-fuelled cremator at the Wakapuaka Cemetery is fit for purpose and compliant, Council would like to reduce the carbon impact of the system.

#### Delivering new arts and heritage strategies

The He Tātai Whetū – Whakatū Nelson Arts and Creativity Strategy and the Taonga Tuku Iho Heritage Strategy will require increased resourcing to deliver and support the new projects and initiatives included in them. This will be a particular challenge for progressing delivery of the Taonga Tuku Iho Heritage Strategy, as no funding has been included in Council's budget for the first three years of the Long Term Plan.

#### Earthquake Prone Buildings

A number of Council owned buildings are earthquake prone and require the risk to be addressed within a certain timeframe. This includes the Stoke Memorial Hall.

### Increasing costs

Many of Council's costs have increased considerably, including for maintaining and running Council venues, public toilets, producing events, delivering public art, and costs associated with maintaining and managing heritage facilities and their collections.

### Insufficient cemetery land

There is insufficient existing cemetery land to meet future demand (20 years plus for Nelson residents) for burials in the Nelson-Tasman Region. A solution to remedy this is being considered in conjunction with Tasman District Council.

### Nelson libraries

#### *Elma Turner Library*

Over the coming years, Council will need to invest in and find a longer-term solution for the Elma Turner Library, which is approaching the end of its economic life.

Last year, we addressed the issues of the seismic risks of the ceiling tiles and the structural problems with the trusses extending its usable life by up to a decade. Although this work has been completed, a permanent new home for the city's main library will need to be addressed.

The decision on the best approach will be a significant decision for Council and will require further community engagement.

#### *Stoke Library*

To ensure the Stoke Library level of service can be maintained in the short to medium term, we will be undertaking capital renewals over the next three years. However, its ability to meet the needs of the community in the long term will need to be considered.

### Non-strategic campground management

The management of the Maitai and Brook campgrounds has alternated between lease and direct management models, and there has been a lack of investment in facilities. Some amenity blocks and other buildings are in need of upgrades.

### Volunteers

It is increasingly difficult to attract and support a much-needed pool of skilled volunteers to support Council arts, heritage and events activities.

## **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Supporting community groups that work with Nelson's communities of greatest need.
- Supporting activities that contribute to a thriving arts and creativity scene in Nelson.
- Supporting activities that enable the community to experience our heritage by protecting and sharing our heritage resources and diverse stories.
- Delivering, and supporting our community to deliver, a diverse calendar of community events alongside high calibre events attracting visitors to our city.
- Working towards removing the risk of earthquake prone buildings.

- Progressing a new joint regional cemetery with Tasman District Council.

## **Specific projects/actions proposed**

### Accessibility Strategy

Council will continue working to provide accessible and inclusive community facilities through the investigation and development of an Accessibility Strategy. An initial audit will identify areas where we can make improvements to existing recreational sites and amenities as well as the accessways and pathways connecting them. Funding of \$102,800 has been set aside from 2025/26 to 2027/28 to complete the audit and for the development of this strategy.

### Delivering He Tātai Whetū – Whakatū Nelson Arts and Creativity Strategy

A focus for the next three years will be to progress the key moves identified to activate delivery of He Tātai Whetū, including establishing an arts development agency for the city.

### Arts Hub

Council is proposing to provide a new arts hub as part of implementing He Tātai Whetū – Whakatū Nelson Arts and Creativity Strategy, and to further activate arts in the city centre. The hub will house the new arts development agency which will coordinate community efforts to deliver the best outcomes for the sector.

### Crematorium

Council is proposing to divest its crematorium service at Wakapuaka Cemetery from 2025/26. In the event that Council cannot find an appropriate purchaser or lessee, we may need to stop the service and investigate selling the crematorium assets. Proceeds from the sale of these assets would be used to pay off the crematorium's remaining debt.

### Housing Reserve Fund

We are proposing to broaden the purpose of the Housing Reserve Fund so that Council could also support and work with partners to develop and provide accommodation for our vulnerable and highest need residents, in addition to continuing to support to deliver social and affordable housing (this is also included in the Environment Activity section).

### Joint Regional Cemetery

Together with Tasman District Council, we will progress the acquisition, planning, design and development of a new cemetery. This will include the development of the governance structure.

### Pasifika Community priority projects support

We are proposing to provide \$20,000 to engage with the Pasifika Community on priority projects in 2024/25.

### Stoke Memorial Hall

Council is considering remediation or deconstruction of the hall and will in the future consult with the community before making a final decision. In the interim, budget of \$2.2 million is set aside in 2027/28 for either purpose if required.

### Suter Depreciation

Council is proposing not to fund the Suter for depreciation of its building assets, which was expected to start in 2024/25. This is a saving of \$244,000 per year.

## **Drivers of capital expenditure**

The following factors drive capital expenditure on the social activities:

- Solutions for the Elma Turner Library, which is approaching the end of its economic life.
- Stoke Library capital renewal within the next one to three years.
- Renewals of community facilities, including public toilets.
- Land acquisition for a regional cemetery.
- Stoke Memorial Hall remediation.

## **Assumptions**

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions apply to the social activity:

- 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 and Maitai campgrounds will be leased within the first three years of the Long Term Plan.
- The Crematorium will be divested from 2025/26.

## **Risks**

- Non-delivery of Te Matatini in 2027.
- Additional funding from external sources is not available for the projects and initiatives to progress delivery of the He Tātai Whetū – Whakatū Nelson Arts and Creativity Strategy and the Taonga Tuku Iho Heritage Strategy.
- Community groups receiving Council grants are unable to deliver the community services needed.
- Statutory compliance breaches caused by failure to follow all legal requirements and processes or lack of awareness of requirements.
- Vandalism causing damage or destruction of furniture, or causing incidents, such as trips, falls or minor injuries.

## **Significant negative effects**

There are no significant negative effects associated with the social activity.



### **Any intended changes to the level of service**

Levels of service have not increased or decreased but have been refocused on three key priorities of the library service, support for communities of greatest need and community events. The performance measures and targets have also been rewritten.

### **The reason for any material change to the cost of a service**

Inflationary pressures have increased delivery costs for services across the board, particularly around building maintenance, insurance, security, compliance and the cost of event delivery.

### **Community outcomes**

Council's social activities 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.

### Service levels, performance measures and targets

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets			
				Years 1–10			
Our communities have access to a range of social, educational and recreational facilities and activities.	We provide library services, including literacy support and other programmes for all ages, to meet the community's recreational, social, and educational needs.	Users are satisfied with Council's libraries, as measured by the regular residents' survey.	60% in 2022/23 residents' survey.	Year 1: 60%	Year 2: 60%	Year 3: 60%	Years 4-10: 80% by year 10 (after new library is built).
Our communities have access to a range of social, educational and recreational facilities and activities.	We provide quality advice, information, support and grants to groups supporting Nelson communities of greatest need to help build a strong community and voluntary sector.	Community Investment Fund agreements and grants are allocated as per approved criteria.	The Community Investment Fund was fully allocated to 31 small grant applicants and 39 strategic grant recipients.	Community Investment Fund fully allocated.			
Our communities are healthy, safe, inclusive and resilient.	We promote and deliver high quality, popular and accessible community events.	Promote and deliver a diverse and accessible variety of events that are well attended and enjoyed by audiences, as measured by the level of satisfaction of a sample of attendees.	<p>The Council Events Team contracted and delivered 12 different events or event series, such as Summer Movies at Fresco and Music Mix, resulting in a total of 34 events for an estimated 20,000 attendees. 10 of which were free or low cost events.</p> <p>Over 85% satisfaction from events audience surveys.</p>	Level of satisfaction 70%.			

FUNDING IMPACT STATEMENT	Social										
	Annual Plan	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term
	2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32	Plan 2032/33	Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	16,503	17,534	18,099	18,241	19,121	19,828	22,071	22,775	23,991	23,987	24,554
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	1,304	281	285	188	245	196	199	203	208	212	216
Fees and charges	900	1,699	1,579	1,518	1,661	1,594	1,633	1,562	1,705	1,625	1,774
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,074	261	267	272	278	284	289	294	300	305	311
<b>Total Operating Funding</b>	<b>19,781</b>	<b>19,775</b>	<b>20,230</b>	<b>20,219</b>	<b>21,305</b>	<b>21,902</b>	<b>24,192</b>	<b>24,834</b>	<b>26,204</b>	<b>26,129</b>	<b>26,855</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	16,877	16,180	16,671	16,648	17,562	17,476	18,250	18,159	19,110	19,085	19,855
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,430	2,054	2,042	2,040	2,165	2,832	4,361	4,711	4,742	4,682	4,631
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>18,307</b>	<b>18,234</b>	<b>18,713</b>	<b>18,688</b>	<b>19,727</b>	<b>20,308</b>	<b>22,611</b>	<b>22,870</b>	<b>23,852</b>	<b>23,767</b>	<b>24,486</b>
<b>Surplus (Deficit) of operating funding</b>	<b>1,474</b>	<b>1,541</b>	<b>1,517</b>	<b>1,531</b>	<b>1,578</b>	<b>1,594</b>	<b>1,581</b>	<b>1,964</b>	<b>2,352</b>	<b>2,362</b>	<b>2,369</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	371	26	27	28	28	29	29	30	30	31	32
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	6,433	1,961	(208)	105	4,824	36,389	5,272	1,060	(1,285)	(1,260)	(570)
Gross proceeds from sale of assets	0	110	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>6,804</b>	<b>2,097</b>	<b>(181)</b>	<b>133</b>	<b>4,852</b>	<b>36,418</b>	<b>5,301</b>	<b>1,090</b>	<b>(1,255)</b>	<b>(1,229)</b>	<b>(538)</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	1,704	594	755	1,006	917	1,063	747	733	335	499	296
- to improve level of service	2,421	1,549	145	219	4,115	36,280	5,789	1,007	32	33	25
- to replace existing assets	1,181	1,663	629	557	1,491	762	439	1,407	823	694	1,603
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	2,972	(168)	(193)	(118)	(93)	(93)	(93)	(93)	(93)	(93)	(93)
<b>Total applications of capital funding</b>	<b>8,278</b>	<b>3,638</b>	<b>1,336</b>	<b>1,664</b>	<b>6,430</b>	<b>38,012</b>	<b>6,882</b>	<b>3,054</b>	<b>1,097</b>	<b>1,133</b>	<b>1,831</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(1,474)</b>	<b>(1,541)</b>	<b>(1,517)</b>	<b>(1,531)</b>	<b>(1,578)</b>	<b>(1,594)</b>	<b>(1,581)</b>	<b>(1,964)</b>	<b>(2,352)</b>	<b>(2,362)</b>	<b>(2,369)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,474	1,541	1,517	1,531	1,578	1,594	1,581	1,964	2,352	2,362	2,369
Subsidies and grants for capital expenditure	371	26	27	28	28	29	29	30	30	31	32
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(1,445)	(1,422)	(1,426)	(1,442)	(1,489)	(1,509)	(1,499)	(1,889)	(2,284)	(2,292)	(2,300)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	400	145	118	117	117	114	111	105	98	101	101
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

<b>SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR</b>											
<b>Project</b>	<b>Annual Plan 2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Social</b>											
<b>Managing Heritage &amp; Arts</b>											
Art Works Programme	91,445	91,444	93,456	95,696	97,900	100,058	102,152	104,301	106,386	108,517	110,574
Arts Hub Facility	-	-	-	-	1,712,960	-	-	-	-	-	-
<b>Founders Park</b>											
Collection Store	656,524	-	-	-	-	-	-	-	-	-	-
Cultural space development	-	-	-	-	231,517	114,344	-	-	-	-	-
Energy centre venue development	34,075	101,000	-	-	-	67,840	350,211	100,373	-	-	-
<b>Cemeteries</b>											
Wakapuaka Cemetery Accessible Toilet	-	-	-	156,975	-	-	-	-	-	-	-
Cemetery Capacity Purchase	1,289,000	-	-	-	-	-	-	-	-	-	-
Cemetery Capacity development	-	30,000	68,270	236,901	298,697	136,775	135,728	-	-	65,625	24,449
<b>Nelson Library</b>											
Renewals: Specialised Lib Equip	12,555	160,000	12,831	13,138	13,441	13,737	14,025	14,320	14,606	14,898	15,181
Book Purchases	341,009	310,000	316,820	324,415	331,886	427,842	436,796	445,984	-	-	-
Elma Turner Library Extension/ Relocation	200,000	-	-	-	-	39,377,238	5,536,855	805,183	-	-	-
RFID circulation (Radio Frequency ID)	-	-	-	-	-	115,633	-	-	-	-	-
<b>Nellie Nightingale Library Memorial</b>											
Nightingale roof repair	41,200	204,381	-	-	-	-	-	-	-	-	-
<b>Camps</b>											
LED Lighting Upgrade	-	-	-	-	10,706	164,130	-	-	-	-	-
Maitai Camp capital improvements	1,515,000	-	-	-	-	-	-	-	-	-	-
<b>Toilets</b>											
Toilet Renewals Program	93,814	686,907	97,202	99,533	735,403	104,069	106,247	783,486	110,651	112,867	830,608
Toilet Arts & Improvement Program	-	-	-	20,930	160,590	164,130	-	-	-	-	-
Montgomery Sq Toilet renewal	852,000	-	-	-	-	-	-	-	-	-	-
<b>Halls</b>											
Photovoltaic Solar Installation	-	-	-	-	121,738	-	-	-	-	-	-
Stoke Hall Remediation	100,000	-	-	-	2,248,260	-	-	-	-	-	-
<b>Community Properties</b>											
Refinery Gallery EQ strengthening	100,000	-	-	-	-	-	-	-	-	-	-
Refinery deconstruction and Future Use	-	1,387,000	-	-	-	-	-	-	-	-	-
<b>Greenmeadows Centre</b>											
Photovoltaic Solar Installation	-	-	-	-	-	311,803	-	-	-	-	-
<b>Project under \$100,000</b>	839,618	1,204,449	1,054,202	976,652	1,227,157	1,182,393	1,007,738	1,182,425	1,028,610	996,209	1,092,773
<b>Total Social</b>	<b>6,166,240</b>	<b>4,175,181</b>	<b>1,642,781</b>	<b>1,924,240</b>	<b>7,190,255</b>	<b>42,279,992</b>	<b>7,689,752</b>	<b>3,436,072</b>	<b>1,260,253</b>	<b>1,298,116</b>	<b>2,073,585</b>
Scope Adjustment	- 860,289	- 369,642	- 114,625	- 141,770	- 667,352	- 4,175,287	- 715,205	- 288,760	- 70,083	- 72,751	- 149,161
<b>Total Social Less Scope Adjustment</b>	<b>5,305,951</b>	<b>3,805,539</b>	<b>1,528,156</b>	<b>1,782,470</b>	<b>6,522,903</b>	<b>38,104,705</b>	<b>6,974,547</b>	<b>3,147,312</b>	<b>1,190,170</b>	<b>1,225,365</b>	<b>1,924,424</b>

## Parks and Active Recreation

### What we do

Council manages approximately 11,250 hectares of parks and reserves, including over 10,000 hectares of conservation reserve, which is actively managed for its unique biodiversity and recreation values. Parks and reserves provide recreation opportunities, with a range of sporting assets such as Saxton Field (jointly managed with Tasman District Council), a popular network of mountain biking trails and more natural environments such as the Maitai Esplanade Reserve.

We also support a range of national and international 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

We provide public open space to enable healthy and active lifestyles, maintain and enhance our biodiversity, and ensure Nelson is a great place to live, work and play.

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

The environmental benefits of parks and reserves include planting of new trees, protecting the trees we have, and allowing for forest regeneration to absorb and store carbon. Additional benefits include protecting biodiversity, improving air and water quality and reducing the impact of flood events and noise pollution.

### Challenges

#### Financial constraints

Council's available budget is constrained due to the cost of the August 2022 severe weather event, rising inflation, higher insurance costs, revaluations (increasing the cost to replace assets at the end of their useful lives) and high lending rates. Council is managing this issue by reducing certain services and the frequency of some parks maintenance and deferring some capital projects.

#### Overarching strategies

Council does not have any overarching parks and recreation strategies. We are responding to this issue by developing general policies for reserves, reviewing existing reserve management plans, and developing new reserve management plans where required.

#### Considerable high-value recreation occurs on private land

Ensuring the network of trails and recreation opportunities developed on private land remains accessible to the public.

#### Parks infrastructure is vulnerable to storm damage

The impact of climate change can be disruptive and destructive. Council is responding to this issue by moving assets to less vulnerable areas, planning around areas of concern, and building more resilient assets.

### Our public swimming pools are ageing

Council will consider the best approach for providing ongoing aquatic facilities over the long term.

### Retired forestry areas

Ensuring Council meets its obligations under the Emissions Trading Scheme for revegetating retired forestry areas.

## **Council's priorities for the next three years**

Priorities for the first three years of the Long Term Plan include:

- Exploring long term options to determine the best approach to providing an ongoing aquatic facility.
- Making our parks and facilities more accessible.
- Providing a clearer strategic direction for the parks and recreation activity.
- Developing more play opportunities in the city centre.

## **Specific projects/actions proposed**

### Central city Rutherford Park Playspace

We are proposing to develop a destination playground in Rutherford Park to be completed by 2025/26. \$2.425 million has been allocated through the Government's Better Off Funding. Council is proposing to contribute a further \$613,000 towards the project in year 2025/26 and also pursue additional fundraising avenues.

### Weed control programme in Conservation and Landscape Reserves

We are proposing to decrease funding for the weed control programme in landscape reserves in 2024/25 from a planned \$1.2 million in the last Long Term Plan to \$480,000 (saving \$720,000) by deferring the implementation of ecological restoration plan measures. The funding would be increased by \$500,000 in 2028/29 and 2029/30.

### Marina CCO proposal

We are proposing to move the Marina from a Management CCO to an Asset-Owning CCO by 1 July 2025. Council will maintain 100% ownership of the CCO and have oversight through standard CCO monitoring practices. The Marina's assets (land and buildings) and liabilities (debt) will be transferred to the Asset-Owning CCO (this is also included in the Corporate Activity section).

### Aquatic facilities

Both of our Aquatic Facilities are ageing and it has been identified that they are not providing the quantity or type of water space needed to meet users' needs. Council is proposing to retain the existing facilities and focus investment on maintaining the existing assets. This option will significantly reduce the capital expenditure required of other options to deconstruct and redevelop the existing network and means that improvements can happen in a shorter timeframe. Over the 10 years of the Long Term Plan a total investment of over \$7.5 million is planned.

### Negotiating long term recreation access on Ngāti Koata whenua

Short term agreements have been in place for a number of years which have enabled recreation access into the Maitai Codgers area (Koata Park) and on Fringed Hill Road. Council is proposing to negotiate a longer-term agreement with Ngāti Koata (this agreement would not involve purchasing any land at this time).

### Tāhunanui Beach facilities

We are proposing to build a new facility closer to the beach to provide a suitable space for the Surf Lifesaving Club at a cost of \$3.30 million. We've budgeted \$200,000 in 2024/25, \$1.53 million in 2025/26, and \$1.57 million in 2026/27 towards the project. It would proceed once the Nelson Surf Club has raised 50% of the capital funds for the project.

### All-weather sports turf

We are proposing to build an all-weather sports turf in 2025/26 and 2026/27 with an early estimated cost of \$2.7 million (this figure is subject to change through further scoping, site selection and design work). An all-weather sports turf would provide an alternative playing and training field for sports codes, such as football, in wet conditions and help minimise disruption to playing seasons. Because the turf's availability is guaranteed irrespective of weather, it is likely to make Nelson a more attractive venue for sports tournaments. The project would proceed once sports codes have raised 50% of the capital funds for the project.

## **Drivers of capital expenditure**

The following factors drive capital expenditure on parks and active recreation activities:

- Population growth and residential development in Nelson and surrounding areas (this is predominantly funded through Development Contributions).
- Responding to the needs of user groups; for example the development of a sea sports building, improved lighting for sportsgrounds, an all-weather sports turf, new Tāhunanui Beach facilities and new trails.
- Renewal of assets that are at the end of useful life such as play equipment, facilities, and other infrastructure including the Wakefield Quay sea wall.
- Infrastructure relating to remediation works following the August 2022 weather event (new barriers, revegetation, soil nails, earthworks, drainage, structures etc).
- Revegetating retired commercial forestry areas.
- Maintaining our aquatic facilities.

## **Assumptions**

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumption applies to the parks and active recreation activity:

- Tasman District Council will continue to fund 50% of Saxton Field capital and operational spend.
- That the Nelson Surf Club and the sports codes will raise 50% of the capital funds for the Tāhunanui Beach facilities and the all-weather sports turf projects.



## **Risks**

- Impacts from climate change on parks and reserves.
- Natural disasters and weather events, such as landslips, wind damage to trees, storm surges and fire risk in dry conditions.
- Coastal erosion, particularly at Tāhunanui Reserve.
- Infrastructure failure during significant events (e.g. sports lighting).
- User injury when using recreational facilities such as sportsgrounds, playgrounds, and when mountain biking.

## **Significant negative effects**

The significant negative effects of this activity on the wellbeing of the community are:

- The cost to ratepayers associated with delivering the activity.
- Declining use of parks and reserves due to the impacts of extreme weather events.
- Affordable maintenance requires use of agrichemicals.

## **Any intended changes to the level of service**

Levels of service have not increased or decreased but have been refocused on two key priorities of the overall quality of the parks and recreation service, as judged by the community, and plantings in reserves. The related performance measures and targets have been rewritten to reflect these changes.

## **The reason for any material change to the cost of a service**

No material changes other than a reduced/deferred capital works programme and maintenance budgets reducing in real terms due to financial constraints.

## **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.

**Service levels, performance measures and targets.**

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10			
Our communities have access to a range of social, educational and recreational facilities and activities. Our urban and rural environments are people-friendly, well planned and sustainably managed.	We provide a parks and recreation service that is managed effectively, efficiently and safely and meets the needs of users.	Residents' satisfaction with Council provided parks and recreation (% responses satisfied or very satisfied) as measured in the regular Nelson City Council residents' survey.	Results from the Residents' Survey 2022/23 showed that 73% of residents were satisfied or very satisfied with parks and recreation.	75% satisfied.			
Our unique natural environment is healthy and protected.  Our infrastructure is efficient, cost effective and meets current and future need.	Our parks and reserves are managed to protect and enhance ecological values.	Number of native plants planted annually on Council administered reserves, as measured by total count from plant orders.	63,000 planted in 2022/23, including those procured from external funding.	Year 1: 35,000	Year 2: 35,000	Year 3: 35,000	Years 4-10: 35,000.

FUNDING IMPACT STATEMENT	Parks & Active Recreation										
	Annual Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan
	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	15,109	16,348	18,565	20,004	20,981	21,626	22,290	21,877	22,357	22,454	22,956
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	135	79	79	80	81	81	82	83	83	84	85
Fees and charges	581	3,739	1,243	1,290	1,326	1,376	1,403	1,455	1,484	1,514	1,544
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	4,370	1,170	1,097	1,089	1,107	1,154	1,159	1,178	1,229	1,418	1,248
<b>Total Operating Funding</b>	<b>20,195</b>	<b>21,336</b>	<b>20,985</b>	<b>22,464</b>	<b>23,495</b>	<b>24,237</b>	<b>24,934</b>	<b>24,593</b>	<b>25,153</b>	<b>25,470</b>	<b>25,832</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	16,411	17,266	16,167	16,371	16,927	17,291	17,636	17,068	17,478	18,365	18,057
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	2,587	3,653	2,810	3,029	3,361	3,688	3,995	4,179	4,324	4,327	4,333
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>18,997</b>	<b>20,919</b>	<b>18,976</b>	<b>19,400</b>	<b>20,288</b>	<b>20,979</b>	<b>21,631</b>	<b>21,247</b>	<b>21,802</b>	<b>22,691</b>	<b>22,390</b>
<b>Surplus (Deficit) of operating funding</b>	<b>1,197</b>	<b>416</b>	<b>2,009</b>	<b>3,064</b>	<b>3,207</b>	<b>3,258</b>	<b>3,303</b>	<b>3,346</b>	<b>3,351</b>	<b>2,779</b>	<b>3,442</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	454	1,610	1,924	2,731	934	442	848	736	392	89	486
Development and financial contributions	1,952	3,390	4,443	4,561	4,649	4,768	9,106	9,309	9,481	9,685	9,858
Increase (decrease) in debt	9,486	11,717	5,300	3,671	4,345	4,137	(1,066)	1,637	(2,312)	(2,198)	(2,904)
Gross proceeds from sale of assets	0	0	29,141	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>11,891</b>	<b>16,716</b>	<b>40,809</b>	<b>10,963</b>	<b>9,928</b>	<b>9,346</b>	<b>8,887</b>	<b>11,683</b>	<b>7,561</b>	<b>7,576</b>	<b>7,440</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	2,027	6,632	4,783	4,718	4,110	4,181	7,504	7,312	7,602	7,820	7,921
- to improve level of service	7,057	7,996	5,699	4,660	2,848	2,137	2,157	3,089	194	440	356
- to replace existing assets	4,005	2,504	3,194	4,649	6,178	6,286	2,529	4,627	3,116	2,095	2,605
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	29,141	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>13,089</b>	<b>17,133</b>	<b>42,817</b>	<b>14,028</b>	<b>13,136</b>	<b>12,604</b>	<b>12,190</b>	<b>15,028</b>	<b>10,912</b>	<b>10,355</b>	<b>10,882</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(1,197)</b>	<b>(416)</b>	<b>(2,009)</b>	<b>(3,064)</b>	<b>(3,207)</b>	<b>(3,258)</b>	<b>(3,303)</b>	<b>(3,346)</b>	<b>(3,351)</b>	<b>(2,779)</b>	<b>(3,442)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,197	416	2,009	3,064	3,207	3,258	3,303	3,345	3,351	2,778	3,441
Subsidies and grants for capital expenditure	454	1,610	1,924	2,731	934	442	848	736	392	89	486
Development and financial contributions	1,952	3,390	4,443	4,561	4,649	4,768	9,106	9,309	9,481	9,685	9,858
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(3,571)	(3,649)	(3,435)	(3,639)	(3,822)	(3,882)	(3,934)	(3,991)	(4,034)	(4,065)	(4,097)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	31	1,766	4,941	6,718	4,969	4,586	9,322	9,400	9,190	8,487	9,689
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

<b>SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR</b>											
<b>Project</b>	<b>Annual Plan 2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Parks &amp; Active Recreation</b>											
<b>Public Gardens</b>											
Capital: Park Upgrades	62,017	40,700	72,255	73,988	75,691	177,279	78,979	80,640	82,252	83,900	85,490
Walkway to connect Poorman Stream to Greenmeadows	10,668	-	-	111,501	-	-	-	-	-	-	-
<b>Neighbourhood parks</b>											
Renewal: Underground Services	-	-	10,220	156,975	-	-	167,565	-	-	178,005	-
Land Purchase: General Reserve	902,067	1,400,000	3,014,900	3,087,175	3,158,270	3,227,890	6,590,890	6,729,540	6,864,060	7,001,530	7,134,280
Reserve Development Programme	157,057	354,415	165,622	481,075	60,359	508,784	62,981	536,387	65,591	558,066	68,173
<b>Conservation Reserves</b>											
Slip 0: Brook Street	522,200	-	-	-	-	-	-	-	-	-	-
Slip 2 Brook Street	474,200	-	-	-	-	-	-	-	-	-	-
Slip 3 Halifax Street	335,200	151,800	-	-	-	-	-	-	-	-	-
Slip 4 Milton Street	202,900	374,100	-	-	-	-	-	-	-	-	-
Slip 5 Sowman Street	169,600	-	-	-	-	-	-	-	-	-	-
Slip 6 Grove Street	157,400	-	-	-	-	-	-	-	-	-	-
Slip 7 Miro Street	365,200	-	-	-	-	-	-	-	-	-	-
Slip 10 Brook Street	1,319,500	-	-	-	-	-	-	-	-	-	-
Slip 11 Brook Street	724,200	-	-	-	-	-	-	-	-	-	-
Slip 12 Allan Street	546,600	-	-	-	-	-	-	-	-	-	-
Slip 14 Tukuka Street	124,400	-	-	-	-	-	-	-	-	-	-
Slip 16 Endeavour Street	1,041,000	2,010,000	-	-	-	-	-	-	-	-	-
Slip 17 Lauria Way	117,000	-	-	-	-	-	-	-	-	-	-
Slip 18 Collingwood Street	518,300	-	-	-	-	-	-	-	-	-	-
Planting - General RTRP Recommendation 16	-	1,093,000	1,117,046	1,143,824	1,170,166	1,195,961	1,220,990	1,246,676	-	-	-
Planting - ETS RTRP Recommendation 16	-	369,500	766,500	-	-	-	-	-	-	-	-
Planting - Maitai RTRP Recommendation 17	-	258,500	-	-	-	-	-	-	-	-	-
Planting - Marsden RTRP Recommendation 19	-	422,222	-	-	-	-	-	-	-	-	-
<b>Saxton Field</b>											
Renewal: Drainage	-	-	-	-	5,353	-	-	-	465,360	-	-
Renewal: Hockey Turf No 2	-	52,839	-	442,368	-	-	-	-	-	-	-
Irrigation Bell Island Wastewater	-	15,000	-	156,975	-	-	-	-	-	-	-
Renewal: Hockey Turf No 1	-	-	-	-	33,941	462,531	-	-	-	-	-
Hard surface renewals	-	-	-	-	-	-	236,106	-	232,680	-	846,440
Media towers	-	26,420	-	-	-	-	353,903	-	-	-	-
Netball surface renewal	-	-	-	-	226,278	-	-	-	-	-	-
Harekeke Green levelling, irrigation and drainage	-	-	459,900	-	-	-	-	-	-	-	-
Harekeke Green toilets and changing rooms	-	-	-	-	-	-	-	-	-	100,326	36,164
Play facilities	26,420	20,000	216,006	-	-	16,413	279,275	-	-	-	-
Basketball hoops	-	25,000	10,220	606,970	-	-	-	-	-	-	-

DRAFT Activity Summaries LTP 2024-2034

Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
LED Lighting Upgrade	-	5,000	102,200	-	-	-	-	-	-	-	-
Entrance development	-	105,678	-	-	-	-	-	-	-	-	-
Regional Skate Facility	-	20,000	-	418,600	428,240	-	-	-	-	-	-
Harekeke Green car park and paths	-	-	-	-	-	-	118,053	1,254,660	-	-	-
Saxton Oval surface renewal	268,400	-	-	-	21,412	-	322,172	-	-	-	-
New cycle/path development	156,475	-	153,300	-	160,590	-	167,565	-	-	-	-
Renewal: Athletic Track	-	-	-	-	22,628	404,715	-	-	-	-	-
Saxton Oval Cricket block renewal	-	-	-	-	-	-	118,053	-	-	-	-
<b>Landscape reserves</b>											
Retired forestry block conversion programme	293,785	292,681	371,483	307,397	139,786	142,868	145,858	148,926	151,242	154,271	157,196
Renewal: Landscape Reserves Accessways and Tracks	-	87,120	122,273	178,053	145,133	241,011	56,013	146,386	290,457	76,853	264,743
Botanical Hill Drainage Upgrade (above Lauria Way)	-	20,000	102,200	-	-	-	-	-	-	-	-
Capital: Planting	73,293	83,554	85,392	87,439	89,453	91,425	93,338	95,302	97,207	99,154	101,034
Capital: Mountainbike Tracks	169,085	12,854	123,123	13,452	128,978	14,065	134,580	14,661	140,158	15,254	145,676
Marsden Valley MTB Hub	20,000	480,000	-	-	-	-	-	-	-	-	-
Grampians Brook acquisition: access & development	-	100,000	-	-	-	-	-	-	-	-	-
<b>Marina</b>											
Travel Lift renewal	1,600,760	950,760	-	-	-	-	-	-	-	-	-
Marina Master Plan Marine centre	-	350,000	-	-	-	-	-	-	-	-	-
Marina Master Plan Marina extension	50,000	200,000	-	-	-	-	-	-	-	-	-
Marina: Pontoon renewal programme	387,206	-	-	-	-	-	-	-	-	-	-
Capital: Minor Development	103,000	104,000	-	-	-	-	-	-	-	-	-
Water Sports Building	-	4,200,000	-	-	-	-	-	-	-	-	-
Marina Master Plan Security	150,000	-	-	-	-	-	-	-	-	-	-
Marina Public Promenade	-	2,000,000	-	-	-	-	-	-	-	-	-
Marina Hardstand LOS improvements	100,000	150,000	-	-	-	-	-	-	-	-	-
<b>Sports Parks</b>											
Saltwater Cr bridge (Haven Rd - Traf Park)	152,280	-	-	-	-	-	-	-	-	-	-
Renewals: Services	49,455	200,000	53,206	209,300	62,828	218,840	65,557	228,120	68,274	237,340	70,962
Trafalgar Park - tower lights renewals	-	-	44,324	-	1,605,900	-	-	-	-	-	-
Sportsground lighting improvements	103,000	10,568	504,054	-	-	447,100	-	-	464,380	-	-
All Weather Turf	-	-	1,354,150	1,386,612	-	-	-	-	-	-	-
Capital: Minor Development	153,000	11,276	242,062	42,561	11,423	11,675	11,919	12,170	12,413	118,670	12,902
Rutherford Park Toilets	-	-	20,440	-	267,650	-	-	-	-	130,537	133,012
Renewals: Access/Carparks	98,911	11,276	106,412	11,166	85,648	218,840	89,368	228,120	93,072	237,340	96,736
Trafalgar Park Field renewal	-	22,552	-	941,850	-	-	-	-	-	-	-
Trafalgar Pavilion Photovoltaic Solar Installation	-	-	-	-	-	-	228,034	-	-	-	-
Capital: Trafalgar Park Stand Removal	-	-	185,058	-	-	-	-	-	-	-	-

DRAFT Activity Summaries LTP 2024-2034

Project	Annual Plan 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Guppy Park Facility	147,949	-	-	-	-	-	-	-	-	-	-
Nelson Surf Lifesaving Club Facility	-	200,000	1,533,000	1,569,750	-	-	-	-	-	-	-
Rutherford Park - Saltwater Cr path landscaping	-	-	-	10,465	339,417	-	-	-	-	-	-
<b>Esplanade &amp; Foreshore reserves</b>											
Renewal: Esplanade & Foreshore Minor Assets	-	45,012	97,818	47,105	48,190	62,383	50,283	109,169	52,367	53,416	68,939
LED Lighting Upgrade	-	-	-	-	-	-	-	51,397	52,424	113,886	-
Wakefield Quay sea wall renewal	50,000	2,500	2,555	2,616	53,530	2,188,400	-	-	-	-	-
Jenkins Stream (Pascoe to Airport)	-	-	-	-	-	32,826	33,513	684,360	-	-	-
Wakapuaka Sandflats Esplanade shared path	10,000	-	-	-	10,706	325,716	-	-	-	-	-
Glen - boulder bank pathway (P7)	-	10,000	-	126,075	-	-	-	-	-	-	-
City to Maitai Hub track	474,519	-	-	-	-	-	-	-	-	-	-
Glenduan Reserve wetland development	-	247,989	-	-	-	-	-	-	-	-	-
Almond Tree flats to Maitai track connection	-	50,000	64,139	-	509,125	-	-	-	-	-	-
<b>Trafalgar Centre</b>											
Renewal: Sports flooring Main Hall	-	-	-	52,325	-	-	-	570,300	349,020	-	-
Renewal: Mechanical Seating	-	15,000	-	-	-	382,970	-	-	-	-	241,840
Renewals: Minor Assets	112,758	112,758	115,239	118,001	281,309	254,684	148,304	151,424	154,451	157,544	160,531
Renewal: Basketball Hoops	-	-	81,760	-	-	-	178,736	-	-	-	-
Northern Extension Exterior Tiles	-	-	153,300	-	-	-	-	-	-	-	-
Capital: HVAC	-	-	-	837,200	-	-	-	-	-	-	-
Trafalgar Centre storage solution	30,000	-	-	-	10,706	583,778	-	-	-	-	-
<b>Pools</b>											
Riverside Pool water heating system renewal	828,481	-	-	-	-	-	-	-	-	-	-
Renewals: Minor Assets	84,345	64,345	70,202	165,888	149,909	112,742	76,735	78,349	79,915	81,516	83,061
Capital - Riverside Pool upgrades	-	150,000	30,660	523,250	32,118	656,520	33,513	2,281,200	34,902	118,670	36,276
Capital - Nayland Pool upgrades	-	50,000	817,600	31,395	2,141,200	32,826	335,130	34,218	116,340	35,601	120,920
<b>Play Facilities</b>											
Renewals: Play Equipment	108,207	114,500	117,019	342,729	319,574	129,991	133,940	323,474	124,484	287,063	90,690
Playground Development Programme	216,640	38,563	258,559	37,823	277,304	39,547	296,076	41,224	308,348	42,890	320,486
City Play Space	-	-	613,200	-	-	-	-	-	-	-	-
Macrocarpa play structure	5,000	107,369	-	-	-	-	-	-	-	-	-
<b>Golf Course</b>											
Renewals: Services	38,457	8,457	17,286	17,700	428,240	27,761	18,895	19,292	19,678	20,072	20,452
<b>Vested Assets</b>											
	13,088,670	17,132,826	13,675,984	14,027,611	13,135,772	12,604,378	12,190,445	15,028,445	10,912,304	10,354,946	10,882,123
<b>Project under \$100,000</b>											
	1,524,800	1,733,399	1,761,762	1,786,344	2,032,743	1,732,582	1,634,611	1,566,993	1,739,119	1,535,672	1,725,977
<b>Total Capital: Park Upgrades</b>	<b>28,424,405</b>	<b>36,113,533</b>	<b>28,812,429</b>	<b>29,553,558</b>	<b>27,669,570</b>	<b>26,546,501</b>	<b>25,671,380</b>	<b>31,661,433</b>	<b>22,970,498</b>	<b>21,792,522</b>	<b>22,904,103</b>
Scope Adjustment	- 2,247,065	- 1,847,881	- 1,460,461	- 1,498,336	- 1,398,026	- 1,337,745	- 1,290,490	- 1,604,543	- 1,145,890	- 1,082,630	- 1,139,857
<b>Total Parks &amp; Active Recreation Less Scope Adjustment</b>	<b>26,177,340</b>	<b>34,265,652</b>	<b>27,351,968</b>	<b>28,055,222</b>	<b>26,271,544</b>	<b>25,208,756</b>	<b>24,380,890</b>	<b>30,056,890</b>	<b>21,824,608</b>	<b>20,709,892</b>	<b>21,764,246</b>



## Economic

### What we do

Council's main economic development activity is delivered through the Nelson Regional Development Agency (NRDA) which is a Council Controlled Organisation. Nelson City Council is the sole shareholder and Tasman District Council also contributes funding.

The NRDA is focused on strengthening business confidence and growth, supporting higher wages and improving the economic wellbeing of Nelson. The NRDA is doing this by supporting collaboration across the region, supporting growth of key industry sectors, building business capability (skills and workforce), and attracting resources to the region. As both an Economic Development Agency and a Regional Tourism Organisation, the NRDA also promotes and supports regional tourism.

As an identified regional strength, the NRDA works closely with the blue economy sector, which refers to all marine activities that generate economic value and contribute positively to social, cultural and ecological wellbeing. There are around 400 regional businesses in the blue economy, ranging from fishing and aquaculture, logistics and transport, pharmaceuticals and nutraceuticals (products derived from food sources with extra purported health benefits), through to tourism and conservation.

Council supports the Nelson Tasman Business Trust to provide support to local businesses. Council also works with the Nelson Tasman Chamber of Commerce and builds relationships with key partners that contribute to the local economy.

Through Uniquely Nelson, Council supports the promotion of Nelson city as a unique place to work, shop and enjoy spending time in.

### Why we do it

The wellbeing of Nelson's community is linked to the performance of the local economy and our goal is to ensure that Nelson is supported by an innovative and sustainable economy. 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

Multiple challenges are impacting our business community and economy, including geopolitical uncertainty, supply chain issues, inflation and workforce pressures. Our region is also recovering from the impacts of the August 2022 severe weather event.

### Council's priorities for the next three years

Priorities for the first three years of the Long Term Plan include:

- Increasing the region's productivity by supporting investment in systems, infrastructure and people.
- Supporting the ongoing development of our blue economy cluster (Moananui).



- Maintaining strong collaborations with iwi, Tasman District Council, the Nelson Tasman Chamber of Commerce, Multicultural Nelson Tasman, tertiary education and relevant regionally based public agencies through participation in the Kōkiri Forum.
- Supporting our visitor economy by implementing the actions in the Nelson Tasman Destination Management Plan.

## **Drivers of capital expenditure**

Most of Council's 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.

## **Risks**

An uncertain economic climate and resources are risks to the successful delivery of economic development initiatives.

## **Significant negative effects**

There are no significant negative effects from this activity.

## **Any intended changes to the level of service**

There are no intended changes to the level of service for this activity.

## **The reason for any material change to the cost of a service**

Not applicable.

## **Community outcomes**

Council's economic activity contributes 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.

**Service levels, performance measures and targets**

<b>Community Outcomes</b>	<b>What Council will Provide (Level of Service)</b>	<b>Performance Measure</b>	<b>Current Performance (2022/23 unless stated)</b>	<b>Targets Years 1–10</b>
Our region is supported by an innovative and sustainable economy.	Events funding that provides a sound return on investment for Nelson.	The return on investment from Council's economic events funding, as measured by Council's events economic assessment tool.	Approved Economic Events completed the year with an average estimated Return On Investment (ROI) of 32:1.	>20:1 return on investment.

DRAFT Activity Summaries LTP 2024-2034

FUNDING IMPACT STATEMENT	Economic										
	Annual Plan	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term
	2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32	Plan 2032/33	Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	2,288	2,077	2,093	2,138	2,186	2,233	2,281	2,327	2,371	2,415	2,459
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	325	336	359	366	373	380	388	396	404	412	420
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Funding</b>	<b>2,613</b>	<b>2,413</b>	<b>2,452</b>	<b>2,503</b>	<b>2,559</b>	<b>2,614</b>	<b>2,669</b>	<b>2,723</b>	<b>2,775</b>	<b>2,827</b>	<b>2,879</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,841	2,308	2,351	2,402	2,455	2,507	2,559	2,610	2,662	2,714	2,766
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	84	104	99	99	103	105	108	111	111	111	111
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,924</b>	<b>2,412</b>	<b>2,450</b>	<b>2,502</b>	<b>2,558</b>	<b>2,612</b>	<b>2,667</b>	<b>2,722</b>	<b>2,774</b>	<b>2,825</b>	<b>2,877</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(311)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	311	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>311</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus (Deficit) of capital funding</b>	<b>311</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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

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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(311)	2	2	2	2	2	2	2	2	2	2
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Other non-cash income / Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	(313)	0	0	0	0	0	0	0	0	0	0
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

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

N/A

## Corporate

### What we do

Council's corporate activities ensure the smooth operation of the organisation and includes managing Council's finance and information technology as well as strengthening partnerships and supporting democratic processes.

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. The civil defence emergency management function is also responsible for the response to hazard events.

Council 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
- 41 Halifax Street
- 25-27 Bridge Street
- 19 Halifax Street

Council has several Council Controlled Organisations (CCOs), Trading Organisations (CCTOs) and Council Organisations (COs) which deliver both public benefit and strategic outcomes for the city. These are:

- Infrastructure Holdings Ltd (IHL) is the investment arm for Port Nelson and Nelson Airport. It is owned equally by Nelson City Council and Tasman District Council. It is recognised as a CCTO for the purposes of the Local Government Act 2002.
- Our CCOs include the Nelson Regional Development Agency, Tasman Bays Heritage Trust (Nelson Provincial Museum – 50% ownership with Tasman District Council) the Bishop Suter Trust, the City of Nelson Civic Trust and the recently established Nelson Marina Management Limited.

Council follows the Local Government Act 2002 requirements for the development of Statements of Expectations and Statement of Intents for its CCTOs and CCOs. 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.

### Why we do it

The corporate activity supports a smooth-running organisation, robust and democratic local decision-making, and effective partnerships for the benefit of all in our community. Council supports iwi to have input into Council's decision making processes, including through the iwi-Council Partnership Group.

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 respond to and recover from hazard events.

## **Challenges**

### Civic Investment

Council faces significant decisions on our major central city facilities of Civic House and the Elma Turner Library.

Civic House in Trafalgar St was purchased in 1991 from NZ Post and refurbished for Council purposes but after 33 years it is dated, requiring major investment or replacement. The roof structure is earthquake prone requiring that the sixth floor be vacated in 2021. The heating system operates on diesel and the ventilation system is in poor condition. The working conditions for our staff are not adequate.

The Elma Turner Library in Halifax St was also constructed from a repurposed building and is approaching the end of its economic life. The Council last year addressed the issues of the seismic risks of the ceiling tiles and the structural problems with the trusses, extending its usable life by up to a decade. A new home for the city's main library will need to be addressed.

### Preparing the region for hazards

The Nelson Tasman Civil Defence Emergency Group is preparing for the range of hazards and risks that might occur in the region. This includes a South Island wide rupture of the Alpine Fault and planning for a tsunami response. Floods and fires are the most common natural hazards in the Nelson Tasman region. Council staff are trained to respond during emergencies, coordinated through the regional Emergency Operations Centre. Council staff are also heavily involved in recovery work following events, particularly where they impact on the services Council provides our community.

### Council's earthquake prone buildings

Council owns five assets with earthquake prone building status, including Civic House, and will face costs to address the issues on these properties between now and 2034.

## **Council's priorities for the next three years**

Priorities for first three years of the Long Term Plan include:

- Civic House and Elma Turner Library – A top priority for Council over the term of the Long Term Plan is to progress work on future options for Civic offices and the Elma Turner Library.
- Staffing – Council is below capacity in some key areas, which creates risks for project delivery. Staff are required to respond to central government requirements and Council priorities.
- Climate action – Adopt and implement a Climate Change Strategy and update and action the Climate Change Plan.

## **Specific projects/actions proposed**

### Deconstruction of the building at 3 Halifax Street

The deconstruction of Council's building at 3 Halifax Street (the old Refinery Building). \$887,000 is included in the budget for the first year of the Long Term Plan, along with \$500,000 for future use, which is yet to be defined. This would mean a total budget of \$1.4 million in 2024/25.

### Marina CCO proposal

We are proposing to move the Marina from a Management CCO to an Asset-Owning CCO by 1 July 2025. Council will maintain 100% ownership of the CCO and have oversight through standard CCO monitoring practices. The Marina's assets (land and buildings) and liabilities (debt) will be transferred to the Asset-Owning CCO (this is also included in the Parks and Active Recreation Activity section).

## **Drivers of capital expenditure**

The following factors drive capital expenditure on corporate activities:

- Solutions for Civic House, which is driven by the earthquake prone status of the building and organisational requirements.
- Elma Turner Library (the library is covered in the Social Activity section).
- Deconstruction of 3 Halifax Street (the old Refinery Building).

## **Assumptions**

In addition to general forecasting assumptions that apply to all of Council's work, the following specific assumptions apply to the corporate activity:

- There will be no by-election during the current term of office.
- The cost of strengthening earthquake prone buildings (except Civic House) can be covered by negotiated lease agreements. Council will look for opportunities to partner where a known tenant will contribute to the cost of earthquake strengthening through long term commercial leases where appropriate (which will be agreed prior to strengthening work starting) if this can be achieved within the Earthquake Prone Building compliance timeframes.
- The cost of Civic House improvements will be affordable for Council.
- The outcomes of the work on future options for the Civic offices and the Elma Turner Library will be able to be accommodated within Council's financial limits.

## **Risks**

Earthquake risk is rated as high due to the impacts on people's safety, destruction of buildings and interruption of services. This is being managed through earthquake strengthening work.

## **Significant negative effects**

There are no significant negative effects associated with the corporate activity.

### **Any intended changes to the level of service**

Text changes have been made to the levels of service statements, performance measures and targets, from the 2021-2031 statements, to better clarify the level of service delivered to the community and to better measure our delivery.

### **The reason for any material change to the cost of a service**

There is no material change to the cost of services.

### **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.



**Service levels, performance measures and targets**

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10			
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	We provide a range of channels that enhance Council's ability to engage and connect with the communities it serves.	% of participants in Council engagements and consultation processes satisfied with the information provided and opportunity to provide feedback as measured by survey of stakeholders/recent participants.	Compared against baseline - there was an increase in satisfaction of ease of feedback (18%) and options for feedback (25%), and a reduction in satisfaction of information provided (12.5%).	Maintain satisfaction levels from 2023/24 year.			
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	We are strengthening our partnerships with Te Taihū iwi and Māori and recognise the significance of their participation in decision-making processes.	There is ongoing commitment to and support for collaboration between iwi and Council.	Te Taihū Mayors from Nelson City Council, Tasman District Council and Marlborough District Council met with eight iwi Chairs in March and June 2023 through the Te Taihū Mayors and Chairs Forum.	An agreed collaborative work programme to implement the Partnership Agreement is developed and regularly reviewed and updated. Quarterly meetings of Te Taihū iwi chairs and council mayors are held.			
Our communities are healthy, safe, inclusive and resilient. Our region is supported by	We will continue to respond to the challenge of climate change, working towards net zero carbon and a more	Council will reduce greenhouse gas emissions from its own activities in line with the national emissions targets and	New measure.	Year 1: A reducing trend in Council's operational greenhouse	Year 2: A reducing trend in Council's operational greenhouse	Year 3: A reducing trend in Council's operational greenhouse	Year 4-10: a reducing trend in Council's operational greenhouse gas emissions and a

Community Outcomes	What Council will Provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1–10			
an innovative and sustainable economy. Our unique natural environment is healthy and protected.	resilient and sustainable future for Nelson.	budgets, as measured against the 2017/18 emissions (72,904 tCO <sub>2</sub> ) using ISO 14064-1 <sup>4</sup> as the basis of the measurement methodology.		gas emissions. <sup>5</sup>	gas emissions.	gas emissions.	21% reduction by 2030.

<sup>4</sup> ISO 14064-1 2018 Greenhouse gases: specifies principles and requirements at the organisational level for the quantification and reporting of greenhouse gas (GHG) emissions and removals. It includes requirements for the design, development, management, reporting and verification of an organisation's GHG inventory.

<sup>5</sup> Note: The collection of data, estimation of emissions and verification process can take up to six months from the end of the reporting period, leading to a lag period in reporting the data. This applies throughout the 10 years of the Long Term Plan.

DRAFT Activity Summaries LTP 2024-2034

FUNDING IMPACT STATEMENT	Corporate										
	Annual Plan	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term	Long-term
	2023/24	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	(\$000)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of Operating Funding</b>											
General Rates, uniform annual general charges, rates penalties	(1,649)	775	934	534	44	221	63	121	261	(253)	(550)
Targeted rates including water by meter	0	4,395	4,387	4,376	4,355	4,440	4,585	4,795	5,020	5,244	5,402
Subsidies and grants for operating purposes	337	660	398	380	388	391	386	397	416	426	438
Fees and charges	17	522	493	450	459	456	465	475	484	494	504
Interest and dividends from investments	3,621	3,406	4,294	4,401	4,527	4,673	5,145	5,406	5,541	5,658	5,776
Internal charges and overheads recovered *	10,973	16,225	15,531	16,454	18,252	20,798	24,539	27,240	28,588	29,534	30,571
Local authorities fuel tax, fines, infringement fees, and other receipts	3,149	2,931	4,154	4,933	5,684	6,340	7,505	9,428	10,767	11,441	11,926
<b>Total Operating Funding</b>	<b>16,449</b>	<b>28,914</b>	<b>30,191</b>	<b>31,527</b>	<b>33,710</b>	<b>37,319</b>	<b>42,688</b>	<b>47,861</b>	<b>51,077</b>	<b>52,543</b>	<b>54,067</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	8,705	8,771	9,784	9,924	9,901	10,527	10,507	10,711	11,453	11,290	11,450
Finance costs	7,481	11,960	12,567	13,924	16,102	18,903	23,662	27,703	29,869	31,203	32,347
Internal charges and overheads applied *	1,365	2,866	2,870	2,802	2,808	2,827	3,202	3,740	3,582	3,375	3,146
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>17,551</b>	<b>23,596</b>	<b>25,222</b>	<b>26,651</b>	<b>28,812</b>	<b>32,257</b>	<b>37,372</b>	<b>42,154</b>	<b>44,904</b>	<b>45,868</b>	<b>46,942</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(1,102)</b>	<b>5,318</b>	<b>4,970</b>	<b>4,877</b>	<b>4,898</b>	<b>5,062</b>	<b>5,316</b>	<b>5,708</b>	<b>6,173</b>	<b>6,675</b>	<b>7,125</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	0	6,000	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,917	18	2,320	3,534	(272)	20,574	39,434	8,748	(4,696)	(5,947)	(6,751)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>2,917</b>	<b>6,018</b>	<b>2,320</b>	<b>3,534</b>	<b>(272)</b>	<b>20,574</b>	<b>39,434</b>	<b>8,748</b>	<b>(4,696)</b>	<b>(5,947)</b>	<b>(6,751)</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	353	373	392	395	413	396	400	436	414	419	445
- to improve level of service	2,630	5,908	218	637	489	141	246	222	290	215	104
- to replace existing assets	3,127	1,904	1,469	1,577	1,102	7,474	16,437	1,717	855	1,052	753
Increase (decrease) in reserves	(1,470)	1,148	860	994	954	961	902	948	996	1,102	1,415
Increase (decrease) in investments	(2,826)	2,003	4,350	4,808	1,670	16,665	26,765	11,133	(1,079)	(2,060)	(2,343)
<b>Total applications of capital funding</b>	<b>1,814</b>	<b>11,335</b>	<b>7,290</b>	<b>8,411</b>	<b>4,626</b>	<b>25,637</b>	<b>44,750</b>	<b>14,456</b>	<b>1,477</b>	<b>728</b>	<b>373</b>
<b>Surplus (Deficit) of capital funding</b>	<b>1,102</b>	<b>(5,318)</b>	<b>(4,970)</b>	<b>(4,877)</b>	<b>(4,898)</b>	<b>(5,062)</b>	<b>(5,316)</b>	<b>(5,708)</b>	<b>(6,173)</b>	<b>(6,675)</b>	<b>(7,125)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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 2023/24	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	Long-term Plan 2031/32	Long-term Plan 2032/33	Long-term Plan 2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(1,102)	5,318	4,970	4,877	4,898	5,062	5,316	5,708	6,173	6,675	7,125
Subsidies and grants for capital expenditure	0	6,000	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(1,606)	(1,858)	(1,621)	(1,463)	(1,377)	(1,294)	(1,229)	(1,207)	(1,193)	(1,192)	(1,178)
Other non-cash income / Expenditure	(1,702)	(1,481)	(24)	(185)	(113)	(87)	7	(2)	(10)	(75)	(345)
Net Surplus (Deficit) before taxation in Cost of Service Statement	(4,411)	7,979	3,325	3,229	3,408	3,681	4,094	4,499	4,970	5,408	5,602
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)											

<b>SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR</b>											
<b>Project</b>	<b>Annual Plan 2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Corporate</b>											
<b>Civic House</b>											
Civic House Refurbishment	901,476	-	-	-	-	5,908,680	16,755,715	-	-	-	-
Civic House Roof Cladding	-	711,124	-	-	-	-	-	-	-	-	-
Civic House roof and structure	650,632	-	-	-	-	-	-	-	-	-	-
Capital: Plant & Equipment: Renewals	-	20,000	20,440	20,930	267,650	21,884	22,342	22,812	23,268	23,734	24,184
Civic House Renewal Program	-	221,924	432,012	-	90,511	225,484	-	-	-	-	-
Civic House Ceiling Tiles	1,146,018	247,892	-	-	-	-	-	-	-	-	-
Chamber Sound System Upgrade	-	-	-	276,480	-	-	-	-	-	-	-
Integriti System Database Upgrade	2,642	26,420	22,141	2,765	113,139	2,891	2,951	3,013	-	-	-
<b>Rental Properties</b>											
Anchor building strengthening	-	44,226	267,968	-	-	-	-	-	-	-	-
25-27 Bridge St	2,632,500	-	-	-	-	-	-	-	-	-	-
Slip effected property purchases	-	6,000,000	-	-	-	-	-	-	-	-	-
<b>Administration</b>											
Capital: Motor Vehicles	105,678	105,000	153,300	109,882	112,413	164,130	117,296	119,763	174,510	124,604	126,966
Computer Hardware - Client devices	110,000	110,000	97,203	1,078,272	101,825	104,070	106,248	1,215,247	110,651	112,867	115,007
Computer Hardware - Network Devices	45,103	45,103	46,096	-	181,079	185,070	-	51,327	52,353	200,692	54,414
Capital: Telephone System	-	-	-	-	-	115,633	-	-	-	-	-
IT Infrastructure Hosting Investigation	-	-	-	-	-	751,614	-	-	-	-	-
Asset Management System enhancements	100,000	100,000	28,810	29,500	113,139	30,845	31,874	32,545	33,195	124,604	34,462
Building Systems Upgrade	105,678	105,678	-	-	-	115,633	-	-	-	125,790	-
Aerial Photography and LiDAR	89,826	89,826	120,963	94,003	18,102	129,509	100,345	19,286	137,699	106,803	19,347
EDRMS Replacement	-	-	-	-	-	-	649,291	-	-	-	-
Core Systems enhancement	304,448	304,448	311,146	318,605	325,942	333,127	339,992	347,145	354,084	361,176	368,024
Meeting / Agenda / Action Mgmt System	105,678	105,678	-	-	-	-	118,053	-	-	-	-
IRIS Next Gen	122,707	122,707	-	244,499	208,767	-	-	-	191,961	150,711	-
<b>Project under \$100,000</b>	<b>590,698</b>	<b>713,969</b>	<b>788,659</b>	<b>701,152</b>	<b>672,275</b>	<b>788,506</b>	<b>713,464</b>	<b>801,090</b>	<b>632,714</b>	<b>521,300</b>	<b>678,797</b>
<b>Total Corporate</b>	<b>7,013,084</b>	<b>9,073,995</b>	<b>2,288,738</b>	<b>2,876,088</b>	<b>2,204,842</b>	<b>8,877,076</b>	<b>18,957,571</b>	<b>2,612,228</b>	<b>1,710,435</b>	<b>1,852,281</b>	<b>1,421,201</b>
Scope Adjustment	- 902,992	- 889,591	- 209,967	- 267,803	- 202,034	- 866,424	- 1,874,510	- 237,579	- 150,121	- 165,911	- 119,890
<b>Total Corporate Less Scope Adjustment</b>	<b>6,110,092</b>	<b>8,184,404</b>	<b>2,078,771</b>	<b>2,608,285</b>	<b>2,002,808</b>	<b>8,010,652</b>	<b>17,083,061</b>	<b>2,374,649</b>	<b>1,560,314</b>	<b>1,686,370</b>	<b>1,301,311</b>