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## Council Activities

Council structures its work programme around eleven activities:

- Transport
- Water Supply
- Wastewater
- Stormwater
- Flood Protection
- Solid Waste
- Environment
- Social
- Parks and Active Recreation
- Economic
- Corporate

If you are interested in finding out more about a particular project the activity sections are a good place to start. The key projects and budgets for the 10 years of the Long Term Plan 2021-31 are included in the relevant activity sections.

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

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

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

# Transport

## WHAT WE DO

Council provides transport infrastructure for the Nelson region, including the roads and paths used for driving, parking, cycling and walking. The services we provide relating to transport include road safety, traffic and parking control, and public transport. Waka Kotahi are responsible for the state highway network that runs through the Nelson City area.

## WHY WE DO IT

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

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

### Regional dependencies

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

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

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

## CHALLENGES

### Funding and Uncertainty

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

### Nelson Future Access Project (NFA)

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

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

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

#### Adapting to change

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

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

#### Liveable neighbourhoods

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

#### Accommodating natural hazards and climate change

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

#### Pollution and emissions reduction

Pollution from Nelson's transport activity is adversely affecting the climate, environment and people's health. It's important to keep Nelson moving as it grows, and at the same time to reduce CO<sub>2</sub> emissions. Our transport system will need to change, to reduce the impact we have on the climate.

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

#### Renewal funding

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

### Walking and cycling facilities

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

### **COMMUNITY OUTCOMES**

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

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

### **COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

Council has identified developing a sustainable transport system as a key triennium focus for the next three years. This will continue the work currently being undertaken to develop a 10 year transport vision for Nelson that reduces carbon emissions, provides the community with safe and accessible travel choices and supports the economic vitality of the region. This will include recommendations from the Nelson Future Access Project and will recognise the requirements of the Nelson Plan.

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

- An active transport framework.
- A speed management strategy.
- An upgraded and improved regional public transport service.
- A parking management strategy.
- Environmental targets to reduce carbon emissions and transport impacts on freshwater quality.

- A review of the Road Occupation Policy and Structures on Road Reserve Policy.
- Evaluating the outcome of the Nelson Future Access Business Case Project and the funding implication for Nelson. Council is also mindful that the shorter term measures been proposed as part of Nelson Future Access will deliver benefits across the transport system, including the state highway network. As the Nelson Future Access progresses, and there is more clarity around the scope of longer term improvements, Council will continue to engage with Waka Kotahi about the extent to which these shorter term measures are deferring significant investment required in the region's state highway network. These discussions will include consideration of the current financial assistance rates set by Waka Kotahi for Nelson City, and the need to review these rates to better reflect the value of any deferment benefit as subsidised by Nelson ratepayers.

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

- Road Pavements: Increase testing, and data review as part of the planned renewal programme, including road rehabilitation when required.
- Drainage: Improve freshwater outcomes by:
  - Developing a freshwater improvement plan and monitoring framework in conjunction with Council utilities;
  - Mapping secondary stormwater flow paths to inform emergency planning and pavement programmes; and
  - Gaining more understanding through the Nelson Plan consultation of the climate change impacts for the Nelson region and what adaptation, mitigation and retreat scenarios are supported.
- Structures: Carry out ongoing inspections, maintenance and component replacements. This follows recent improvements to data quality and condition assessments of structures. It also reflects Council's implementation of the Code of Practice and global consent for instream works in order to progressively improve the environmental impacts of works. This work in 2021-2024 includes Akersten Street rock rip rap repairs (\$500,000), Trafalgar footbridge from Haven Road to Trafalgar Centre replacement (\$900,000) and part one of Coster Street timber crib wall renewal.
- Environmental maintenance: Carry out a safety and condition assessment of all intersections and improve sightlines where possible. Intersection safety is an area of concern in Nelson and is a high priority to address in the Waka Kotahi National Communities at Risk Register. In addition to environmental maintenance education programmes will be run under road safety promotion referred to below.
- Plant more trees and street gardens to enhance the quality of urban environments and encourage more walking and cycling. Trees both absorb CO<sub>2</sub> (a greenhouse gas) and provide shade to improve the health and wellbeing of people and the environment.
- Streetlights: The project to replace streetlights with LED lanterns has been completed, and now moves into a maintenance phase and ongoing improvement of network coverage (\$100,000 per year).
- Traffic services — signs and markings: Council will identify where any changes to the current approach to signs or road markings could improve transport outcomes. This is a low-cost way to make safety and traffic management improvements across the network. These actions will be integrated with the overall delivery of the Nelson Future Access Project recommendations, resurfacing, active travel, speed management and intersection programmes.
- Minor Improvements: \$600,000 per year to address network deficiencies identified through the active travel, speed management and intersection safety programme.
- School speed zones signs: \$150,000, in 2023/24, anticipating the rule change to install speed zones at Nelson Christian Academy and Auckland Point Schools.
- Domett Street precinct \$1 million, Year 1–5: to connect Maitai path users to Nile Street and address road layout and use issues.

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

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

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

## SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS

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



people via public transport			
Efficiency – Maximise movement of people via walk and cycle modes	Percentage of walking and cycling to school and work  Count of pedestrians and cyclists between 7am-9am on a fine weather Tuesday in February and July at The Railway Reserve in Stoke and Bishopdale, Atawhai Cycleway, Rocks Road and Whakatu Cycleway.	2020/21 21% combined of all journeys to work by walking or cycling	2021/22 – 23% 2022/23 – 25% 2023/24 – 27%
Responsiveness to service requests	Percentage of customer service requests relating to roads and footpaths to which Council responds within five working days	80 % of service requests responded to within five working days	80 % of service requests responded to within five working days

## DRIVERS OF CAPITAL EXPENDITURE

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

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

## ASSUMPTIONS

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

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

## IMPACTS AND RISKS

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

**FUNDING IMPACT STATEMENT – TRANSPORT**

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	11,570	11,256	11,544	12,550	12,861	13,567	14,835	15,524	16,055	17,509	19,199
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	3,889	4,134	4,205	4,716	4,825	4,932	6,022	6,106	6,202	7,212	7,324
Fees and charges	754	1,282	1,354	1,537	1,655	1,789	1,940	2,110	2,305	2,521	2,762
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	1,602	1,577	1,630	1,826	1,884	1,925	1,967	2,014	2,064	2,115	2,168
<b>Total Operating Funding</b>	<b>17,815</b>	<b>18,249</b>	<b>18,734</b>	<b>20,629</b>	<b>21,226</b>	<b>22,213</b>	<b>24,764</b>	<b>25,754</b>	<b>26,626</b>	<b>29,357</b>	<b>31,453</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	13,399	13,356	13,658	15,379	15,772	16,467	18,581	19,101	19,564	21,957	23,705
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	532	455	418	402	420	488	638	824	952	1,023	1,078
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>13,931</b>	<b>13,811</b>	<b>14,076</b>	<b>15,782</b>	<b>16,192</b>	<b>16,955</b>	<b>19,219</b>	<b>19,924</b>	<b>20,517</b>	<b>22,980</b>	<b>24,783</b>
<b>Surplus (Deficit) of operating funding</b>	<b>3,884</b>	<b>4,438</b>	<b>4,657</b>	<b>4,847</b>	<b>5,034</b>	<b>5,258</b>	<b>5,545</b>	<b>5,829</b>	<b>6,109</b>	<b>6,377</b>	<b>6,670</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	8,956	4,046	4,299	4,994	6,836	7,667	10,328	8,763	6,533	5,558	7,855
Development and financial contributions	323	312	321	329	337	346	354	363	373	383	393
Increase (decrease) in debt	4,962	(849)	(280)	(90)	1,371	3,365	6,283	3,801	2,451	411	3,319
Gross proceeds from sale of assets	27	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>14,268</b>	<b>3,509</b>	<b>4,340</b>	<b>5,234</b>	<b>8,545</b>	<b>11,377</b>	<b>16,966</b>	<b>12,928</b>	<b>9,358</b>	<b>6,353</b>	<b>11,568</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	1,644	146	101	237	279	809	1,695	2,841	4,135	767	596
- to improve level of service	12,701	3,292	4,623	4,547	7,360	9,947	14,716	8,808	4,050	4,577	10,154
- to replace existing assets	3,807	4,510	4,273	5,297	5,939	5,879	6,100	7,109	7,281	7,386	7,488
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>18,152</b>	<b>7,948</b>	<b>8,997</b>	<b>10,081</b>	<b>13,578</b>	<b>16,635</b>	<b>22,511</b>	<b>18,757</b>	<b>15,467</b>	<b>12,730</b>	<b>18,238</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(3,884)</b>	<b>(4,438)</b>	<b>(4,657)</b>	<b>(4,847)</b>	<b>(5,034)</b>	<b>(5,258)</b>	<b>(5,545)</b>	<b>(5,829)</b>	<b>(6,109)</b>	<b>(6,377)</b>	<b>(6,670)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,884	4,438	4,657	4,847	5,034	5,258	5,545	5,829	6,109	6,377	6,670
Subsidies and grants for capital expenditure	8,956	4,046	4,299	4,994	6,836	7,667	10,328	8,763	6,533	5,558	7,855
Development and financial contributions	323	312	321	329	337	346	354	363	373	383	393
Vested Assets	4,303	2,322	2,392	2,454	2,518	2,586	2,653	2,727	2,803	2,885	2,963
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(7,929)	(8,641)	(9,077)	(9,457)	(9,830)	(10,276)	(10,846)	(11,404)	(11,955)	(12,491)	(13,062)
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	9,537	2,478	2,592	3,168	4,895	5,580	8,034	6,280	3,864	2,713	4,820

**SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR**

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Transport</b>											
<b>Subsidised Roothing</b>											
Streetlight Improvement	592,000	100,000	103,000	105,678	108,426	55,677	57,124	58,724	60,368	62,119	63,796
Freshwater Improvements programme	-	-	-	-	-	2,227,062	2,284,966	-	-	-	-
Marsden Valley Ridgeway Upgrade	-	-	-	-	86,740	55,677	57,124	1,761,710	1,811,037	-	-
Renewals: Footpaths	606,158	1,200,000	1,236,000	1,268,136	1,301,107	1,336,237	1,370,980	1,409,368	1,448,830	1,490,845	1,531,098
Minor Improvements	52,534	600,000	618,000	634,068	650,554	668,119	685,490	704,684	724,415	745,423	765,549
Associated Improvements	-	200,000	206,000	211,356	216,851	222,706	228,497	234,895	-	-	-
Drainage Renewals	343,367	160,050	164,852	169,138	173,535	178,221	182,854	187,974	193,238	198,841	204,210
Sealed Road Pavement Rehabilitation	-	-	-	-	1,084,256	1,113,531	1,142,483	1,174,473	1,207,358	1,242,371	1,275,915
Sealed Road Resurfacing	1,166,045	1,300,000	1,339,000	1,373,814	1,409,533	1,447,590	1,485,228	1,526,815	1,569,565	1,615,082	1,658,690
School Speed Zone Signs	-	-	-	158,517	-	-	-	-	-	-	-
Dommett Street - LOS Capital	-	50,000	51,500	105,678	542,128	556,766	-	-	-	-	-
Washington Valley Street Lighting Upgrade	5,000	120,000	123,600	126,814	-	-	-	-	-	-	-
Mount Street and Konini Street upgrade	-	-	-	422,712	-	-	-	-	-	-	-
Kawai Innovate Streets	25,126	-	10,300	52,839	650,554	-	-	-	-	-	-
New Footpaths	508,909	350,000	360,500	369,873	542,128	556,766	571,242	587,237	603,679	621,186	637,958
Main Rd Stoke/Marsden Rd	-	-	-	-	-	-	-	-	-	99,390	102,073
Quarantine/Nayland intersection upgrades	-	-	-	-	-	-	-	58,724	60,368	124,237	1,275,915
Railway Reserve Lighting	-	102,041	693,673	215,670	-	-	-	-	-	-	-
Trafalgar Centre Footbridge	16,000	65,000	212,180	636,182	-	-	-	-	-	-	-
Toi Toi St upgrade	150,512	550,000	494,400	-	-	-	-	-	-	-	-
Shared zone - Beachville Cres	-	-	51,500	211,356	-	-	-	-	-	-	-
Shared zone - Wigzell	-	-	-	-	54,213	278,383	-	-	-	-	-
Structures component replacement - Bridges	-	-	-	-	-	-	-	176,171	-	-	-
Structures replacement	109,854	535,000	56,650	58,123	119,268	337,979	391,661	294,558	488,256	103,246	63,796
Traffic Service Renewals - Signs, markings and deline	115,420	85,000	87,550	89,826	92,162	94,650	97,111	99,830	102,625	105,602	108,453

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Traffic Service Renewals - Signals	-	63,000	74,160	92,997	39,033	66,812	26,778	29,362	362,207	111,813	38,277
Elm Street Intersection safety improvements	-	-	-	-	54,213	55,677	228,497	1,174,473	1,207,358	-	-
Traffic Services Renewal - Lighting	383,324	300,000	309,000	317,034	325,277	334,059	342,745	352,342	362,207	372,711	382,775
Polstead Main Road Stoke Intersection Upgrade	-	-	-	-	54,213	33,406	1,028,235	-	-	-	-
Ngāwhatu Suffolk Intersection	-	-	-	-	-	-	-	-	24,147	37,271	255,183
Stoke East West Cycle Connection	-	-	-	-	-	22,271	57,124	1,057,026	-	-	-
Songer Street signals review	-	-	20,600	105,678	-	-	-	-	-	-	-
Nelson Future Access Study	-	850,000	1,133,000	1,690,848	4,445,450	5,567,655	6,854,898	4,697,892	1,207,358	1,863,557	1,913,873
Cross Town Links Brook to Central Programme	-	-	-	-	54,213	55,677	2,170,718	-	-	-	-
Nile Street cycle facilities	-	-	-	-	32,528	111,353	1,485,228	-	-	-	-
Atawhai Shared path extension to Todds Valley	-	-	-	-	-	11,881	60,951	352,342	60,368	248,474	3,827,745
Cyclepath Renewals	122,700	100,000	103,000	105,678	108,426	111,353	114,248	117,447	120,736	124,237	127,592
Railway Reserve improvements	-	20,000	27,475	225,517	-	-	-	-	-	-	-
Quarantine Road Bridge Footpath (at Bolt Rd)	-	60,000	360,500	-	-	-	-	-	-	-	-
Sealed Pavement Heavy Maintenance	150,000	150,000	154,500	158,517	162,638	167,030	171,372	176,171	181,104	186,356	191,387
<b>Unsubsidised Roading</b>											
Street Garden Dev	8,001	150,000	154,500	31,703	32,528	33,406	34,274	35,234	36,221	37,271	38,277
Milton St (Grove to Cambria)	-	-	-	-	-	-	-	58,724	84,515	559,067	-
Halifax (Maitai to Milton)	-	-	-	-	-	-	-	-	-	62,119	127,592
Marsden Valley Road Upgrade	10,445	-	-	-	10,843	27,838	68,549	105,703	2,414,716	-	-
Structures replacement	-	60,000	103,000	634,068	758,979	389,736	525,542	469,789	845,151	621,186	893,141
Wastney Terrace cul de sac	-	-	-	-	-	-	-	-	-	-	191,387
Nelson College Frontage Franklyn St	-	-	-	-	54,213	55,677	57,124	587,237	-	-	-
Road Drainage Improvements	36,554	90,000	154,500	42,271	216,851	-	913,986	46,979	48,294	49,695	51,037
<b>Parking and CBD Enhancement</b>											
Renewal: CBD aesthetic elements	179,912	160,050	164,852	169,138	173,535	178,221	182,854	187,974	193,238	198,841	204,210
Renewals: On and Off St Parking Meter	188,649	-	-	-	-	-	-	-	-	662,805	680,701
Stoke Centre Enhancements	-	-	-	-	-	-	-	58,724	-	124,237	-
Strawbridge Sq Layout & access improvement	10,445	-	-	-	-	55,677	114,248	822,131	-	-	-
Stoke Centre Traffic Calming and Ped Safety Works non sub ae	-	-	-	-	-	-	-	-	-	124,237	1,913,873
CBD Carpark Resurfacing	-	-	-	-	108,426	33,406	114,248	939,578	362,207	434,830	382,775
CBD Enhancement	-	-	-	-	16,264	55,677	137,098	-	-	-	-
<b>Public Transport</b>											
Stoke interchange	-	-	-	-	-	-	-	58,724	60,368	621,186	-
PT Minor Improvements	47,033	100,000	206,000	105,678	37,949	38,974	39,987	41,107	42,258	43,483	44,657
Integrated Ticketing GRETS	83,224	-	-	-	-	111,353	-	-	-	-	-
CBD interchange	246,996	50,000	51,500	105,678	108,426	556,766	571,242	-	-	-	-
 Vested Assets	 4,303,258	 2,322,000	 2,391,660	 2,453,843	 2,517,642	 2,585,619	 2,652,846	 2,727,126	 2,803,485	 2,884,785	 2,962,675
 Projects under \$100,000	 10,176,554	 1,182,442	 1,092,152	 1,125,263	 1,179,424	 1,196,346	 1,072,005	 1,109,883	 1,214,044	 1,161,384	 1,219,159
<b>Total Transport</b>	<b>19,638,020</b>	<b>11,074,583</b>	<b>12,309,104</b>	<b>13,573,689</b>	<b>17,522,523</b>	<b>20,985,228</b>	<b>27,579,557</b>	<b>23,481,127</b>	<b>19,899,720</b>	<b>16,937,886</b>	<b>23,133,765</b>
Scope Adjustment	-	(804,841)	(920,117)	(1,039,152)	(1,426,451)	(1,764,514)	(2,415,739)	(1,996,781)	(1,629,545)	(1,323,412)	(1,933,318)
<b>Total Transport less Scope Adjustment</b>	<b>19,638,020</b>	<b>10,269,742</b>	<b>11,388,986</b>	<b>12,534,538</b>	<b>16,096,072</b>	<b>19,220,715</b>	<b>25,163,818</b>	<b>21,484,346</b>	<b>18,270,175</b>	<b>15,614,474</b>	<b>21,200,447</b>

# Water Supply

## WHAT WE DO

Council supplies high quality potable water to households and businesses through a piped network. The water supply system includes dams and weirs on the Maitai and Roding Rivers, the world class water treatment plant and the network of pipes, pump stations and storage reservoirs throughout the city.

Water use is metered to ensure it is used efficiently and costs are shared fairly between users.

## WHY WE DO IT

Water supply is a major part of Council's core business because human health and disease prevention, tourism and other industries require a safe, reliable water supply. Council aims to balance the reliable and efficient supply of water to residents and businesses by recognising and enhancing the ecological, recreational and cultural values of the Maitai and Roding Rivers.

## CHALLENGES

### Natural hazards and climate change

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

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

The Maitai Dam itself is a critical asset. Council is required to regularly review the design to maintain the safety of the structure taking into account changing conditions and improved knowledge of dam construction. The Roding Weir (constructed in the early 1940's) is smaller and has a lower risk factor aside from 200 metres of pipe suspended on piers along the riverbank.

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

### Ageing assets

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

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

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

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

#### Maintaining, renewing and upgrading

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

The original Maitai Pipeline between the Maitai Dam and the Water Treatment Plant is largely constructed on an above ground bench that is vulnerable to slips above and below the structure. In 2014 a duplicate pipeline between the Maitai Dam and the water treatment plant was completed. This pipeline was constructed under the Maitai Valley Road in order to reduce the risk of natural hazards. Council will continue to use the original pipeline for as long as it remains economical to do so. A strategy to renew or repair this section of pipe below the dam will be developed in 2023-2025.

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

#### Growth and intensification

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

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

#### Un-accounted for Water

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

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

#### Maitai Dam water

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

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

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

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

#### Discoloured Water

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

#### Maitai River water quality

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

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

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

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

### **COMMUNITY OUTCOMES**

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

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



**COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

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

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

**SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS**

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
<b>Quality</b> ^Good quality water	The extent to which drinking water supply complies with: a) part 4 of the drinking water standards# (bacterial compliance criteria)*, and b) part 5 of the drinking water standards# (protozoal compliance criteria)* c) part 8 of the drinking water standards# (chemical compliance criteria) <sup>1</sup>	Complied a) and b) and c) 2019/20 Complied a) and b) and c) 2018/19 Complied a) and b) and c) 2017/18 Protozoal compliance is not measured for distribution as the treatment plant removes any at source.	100% compliance with parts 4,5 and 8 of the drinking water standards			
	Total number of complaints per 1000 connections about any of the following*: - drinking water clarity - drinking water taste - drinking water odour - drinking water pressure or flow - continuity of supply - Council's response to the above issues expressed per 1,000 connections <sup>2</sup>	18 complaints per 1000 connections in 2019/20 23 complaints per 1000 connections in 2018/19 16 complaints per 1000 connections in 2017/18 21 complaints per 1000 connections in 2016/17	No more than 50 valid complaints per 1000 connections			
<b>Reliability</b> ^A reliable supply of water	Average drinking water standard consumption per day per resident* <sup>3</sup>	300L per person per day 2019/20 286L per person per day 2018/19 259L per person per day 2017/18	Normal demand less than 500L per person per day. This includes both domestic and commercial-industrial			
	% real water loss from the system* <sup>4</sup>	24.5% in 2019/20 25.7% in 2018/19 28% in 2017/18	Real water loss less than 25%.			

<b>Customer Service</b> ^Prompt response	When attending a call-out in response to a fault or unplanned interruption to the system, the following median response times will be measured*: a) attendance for urgent call-outs: from the time notification is received to the time service personnel reach the site*	Median 21 minutes in 2019/20 20 minutes in 2018/19 18 minutes in 2017/18 21 minutes in 2016/17	a) Contractor to attend urgent call-outs in a median time of 30 minutes or less.
	b) resolution of urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption*	Median 191 minutes in 2019/20 284 minutes in 2018/19 89 minutes in 2017/18 107 minutes in 2016/17	b) Contractor to resolve urgent call-outs in a median time of 480 minutes or less.
	c) attendance for non-urgent call-outs: from the time notification is received to the time that service personnel reach the site*	Median 76 minutes in 2019/20 78 minutes in 2018/19 52 minutes in 2017/18 54 minutes in 2016/17	c) Contractor to attend non-urgent callouts in a median time of 120 minutes or less.
	d) resolution of non-urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption* <sup>2</sup>	Median 1164 minutes in 2019/20 449 minutes in 2018/19 330 minutes in 2017/18 330 minutes in 2016/17	d) Contractor to resolve non-urgent call outs in a median time of 24 hours (1440mins) or less.

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

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

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

Measurement procedures:

1. South Island Drinking Water Assessment Unit - Nelson
2. Report from SR system at 1 July
3. Calculated by metered supply divided by Statistics NZ estimated population
4. Council uses a water balance methodology developed by Water NZ to track and report on un-accounted for water.

## DRIVERS OF CAPITAL EXPENDITURE

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

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

## **ASSUMPTIONS**

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

- Renewals will be continued at a rate that is sustainable, based on consideration of both resource and financial aspects.
- It is assumed that Nelson's climate will remain substantially unchanged for the next decade, with enough rain to meet our water needs. Factors such as climate change and population growth will receive increased analysis as the Activity Management Plan and Infrastructure Strategy are reviewed in future years.
- Future resource consents for the existing sources of water supply and abstraction volumes will be granted.
- There will be reductions in un-accounted for water.
- Water supply is expected to continue to be funded from water charges and, consistent with Council's financial policies, most of the capital expenditure will be funded from borrowings.
- Council will provide education and promote the importance of water conservation; however the demand for water is expected to continue to primarily be managed through Council's water charging system.
- Existing treatment plant membranes will continue to operate satisfactorily.

## **IMPACTS AND RISKS**

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

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

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

- To ensure there is a safe supply of water, water supply catchment controls have to limit the range of recreational activities in the Maitai and Roding valleys. For example, no swimming, boating or fishing is allowed in the Maitai Dam. The commissioning of the water treatment plant allowed the slight relaxing of some restrictions, but most are necessary to meet Ministry of Health drinking water requirements.

- Reduced flow rates occur in the Maitai and Roding Rivers below the water supply intakes. The amount of this reduction is controlled and monitored through adhering to Council's resource consents to extract water.
- Emergency water treatment is provided by a portable chlorinator using sodium hypochlorite held at the water treatment plant. It is a stand-alone unit, run by a small petrol generator and is sufficient to treat the full Maitai daily flow.
- The high risk to trunk main pipes is from earthquakes where sections of key main pipes could be damaged. Council holds replacement pipe stocks to allow single repairs to each main. Aid would be required from other water supply authorities to reinstate trunk mains in the event of multiple major breaks.
- The water treatment plant Clearwater tank plus Stoke, Walters Bluff, and Observatory Hill Reservoirs are constructed to a minimum of importance level 2 earthquake standards (able to withstand in the order of a 1 in 100 year earthquake) with some of the more modern reservoirs designed to importance level 4 (able to withstand a 1 in 1000 year earthquake). All large reservoirs have automatic seismic shut off valves. When excess flow from the reservoir is detected, such as from a broken outlet trunk main, the outlet valve is automatically shut and an alarm is triggered.
- Risks posed to water quality range from low to extreme. Completion of the water treatment plant in August 2004 reduced the risk from source water to very low levels. Extreme risk relates to possible backflow from premises into the water reticulation network, thereby putting other consumers in danger. Dual check valves are fitted to all residential connections. These will be replaced as required as part of the residential water meters renewal programme due for completion in 2021/2022. Backflow preventers have been installed at all Nelson City Council drainage pump stations. Council has a continuing programme to install backflow preventers, in conjunction with replacing commercial and industrial water meters. The backflow prevention devices will be sourced and installed by Council with the costs recovered from all customers connected to the city water mains.
- The Health (Drinking Water) Amendment Act 2007 requires large drinking water suppliers, such as Nelson City Council, to have Water Safety Plans. Nelson City Council has a Water Safety Plan approved by the Ministry of Health that is regularly updated. It includes measures for dealing with deliberate or accidental contamination of the water supply and implementing potential outcomes from the Havelock North contamination investigation.
- Climate change and sea level rise. Subject to several work programmes to ensure Nelson is well placed.

## FUNDING IMPACT STATEMENT – WATER SUPPLY

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	12,404	12,399	13,103	13,646	14,350	14,768	15,421	16,006	16,720	17,346	18,027
Subsidies and grants for operating purposes	0	261	0	0	0	0	0	0	0	0	0
Fees and charges	40	38	39	39	40	41	41	42	43	44	45
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	34	769	791	811	831	852	873	895	920	944	969
<b>Total Operating Funding</b>	<b>12,478</b>	<b>13,467</b>	<b>13,933</b>	<b>14,496</b>	<b>15,220</b>	<b>15,660</b>	<b>16,335</b>	<b>16,944</b>	<b>17,683</b>	<b>18,334</b>	<b>19,042</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,054	8,101	8,271	8,530	8,910	9,026	9,265	9,393	9,730	9,967	10,322
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,047	948	916	920	970	1,010	1,090	1,179	1,280	1,385	1,432
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>8,101</b>	<b>9,048</b>	<b>9,187</b>	<b>9,449</b>	<b>9,880</b>	<b>10,036</b>	<b>10,356</b>	<b>10,572</b>	<b>11,009</b>	<b>11,352</b>	<b>11,754</b>
<b>Surplus (Deficit) of operating funding</b>	<b>4,377</b>	<b>4,418</b>	<b>4,746</b>	<b>5,047</b>	<b>5,340</b>	<b>5,624</b>	<b>5,979</b>	<b>6,371</b>	<b>6,674</b>	<b>6,983</b>	<b>7,288</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	416	431	443	455	466	478	490	502	516	530	543
Increase (decrease) in debt	62	297	1,399	1,418	157	153	2,440	1,882	3,749	964	206
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>478</b>	<b>728</b>	<b>1,843</b>	<b>1,873</b>	<b>623</b>	<b>630</b>	<b>2,930</b>	<b>2,384</b>	<b>4,265</b>	<b>1,493</b>	<b>750</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	105	434	260	577	1,208	601	3,614	2,803	3,668	2,227	3,842
- to improve level of service	1,285	1,501	2,376	2,237	2,326	2,951	2,980	3,084	4,306	3,091	1,086
- to replace existing assets	3,466	3,211	3,953	4,105	2,429	2,703	2,316	2,869	2,965	3,158	3,109
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>4,856</b>	<b>5,146</b>	<b>6,589</b>	<b>6,920</b>	<b>5,963</b>	<b>6,255</b>	<b>8,909</b>	<b>8,755</b>	<b>10,939</b>	<b>8,476</b>	<b>8,038</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(4,377)</b>	<b>(4,418)</b>	<b>(4,746)</b>	<b>(5,047)</b>	<b>(5,340)</b>	<b>(5,624)</b>	<b>(5,979)</b>	<b>(6,371)</b>	<b>(6,674)</b>	<b>(6,983)</b>	<b>(7,288)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	4,377	4,418	4,746	5,047	5,340	5,624	5,979	6,371	6,674	6,983	7,288
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	416	431	443	455	466	478	490	502	516	530	543
Vested Assets	813	1,306	1,345	1,380	1,416	1,454	1,492	1,534	1,577	1,623	1,666
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(4,377)	(5,007)	(5,237)	(5,440)	(5,635)	(5,821)	(6,077)	(6,371)	(6,674)	(6,983)	(7,288)
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	1,229	1,148	1,298	1,442	1,588	1,736	1,884	2,036	2,093	2,152	2,210

**SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR**

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Water Supply</b>											
Capital: Backflow Prevention	169,358	175,000	180,250	184,937	189,745	194,868	199,935	205,533	211,288	217,415	223,285
Renewals: Water Pipes	182,438	2,400,000	1,854,000	1,690,848	1,789,022	1,781,650	1,885,097	2,114,051	2,173,244	2,236,268	2,296,647
Renewals: Commercial Meters	136,632	160,000	164,800	169,085	173,481	178,165	182,797	187,916	193,177	198,779	204,146
Renewals: Headworks	67,746	75,000	118,450	79,259	8,132	22,271	22,850	82,213	18,110	24,847	25,518
Headworks Upgrades	-	315,000	355,350	401,576	216,851	345,195	137,098	140,937	325,987	173,932	306,220
Residential Meters renewals	750,000	430,000	-	-	-	-	-	-	-	-	-
Roding Pipeline	112,359	-	-	-	-	-	-	-	138,846	142,873	146,730
Fire Flow Upgrades	-	-	51,500	105,678	108,426	111,353	114,248	117,447	120,736	124,237	127,592
Telemetry/Control Upgrade	-	20,000	128,750	10,568	16,264	11,135	11,425	17,617	12,074	12,424	12,759
Capital: Atawhai Trunk main	-	50,000	51,500	-	-	167,030	57,124	2,254,988	2,318,127	2,385,352	-
Capital: Atawhai Res & pump Ma	-	175,000	-	-	-	-	-	-	-	-	-
Capital: Atawhai No.2 Reservoir	216,991	150,000	154,500	105,678	1,246,894	1,592,349	1,885,097	-	-	-	-
Renewal: Membranes WTP	-	-	-	-	-	-	-	-	-	-	127,592
Pressure Enhancement	112,912	100,000	-	-	108,426	111,353	114,248	-	-	-	-
NCC - TDC Link	99,450	-	-	-	-	-	-	-	120,736	124,237	127,592
Water Loss Reduction Programme	245,820	150,000	154,500	158,517	162,638	133,624	137,098	140,937	132,809	136,661	140,351
Future Growth Additional Storage	-	-	-	-	542,128	-	-	-	-	-	-
Natural Hazards Risk Remediation	112,910	150,000	103,000	105,678	108,426	111,353	114,248	117,447	120,736	124,237	127,592
Water Treatment Plant Upgrades	-	285,000	278,100	290,615	243,958	250,544	228,497	234,895	319,950	62,119	382,775
Dam Upgrades	112,648	165,000	1,184,500	1,199,445	130,111	-	-	-	-	-	-
Reservoir Refurbishment Programme	56,452	55,000	56,650	58,123	86,740	89,082	68,549	70,468	72,441	111,813	114,832
Rutherford St (Little Go Stream) Renewal	70,000	-	463,500	105,678	-	-	-	-	-	-	-
Water Treatment Plant Renewals	177,046	20,000	159,650	163,801	130,111	116,921	194,222	211,405	325,987	416,194	114,832
Scada Renewal	-	35,000	25,750	-	16,264	-	28,562	176,171	36,221	-	38,277
Toi Toi St water ridermain	9,998	200,000	-	-	-	-	-	-	-	-	-
Konini Street water renewal	25,000	30,000	-	686,907	-	-	-	-	-	-	-
Maitai Pipeline Hazard mitigation	-	-	-	-	-	122,488	125,673	129,192	-	-	-

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Water pump stations - upgrades	-	-	-	116,246	119,268	55,677	125,673	199,660	205,251	211,203	727,272
Ngāwhatu Valley high level reservoir	-	-	-	-	-	-	-	-	187,140	192,568	197,767
Washington (Rentone to Watson) water renewal	-	105,000	1,287,500	1,342,111	-	-	-	-	-	-	-
City Centre N270 Maitai Precinct Intensification Growth proj	-	-	-	105,678	108,426	111,353	1,142,483	2,348,946	2,414,716	993,897	-
Intensification City Wide	-	-	-	-	-	-	-	117,447	120,736	62,119	1,913,873
Bayview Development Growth project	-	-	-	105,678	108,426	55,677	856,862	-	-	-	-
Climate Change Adaptation Projects	-	-	-	-	-	111,353	114,248	117,447	603,679	621,186	637,958
Maitai Raw water pipeline renewal	-	-	-	-	-	-	-	117,447	120,736	124,237	127,592
Washington Road (Hastings to St Vincent) Renewal	-	-	-	-	271,064	579,036	-	-	-	-	-
Future growth and Intensification Projects	-	-	-	-	162,638	55,677	1,428,104	-	-	124,237	127,592
Maitai Pump Station upgrade	-	-	-	-	-	111,353	114,248	58,724	1,207,358	-	-
Vested Assets	812,605	1,306,000	1,345,180	1,380,155	1,416,038	1,454,271	1,492,083	1,533,862	1,576,810	1,622,537	1,666,345
Projects under \$100,000	2,688,548	450,941	525,799	479,126	554,307	506,041	586,134	542,248	628,636	570,624	655,129
Total Water Supply	6,158,913	7,001,941	8,643,229	9,045,385	8,017,783	8,379,819	11,366,604	11,236,999	13,705,530	11,013,995	10,570,265
Scope Adjustment	-	(550,000)	(709,155)	(745,558)	(638,898)	(670,902)	(965,398)	(947,800)	(1,189,851)	(915,627)	(866,346)
Total Water Supply less Scope Adjustment	6,158,913	6,451,941	7,934,074	8,299,827	7,378,885	7,708,916	10,401,206	10,289,199	12,515,679	10,098,367	9,703,919



# Wastewater

## WHAT WE DO

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

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

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

## WHY WE DO IT

Wastewater infrastructure is a high priority for Council. Providing a piped wastewater system and treatment is a core role of Council in order to prevent people from being exposed to diseases associated with wastewater and avoid contamination of the environment. Council aims to provide an efficient system that prevents wastewater from harming people, property and the wider environment.

## CHALLENGES

### Future Wastewater treatment

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

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

### Natural Hazards

The last decade has shown that utility networks can be vulnerable to natural hazard events, and that different natural hazards may impact on different parts of the network. Council has recently undertaken a 3 Waters Natural Hazards study to ascertain the hazards that are likely to impact on critical assets within the network. Part of this work involved establishing the criticality of the assets within the wastewater network.

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

### Ageing Assets

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

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

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

#### Wastewater Overflows

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

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

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

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

#### Atawhai Rising Main replacement

There is one pressured pipeline (rising main) between Nelson City (Neale Park) and the Nelson Wastewater Treatment Plant near Wakapuaka. This concrete pipeline was installed in the mid-1960s and the inside of the concrete pipes have suffered from acid attack. In the early 1990's the full pipeline was inspected and sections were repaired or replaced with more durable material. The repairs were expected to allow the pipeline to remain operational until approximately 2040-50. In recent years, there have been the occasional minor failure of the pipeline resulting in discharges of small volumes of wastewater into the Haven. Council considers any discharge into the Haven should be avoided and is supporting a range of projects aimed at inspecting and repairing any areas of weakness in the pipeline in the short term. Council have already upgraded, as part of the strategy, the two main pump stations at Corder Park and Neale Park to reduce pressures in the existing pipeline and improve operational performance, particularly during wet weather. The renewal of the Atawhai rising main will be split into three stages, with the first stage being started in the next 10 years with a budget of \$23 million.

#### Growth and Intensification

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

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

#### Nelson Regional Sewerage Business Unit (NRSBU)

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

Priorities for the NRSBU include the commitment to measure and reduce gas emissions, increased capital expenditure over the next ten years for infrastructure renewals, pipeline upgrades to accommodate future growth and pond desludging and increased operational expenditure to cater for maintenance contract costs. Total capital expenditure for the next ten years is \$58.4 million and operating costs are approximately \$10.5 million per annum.

## COMMUNITY OUTCOMES

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

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

## COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS

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

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

- Nelson Wastewater Treatment Plant Resource Consent Renewal – The current resource consent is due to expire in December 2024, and work commenced in 2019 to prepare for its renewal. The proposal is to ensure that the existing plant continues to operate in its existing location until its long term future is decided.
- Nelson Regional Sewerage Business Unit (NRSBU) - Priorities for the NRSBU for the next three years include the commitment to measure and reduce gas emissions, pipeline upgrades from Beach Road Pump Station to Saxton Pump Station and increased operational expenditure to cater for maintenance contract costs.

#### SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS

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

## DRIVERS OF CAPITAL EXPENDITURE

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

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

## ASSUMPTIONS

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

- It is assumed that Nelson's climate will remain substantially unchanged for the next decade. Factors such as climate change and population growth will receive increased analysis as the Activity Management Plan and Infrastructure Strategy are reviewed in future years.
- It is assumed wastewater activities will continue to be funded from wastewater charges, and in line with Council financial policy, most funding will be borrowed. Development and financial contributions will fund the increased provision of services over the next 10 years.
- Wastewater treatment facilities to the North and West of the city will remain the most effective, efficient and cost effective means of disposing of wastewater.
- The long term future location of the Nelson Wastewater Treatment Plant will be in the vicinity of its current location and that the Atawhai Rising Main is a key asset that will need to be renewed.
- The surge of renewal work commencing around mid-2030 may require some work to be brought forward or pushed back in order to make the work programme manageable.

## IMPACTS AND RISKS

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

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

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

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

- Condition of the Atawhai Rising Main. Mitigation includes ongoing investigation work that refines the understanding of the condition of this pipe and commencing the planning for the renewal of this pipe later in the Long Term Plan.

## FUNDING IMPACT STATEMENT - WASTEWATER

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	8,814	9,446	10,331	11,120	11,866	12,733	13,932	14,740	15,835	16,131	17,321
Subsidies and grants for operating purposes	0	353	0	0	0	0	0	0	0	0	0
Fees and charges	2,949	3,275	3,351	3,414	3,627	3,958	4,237	4,418	4,785	5,536	5,983
Internal charges and overheads recovered	0										
Local authorities fuel tax, fines, infringement fees, and other receipts	1,185	1,246	1,456	1,617	1,803	1,910	1,673	1,695	1,809	1,624	1,743
<b>Total Operating Funding</b>	<b>12,948</b>	<b>14,319</b>	<b>15,137</b>	<b>16,150</b>	<b>17,295</b>	<b>18,601</b>	<b>19,842</b>	<b>20,853</b>	<b>22,429</b>	<b>23,291</b>	<b>25,047</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,396	8,150	8,312	8,700	9,287	10,024	10,747	11,082	12,087	12,352	15,969
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	434	49	75	91	96	101	137	263	453	625	821
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>7,830</b>	<b>8,200</b>	<b>8,387</b>	<b>8,792</b>	<b>9,383</b>	<b>10,125</b>	<b>10,884</b>	<b>11,345</b>	<b>12,540</b>	<b>12,976</b>	<b>16,790</b>
<b>Surplus (Deficit) of operating funding</b>	<b>5,118</b>	<b>6,119</b>	<b>6,750</b>	<b>7,359</b>	<b>7,912</b>	<b>8,476</b>	<b>8,957</b>	<b>9,509</b>	<b>9,889</b>	<b>10,315</b>	<b>8,257</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	0	3,473	0	0	0	0	0	0	0	0	0
Development and financial contributions	694	667	686	704	721	739	758	777	798	820	841
Increase (decrease) in debt	5,315	3,632	5,448	1,866	594	(428)	4,452	5,249	5,126	5,834	7,607
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>6,009</b>	<b>7,772</b>	<b>6,135</b>	<b>2,569</b>	<b>1,315</b>	<b>311</b>	<b>5,210</b>	<b>6,026</b>	<b>5,925</b>	<b>6,654</b>	<b>8,448</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	1,757	46	264	452	1,688	1,947	2,387	3,143	2,948	4,188	4,894
- to improve level of service	6,062	9,281	8,334	4,645	3,094	1,761	2,928	2,625	3,600	3,882	3,642
- to replace existing assets	3,309	4,564	4,287	4,831	4,446	5,079	8,853	9,766	9,266	8,899	8,169
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>11,128</b>	<b>13,891</b>	<b>12,885</b>	<b>9,928</b>	<b>9,228</b>	<b>8,787</b>	<b>14,168</b>	<b>15,535</b>	<b>15,814</b>	<b>16,969</b>	<b>16,705</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(5,118)</b>	<b>(6,119)</b>	<b>(6,750)</b>	<b>(7,359)</b>	<b>(7,912)</b>	<b>(8,476)</b>	<b>(8,957)</b>	<b>(9,509)</b>	<b>(9,889)</b>	<b>(10,315)</b>	<b>(8,257)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	<b>5,118</b>	<b>6,119</b>	<b>6,750</b>	<b>7,359</b>	<b>7,912</b>	<b>8,476</b>	<b>8,957</b>	<b>9,509</b>	<b>9,889</b>	<b>10,315</b>	<b>8,257</b>
Subsidies and grants for capital expenditure	0	3,473	0	0	0	0	0	0	0	0	0
Development and financial contributions	694	667	686	704	721	739	758	777	798	820	841
Vested Assets	843	627	646	663	680	698	716	736	757	779	800
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(5,045)	(6,306)	(6,691)	(7,043)	(7,321)	(7,606)	(7,861)	(8,127)	(8,446)	(8,791)	(9,170)
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	<b>1,610</b>	<b>4,581</b>	<b>1,391</b>	<b>1,682</b>	<b>1,992</b>	<b>2,307</b>	<b>2,570</b>	<b>2,895</b>	<b>2,998</b>	<b>3,122</b>	<b>728</b>



## SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR

Project	Annual Plan										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Waste Water</b>											
NWWTP Minor Upgrades	31,330	100,000	103,000	105,678	108,426	118,814	121,903	125,316	132,809	136,661	140,351
Renewals Pump stations	259,362	280,000	288,400	295,898	249,379	256,112	262,771	270,129	277,692	285,745	293,460
Rising/swallows renewals	90,250	100,000	103,000	105,678	216,851	334,059	1,142,483	1,174,473	120,736	124,237	127,592
Wastewater Pipe Renewals	337,618	1,800,000	1,545,000	2,113,560	2,168,512	2,449,768	2,513,463	2,525,117	2,487,157	1,987,794	1,275,915
Wastewater model calibration	420,001	350,000	154,500	26,420	27,106	27,838	342,745	29,362	30,184	31,059	31,898
Awatea Place Pump station	1,440,000	5,240,000	3,419,600	-	-	-	-	-	-	-	-
Pump station resilience improvement programme	194,697	50,000	154,500	211,356	108,426	222,706	1,142,483	117,447	241,472	1,242,371	127,592
Washington Valley Sewer Upgrade	224,393	1,610,000	1,586,200	929,966	-	-	-	-	-	-	-
NWWTP renewals	306,668	280,000	314,150	322,318	357,804	367,465	377,019	387,576	398,428	409,982	421,052
Rutherford St (Little Go Stream) Renewal	60,000	-	515,000	211,356	-	-	-	-	-	-	-
Ngāwhatu Valley TM - Stage 2	-	-	-	-	-	-	-	-	-	62,119	255,183
NWWTP - Resource Consent	450,396	570,000	515,000	317,034	216,851	-	-	-	-	-	-
Atawhai Rising Main - Stage 1	-	50,000	51,500	105,678	108,426	445,412	2,284,966	4,697,892	4,829,432	4,969,484	5,103,660
Natural Hazards Risk Remediation	56,470	-	51,500	211,356	542,128	55,677	228,497	1,174,473	60,368	248,474	1,275,915
SCADA Upgrade	-	18,500	126,175	5,284	11,927	5,568	5,712	12,919	6,037	6,212	14,035
System Performance Improvements (Overflow Reduction / I&I)	97,556	100,000	103,000	211,356	216,851	556,766	114,248	234,895	1,207,358	248,474	255,183
Intensification City Centre (Maitai Precinct) N270	-	-	-	52,839	151,796	222,706	456,993	880,855	905,519	931,778	956,936
Intensification City Wide	-	-	-	-	-	-	-	58,724	169,030	745,423	1,531,098
Pump Station upgrades	-	50,000	206,000	317,034	1,355,320	1,391,914	1,428,104	1,468,091	603,679	1,552,964	1,594,894
Capital WW network small upgrades	-	50,000	77,250	105,678	108,426	111,353	114,248	117,447	120,736	124,237	127,592
Nelson Regional Sewerage	5,506,000	3,821,917	3,805,122	4,113,973	3,194,355	2,112,645	3,629,873	2,177,505	3,195,665	3,293,325	3,145,535
NWWTP Wetlands Plant renewal	-	100,000	257,500	264,195	10,843	11,135	11,425	11,745	12,074	12,424	12,759
Climate Change - Emissions Reduction Strategy Implementation	-	-	77,250	105,678	271,064	278,383	-	293,618	301,840	-	318,979
Climate Change - Vulnerability Assessment Implementation	-	-	-	-	-	167,030	571,242	587,237	603,679	621,186	-
Climate Change - Adaptation Strategy Implementation	-	-	-	-	-	-	114,248	117,447	603,679	621,186	637,958
Wastewater Overflows Resource Consent renewal	-	-	-	-	-	-	-	-	301,840	310,593	-
 Vested Assets	 842,895	 627,000	 645,810	 662,601	 679,829	 698,184	 716,337	 736,395	 757,013	 778,967	 799,999
 <b>Projects under \$100,000</b>	 2,243,414	 416,042	 414,962	 416,661	 447,917	 366,795	 449,738	 529,674	 579,194	 494,495	 535,221
<b>Total Waste Water</b>	<b>12,561,050</b>	<b>15,613,459</b>	<b>14,514,418</b>	<b>11,211,596</b>	<b>10,552,236</b>	<b>10,200,330</b>	<b>16,028,497</b>	<b>17,728,336</b>	<b>17,945,620</b>	<b>19,239,188</b>	<b>18,982,804</b>
Scope Adjustment	-	(1,095,000)	(984,011)	(620,858)	(644,861)	(715,633)	(1,144,505)	(1,457,251)	(1,374,577)	(1,491,466)	(1,477,956)
 <b>Total Waste Water less Scope Adjustment</b>	 12,561,050	 14,518,459	 13,530,408	 10,590,738	 9,907,374	 9,484,697	 14,883,992	 16,271,086	 16,571,043	 17,747,722	 17,504,848

# 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.

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

## WHY WE DO IT

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

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

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

## CHALLENGES

### Changing Weather Patterns

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

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

### Natural Hazards

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

### Maintaining, Renewing and Upgrading

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

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

### Growth and intensification

Future population growth that results in new development proposals will bring with it a requirement to consider the capacity of existing stormwater networks. This will in turn potentially require upgrades or the use of on-site detention devices serving single or multiple properties for stormwater disposal. Council will work to ensure new developments control stormwater at source so as not to exacerbate downstream stormwater issues where capacity in the network is

lacking. Sustainable development must underpin all stormwater activities to ensure the city can accommodate future growth affordably while recognising wider environmental, cultural and social values.

#### New regulatory requirements

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

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

### **COMMUNITY OUTCOMES**

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

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

### **COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

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

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

## SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Environmental protection	Compliance with resource consents for discharge from the stormwater system, measured by number of: a) abatement notices b) infringement notices c) enforcement orders, and d) successful prosecutions received in relation to those resource consents	No contraventions in 2018/19 and 2019/20  2 infringement notices in 2017/18  No contraventions in 2016/17	100% compliance with resource consents for discharge			
Customer response – Minimise justifiable complaints	Number of complaints received about the performance of the stormwater system, per 1000 properties connected to the stormwater network	7 complaints per 1000 properties in 2019/20  11 complaints per 1000 properties in 2018/19  31 complaints per 1000 properties in 2017/18  10 complaints per 1000 connections in 2016/17	No more than 20 complaints per 1000 connections per year			
Customer service - Protection from damage to property	a) The number of flooding events that occur b) For each flooding event, the number of habitable floors affected per 1000 properties connected to the stormwater network	No habitable floor damage in 2015/16, 2016/17 or 2018/19  2017/18 (Cyclone Fehi) is excluded (tidal event)	<p>No damage from flood events of a level that have a 50% probability of occurring in any one year (1 in 2 year)</p> <p>No more than 10 per 1000 properties with habitable floor damage from events that have a 5% probability of occurring in any one year (1 in 20 year).</p> <p>Note: Although Council designs it's pipe system for a 1 in 15 year flood event, given that the floor levels of most properties are raised, this provides for a 1 in 20 year flood event, with some surface flooding around properties.</p> <p>Note: This measure also applies to Flood Protection.</p>			
Customer service - Response to stormwater system issues	Median response time to attend a flooding event, measured from the time that notification is received to the time service personnel reach the site	Median response time 20 minutes in 2019/20 42 minutes in 2018/19 41 minutes in 2017/18 25 minutes in 2016/17	Median response time less than 60 minutes			

## DRIVERS OF CAPITAL EXPENDITURE

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

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

## ASSUMPTIONS

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

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

## IMPACTS AND RISKS

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

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

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

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

## FUNDING IMPACT STATEMENT - STORMWATER

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	4,504	4,926	5,415	5,942	6,494	6,928	7,291	7,728	8,083	8,438	8,956
Subsidies and grants for operating purposes	0	194	0	0	0	0	0	0	0	0	0
Fees and charges	0	5	5	5	5	5	5	6	6	6	6
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>4,504</b>	<b>5,126</b>	<b>5,420</b>	<b>5,947</b>	<b>6,499</b>	<b>6,933</b>	<b>7,297</b>	<b>7,734</b>	<b>8,089</b>	<b>8,444</b>	<b>8,962</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,687	2,214	2,108	2,178	2,233	2,298	2,319	2,407	2,453	2,492	2,570
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	354	381	499	621	758	849	937	990	1,079	1,162	1,309
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,041</b>	<b>2,596</b>	<b>2,607</b>	<b>2,799</b>	<b>2,991</b>	<b>3,147</b>	<b>3,256</b>	<b>3,397</b>	<b>3,532</b>	<b>3,655</b>	<b>3,879</b>
<b>Surplus (Deficit) of operating funding</b>	<b>2,463</b>	<b>2,530</b>	<b>2,813</b>	<b>3,147</b>	<b>3,508</b>	<b>3,786</b>	<b>4,041</b>	<b>4,337</b>	<b>4,557</b>	<b>4,789</b>	<b>5,083</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	388	368	379	388	398	408	418	429	440	452	464
Increase (decrease) in debt	1,970	4,755	5,236	5,192	2,477	1,450	882	2,185	1,863	4,067	3,833
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>2,358</b>	<b>5,123</b>	<b>5,614</b>	<b>5,580</b>	<b>2,875</b>	<b>1,858</b>	<b>1,300</b>	<b>2,614</b>	<b>2,303</b>	<b>4,520</b>	<b>4,297</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	45	96	99	192	1,201	255	263	954	1,374	2,206	3,672
- to improve level of service	4,554	7,402	8,062	8,182	4,975	3,591	3,211	5,181	5,237	6,494	5,462
- to replace existing assets	221	154	266	354	207	1,798	1,866	816	249	608	245
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>4,820</b>	<b>7,652</b>	<b>8,427</b>	<b>8,727</b>	<b>6,383</b>	<b>5,644</b>	<b>5,340</b>	<b>6,951</b>	<b>6,860</b>	<b>9,309</b>	<b>9,380</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(2,463)</b>	<b>(2,530)</b>	<b>(2,813)</b>	<b>(3,147)</b>	<b>(3,508)</b>	<b>(3,786)</b>	<b>(4,041)</b>	<b>(4,337)</b>	<b>(4,557)</b>	<b>(4,789)</b>	<b>(5,083)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	2,463	2,530	2,813	3,147	3,508	3,786	4,041	4,337	4,557	4,789	5,083
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	388	368	379	388	398	408	418	429	440	452	464
Vested Assets	1,179	816	840	862	885	909	932	958	985	1,014	1,041
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(2,462)	(3,241)	(3,406)	(3,622)	(3,864)	(4,023)	(4,159)	(4,337)	(4,557)	(4,789)	(5,083)
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	1,568	473	626	776	927	1,079	1,232	1,387	1,426	1,466	1,505

**SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR**

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Stormwater</b>											
Capital: Poynters Cres	31,335	-	41,200	31,703	325,277	11,135	-	-	-	-	-
Capital: Shelbourne St s/w upgrade	56,454	-	-	-	32,528	133,624	11,425	-	-	-	-
Ashdonleigh Grove Storm water	-	-	-	-	-	-	-	-	36,221	24,847	102,073
Annesbrook Drive Storm Water	-	-	41,200	63,407	32,528	567,901	45,699	-	-	-	-
Railway Reserve (Bishopdale - St Vincent) stormwater improve	-	-	-	31,703	54,213	22,271	137,098	11,745	-	-	-
Capital: Freshwater Improvement Programme Centennial Park pump station outfall and stormwater Treatment	52,220	80,000	154,500	264,195	325,277	334,059	342,745	352,342	362,207	372,711	255,183
	-	1,350,000	103,000	-	-	-	-	-	-	-	-
Stormwater Renewals	15,670	30,000	41,200	63,407	65,055	89,082	91,399	93,958	96,589	99,390	102,073
Haven/St Vincent Culvert renewal	-	50,000	154,500	126,814	75,898	1,670,297	1,713,725	117,447	-	-	-
Washington Valley Stormwater Upgrade	202,582	2,920,000	2,255,700	2,303,780	108,426	-	-	-	-	-	-
Main Road Stoke / Arapiki - Maitland Stormwater Upgrade	144,642	25,000	25,750	105,678	216,851	222,706	228,497	1,996,604	3,718,663	3,478,639	1,020,732
Capital: Milton: Grove-Cambria	192	-	-	-	65,055	111,353	79,974	822,131	60,368	993,897	-
Capital: Mount St / Konini St	1,310,000	40,000	41,200	2,113,560	108,426	-	-	-	-	-	-
Stormwater Pump Station Renewals	161,334	80,000	51,500	105,678	21,685	-	-	528,513	96,589	472,101	89,314
Airlie St	100,000	970,000	51,500	-	-	-	-	-	-	-	-
Bellevue Heights Stormwater	-	50,000	30,900	317,034	32,528	-	-	-	-	-	-
Wastney Terrace stormwater (pvt drain prgm)	126,478	1,550,000	103,000	-	-	-	-	-	-	-	-
Tahunanui Hills Stormwater Catchment 9 - Moana Ave to Rocks	150,000	50,000	103,000	105,678	54,213	1,670,297	1,713,725	1,174,473	120,736	-	-
Tahunanui Hills Stormwater Catchment 4 - Bisley Ave	29,999	60,000	61,800	31,703	542,128	55,677	-	-	-	-	-
Bisley Avenue	99,531	50,000	72,100	264,195	21,685	-	-	-	-	-	-
Brooklands	90,927	30,000	51,500	31,703	1,626,384	111,353	-	-	-	-	-



Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cawthron Crescent	106,877	50,000	30,900	21,136	433,702	55,677	-	-	-	-	-
Examiner	50,001	140,000	10,300	-	-	-	-	-	-	-	-
Kowhai	-	-	-	-	-	-	-	-	36,221	12,424	637,958
Mahoe/Orsman/Matipo	-	-	-	-	-	44,541	45,699	234,895	24,147	-	-
Port Hills SW Strategy Implementation	-	-	-	-	-	-	-	-	60,368	124,237	127,592
Rutherford Stage 1 - Stormwater Upgrade	99,996	50,000	3,605,000	2,652,518	108,426	-	-	-	-	-	-
Rutherford Stage 2 - Box Culvert	52,220	-	-	-	-	-	114,248	234,895	241,472	124,237	1,913,873
Central Nelson SW Strategy Implementation	-	-	-	-	-	-	-	-	120,736	248,474	255,183
Stoke SW Strategy Implementation	-	-	-	-	-	-	-	-	90,552	186,356	191,387
Tahunanui Hills Stormwater Catchment 3 - Days Track	30,000	40,000	978,500	52,839	-	-	-	-	-	-	-
Tahuna SW Strategy Implementation	-	-	-	-	-	-	-	117,447	301,840	310,593	899,520
Totara/Hutcheson	38,000	-	61,800	31,703	487,915	44,541	-	-	-	-	-
Trafalgar Square	-	-	-	-	21,685	111,353	-	-	-	-	-
Natural Hazards Risk Remediation	-	-	-	-	-	-	-	-	60,368	248,474	127,592
Orakei/Tamaki/Rangiora Intersection	-	-	-	-	-	55,677	22,850	234,895	24,147	-	-
York Terrace	36,261	100,000	103,000	63,407	1,084,256	55,677	-	-	36,221	24,847	446,570
Beatson Road	-	-	-	31,703	65,055	22,271	399,869	35,234	-	-	-
Toi Toi stormwater improvements	35,000	20,000	206,000	21,136	-	-	-	-	-	-	-
Strawbridge Sq Stormwater improvements	37,855	50,000	30,900	21,136	422,860	33,406	-	-	-	-	-
Haven Rd open channel upgrade	-	-	-	-	-	-	28,562	29,362	30,184	434,830	25,518
Nikau Rd open channel upgrade	-	-	-	-	-	-	-	35,234	12,074	186,356	12,759
Atawhai SW Strategy Implementation	-	-	-	-	-	-	57,124	176,171	241,472	62,119	1,275,915
Intensification AP N270 City Centre	-	-	-	105,678	108,426	167,030	114,248	587,237	905,519	931,778	637,958
Intensification City Wide	-	-	-	-	-	-	57,124	176,171	181,104	1,242,371	1,422,645
Vanguard Street LOS	-	40,000	309,000	31,703	-	-	-	-	-	62,119	127,592
Vested Assets	1,179,218	816,000	840,480	862,332	884,753	908,641	932,266	958,370	985,204	1,013,775	1,041,147
Projects under \$100,000	2,538,612	637,438	603,875	662,529	609,864	638,909	686,452	720,374	719,509	656,093	703,472
<b>Total Stormwater</b>	<b>6,775,404</b>	<b>9,278,438</b>	<b>10,163,305</b>	<b>10,518,059</b>	<b>7,935,098</b>	<b>7,137,476</b>	<b>6,822,728</b>	<b>8,637,497</b>	<b>8,562,506</b>	<b>11,310,666</b>	<b>11,416,054</b>
Scope Adjustment	-	(810,000)	(895,585)	(928,381)	(667,360)	(584,604)	(550,106)	(728,208)	(717,171)	(988,306)	(995,214)
<b>Total Stormwater less Scope Adjustment</b>	<b>6,775,404</b>	<b>8,468,438</b>	<b>9,267,720</b>	<b>9,589,678</b>	<b>7,267,738</b>	<b>6,552,873</b>	<b>6,272,622</b>	<b>7,909,288</b>	<b>7,845,336</b>	<b>10,322,360</b>	<b>10,420,840</b>

# Flood Protection

## WHAT WE DO

Council flood protection works include physical upgrades to rivers and streams to increase the volume of flood water they can carry, increasing the size of culverts, and removing accumulated gravel where flow capacity is reduced. Council also undertakes flood modelling and land use planning to identify and manage the risks associated with flooding from rivers and streams during heavy rainfall events. A new component of the flood protection activity is the assessment of, and response to coastal hazards including inundation from storm surge, coastal erosion and sea level rise.

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

## WHY WE DO IT

The proximity of the Nelson foothills, and the location of the commercial and residential development on the flood plains and close to waterways, mean that during heavy rainfall events stream and river flows can rise rapidly and cause flash flooding to occur. Low lying areas within the city are also exposed to coastal inundation from storm surges similar to that which occurred during Cyclone Fehi in February 2018.

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

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

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

## CHALLENGES

### Changing weather patterns

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

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

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

### Maintaining, renewing and upgrading

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

### New regulatory requirements

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

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

### **COMMUNITY OUTCOMES**

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

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

### **COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

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

## SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Environmental protection, damage to people and property minimised, and a reliable flood protection network	The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the Stormwater and Flood Protection Asset Management Plan.	No loss of current service potential in any urban streams between 2017/18 and 2019/20	Network maintained to current service potential			
		No freshwater flood events occurred which required repairs between 2017/18 and 2019/20.	Flood event damage identified, prioritised and repair programme agreed between Council and the community			
		No freshwater flood events occurred which required repairs between 2017/18 and 2019/20.	High priority work completed as soon as practicable			
		Between 2017/18 and 2019/20 only minor flood protection repairs were required to maintain waterways	Network components renewed to continue provision of original design service potential			
	Develop risk based Maitai flood response options	Flood analysis completed in 2018/19 Response options identified in 2019/20	Refine options and initiate business case	Develop concept designs for quick win projects	Initiate Resource consent process	Detailed design and Implementation
	Develop city wide flood protection strategies	2018/19 Complete flood models for major streams 2019/20 Prioritise flood response based on results of risk based analysis	Identify flood management options in priority catchments	Engage with the community in priority catchments	Develop concept designs for quick win projects	Consultation, Resource consent, design and implementation
Customer service - Protection from damage to property	a) The number of flooding events that occur  b) For each flooding event, the number of habitable floors affected per 1000 properties	One flooding event in each of 2017/18 and 2018/19  No habitable floor damage in 2015/16, 2016/17, 2018/19 or 2019/20  2017/18 (Cyclone Fehi) is excluded (tidal event)	No damage in urban areas from flood events of a level that have a 50% probability of occurring in any one year (1 in 2 year).  No more than 10 per 1000 urban properties with habitable floor damage from events that have a 5% probability of occurring in any one year (1 in 20 year).  This measure also applies to Stormwater.			

## DRIVERS OF CAPITAL EXPENDITURE

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

## ASSUMPTIONS

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

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

## IMPACTS AND RISKS

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

- Channel upgrading works have the potential to affect instream habitats and stream water quality.
- Flood Protection works may alter land use and ownership if property is required for the work.

Risks and associated mitigations linked to the flood protection activity include the following:

- A storm event with more than a Q50 (1 in 50 year) stream or river flow would be very likely to cause major flood damage and would have to be managed by emergency management systems.
- Extreme and high risks associated with flood events and secondary flow paths from streams and rivers. These are mitigated through processes including:
  - Risk based approaches to creating and upgrading flood protection infrastructure.
  - Land use planning controls, and design for new development in flood risk areas informed by the Inundation Practice Note.
  - Identification and inspection of secondary flow paths.
  - Gravel management to maintain channel capacity.

## FUNDING IMPACT STATEMENT – FLOOD PROTECTION

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	1,725	2,216	2,750	2,936	2,900	2,939	3,103	3,240	3,472	3,691	4,011
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	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>1,725</b>	<b>2,216</b>	<b>2,750</b>	<b>2,936</b>	<b>2,900</b>	<b>2,939</b>	<b>3,103</b>	<b>3,240</b>	<b>3,472</b>	<b>3,691</b>	<b>4,011</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	437	748	1,023	969	824	722	706	712	780	765	735
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	675	760	883	974	1,034	1,119	1,239	1,313	1,406	1,533	1,734
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,112</b>	<b>1,508</b>	<b>1,906</b>	<b>1,943</b>	<b>1,858</b>	<b>1,841</b>	<b>1,945</b>	<b>2,025</b>	<b>2,187</b>	<b>2,298</b>	<b>2,469</b>
<b>Surplus (Deficit) of operating funding</b>	<b>613</b>	<b>708</b>	<b>844</b>	<b>993</b>	<b>1,043</b>	<b>1,099</b>	<b>1,158</b>	<b>1,215</b>	<b>1,285</b>	<b>1,393</b>	<b>1,543</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	0	3,756	2,830	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	4,300	5,827	5,851	1,286	1,614	1,827	1,759	1,644	3,178	5,366	6,006
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>4,300</b>	<b>9,582</b>	<b>8,681</b>	<b>1,286</b>	<b>1,614</b>	<b>1,827</b>	<b>1,759</b>	<b>1,644</b>	<b>3,178</b>	<b>5,366</b>	<b>6,006</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	4,914	10,290	9,495	2,245	2,622	2,890	2,881	2,821	4,427	6,723	7,512
- to replace existing assets	0	0	29	35	35	35	36	37	36	36	37
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>4,914</b>	<b>10,290</b>	<b>9,524</b>	<b>2,279</b>	<b>2,657</b>	<b>2,926</b>	<b>2,917</b>	<b>2,858</b>	<b>4,463</b>	<b>6,759</b>	<b>7,548</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(613)</b>	<b>(708)</b>	<b>(844)</b>	<b>(993)</b>	<b>(1,043)</b>	<b>(1,099)</b>	<b>(1,158)</b>	<b>(1,215)</b>	<b>(1,285)</b>	<b>(1,393)</b>	<b>(1,543)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	613	708	844	993	1,043	1,099	1,158	1,215	1,285	1,393	1,543
Subsidies and grants for capital expenditure	0	3,756	2,830	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	173	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	(615)	(708)	(844)	(993)	(1,043)	(1,099)	(1,158)	(1,215)	(1,285)	(1,393)	(1,543)
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	171	3,756	2,830	(0)	(0)	0	0	0	(0)	0	0

**SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR**

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Flood Protection</b>											
Capital: Todds Valley Stream upgrade	-	-	-	-	-	-	-	-	36,221	124,237	127,592
Capital: York Stream Channel Upgrade	51,670	-	-	-	-	-	91,399	93,958	60,368	621,186	382,775
Maitai flood management	157,280	200,000	257,500	369,873	813,192	1,113,531	1,142,483	1,174,473	1,207,358	1,863,557	2,551,830
Brook Stream fish passage	67,117	60,000	41,200	105,678	108,426	111,353	114,248	-	-	-	-
Brook Stream Catchment Improvements	50,000	100,000	118,450	317,034	271,064	111,353	171,372	176,171	120,736	683,304	637,958
Capital: Oldham Creek	-	-	-	-	-	-	34,274	117,447	120,736	124,237	510,366
Capital: Arapiki Stream	-	-	-	-	-	-	-	35,234	84,515	37,271	765,549
Inventory of Urban Streams	294,448	115,000	77,250	158,517	108,426	33,406	34,274	35,234	36,221	248,474	38,277
Trafalgar Park and Hathaway Tce	-	30,000	41,200	73,975	325,277	33,406	-	-	-	-	-
Jenkins & Arapiki (airport) - Flood Protection	121,433	50,000	30,900	475,551	43,370	-	-	-	-	-	-
Flood Mitigation	159,090	80,000	154,500	158,517	86,740	89,082	171,372	93,958	78,478	80,754	82,934
Orchard Stream	-	-	-	-	-	-	-	-	36,221	124,237	191,387
Jenkins Stream stormwater upgrade	-	-	-	-	54,213	100,218	159,948	117,447	905,519	931,778	637,958
Upgrade Urban Streams	-	70,000	82,400	105,678	108,426	-	-	-	-	-	-
Secondary Flow Paths	-	-	-	-	54,213	111,353	91,399	-	-	-	-
Saxton Creek Stage4 Upgrade	889,753	10,082,500	8,954,820	-	-	-	-	-	-	-	-
Poormans Stream	-	-	-	-	54,213	111,353	171,372	117,447	965,886	1,056,015	637,958
Maire Stream Upgrade Stage 2	-	-	51,500	84,542	65,055	445,412	45,699	-	-	-	-

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Coastal Inundation Modelling	-	200,000	206,000	52,839	-	-	-	176,171	181,104	-	-
Coastal Erosion Modelling	-	-	51,500	105,678	108,426	-	-	-	-	124,237	-
Coastal Response Strategy Implementation	-	-	103,000	105,678	325,277	556,766	571,242	587,237	603,679	993,897	1,275,915
Projects under \$100,000	5,521,197	412,121	378,276	384,472	390,646	397,933	405,636	414,410	484,355	458,341	507,228
Total Flood Protection	7,311,988	11,399,621	10,548,496	2,498,032	2,916,963	3,215,166	3,204,719	3,139,188	4,921,396	7,471,526	8,347,726
Scope Adjustment	-	(1,109,750)	(1,024,232)	(218,753)	(260,221)	(289,518)	(287,906)	(280,699)	(458,192)	(712,500)	(799,361)
Total Flood Protection less Scope Adjustment	7,311,988	10,289,871	9,524,264	2,279,279	2,656,741	2,925,648	2,916,813	2,858,489	4,463,203	6,759,026	7,548,365



# Solid Waste

## WHAT WE DO

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

## WHY WE DO IT

Waste is produced by almost every activity in Nelson, and it is important that it is dealt with appropriately and sustainably to protect public health and wellbeing. The solid waste activity is designed to ensure that waste services are cost effective, but also environmentally and culturally appropriate. Responsible approaches to waste promote Nelson's residents' health, preserve the natural and built environments, and contribute to Nelson's image, making it a pleasant place to live and visit.

## CHALLENGES

### Reducing waste and emissions

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

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

The gas produced from the decomposition of organic material in landfills is roughly 50% methane and 50% CO<sub>2</sub>. Methane traps approximately 30 times more heat in the atmosphere over a 100-year period than CO<sub>2</sub> so it is important we reduce methane emissions. The following projects are funded from the fees paid at the refuse centre (waste levy):

- Allocating \$13.3 million in the Plan for collection of kitchen waste at the kerbside for composting, if our current trial is successful. This is part of Council's commitment to supporting Nelson as a Good Food City.
- Encouraging reuse of products e.g. through our Second Hand Sunday events
- Establishing a grants programme to support everyone in our community to reduce waste
- Delivering a range of workshops and activities through the Rethink Waste programme, including support for Enviroschools.

### Climate change

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

### Product stewardship

Product stewardship is a central government policy that leads to compulsory recycling by the manufacturer for a number of products, which can result in classes of objects which previously held little to no value, gaining value. One example of this is 'container deposit'. This carries with it a challenge to Council that only low value items are put out at the kerb for recycling collection, which could lead to higher contract costs. Council will work with local community groups to expand recycling capabilities.

### Community expectations and government priorities

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

## Recycling

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

### **COMMUNITY OUTCOMES**

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

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

### **COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

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

### **SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS**

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Current Performance	Targets			
				Year 1	Year 2	Year 3	Years 4-10
Measures to encourage the community to	Reduction of waste per capita by 10% by 2030	The calculation for the amount of waste per resident has been revised to bring it in line	Maintain or decrease the amount of waste (kg) per capita to	Total waste less than	Total waste less than	Total waste less than	Total waste less than 500kg/capita

reduce waste to landfill		with the Joint Waste Management and Minimisation Plan. This now excludes material such as contaminated soils and water treatment sludge. Nelson and Tasman councils both utilise the same calculation which provides region wide accuracy. Under the new calculation the 2018/19 year total was 578kg of waste per capita and in 2019/20 it was 565kg per capita. This is a 2.3% reduction, which is reflective of better waste diversion and recycling.	landfill, per year	565kg/capita	545kg/capita	525kg/capita	
Measures to encourage the community to increase composting of food and garden waste	Quantifiable diversion of general organic material from landfill	72% of Nelson households composted either food or garden waste in 2019/20. 63% of respondents composted food waste (up from 60% in 2018/19), and 62% composted garden waste (up from 61% in 2018/19).	Maintain or increase the % of households that compost food and garden waste compared to previous survey results	Reduction from previous year	Reduction from previous year	Reduction of 5% from 2019 JWMMP organic	Reduction of 6% from 2019 JWMMP organic
Support for the collection and recycling of e-waste	Increase in diverted tonnes through e-waste, reuse shops, etc.	The uptake of e-waste subsidies increased from 2018/19 to 2019/20.	Consistent or increasing uptake of available e-waste subsidies compared to the previous year (in dollars)	Create 2021 baseline	Increase of 2% above 2021 baseline	Increase of 3% above 2021 baseline	Ongoing 4% above 2021 baseline

**DRIVERS OF CAPITAL EXPENDITURE**

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

**ASSUMPTIONS**

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

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

**IMPACTS AND RISKS**

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

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

## FUNDING IMPACT STATEMENT – SOLID WASTE

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term Plan 2023/24	Long-term Plan 2024/25	Long-term Plan 2025/26	Long-term Plan 2026/27	Long-term Plan 2027/28	Long-term Plan 2028/29	Long-term Plan 2029/30	Long-term Plan 2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$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	199	200	1,027	1,473	1,507	1,544	1,582	1,621	1,665	1,708	1,752
Fees and charges	3,156	5,539	6,190	6,842	7,284	7,510	7,744	8,002	8,284	8,571	8,860
Internal charges and overheads recovered	2,466	2,760	2,528	3,104	3,145	3,239	3,109	3,170	3,254	3,343	3,429
Local authorities fuel tax, fines, infringement fees, and other receipts	2,415	2,700	3,087	3,482	3,567	3,660	3,752	3,848	3,953	4,059	4,165
<b>Total Operating Funding</b>	<b>8,236</b>	<b>11,199</b>	<b>12,832</b>	<b>14,900</b>	<b>15,505</b>	<b>15,952</b>	<b>16,186</b>	<b>16,640</b>	<b>17,157</b>	<b>17,681</b>	<b>18,206</b>
	0										
<b>Applications of operating funding</b>											
Payments to staff and suppliers	5,435	7,674	9,372	10,807	11,317	11,667	12,135	12,485	12,868	13,257	13,648
Finance costs	0	4	19	21	13	5	7	19	31	38	29
Internal charges and overheads applied *	2,470	2,790	2,555	3,127	3,166	3,257	3,125	3,186	3,271	3,360	3,446
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>7,905</b>	<b>10,467</b>	<b>11,945</b>	<b>13,955</b>	<b>14,496</b>	<b>14,929</b>	<b>15,267</b>	<b>15,690</b>	<b>16,170</b>	<b>16,655</b>	<b>17,123</b>
<b>Surplus (Deficit) of operating funding</b>	<b>331</b>	<b>732</b>	<b>887</b>	<b>945</b>	<b>1,009</b>	<b>1,023</b>	<b>919</b>	<b>950</b>	<b>987</b>	<b>1,026</b>	<b>1,083</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	533	2,161	116	(662)	(519)	(817)	405	74	204	(302)	(947)
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>533</b>	<b>2,161</b>	<b>116</b>	<b>(662)</b>	<b>(519)</b>	<b>(817)</b>	<b>405</b>	<b>74</b>	<b>204</b>	<b>(302)</b>	<b>(947)</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	288	530	215	264	270	107	1,279	977	756	675	85
- to improve level of service	561	1,025	547	66	34	0	0	0	300	0	0
- to replace existing assets	15	1,373	528	87	177	91	37	38	126	40	41
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	(35)	(287)	(134)	8	8	9	9	9	9	9
<b>Total applications of capital funding</b>	<b>864</b>	<b>2,893</b>	<b>1,003</b>	<b>282</b>	<b>490</b>	<b>206</b>	<b>1,324</b>	<b>1,023</b>	<b>1,191</b>	<b>724</b>	<b>136</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(331)</b>	<b>(732)</b>	<b>(887)</b>	<b>(945)</b>	<b>(1,009)</b>	<b>(1,023)</b>	<b>(919)</b>	<b>(950)</b>	<b>(987)</b>	<b>(1,026)</b>	<b>(1,083)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	331	732	887	945	1,009	1,023	919	950	987	1,026	1,083
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	(382)	(525)	(678)	(720)	(749)	(780)	(807)	(836)	(871)	(911)	(966)
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	(51)	207	209	225	260	243	112	114	117	116	117

SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Solid Waste											
Joint Landfill Upgrade	832,500	2,927,500	1,257,321	350,788	447,659	198,382	1,315,544	1,014,573	1,181,903	714,915	126,510
Projects under \$100,000	31,334	-	36,050	72,918	37,949	-	-	-	-	-	-
Total Solid Waste	863,834	2,927,500	1,293,371	423,705	485,608	198,382	1,315,544	1,014,573	1,181,903	714,915	126,510
Scope Adjustment	-	-	(3,605)	(7,292)	(3,795)	-	-	-	-	-	-
Total Solid Waste less Scope Adjustment	863,834	2,927,500	1,289,766	416,414	481,813	198,382	1,315,544	1,014,573	1,181,903	714,915	126,510

# Environment

## WHAT WE DO

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

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

Delivery on a healthy and protected environment is woven through Council's activities such as infrastructure management and through our planning framework, monitoring of the environment, management of resource consents including compliance, delivery of environmental projects, delivery of a regulatory biosecurity programme and reporting of information on natural resources. The City Centre programme amongst other activities is working to deliver a people friendly, well planned and sustainably managed Whakatū Nelson. Delivery on urban development capacity and coordination of infrastructure to support growth are part of the environment activity, with integration across a range of other activities and given effect to through multiple Activity Management Plans.

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

## WHY WE DO IT

A healthy natural and built environment is a key aspect of achieving and sustaining wellbeing within the Nelson community. Nelson has a strong environmental identity which Council works to promote, and there are a large number of legislative and policy directions informing Council's work programme in this area. There are a range of growth and development and housing priorities that are given effect to through this Activity Management Plan to deliver economic and social wellbeing outcomes.

## CHALLENGES

### Government legislation and requirements

Environmental legislation and various regulations are the subject of government review, with any resultant provisions requiring implementation by Council. Each implementation process requires a different approach, and Council faces the challenge of implementing them in the most cost-effective manner while still achieving the intended goal. A number of National Policy Statements (NPS) and National Environmental Standards have recently been completed, or are planned by government. These include the NPS on Urban Development, significant changes to the National Policy Statement for Freshwater and new National Environmental Standards for Freshwater. In addition, the Resource Management Act is facing a significant overhaul, which will require implementation by Council. The signalled Resource Management Act repeal and replacement by three proposed new pieces of legislation (Natural and Built Environments Act, Strategic Planning Act, and Managed Retreat and Climate Change Adaptation Act) create significant uncertainty for Council's review of its resource management plan (the Draft Whakamahere Whakatū Nelson Plan) currently underway.

### Climate Change

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

- Providing for climate change action through the Whakamahere Whakatū- Nelson Plan.
- Working with the community on hazards relating to climate change.
- Working with landowners regarding climate change resilience.
- Protecting and building resilience for our natural environment and biodiversity.
- Planning and responding to biosecurity incursions that occur as the climate alters.
- Delivering large scale indigenous planting through government funded programmes.

### Marine and coastal environments

Marine and coastal environments are of high significance for Whakatū Nelson. The eight iwi of Te Tau Ihu have Statutory Acknowledgements over the coastal marine area which provides recognition of cultural, spiritual, historical and traditional associations with the coastal and marine environments. These environments are also of fundamental importance to the Nelson experience, economy and recreational activities. Council is seeking to respond to an increasing number of marine and coastal issues, including sea level rise, coastal erosion, water quality, biodiversity and marine biosecurity.

### Monitoring data

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

### Collaboration with regional partners

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

### Biosecurity

The new Tasman Nelson Regional Pest Management Plan became operative on 1 July 2019. Following this, Council must now ensure successful implementation and operation of the Plan, and allow for response to new biosecurity threats. Additionally, the Biosecurity Act 1993 is being overhauled, which will bring about a number of new obligations for Council to respond to.

### Affordable housing and urban development capacity

Council has housing affordability, capacity and intensification as key focus area. To support intensification, sufficient planning and policy development must be done by Council and implementation of the Intensification Action Plan that gives effect to the Future Development Strategy is a mechanism to achieve this. Likewise sufficient infrastructure planning to support growth and enable a range of housing types and in a range of locations is required to meet the needs of the community. Council has also established a \$12 million Housing Reserve to work with and support partners who have the ability to deliver social and affordable housing solutions for the community. These actions will help achieve integrated and smart development for Nelson.

### City Centre Programme Plan

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

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

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

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

Work on the Spatial Plan and a Parking Strategy for the City is ongoing but has been delayed by COVID-19. They are essential for understanding how to best invest in our City Centre. Until they are complete, Council's \$15.3 million provision for developing the City Centre will not be allocated to specific projects. The exceptions to this are the Streets for People programme (\$2.7 million), which is currently being implemented, and the urban park (\$1.4 million).



As part of the Spatial Plan engagement process, Council will hold a variety of sessions with the Nelson community.

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

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

The Spatial Plan will consider the needs of new residents living in and around Nelson's City Centre. This will include integrating urban greening measures and play spaces for families.

Trial projects under the City Centre Streets for People programme will continue in from 2021/22 to 2023/24, to investigate ideas for spatial development and determine what works for the community. From 2024/25 to 2026/27 we will begin implementing more permanent solutions.

#### Overall customer focus and quality assurance

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

### **COMMUNITY OUTCOMES**

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

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

### **COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

#### Partnerships

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

### Freshwater

Implementing the significant changes on Government's freshwater policy requires increased budget in the order of \$6.3m over 10 years across the freshwater planning, monitoring and science, and compliance activities. These Government changes will result in additional work programmes for delivery across the Council.

### Biodiversity and Nelson Nature programme

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

### Housing

The National Policy Statement for Urban Development requires an increase in housing capacity along with Council's focus on improving housing intensification.

**SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS**

What Council will provide	Performance Measure	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Compliance with National Environmental Standards for Air Quality for PM10	Number of exceedances in any of the airsheds do not exceed one in a calendar year	<p>Airshed A</p> <p>No exceedances recorded for 2019/20.</p> <p>Airshed B1</p> <p>No exceedances recorded for 2019/20.</p> <p>Airshed B2 &amp; C</p> <p>No exceedances recorded for 2019/20.</p>	No more than one exceedance in any calendar year in any airshed. Reported to Council each year			
Information on safe recreational bathing sites, marine and freshwater	% of key bathing sites monitored and public advised if water quality standards are breached	100%	100% of key bathing sites are monitored			
Compliance with the Biosecurity Act 1993 (amended 2015)	Compliance with the Tasman Nelson Regional Pest Management Plan reporting requirements for operational plans	New measure	100% Delivery of operational plan reported to Council each year			
Provision of easily accessible, accurate, up to date and fit for purpose state of the environment monitoring data for all	Five yearly comprehensive State of the Environment report is published to achieve compliance with section 35 of the	Altered measure. 100%	Five yearly report due by December 2023			Five yearly report due by December 2028

environmental domains	Resource Management Act 1991			
Ensure Resource consent decision-making is robust and legally defensible	No decisions are over turned by the High Court upon judicial reviews	New measure	No decisions are over turned by the High Court upon judicial reviews	
Food safety and public health comply with legislative requirements	Respond to food safety complaints within one working day	Altered measure.	100%	
Resource consent processes that comply with statutory timeframes	All resource consents are processed within statutory timeframes. All resource consents requiring monitoring are monitored at least annually.	Altered measure Previous measure and result: % non-notified processed within 20 working days 97% were processed within 20 day timeframe. This figure was 83% in 2018/19. % fast track consents within 10 working days 100% of fast track consents were processed within 10 working days. This figure was 95% in 2018/19.	100%	
Provision of dog and animal control services	Respond to reports of dog attacks that have just occurred within 60 minutes.	Altered measure. Previous measure and result: % of all complaints responded to within one day 1619 out of 1741 dog and animal control service	90%	

		requests to Council were responded to within one day in 2019/20 (93%). This does not specify which requests were for complaints.	
Navigation safety is delivered to meet all legislative requirements	Safety checks are conducted for recreational vessels (boats, kayaks, stand-up paddle boards etc)	New measure	At least 1,000 annually
	Inspect navigation safety aids and maintain, replace or provide additional aids as required	New measure	At least annual inspection
Sale of alcohol complies with legislative requirements	Inspect high risk premises at least two times each year	New measure	100%
Provide building control services in a professional and timely manner, to ensure building work is safe and in accordance with the Building Code	% building consents and code compliance certificated issues within 20 working days	Altered measure. Previous measure and result:  % building consents (BC) and code compliance certificates (CCC) issued within 20 working days	100%
	% building consents and code compliance certificated issues within 20 working days	902 Building Consents were received in 2019/2020, with 96% being issued within 20 days. 688 Code Compliance	100%

		Certificates were issued in 2019/2020, 97% within 20 days				
Maintain current and enforceable environmental bylaws for dogs, urban environments, city amenity and navigation safety	Bylaw reviews are completed within timeframes set out in the Local Government Act	New measure	100% Urban Environment Bylaw (expires 02/06/22)	100% City Amenity Bylaw (expires 11/09/2024)	100%	100% Dog Control Bylaw (expires 27/07/32) Navigation Safety Bylaw (expires 01/10/31)
Create and implement a city centre programme	Monitor performance every three years with a public life survey	New measure	Monitoring due in years 2023/24 and 2028/29		Monitoring completed and reported to Council	Monitoring due in years 2031/32
Urban Development Capacity is sufficient to meet future demand	Report annually on Urban Development capacity and how the requirements of the NPS urban Development are met	New measure	100%. Reported to Council each year			
The Compliance Strategy is reviewed for effectiveness	The effectiveness of the Compliance Strategy is reported to Council annually	New measure	Reported to Council each year	Reported to Council each year	Reported to Council each year	Reported to Council each year

## DRIVERS OF CAPITAL EXPENDITURE

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

## ASSUMPTIONS

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

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

## IMPACTS AND RISKS

High levels of risk in the environment activity include:

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

## FUNDING IMPACT STATEMENT - ENVIRONMENT

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	9,661	10,816	11,704	12,428	12,748	13,148	13,977	14,421	14,813	15,301	15,517
Targeted rates including water by meter	4	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	443	1,809	1,056	364	307	72	73	75	77	79	80
Fees and charges	241	243	247	251	256	260	265	271	278	284	291
Internal charges and overheads recovered	50	50	51	53	54	55	57	58	60	61	63
Local authorities fuel tax, fines, infringement fees, and other receipts	3,830	4,611	4,689	4,799	4,884	4,977	5,075	5,186	5,307	5,428	5,553
<b>Total Operating Funding</b>	<b>14,229</b>	<b>17,528</b>	<b>17,748</b>	<b>17,895</b>	<b>18,248</b>	<b>18,512</b>	<b>19,447</b>	<b>20,012</b>	<b>20,534</b>	<b>21,153</b>	<b>21,505</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	15,740	18,643	20,286	17,516	16,923	17,392	17,879	17,566	18,021	18,365	18,636
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	365	429	537	647	686	771	945	1,049	1,066	1,054	1,040
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>16,105</b>	<b>19,072</b>	<b>20,822</b>	<b>18,163</b>	<b>17,610</b>	<b>18,163</b>	<b>18,824</b>	<b>18,615</b>	<b>19,087</b>	<b>19,420</b>	<b>19,677</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(1,876)</b>	<b>(1,544)</b>	<b>(3,075)</b>	<b>(269)</b>	<b>638</b>	<b>349</b>	<b>623</b>	<b>1,397</b>	<b>1,447</b>	<b>1,734</b>	<b>1,828</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	2,147	3,121	5,085	628	1,244	4,750	3,585	(310)	(971)	(1,239)	(1,279)
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>2,147</b>	<b>3,121</b>	<b>5,085</b>	<b>628</b>	<b>1,244</b>	<b>4,750</b>	<b>3,585</b>	<b>(310)</b>	<b>(971)</b>	<b>(1,239)</b>	<b>(1,279)</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	324	1,574	1,932	342	1,829	5,085	4,189	1,030	461	474	487
- to replace existing assets	118	76	78	17	53	14	19	57	15	20	62
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	(170)	(72)	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>272</b>	<b>1,577</b>	<b>2,010</b>	<b>359</b>	<b>1,882</b>	<b>5,099</b>	<b>4,208</b>	<b>1,087</b>	<b>476</b>	<b>494</b>	<b>549</b>
<b>Surplus (Deficit) of capital funding</b>	<b>1,876</b>	<b>1,544</b>	<b>3,075</b>	<b>269</b>	<b>(638)</b>	<b>(349)</b>	<b>(623)</b>	<b>(1,397)</b>	<b>(1,447)</b>	<b>(1,734)</b>	<b>(1,828)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(1,876)	(1,544)	(3,075)	(269)	638	349	623	1,397	1,447	1,734	1,828
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	(83)	(116)	(182)	(225)	(269)	(440)	(683)	(817)	(850)	(867)	(885)
Other non-cash income / Expenditure	2	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	(1,957)	(1,660)	(3,257)	(494)	369	(91)	(60)	580	597	866	943

**SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR**

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Environmental Management</b>											
<b>Monitoring the Environment</b>											
Healthy Streams	142,907	115,392	118,854	121,944	125,114	128,493	131,833	135,525	139,319	143,360	147,230
Plant & Equipment	181,006	133,711	173,772	151,871	117,871	121,053	124,200	127,678	131,253	135,059	138,706
<b>City Development</b>											
Upper Trafalgar Street Stage 2	-	-	-	-	1,084,256	111,353	-	-	-	-	-
CBD Enhancements	139,000	300,000	257,500	105,678	650,554	5,289,272	4,398,560	880,855	241,472	248,474	255,183
Streets for People	-	1,200,000	1,545,000	-	-	-	-	-	-	-	-
<b>Projects under \$100,000</b>	<b>269,255</b>	<b>84,075</b>	<b>138,097</b>	<b>19,101</b>	<b>112,844</b>	<b>15,673</b>	<b>20,650</b>	<b>63,510</b>	<b>16,994</b>	<b>22,456</b>	<b>68,995</b>
<b>Total Environmental Management</b>	<b>732,168</b>	<b>1,833,178</b>	<b>2,233,223</b>	<b>398,594</b>	<b>2,090,639</b>	<b>5,665,844</b>	<b>4,675,244</b>	<b>1,207,567</b>	<b>529,038</b>	<b>549,349</b>	<b>610,114</b>
Scope Adjustment	-	(183,318)	(223,322)	(39,859)	(209,064)	(566,584)	(467,524)	(120,757)	(52,904)	(54,935)	(61,011)
<b>Total Environmental Management less Scope Adjustment</b>	<b>732,168</b>	<b>1,649,860</b>	<b>2,009,901</b>	<b>358,735</b>	<b>1,881,575</b>	<b>5,099,260</b>	<b>4,207,719</b>	<b>1,086,811</b>	<b>476,134</b>	<b>494,414</b>	<b>549,103</b>

# Social

## WHAT WE DO

The social activity supports community wellbeing. It achieves this through the provision of social, cultural, arts and heritage facilities such as Founders Heritage Park, cemeteries (operational and historic) and our libraries. Council also invests in and supports the work of community facilities such as the Theatre Royal, Tasman Bays Heritage Trust (Nelson Museum), Suter Art Gallery and the Nelson Centre of Musical Arts and supports events such as the Arts Festival, kapa haka and Te Ramaroa (Light Nelson). Community development is also funded, including in the form of grants to community groups providing social services and support to the community. This activity helps the most vulnerable in our community, contributes to making Nelson an attractive and vibrant city, supports opportunities to celebrate and explore our heritage and creativity, and it creates opportunities for the community to connect and strengthen feelings of belonging, identity and a sense of pride in Nelson.

## WHY WE DO IT

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

## CHALLENGES

### Social isolation

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

### Housing vulnerability

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

### Access to work and learning opportunities

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

### Poverty

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

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

### Presenting the whole picture of our history

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

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

### Founders Heritage Park

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

### Heritage Buildings

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

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

### Arts

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

### COVID-19 impact

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

### Nelson Provincial Museum archive facility

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

### Redevelopment of the Elma Turner Library

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

### Cemetery Capacity

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

## **COMMUNITY OUTCOMES**

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

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

## COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS

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

### Library Precinct Redevelopment

#### *Creating a vibrant and resilient community space for Nelson*

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

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

Council proposes to build an iconic Nelson library that:

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

### **Why do we need a new library?**

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

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

### **Budget and Timeline**

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

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

## SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Community partnerships address community needs and issues	Community Investment Fund agreements and grants are allocated as per advertised timeframes.	Council provided a number of funding initiatives to organisations such as the Whakatū Riding for the Disabled group, Alzheimer's Society Nelson, and Age Concern Nelson.	One new project funded per year that achieves the outcomes of the funding agreement.			
Council provides support for the arts sector to provide arts advice, advocacy and promotion, to strengthen the sector	Creative Community Scheme funding is allocated successfully to community art projects.	Funding allocations lead to improved community art outcomes.	Creative Communities scheme funding fully allocated each year.			
Council's heritage facilities provide heritage activities to experience, celebrate and learn about Nelson's history and stories	Number of visitors/ users of the facility.	89, 628 visitors 2019/20 (affected by COVID-19).	Increase visitor numbers year on year.			
High quality, popular and accessible arts events	Produce an Arts programme of international standard that includes well-supported community events.	The 2020 Nelson Residents' Survey showed that: 41% of respondents attended the Summer Festival 23% attended the Mask Parade 16% attended the Arts Festival 22% attended Opera in the Park Nelson Festivals Trust's report shows record attendance numbers to the 2019 Nelson Arts Festival and the data collected from the Events Team shows mostly high numbers of attendance. The 2019 Nelson Residents' Survey showed that: 43% of respondents attended the Summer Festival 33% attended the Mask Parade 19% attended the Arts Festival	Resident survey confirms maintenance of attendance levels: <ul style="list-style-type: none"> <li>• 20% of residents surveyed attended the Mask Parade</li> <li>• 20% of residents surveyed attended the Arts Festival.</li> </ul> Event audience surveys indicate satisfaction of 70%.			
	To deliver a diverse and accessible variety of events that are well attended and enjoyed by audiences.	Over 80% satisfaction of attendees was recorded at Council events.	At least 12 events per annum are delivered celebrating our community's performing skills and creativity and support at least 10 free or low cost events.  15% of Residents' Survey participants attended Opera in the Park.			

## **DRIVERS OF CAPITAL EXPENDITURE**

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

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

## **ASSUMPTIONS**

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

- Council will continue to be involved in community partnerships and arts, heritage and events activities.
- That Council's social objectives will be supported by community partners.
- The Brook Campground will be leased from 2022/23

## **IMPACTS AND RISKS**

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

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

## FUNDING IMPACT STATEMENT – SOCIAL

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	14,072	15,011	15,196	15,732	17,270	18,710	18,897	19,440	19,720	20,414	20,586
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	154	197	200	204	207	211	215	220	225	230	235
Fees and charges	855	967	701	861	790	912	841	970	901	1,038	965
Internal charges and overheads recovered	0	1	1	1	1	1	1	1	1	1	1
Local authorities fuel tax, fines, infringement fees, and other receipts	1,371	878	942	1,057	1,105	1,127	1,151	1,177	1,205	1,234	1,263
<b>Total Operating Funding</b>	<b>16,452</b>	<b>17,054</b>	<b>17,041</b>	<b>17,856</b>	<b>19,373</b>	<b>20,961</b>	<b>21,105</b>	<b>21,808</b>	<b>22,053</b>	<b>22,917</b>	<b>23,051</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	13,725	14,631	14,531	15,209	15,678	16,388	16,376	17,020	17,203	18,050	18,141
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,509	1,051	1,105	1,322	1,889	2,385	2,515	2,553	2,599	2,597	2,626
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>15,234</b>	<b>15,681</b>	<b>15,636</b>	<b>16,531</b>	<b>17,567</b>	<b>18,773</b>	<b>18,891</b>	<b>19,573</b>	<b>19,802</b>	<b>20,648</b>	<b>20,766</b>
<b>Surplus (Deficit) of operating funding</b>	<b>1,218</b>	<b>1,373</b>	<b>1,405</b>	<b>1,325</b>	<b>1,806</b>	<b>2,189</b>	<b>2,214</b>	<b>2,235</b>	<b>2,251</b>	<b>2,269</b>	<b>2,285</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	384	24	437	26	26	27	28	28	29	30	31
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(5,510)	2,852	5,998	19,161	20,250	(249)	(110)	(381)	(719)	(691)	236
Gross proceeds from sale of assets	8,383	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>3,257</b>	<b>2,876</b>	<b>6,435</b>	<b>19,187</b>	<b>20,277</b>	<b>(222)</b>	<b>(82)</b>	<b>(352)</b>	<b>(690)</b>	<b>(661)</b>	<b>267</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	1,391	576	1,748	552	958	681	636	680	1,043	1,244	1,305
- to improve level of service	2,811	3,246	5,792	16,495	19,481	773	1,255	128	155	15	14
- to replace existing assets	466	619	492	493	1,761	605	334	1,169	456	442	1,326
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	(193)	(193)	(193)	2,972	(118)	(93)	(93)	(93)	(93)	(93)	(93)
<b>Total applications of capital funding</b>	<b>4,475</b>	<b>4,249</b>	<b>7,839</b>	<b>20,512</b>	<b>22,083</b>	<b>1,967</b>	<b>2,132</b>	<b>1,883</b>	<b>1,561</b>	<b>1,608</b>	<b>2,552</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(1,218)</b>	<b>(1,373)</b>	<b>(1,405)</b>	<b>(1,325)</b>	<b>(1,806)</b>	<b>(2,189)</b>	<b>(2,214)</b>	<b>(2,235)</b>	<b>(2,251)</b>	<b>(2,269)</b>	<b>(2,285)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,218	1,373	1,405	1,325	1,806	2,189	2,214	2,235	2,251	2,269	2,285
Subsidies and grants for capital expenditure	384	24	437	26	26	27	28	28	29	30	31
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	(1,287)	(1,348)	(1,380)	(1,400)	(1,743)	(2,100)	(2,126)	(2,147)	(2,162)	(2,181)	(2,197)
Other non-cash income / Expenditure	702	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	1,017	49	462	(49)	90	115	116	117	117	118	119

**SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR**

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Social</b>											
<b>Managing Heritage &amp; Arts</b>											
Art Works Programme	84,708	86,532	89,128	91,445	93,822	96,356	98,861	101,629	104,475	107,505	110,407
<b>Broadgreen House</b>											
Renewal: Structures	1,670	60,000	25,750	8,454	-	13,362	-	8,221	-	-	103,349
<b>Founders Park</b>											
Cultural space development	-	25,000	25,750	105,678	108,426	111,353	-	-	-	-	-
Collection store H&S	-	150,000	576,800	-	-	-	-	-	-	-	-
Energy centre venue development	-	-	54,075	98,281	109,510	69,039	358,168	103,354	-	-	-
Granary venue development	-	-	-	-	-	122,488	39,987	-	-	-	-
<b>Nelson Library</b>											
Elma Turner Library Extension/ Relocation	1,055,552	2,950,000	3,368,100	17,764,472	21,056,252	399,758	763,179	-	-	-	-
RFID circulation (Radio Frequency ID)	-	-	-	-	-	-	-	-	120,736	-	-
Structural Improvements	45,000	200,000	-	-	-	-	-	-	-	-	-
Book Purchases	390,052	360,000	370,800	391,009	401,175	456,548	422,719	434,555	446,722	459,677	472,089
<b>Stoke library</b>											
Stoke Library structural improvements	25,000	-	-	52,839	596,341	-	-	-	-	-	-
<b>Nellie Nightingale Library Memorial</b>											

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Nightingale roof repair	-	-	41,200	204,381	-	-	-	-	-	-	-
Marsden Valley Cemetery											
Cemetery Capacity Purchase	-	-	1,339,000	-	-	-	-	-	-	-	-
Extension Burial Area Design	-	-	-	-	433,702	-	-	-	271,656	422,406	574,162
Toilets (Free)											
Toilet Renewals Program	47,660	42,680	92,700	45,103	704,766	100,218	48,761	763,407	108,662	53,024	829,345
Toilets (Charge)											
Toilet Renewals Program	15,670	-	-	10,568	271,064	222,706	-	-	-	-	-
Stoke Hall											
Stoke Hall Remediation	120,000	-	2,116,650	-	-	-	-	-	-	-	-
Brook Camp											
Renewal : Buildings	67,530	150,000	-	-	16,264	-	-	5,872	-	89,451	-
Projects under \$100,000	2,809,099	874,804	787,966	677,655	837,603	657,549	700,515	737,988	743,817	715,859	806,106
Total Social	4,661,941	4,899,016	8,887,919	19,449,884	24,628,925	2,249,377	2,432,190	2,155,026	1,796,068	1,847,922	2,895,457
Scope Adjustment	-	(457,130)	(855,534)	(1,910,236)	(2,428,028)	(189,859)	(207,438)	(178,925)	(142,166)	(146,488)	(250,347)
Total Social less Scope Adjustment	4,661,941	4,441,885	8,032,385	17,539,648	22,200,896	2,059,518	2,224,751	1,976,101	1,653,902	1,701,435	2,645,110

# Parks and Active Recreation

## WHAT WE DO

Council manages approximately 11,250 hectares of parks and reserves for the city, which includes over 10,000 hectares of conservation reserve. Parks and Reserves provide recreation opportunities, with a range of sporting assets such as Saxton Field, and more natural environments such as the Maitai Esplanade Reserve. Council also supports a range of international and national sporting and entertainment events hosted in Nelson, which contribute to our local identity and provide economic and social benefits to the city.

## WHY WE DO IT

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

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

## CHALLENGES

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

### Biodiversity outcomes

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

### Levels of service

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

### Appropriate provision of assets

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

### Climate change effects and network resilience

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

### Balancing competing uses

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

### Defining strategic outcomes

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

## Asset management

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

## Carbon emission reduction

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

## **COMMUNITY OUTCOMES**

The parks and active recreation activity contributes to the following Community Outcomes:

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

## **COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

- Continue developing Ecological Restoration Plans for key reserves, and progress implementation; for example, weed control in landscape reserves. Current funding for weed control is around \$250,000 per year on average, which has not been sufficient to manage pest plants, especially vine species including Old Man's Beard, Banana Passionfruit, and Climbing Asparagus. The Long Term Plan includes \$250,000 in Year 1, \$669,000 in Year 2, rising to \$1.7 million by Year 7 (inflation adjusted). This funding is for widespread pest plant control work on Council land – totalling \$11.5 million over the next 10 years, with many significant benefits to both biodiversity and the wellbeing of our community.
- Progress the development of the Stoke Youth Park.
- Develop the relationship with Ngāti Koata as a key recreation landowner.
- Nelson Marina

The Marina will be directly managed as a separate business unit of Council from 2020 replacing the management contract model previously in place. A comprehensive review of governance, management and operations as well as a spatial Master Plan are expected to be completed in 2020/21.

Fees and charges will be reviewed in 2021/22. Future governance will be investigated once the new management model is established.

- Investigate a sea sports building at the marina.

Sea sports at the Nelson Marina include a range of popular activities such as Scouts, Cadets, canoe, surf skis, rowing, waka ama and kayaking. However there is no adequate building to either store equipment or to be a base for activities. The proposed building is expected to cost \$8.3 million (in 2024/25 and 2025/26), with design and consenting work commencing in 2022/23. 80% of the project's construction costs are proposed to be funded from the Marina account, with an expectation that the sports groups who will use the facility will make a 20% contribution. For this option, Council's initial outlay will be \$6.7 million funded through debt, with ongoing interest of approximately \$184,000 per year. There will be no impact on rates as the Marina account is a closed account.

- To improve planning and recording of asset data within the activity, and continue developing strategies to provide high level direction and assist with investment priorities.

**SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS**

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Parks and recreation service that meets or exceeds residents' expectations	Residents (%) that are satisfied with Council provided parks and recreation	82% of respondents were 'satisfied' or 'very satisfied' with parks and recreation in Nelson in the 2020 Residents' Survey. This is up from 81% in 2018/19.	80%			
Sufficient open space provided in the City	Area in hectares of Neighbourhood Parks per 1,000 residents <sup>1</sup>	In 2019/20 there were 1.6 hectares of neighbourhood parks per 1,000 residents.	1.0 – 1.2 ha			
Conveniently located open space i.e. neighbourhood park, public garden or sportsground	Urban residential properties (%) within 400m distance of publicly accessible open space	99.04 % of residential houses were within 800 m of neighbourhood parks. This was 99% in 2018/19.	99%			
Play facilities that are conveniently located	Urban residential properties (%) within 800m of a playground	97.4% of residential properties were within 1 km of a playground in 2019/20. This figure was 95% in 2018/19.	95%			
Marina managed to meet demand	Occupation for marina berths (both permanent and visitors)	Berth occupancy at the Marina was 96%.	Greater than 95%			

<sup>1</sup> Calculation excludes the five largest neighbourhood parks

## DRIVERS OF CAPITAL EXPENDITURE

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

- Population growth and residential development in Nelson and surrounding areas.
- Responding to the needs of user groups; for example the development of a sea sports building.
- The development of a recreational space at Modellers Pond which includes extending the model train track, landscaping and enhancement of the area along with treatment of storm water upstream of the pond.
- Renewals as play equipment, facilities and other infrastructure at their end of useful life.

## ASSUMPTIONS

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

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

## IMPACTS AND RISKS

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

## FUNDING IMPACT STATEMENT – PARKS AND ACTIVE RECREATION

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	12,965	13,975	14,601	15,084	15,559	15,996	16,879	17,159	16,924	17,269	17,413
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	45	46	47	49	0	0	0	0	0	0
Fees and charges	2,324	576	601	611	674	686	700	715	732	749	766
Internal charges and overheads recovered	469	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,447	3,708	3,893	3,997	4,072	4,207	4,300	4,394	4,529	4,640	4,775
<b>Total Operating Funding</b>	<b>17,205</b>	<b>18,303</b>	<b>19,142</b>	<b>19,740</b>	<b>20,353</b>	<b>20,889</b>	<b>21,879</b>	<b>22,269</b>	<b>22,185</b>	<b>22,658</b>	<b>22,954</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	12,523	13,257	13,760	14,250	14,768	15,200	15,992	16,325	16,218	16,676	17,269
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,795	1,930	1,874	1,840	1,934	2,105	2,231	2,223	2,243	2,218	2,196
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>14,318</b>	<b>15,187</b>	<b>15,634</b>	<b>16,090</b>	<b>16,701</b>	<b>17,305</b>	<b>18,223</b>	<b>18,548</b>	<b>18,461</b>	<b>18,894</b>	<b>19,465</b>
<b>Surplus (Deficit) of operating funding</b>	<b>2,887</b>	<b>3,117</b>	<b>3,508</b>	<b>3,650</b>	<b>3,652</b>	<b>3,585</b>	<b>3,656</b>	<b>3,721</b>	<b>3,723</b>	<b>3,763</b>	<b>3,489</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital	810	92	444	336	1,570	484	326	91	881	736	864
Development and financial contributions	1,716	1,850	1,904	1,952	2,000	2,050	2,102	2,155	2,214	2,274	2,333
Increase (decrease) in debt	4,758	1,227	1,425	789	4,304	393	(1,934)	(1,666)	(1,021)	(2,063)	(1,285)
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>7,284</b>	<b>3,169</b>	<b>3,772</b>	<b>3,077</b>	<b>7,874</b>	<b>2,927</b>	<b>494</b>	<b>580</b>	<b>2,075</b>	<b>946</b>	<b>1,912</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	3,267	2,376	2,726	2,186	8,322	3,506	2,077	1,891	2,314	2,067	2,240
- to improve level of service	4,751	291	655	1,119	2,066	800	207	931	1,665	1,183	1,834
- to replace existing assets	2,153	3,618	3,899	3,421	1,137	2,205	1,866	1,480	1,819	1,459	1,327
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>10,171</b>	<b>6,285</b>	<b>7,280</b>	<b>6,727</b>	<b>11,525</b>	<b>6,512</b>	<b>4,150</b>	<b>4,301</b>	<b>5,798</b>	<b>4,710</b>	<b>5,401</b>
<b>Surplus (Deficit) of capital funding</b>	<b>(2,887)</b>	<b>(3,117)</b>	<b>(3,508)</b>	<b>(3,650)</b>	<b>(3,652)</b>	<b>(3,585)</b>	<b>(3,656)</b>	<b>(3,721)</b>	<b>(3,723)</b>	<b>(3,763)</b>	<b>(3,489)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	2,887	3,117	3,508	3,650	3,652	3,585	3,656	3,721	3,723	3,763	3,489
Subsidies and grants for capital expenditure	810	92	444	336	1,570	484	326	91	881	736	864
Development and financial contributions	1,716	1,850	1,904	1,952	2,000	2,050	2,102	2,155	2,214	2,274	2,333
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	(3,663)	(3,742)	(3,805)	(3,869)	(4,004)	(4,170)	(4,247)	(4,283)	(4,333)	(4,401)	(4,476)
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	1,750	1,317	2,050	2,069	3,217	1,948	1,836	1,684	2,486	2,372	2,209

## SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Parks &amp; Active Recreation</b>											
<b>Public Gardens</b>											
Isel park bridge upgrade	-	295,000	-	-	-	-	-	-	-	-	-
Miyazu Garden Pond Relining	-	10,670	128,750	132,098	-	-	-	-	-	-	-
<b>Neighbourhood parks</b>											
Reserve Development Programme	52,222	153,350	439,604	162,057	466,230	170,760	496,980	62,658	531,238	66,280	567,782
Land Purchase: General Reserve	1,833,796	853,600	879,208	902,067	925,521	950,510	975,223	1,002,530	1,030,601	1,060,488	1,089,121
Capital: Fences and Walls	10,444	126,700	10,990	11,276	11,569	11,881	12,190	12,532	12,883	13,256	13,614
<b>Landscape reserves</b>											
Capital: Mountain bike Tracks	-	165,000	206,000	52,839	11,569	222,706	12,190	12,532	241,472	13,256	13,614
Landscape reserves	46,740	10,000	108,150	10,568	5,421	11,135	5,712	11,745	6,037	12,424	6,380
Marsden Valley MTB Hub	-	-	20,600	211,356	-	-	-	-	-	-	-
Retired forestry block conversion programme	205,000	205,000	145,230	293,785	13,011	87,969	14,852	11,745	12,074	12,424	12,759
<b>Esplanade &amp; Foreshore reserves</b>											
Esplanade & Foreshore Planting Prgm	73,125	163,350	54,951	56,379	57,845	59,407	60,951	62,658	64,413	66,280	68,070
Modellers Pond Solution	275,000	2,000,000	236,900	-	-	-	-	-	-	-	-
Jenkins Stream (Pascoe to Airport)	-	-	-	-	-	55,677	57,124	587,237	-	-	-
Almond Tree flats to Maitai track connection	-	-	-	-	115,690	501,089	-	-	-	-	-
Wakefield Quay sea wall renewal	50,000	75,000	2,060,000	-	-	-	-	-	-	-	-
<b>Sports Parks</b>											
Capital: Minor Development	60,164	10,670	103,000	11,276	216,851	11,881	12,190	12,532	12,883	13,256	13,614
Renewals: Access/Carparks	108,148	10,670	98,911	11,276	104,121	11,881	91,399	234,895	-	-	-
Neale Park Training Lights	-	-	-	10,568	130,111	-	-	-	-	-	-



Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital: Trafalgar Park Stand Removal	-	15,000	181,074	-	-	-	-	-	-	-	-
Saltwater Cr bridge (Haven Rd - Traf Centre)	105,000	105,000	212,180	-	-	-	-	-	-	-	-
Trafalgar Park Field renewal	-	-	-	22,552	-	475,255	-	-	-	-	-
Trafalgar Park - tower lights renewals	-	12,804	-	-	43,370	445,412	-	-	-	-	-
Rutherford Park - Saltwater Cr path landscaping	-	-	-	-	325,277	-	-	-	-	-	-
<b>Trafalgar Centre</b>											
Renewals: Minor Assets	14,748	10,670	10,300	112,758	17,354	11,881	121,903	125,316	19,324	19,884	20,421
Trafalgar Centre storage solution	-	5,000	103,000	-	-	-	-	-	-	-	-
<b>Saxton Field Stadium</b>											
Basketball hoops	-	20,000	-	274,763	-	-	-	-	-	-	-
<b>Pools</b>											
Renewals: Minor Assets	169,512	65,000	66,950	68,691	70,477	72,380	171,372	117,447	78,478	80,754	82,934
Renewals: Riverside	61,320	-	-	-	-	-	-	-	-	-	382,775
Riverside Pool water heating system renewal	270,000	50,000	51,500	739,746	-	-	-	-	-	-	-
<b>Play Facilities</b>											
Playground Development Programme	36,560	200,000	32,970	216,640	34,707	233,842	34,274	252,512	36,221	273,322	38,277
Stoke Youth Park	265,000	345,107	-	-	-	-	-	-	-	-	-
City Play Space	20,390	-	-	-	289,225	835,148	-	-	-	-	-
Renewals: Play Equipment	73,296	50,000	30,900	90,207	115,690	178,221	243,806	250,633	120,736	248,474	127,592
<b>Marina</b>											
Capital: Minor Development	28,770	100,000	103,000	105,678	108,426	111,353	114,248	117,447	120,736	124,237	127,592
Marina: Pontoon renewal programme	11,333	137,000	146,260	134,211	123,605	126,943	24,381	25,063	25,765	26,512	27,228
Marina Hardstand LOS improvements	1,182,821	-	51,500	211,356	1,084,256	-	-	234,895	724,415	-	-
Water Sports Building	-	-	556,200	412,144	6,700,702	678,140	-	-	-	-	-
Public boat ramp improvements	35,000	50,000	-	528,390	-	-	-	-	-	-	-
Travel Lift renewal	-	-	51,500	845,424	-	-	-	-	-	-	-
<b>Saxton Field</b>											
New cycle/path development	20,890	5,000	206,000	-	-	-	-	-	-	-	-
Renewals: replace hockey turf	-	-	-	-	-	-	57,124	-	482,943	-	-
Renewal: Athletic Track	-	-	-	-	-	-	-	23,489	422,575	-	-
Cricket oval surface renewal	-	20,000	288,400	-	-	-	-	-	-	-	-
Cricket block renewal	2,500	-	-	-	-	-	-	-	-	124,237	-
Play Facilities	-	-	-	26,420	-	222,706	-	-	-	-	-
Harakeke Green levelling, irrigation and drainage	10,167	-	-	-	271,064	-	-	-	-	-	-
Champion Green facility	-	-	-	-	-	-	-	-	-	62,119	654,927
Harakeke Green car park and paths	-	-	-	-	-	-	-	-	-	124,237	1,148,324
Harakeke Green toilets and changing rooms	-	-	-	-	-	-	91,399	33,238	845,151	372,711	-

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Lighting Improvements	-	-	-	-	-	-	-	-	24,147	248,474	-
Hockey Turf No 2 resurface (renewal)	-	-	-	-	32,528	-	456,993	-	-	-	-
Media towers	-	-	-	-	-	-	-	-	30,184	316,805	-
Hard surface renewals	-	-	-	158,517	-	-	-	-	-	248,474	-
Netball surface renewal	-	-	-	21,136	-	222,706	-	-	-	-	-
Entrance development	-	-	51,500	-	108,426	-	-	-	-	-	-
Projects under \$100,000	5,724,570	1,672,395	1,409,585	1,595,572	1,377,757	1,480,133	1,509,367	1,539,395	1,551,034	1,655,103	1,554,360
Total Parks & Active Recreation	10,746,516	6,941,986	8,045,113	7,429,748	12,760,802	7,189,017	4,563,682	4,730,497	6,393,307	5,183,008	5,949,383
Scope Adjustment	-	(656,604)	(765,110)	(702,924)	(1,235,381)	(677,440)	(414,100)	(429,865)	(595,145)	(473,121)	(548,721)
Total Parks & Active Recreation less Scope Adjustment	10,746,516	6,285,382	7,280,002	6,726,825	11,525,421	6,511,578	4,149,581	4,300,632	5,798,162	4,709,887	5,400,662

# Economic

## WHAT WE DO

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

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

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

## WHY WE DO IT

The wellbeing of Nelson's community is linked to the performance of the local economy. Council recognises that Nelson businesses require the right economic environment to flourish. Local people require training and skills development to be able to respond to the workforce requirements of the future. The region requires investment in infrastructure, skills and knowledge, technology and innovation to thrive. Attraction, and retention of, businesses, investment and people to our region is important in making the most of our natural resources, innovation and creativity.

## CHALLENGES

### Post COVID-19 Economic Recovery

COVID-19 brought the biggest economic challenge to Nelson in a generation and with that comes significant pressures on Nelson businesses, particularly those involved in tourism and hospitality and those relying on seasonal labour. The visitor season without international visitors was much shorter and the domestic visitor spend is considerably lower. Council is committed to supporting local businesses and people. Information on Council's city centre programme is outlined in the Environment section of this document.

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

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

**COMMUNITY OUTCOMES**

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

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

**COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

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

**SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS**

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Strategic overview of economic development for the benefit of the community	Visitor destination management plan developed and new products or experiences launched	Nelson's tourism spend reduced by 13.1% in the year to the end of June 2020, compared to a 12.3% decrease for New Zealand as a whole. This decrease is due to the impact of COVID-19.	>4 new products	the 4 products ongoing	the 4 products ongoing	the 4 products ongoing
Events funding that provides a sound return on investment for Nelson	Economic event attendees through events programme activities and percentage of out of town attendees	15 approved economic events of which six were cancelled or postponed due to COVID-19. Out of town attendees estimated at 14,234 out of 36,903 total attendees (38%).	The closing of New Zealand's international borders and the risk COVID-19 alert levels being increased requires that 2021/22 be treated as the base year for this measure.			
	Return of NCC economic events fund	31:1	>20:1			

**DRIVERS OF CAPITAL EXPENDITURE**

Most Council expenditure on economic development is operational spending.

**ASSUMPTIONS**

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

**IMPACTS AND RISKS**

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

## FUNDING IMPACT STATEMENT – ECONOMIC

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	2,219	2,328	2,325	2,478	2,503	2,586	2,618	2,702	2,735	2,824	2,854
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	310	320	326	331	336	343	350	357	366	374	383
Fees and charges	0	10	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	90	0	0	0	0	0	0	0	0	0	(0)
<b>Total Operating Funding</b>	<b>2,619</b>	<b>2,658</b>	<b>2,651</b>	<b>2,809</b>	<b>2,839</b>	<b>2,929</b>	<b>2,968</b>	<b>3,059</b>	<b>3,100</b>	<b>3,198</b>	<b>3,236</b>
	0										
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,542	3,863	4,288	2,374	2,404	2,492	2,525	2,617	2,659	2,759	2,799
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	66	102	140	171	172	174	180	179	179	176	174
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>7,608</b>	<b>3,965</b>	<b>4,428</b>	<b>2,546</b>	<b>2,576</b>	<b>2,666</b>	<b>2,705</b>	<b>2,796</b>	<b>2,837</b>	<b>2,935</b>	<b>2,973</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(4,989)</b>	<b>(1,307)</b>	<b>(1,777)</b>	<b>263</b>	<b>263</b>	<b>263</b>	<b>263</b>	<b>263</b>	<b>263</b>	<b>263</b>	<b>263</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	5,913	1,307	1,777	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)
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>5,913</b>	<b>1,307</b>	<b>1,777</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</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	924	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>924</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>4,989</b>	<b>1,307</b>	<b>1,777</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</b>	<b>(263)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(4,989)	(1,307)	(1,777)	263	263	263	263	263	263	263	263
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	(11)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)
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	(5,000)	(1,345)	(1,815)	225	225	225	225	225	225	225	225

# Corporate

## WHAT WE DO

Council's corporate activity includes a range of necessary services to ensure the smooth operation of the organisation, ranging from managing Council's information technology to running three yearly Council elections. Council also manages a small portfolio of properties, including the following:

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

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

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

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

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

### **A New Company Model for Nelson Airport and Port Nelson**

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

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

The Long Term Plan Consultation Document includes a proposal from Nelson and Tasman Councils to transfer our shareholdings in both Nelson Airport Limited and Port Nelson Limited into a single new company. The company will be set up as an operational holding company, and will be 50% owned by us and 50% owned by Tasman District Council. Further information on this proposal is available on Council's website.

## WHY WE DO IT

Council actively encourages the community to get involved in the democratic processes that result in the election of Council members. These opportunities range from providing feedback on representation proposals through standing as a candidate or voting as an elector. Long term planning and decision making are fundamental to local government, and there are a number of ways Council involves the community in these processes, including providing information to residents and businesses through Our Nelson, social media and Council's website as well as public forums before Council and committee meetings. The public also has the opportunity to make submissions on many of Council's plans. Council supports mana whenua to have input into Council's decision making processes, including through the iwi-Council Partnership Group and appointments to Council committees and subcommittees. Further information on some of these processes is available on our website. Support systems, risk management, transparency and accountability processes



are in place to ensure that Council is doing the best it can in these important connections with the community, and regular reviews are undertaken for improvement purposes.

Central government has recently passed legislation to make the process for establishing Māori wards for local authorities the same as the process for general wards. Council has previously advocated for a change to this process and made a submission in support of this amendment. Council will consider the change to the legislation as part of its electoral review processes.

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

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

## **CHALLENGES**

### Strategic Properties

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

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

### Civic House

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

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

### Civil Defence Emergency Management

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

### COVID-19 and Council Controlled Trading Organisations (CCTOs)

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

## **COMMUNITY OUTCOMES**

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

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

**COUNCIL'S PRIORITIES FOR THE NEXT THREE YEARS**

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

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

## SERVICE LEVELS, PERFORMANCE MEASURES AND TARGETS

What Council will provide	Performance Measures	Current Performance (2019/20 unless stated)	Targets			
			Year 1	Year 2	Year 3	Years 4-10
Effective engagement and consultation	% residents satisfied or very satisfied with opportunities to provide feedback, by survey	54% of residents were satisfied or very satisfied with opportunities available to provide feedback to Council to inform its decision-making. This is a 10% increase on the previous year's result (44% in the 2019 Residents' Survey).	Annual improvement in the % of residents satisfied or very satisfied with opportunities to provide feedback			
Council Controlled Organisations (CCOs) that deliver net benefit to the community	Council satisfied with CCO operations and reporting	Six monthly reports from CCO's were received in February 2020. They were reported to either the Governance Committee (if 100% Council owned) or Joint Shareholders Committee (if jointly owned) in May 2020. The targets were largely met across the CCOs.	Council receives six monthly reports from all CCOs and is satisfied with attainment of targets			
Promotion of Te Tau Ihu Māori/iwi participation in decision-making processes	Collaboration between iwi and council is promoted and resourced	The Iwi-Council Partnership Group was established in 2019/20 and meets on a regular basis. The Group includes the Mayor, Deputy Mayor, two councillors, and iwi chairs from each of the eight Te Tau Ihu (Top of the south) iwi (Ngāti Toa Rangatira, Ngāti Rārua, Ngāti Koata, Te Ātiawa, Ngāti Tama, Ngāti Kuia, Rangitāne and Ngāti Apa ki te Rā Tō). As of 2019/20, opportunities for Māori participation and involvement in decision making has been progressed through appointments to a number of Council Committees and Business Units.	Expert staff to provide advice and engage with iwi			
Effective Civil Defence Emergency Management (CDEM) response via regional Emergency Operations Centre (EOC)	Ability to operate an effective Emergency Operations Centre and meet Ministry CDEM requirements	EOC met MCDEM requirements at its previous review.	EOC meets Ministry of CDEM monitoring and evaluation requirements			

**DRIVERS OF CAPITAL EXPENDITURE**

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

**ASSUMPTIONS**

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

**IMPACTS AND RISKS**

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

## FUNDING IMPACT STATEMENT - CORPORATE

	Annual Plan 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$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	(617)	52	390	300	953	1,646	1,809	3,972	7,299	9,808	12,217
Targeted rates including water by meter	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	5	121	5	6	6	6	6	6	6	7	7
Fees and charges	0	4,105	5,089	2,186	415	4,662	0	0	(0)	0	735
Internal charges and overheads recovered	6,688	6,652	7,094	7,720	8,794	9,958	11,023	11,757	12,464	12,863	13,247
Local authorities fuel tax, fines, infringement fees, and other receipts	3,457	4,599	5,212	6,106	6,365	6,907	7,252	7,687	7,991	8,102	8,345
<b>Total Operating Funding</b>	<b>9,533</b>	<b>15,528</b>	<b>17,791</b>	<b>16,318</b>	<b>16,533</b>	<b>23,178</b>	<b>20,090</b>	<b>23,422</b>	<b>27,760</b>	<b>30,780</b>	<b>34,552</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,542	11,740	12,669	10,958	9,890	13,408	10,189	10,390	10,898	10,842	11,756
Finance costs	3,011	3,074	3,732	4,506	5,541	6,577	7,445	8,131	8,749	9,112	9,441
Internal charges and overheads applied *	426	656	762	850	961	1,088	1,245	1,321	1,347	1,234	980
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>10,979</b>	<b>15,470</b>	<b>17,163</b>	<b>16,315</b>	<b>16,392</b>	<b>21,072</b>	<b>18,880</b>	<b>19,842</b>	<b>20,994</b>	<b>21,188</b>	<b>22,176</b>
<b>Surplus (Deficit) of operating funding</b>	<b>(1,446)</b>	<b>59</b>	<b>628</b>	<b>3</b>	<b>141</b>	<b>2,106</b>	<b>1,210</b>	<b>3,580</b>	<b>6,766</b>	<b>9,593</b>	<b>12,375</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	28,380	33,682	35,720	33,488	35,210	15,940	19,518	14,991	5,668	(2,439)	(7,944)
Gross proceeds from sale of assets	800	0	1,526	0	1,577	0	1,638	0	1,713	0	1,793
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>29,180</b>	<b>33,682</b>	<b>37,245</b>	<b>33,488</b>	<b>36,786</b>	<b>15,940</b>	<b>21,156</b>	<b>14,991</b>	<b>7,381</b>	<b>(2,439)</b>	<b>(6,151)</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	395	356	341	345	361	361	373	388	393	415	449
- to improve level of service	379	380	123	228	153	182	433	216	256	188	199
- to replace existing assets	1,739	3,859	3,254	2,892	3,067	4,363	3,011	4,323	3,825	1,714	816
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	25,220	29,147	34,155	30,025	33,347	13,141	18,549	13,643	9,673	4,838	4,759
<b>Total applications of capital funding</b>	<b>27,733</b>	<b>33,741</b>	<b>37,873</b>	<b>33,491</b>	<b>36,928</b>	<b>18,046</b>	<b>22,367</b>	<b>18,571</b>	<b>14,146</b>	<b>7,154</b>	<b>6,224</b>
<b>Surplus (Deficit) of capital funding</b>	<b>1,446</b>	<b>(59)</b>	<b>(628)</b>	<b>(3)</b>	<b>(141)</b>	<b>(2,106)</b>	<b>(1,210)</b>	<b>(3,580)</b>	<b>(6,766)</b>	<b>(9,593)</b>	<b>(12,375)</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 2020/21	Long-term Plan 2021/22	Long-term Plan 2022/23	Long-term 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
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(1,446)	3	572	(74)	(5)	2,030	1,214	3,584	6,770	9,647	12,430
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	(1,509)	(1,522)	(1,438)	(1,419)	(1,376)	(1,379)	(1,357)	(1,352)	(1,379)	(1,406)	(1,416)
Other non-cash income / Expenditure	28	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	(2,927)	(1,519)	(866)	(1,493)	(1,381)	651	(143)	2,232	5,390	8,241	11,014

## SUMMARY OF CAPITAL EXPENDITURE OVER \$100,000 IN ANY ONE YEAR

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Corporate</b>											
<b>Civic Expenses</b>											
Christmas decorations CBD	100,000	50,000	51,500	52,839	54,213	55,677	57,124	58,724	60,368	62,119	63,796
<b>Civic House</b>											
Civic House Refurbishment	-	1,100,000	2,266,000	2,324,916	2,385,363	2,449,768	2,513,463	2,583,841	2,656,188	-	-
Capital: Furniture & Fittings - Renewals	120,000	48,000	43,260	44,385	45,539	46,768	47,984	49,328	50,709	52,180	53,588
Civic House Renewal Program - Plant & Equipment	135,898	107,500	175,100	-	227,694	445,412	-	93,958	235,435	-	-
Floor 6 fit out/ upgrade	100,000	-	-	-	-	-	-	-	-	-	-
Civic House Ceiling Tiles	400,000	200,000	-	-	-	-	-	-	-	-	-
Chamber Sound System Upgrade	-	-	-	-	-	-	285,621	-	-	-	-
Civic House Roof renewal	95,000	700,000	-	-	-	-	-	-	-	-	-
Security System Upgrades	-	20,500	2,575	2,642	27,106	22,827	2,856	117,447	3,018	3,106	3,190
Ground Floor - Science Monitoring Lab	-	114,690	-	-	-	-	-	-	-	-	-
Back Alleyway - Cycle Compound Shelter	-	124,260	-	-	-	-	-	-	-	-	-
<b>Rental properties</b>											
Anchor building strengthening	-	-	-	-	45,376	276,280	-	-	-	-	-
<b>Administration</b>											
Asset Management System enhancements	45,720	27,000	103,000	28,190	28,923	29,703	114,248	31,329	32,599	33,544	34,450
Aerial Photography & LIDAR	152,000	55,000	16,480	89,826	121,437	94,650	18,280	131,541	102,625	19,878	142,902
EDRMS Replacement	-	533,500	-	-	-	-	-	-	664,047	-	-
Upgrade TOTSM	104,448	-	-	105,678	-	-	-	117,447	-	-	-
Meeting / Agenda / Action Mgmt System	-	-	-	105,678	-	-	-	-	120,736	-	-
IT Infrastructure Hosting Investigation	-	-	566,500	-	-	-	-	763,407	-	-	-
Building Systems Upgrade	4,500	-	-	105,678	-	-	-	117,447	-	-	-
Capital: Motor Vehicles	150,000	100,000	103,000	105,678	108,426	111,353	114,248	117,447	120,736	124,237	127,592
Computer Hardware - Client Devices	10,445	900,000	83,430	87,713	97,583	1,085,693	102,823	105,703	108,662	1,252,558	114,832

Project	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Computer Hardware - Network Devices	-	160,050	43,960	45,103	46,276	-	182,854	187,974	-	49,695	51,037
Capital: Telephone System	-	-	-	-	-	-	-	117,447	-	-	-
Core Systems enhancement	282,010	288,090	296,733	304,448	312,363	320,797	329,138	338,354	347,719	357,803	367,464
Projects under \$100,000	813,052	565,144	368,259	436,433	466,024	499,328	460,626	531,357	454,615	605,009	655,356
Total Corporate	2,513,073	5,093,734	4,119,797	3,839,206	3,966,322	5,438,258	4,229,266	5,462,752	4,957,456	2,560,128	1,614,206
Scope Adjustment	0	(499,536)	(401,695)	(373,459)	(385,993)	(532,980)	(411,865)	(534,968)	(484,172)	(244,172)	(149,304)
Total Corporate Less Scope Adjustment	2,513,073	4,594,198	3,718,102	3,465,748	3,580,329	4,905,277	3,817,401	4,927,785	4,473,285	2,315,956	1,464,901