Nelson City Council | Te Kaunihera o Whakatū

Beyond the storm
Kei tua i te āwhā

Nelson's Long Term Plan 2024–2034

Including Nelson's Annual Plan 2024/2025

Welcome

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Mayor's foreword
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Introduction

Nelson is a wonderful place to live. Our climate and natural environment are drawcards for new residents and visitors. We have a diverse economy, powered by innovative businesses, and hold the unique position as New Zealand's seafood capital. We are a safe, caring community with a strong arts sector and superb heritage facilities. Our predecessors invested in good infrastructure. This Long Term Plan (LTP) for the next 10 years allows Council to build on these strengths.

The development of this plan has involved an enormous effort by Council staff, councillors and the community. I want to acknowledge the 1537 submitters (an all-time record) who commented on our draft LTP and related consultations in March and April and the 111 individuals and organisations who took the time to speak at the hearings in May. This high level of engagement has helped reshape and improve this plan.

Storm recovery

This plan includes the acceptance of an offer by the Government of a $12.3 million support package to assist with Council's recovery work from the August 2022 storm. This support package will enable us to implement our pragmatic buyout plan for those homeowners who are trapped with properties that are uneconomic to repair and unsafe to live in.

The bulk of the estimated $87.2 million cost to Council of storm recovery work is for infrastructure repairs and we are deliberately building back better to improve our resilience to future events. We have confirmed our proposal for a $300 annual targeted rate to fund the costs to Council of the storm. We plan to be better prepared for future disasters by repaying the debt in Council's General Emergency Fund. We are also tightening the planning rules on where development can occur.

Financial challenge

The "Beyond the storm" title of this LTP also reflects the economic storm we face with the highest inflation and interest rates in decades and increased costs for Council in areas we cannot control such as depreciation, insurance and audit fees. We are mindful that households and businesses are also facing the same economic pressures. The $300 annual storm recovery targeted rate and the 8.2% rate rise for 2024/25 set a realistic and responsible financial path while ensuring we maintain and improve services that support our city's prosperity and wellbeing.

Our strategy

The underlying strategy in this LTP is to take a cautious approach to new capital spending for any large civic projects over the next few years, while continuing preparatory work so those projects are ready to go once the economic situation improves. We are aiming to get on with some smaller projects such as a surf lifesaving facility at Tāhunanui Beach and a central city arts hub. A city doing nothing goes backwards and we want to be progressively improving our facilities.

We have established new taskforces and earmarked funding to keep up the momentum on a shared Council-community aim to revitalise our central city. The $78.7 million Bridge to Better upgrade project, funded jointly by Council and the Government, will help breathe new life into Bridge Street and its surrounds.

We believe there will be a need for investment in larger projects during the later years of this plan, such as Civic House. Big projects have long lead times and need broad community support and there will be further community consultation as this work progresses.

Infrastructure

Council's greatest responsibility to our community is in the provision of vital city infrastructure for services such as drinking water, wastewater, stormwater, roads, stopbanks, drains, bridges, cycleways and footpaths.

Nelson's infrastructure is in much better shape than it is for most councils but we must continue to invest if we are to keep up with maintenance, provide for growth and better manage risks such as climate change. This LTP provides, over the next 10 years, for an overall capital investment of around $826 million in key infrastructure. This includes a $129 million investment in drinking water infrastructure, $249 million for wastewater, $99 million for stormwater and $46 million for flood protection. We also propose capital expenditure of $303 million in transport infrastructure with a balanced approach between roading, public transport and active transport options such as walking and cycling.

Working together

This year, we celebrate 150 years of Nelson City Council. There is much we can be proud of in that long history. However, it is only in recent years that any attempt has been made to honour Te Tiriti o Waitangi / the Treaty of Waitangi and include iwi in decision making for our city and region.

Our Council's ambition is to carve out a pragmatic pathway for our corner of New Zealand that builds respectful relationships with iwi and benefits the whole community. The historic Kia Kotahi Te Tauihu, Together Te Tauihu Partnership Agreement with our eight Te Tauihu iwi, and our two neighbouring local authorities of Tasman District Council and Marlborough District Council was signed in late 2023. The challenge now is to implement this agreement over the next decade in a way that builds confidence and shows the benefits of working together.

Delivery

Plans are important but effective delivery is even more important. We have an enormous job ahead to successfully deliver the hundreds of services and projects in this plan. This will require us to work closely with our staff, contractors and wider community. It will take effective governance and good management to keep to budgets and timelines. I look forward to seeing the benefits for our city as we now shift our focus to implementation.

Ngā mihi nui,

Hon Dr Nick Smith
Mayor of Nelson I *Te Kaunihera o Whakatū*

Quick guide
Aratohu tere

Welcome to Nelson City Council's Long Term Plan 2024-2034. This Plan outlines the activities and services Council is planning to fund over the next 10 years.

It's a substantial document – it covers the broad range of Council's work, detailed financial information and important planning documents we need to share with the Nelson community all in one place. To help you navigate the Plan and find the information you need as quickly as possible, we've broken it down into sections, as below.

The Plan has five sections:

1

Our future beyond the storm

The first section summarises our approach to moving beyond the storm and supporting Nelson to thrive over the next 10 years.

It outlines the major decisions we have made following community feedback, the impact on our finances and your rates, and our strategic and partnership context.

Find out more on page 7

2

Council activities

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

If you are interested in finding out more about a particular project, the activity sections are a good place to start.

Find out more on page 30

3

Policies and strategies

This section incorporates the key policies and strategies that informed the development of our Plan and will support its successful implementation.

It includes the Financial Strategy, Infrastructure Strategy, the Revenue and Financing Policy and the Significance and Engagement Policy.

Find out more on page 170

4

Accounting information

This section sets out the essential accounting and financial information.

It includes our significant forecasting assumptions, how rates are set, comprehensive income, changes in equity, the balance sheet, cashflows, financial contributions, reserve funds, and the independent audit report.

Find out more on page 419

5

Further information

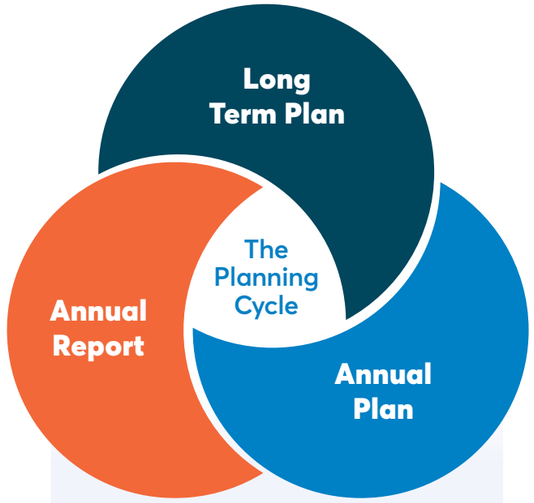
This final section highlights other necessary or helpful information, including details about Council Controlled Organisations, Council committees, and our management structure.

Find out more on page 480

Our future beyond the storm
Tō mātou āpōpō

Introduction
Kupu Whakataki

Every three years we develop a Long Term Plan for our City. The Plan covers the next 10 years (with more detail for the first three), describes the issues facing our city, what Council is aiming to achieve, how much it will cost[1], and how it will be paid for.



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

The 'Beyond the storm' title of this Long Term Plan reflects the context in which it has been developed – recovering from the August 2022 severe weather event and a 'perfect storm' of financial pressures facing Nelson and Council. The Plan's proposals were developed to help us overcome these challenges, and then tested with our community through consultation between 27 March and 28 April 2024. Over 1500 submissions were received, with 111 individuals and organisations speaking to their submissions at hearings in May.

We have carefully considered community feedback before making final decisions on what to include in this Plan (see page 10 for more information). After hearing from our community, we believe that though it won't be all smooth sailing, the investments set out in this Plan will help us all move beyond these storms, adapt and thrive over the next 10 years.

1. All numbers in this document are adjusted for inflation and exclude GST (unless otherwise stated).

About Nelson | Whakatū and Nelson City Council | Te Kaunihera o Whakatū

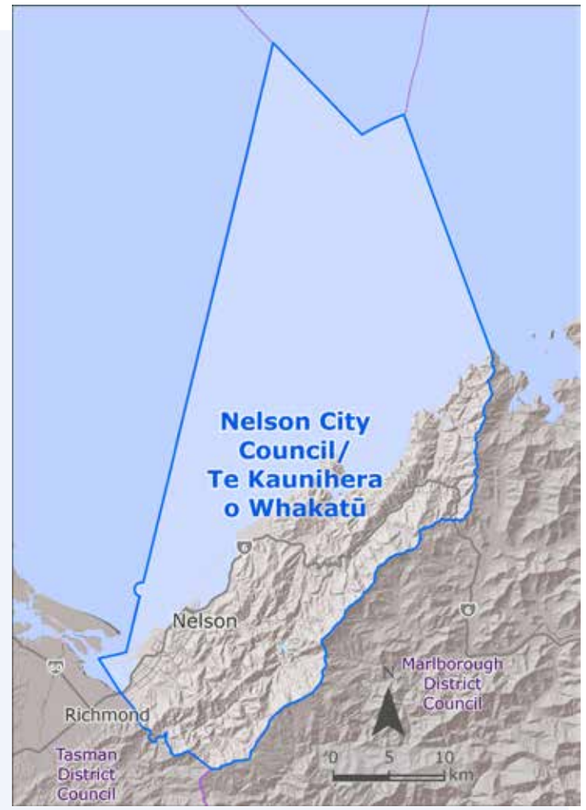
The Nelson | Whakatū region is home to approximately 53,000 residents, most of whom live in the urban areas of Nelson, Tāhunanui and Stoke. A small proportion of residents live in the surrounding rural areas.

The eight iwi who have cultural interest within the Whakatū region affiliate to three waka:

- Kurahaupō: Ngāti Kuia, Ngāti Apa ki Te Rā Tō and Rangitāne.
- Tainui: Ngāti Koata, Ngāti Rārua, and Ngāti Toa Rangatira.
- Tokomaru: Ngāti Tama and Te Ātiawa.

Nelson City Council owns more than $2.4 billion of assets and spends approximately $175 million each year serving and supporting Nelsonians.

As one of six unitary authorities in New Zealand, we undertake a wide variety of work to meet our combined responsibilities as both a city and regional council.



Note: Council's area of responsibility covers the river valleys, low hills and plains inland of the Nelson Haven and Waimea Estuary, stretches northeast to Cape Soucis (Raetihi) and includes the coastal marine area out to 12 nautical miles. It shares boundaries with the Tasman and Marlborough district councils.

We manage a range of local infrastructure (such as roads) and community assets and services (such as parks and libraries). We carry out science and environment activities, landuse planning, resource management functions and develop plans to meet the current and future needs of the city. We engage with the community on projects and plans to understand their views and use this information to help shape Nelson.

Council has 12 elected members and a mayor. Elections are held every three years, with the next election scheduled for 11 October 2025. As at 31 March 2024, Council had 307 permanent full-time equivalent employees across 26 business units.

In order to recognise and respect the Crown's responsibility to take into account the principles of the Treaty of Waitangi, Council has duties under the Local Government Act 2002 to facilitate participation by Māori in its decision making processes (see pages 25-26). Council also has statutory obligations in relation to Treaty principles under other statutes such as the Resource Management Act 1991.

Furthermore, Kia Kotahi Te Tauihu, Together Te Tauihu Partnership Agreement was signed in December 2023 by Ngā Iwi o Te Tauihu (the Top of the South Iwi) and Ngā Kaunihera o Te Tauihu (Nelson City Council, and Tasman and Marlborough District Councils). The partners under the agreement are driven by a shared desire to realise the full potential of Te Tauihu o Te Waka-a-Māui, to protect and enhance the taonga of Te Tauihu and give effect to principles and practices of Te Tiriti o Waitangi within the region.

Major decisions following consultation
Ngā whakataunga matua

Through our Long Term Plan 2024-2034 Consultation Document we sought community feedback to inform Council decision-making on eight key issues and other projects and changes. This section outlines some key decisions Council made on the issues and other matters, including additional funding or actions requested by submitters[2].

A more comprehensive list of projects and work planned for the next 10 years that has been influenced by feedback is included in the 'Council activities' sections from page 30.

Key issues

Buy-out of private properties affected by slips

Council had choices to make about purchasing private properties that were impacted by slips during the August 2022 severe weather event in response to a one-off cost-sharing support package offered by Central Government.

The majority of the over 850 submissions that commented on this matter supported Council's preferred option of accepting Central Government's $12.3 million funding offer, which includes up to $6 million to cover 50% of the total cost of purchase of private properties, with Council allocating up to $6 million to cover the other 50%.

Following the feedback, Council chose to accept the buy-out support offer with some amendments to the Eligibility Buy-out Principles (which relate to the methodology for determining the eligibility and purchase of private property). In particular, eligibility was broadened to include residential properties that are not the primary place of residence of an owner. The offers for primary places of residence will remain up to 95% of the valuation if insured and up to 80% if uninsured.

The offers for non-primary residences will be up to 95% of their valuation if insured and up to 80% if uninsured. However, any payouts will be taken from the remaining available funds once all eligible primary residence properties have been confirmed and Council valuations obtained. If the potential payout to insured non-primary residence property falls below 80% of valuation, Council has requested the opportunity to re-assess the application of the eligibility buy-out principles to ensure an equitable outcome.

The maximum number of properties that the Central Government funding could be applied to was also revised from up to 14 to up to 17.

Council's decision enables Nelson to access the full package of Central Government funding to offset some of the cost of purchasing Brook Street properties that had already taken place and equitably support the most affected residential property owners. Next steps will focus on progressing the buy-out process as quickly as possible.

It is important to reiterate this is a one-off response to a specific situation and the community should not expect Central Government or Council to take the same approach if private properties become unliveable following future weather events.

2. For further information on the key issues (including the options considered for each), other projects and changes, reasons for the approaches taken by Council and submission themes - see the Consultation Document and the deliberations report and minutes on **nelson.govt.nz**.

Photo: Todd Couper and the NZ MTB Rally

Council's forestry approach

Council considered the opportunity to move away from commercial forestry over time and manage its entire forest estate in a way that is better for our environment.

The vast majority of the 1000 plus submissions that commented on this matter supported Council's proposal to exit commercial forestry over time and grow a continuous canopy of mixed species.

Council decided to progress with this transition as consulted on. It will enable Council to take a holistic approach to management of its native and exotic forests and develop a long-term asset for the community with improved environmental, recreational and social outcomes, particularly on the city fringe. The approach will maximise community amenity and recreational values and offer environmental and climate benefits (such as permanent carbon sequestration and flood mitigation).

The transition will be an intergenerational project, and Council will explore potential funding sources to minimise rates impact and look for collaboration opportunities as it develops plans for longer term implementation.

Marina CCO proposal

Council deliberated on the opportunity to move to an Asset-Owning Council Controlled Organisation to support the success of the Nelson Marina following the Nelson Marina Masterplan's adoption.

The majority of the over 750 submissions that commented on this matter supported transitioning to either Council's proposal of an Asset-Owning Council Controlled Organisation (CCO) or an Asset-Owning Council-Controlled Trading Organisation (CCTO).

Council chose to establish an Asset-Owning CCO for the Nelson Marina by 1 July 2025. This approach will continue the Marina's transformation and set it up in a way to best deliver the Nelson Marina Masterplan, while maintaining 100% Council ownership of the CCO. The model will strike a good balance between more efficient decision-making processes and providing assets and services for the public.

The Marina's debt will be removed from Council's balance sheet debt levels and any increased commercial returns from Marina activities will be reinvested in improvements to the Marina. The cost of development will be funded through Marina activities, including commercial leases, fees for improved land based marine services and through increases to berth fees to bring them into line with comparable Marina facilities around the country.

Major decisions following consultation

Housing Reserve Fund

Council assessed the opportunity to broaden the purpose of the Housing Reserve Fund to enable it to provide enduring support to reduce housing vulnerability.

The majority of the approximately 800 submissions that responded to this matter supported Council's proposal to broaden the purpose of Fund.

Council decided to broaden the purpose of the Fund to enable it to be used to provide enduring support to reduce housing vulnerability. The enduring element refers to Council's desire that the Fund be used for assets or services that continue to provide support to the community over the long term. This change will assist Council to support and work with partners to provide innovative solutions for our vulnerable and highest need residents, in addition to continuing to support the delivery of social and affordable housing.

Housing provision is not a core Council activity – Council's role is focused on supporting or facilitating rather than leading the development of housing solutions. Also, the complex situations our most vulnerable in the community are often facing, require specialist expertise. Council will be able to use a portion of the remaining Housing Reserve to work with other organisations – with the necessary expertise – that can provide solutions to identified gaps in relation to housing vulnerability.

All-weather sports turf

Council evaluated an opportunity to install an all-weather sports turf, following football and rugby sporting codes' concerns about the availability of quality playing fields to train on.

Council received almost 900 submissions commenting on the all-weather turf proposal. About half of these supported Council's proposal to construct an all-weather turf and reduce current upgrades for sports grounds. Just over half of the submitters either opposed it and wanted Council to retain its current approach of continuing an upgrade programme of improvements on existing sports fields or selected neither option.

Following consideration of submissions, Council determined to retain the approach established in the Long Term Plan 2021-2031 of an upgrade programme of improvements on existing sports fields. The programme involves improving lighting and drainage at existing fields to enable increased use in wetter conditions and winter evenings – providing greater accessibility and inclusivity benefits and lower environmental impacts than an all-weather turf.

It is a lower cost option overall with a net capital reduction to Council of $870,000 across the 10 years of the Plan by retaining the current approach of sportsground upgrades.

Tāhunanui Beach facilities

Council considered the opportunity to construct a new building for the Nelson Surf Life Saving Club and to improve other facilities at Tāhunanui Beach Reserve, following a 2023/24 investigation into development possibilities.

The majority of the almost 1000 submissions that commented on this matter supported Council's proposed approach to construct a new surf lifesaving facility and upgrade the changing rooms on the sports ground.

Council elected to progress with its proposal. This decision enables Council to build a new facility to provide a suitable space for the Nelson Surf Life Saving Club closer to the beach. Also, additional budget was set aside to improve the changing facilities at the sportsfield that are considered inadequate, particularly for women's sports.

Given the current cost of living pressures and financial impact of developing a new facility, Council decided to cap its capital funding contribution towards the new lifesaving facility at either $1.65 million or 50% of the total capital costs (whichever is the lesser amount). The project is subject to the Nelson Surf Life Saving Club raising the necessary funds to cover the rest of the capital costs.

Arts Hub

Council deliberated on the opportunity to establish an arts hub in the city centre to support the arts sector and the implementation of He Tātai Whetū, Whakatū Nelson's Arts and Creativity Strategy.

The majority of the approximately 900 submissions that commented on the matter supported Council's proposal to purchase an existing building and establish an arts hub (with fit out to be funded by the community).

Council chose to progress with the proposal sooner by bringing forward budgets for the purchase of an existing building in 2025/26 (from 2027/28). Proposed rental support funding totalling $40,000 was also reallocated to 2026/27 to support the establishment of the arts hub.

Council's decision enables the arts hub to be prioritised, maintaining momentum for revitalisation of the city and arts. It supports the arts sector by further activating arts in the city centre and using the hub to house the new arts development agency to deliver better outcomes for the sector. It will be a lower cost option than a new build, will provide greater certainty for long term operational costs, and adapting a building is a lower carbon footprint option than constructing a new building. Community fundraising will be required to cover the fit-out costs.

Major decisions following consultation

Other projects and changes

Bridge to better project

Council increased its contribution for the Bridge to Better project, as per consultation, to a total of $42.4 million (supported by $36.3 million of funding from Central Government's Infrastructure Acceleration Fund). The project will benefit Nelson by providing three water infrastructure capacity and resilience that will cater for hundreds of homes in the city centre and revitalising Bridge Street.

Paru Paru Road additional carparking

Council approved new Transport activity budget of $1.27 million to construct additional carparking off Paru Paru Road. This carpark will provide parking for the new play space, further parking capacity for recreational and other events at Rutherford Park or Trafalgar Centre, and parking close to the city centre to mitigate loss of carparking as part of the Bridge Street upgrade and the Millers Acre regional bus hub redevelopment. Staff will continue to work with the Nelson Lawn Tennis club on possible locations for a clubhouse and potentially additional courts within Rutherford Park.

Mahitahi Bayview subdivision (Maitai Valley) utilities and transport connections

Council allocated $24.2 million between 2024/25-2031/32 to progress trunk services and upgrades to transport connections (subject to Environment Court outcome) for this development. Providing this new infrastructure benefits both the proposed development and the existing population. Including budget provision in the Plan enables Council to recover development contributions on growth-related infrastructure.

Montreal/Princes Drive Intersection

In response to a submission, Council decided to bring forward funding of $226,000 (uninflated) in each of the years 2027/28 to 2031/32 to accelerate the Montreal/Princes Drive intersection, subject to consent conditions including construction staging being met by the developer. This change will provide greater alignment with the Golden Elm Rise subdivision timing, an opportunity for improved public transport efficiency and resilient access routes, and (pending design and consent) additional opportunities for hillside development along the ridge and hillside above Emano Street.

Public transport

Council approved increased forecasted public transport costs across the ten years of the Plan, following recommendations from the Joint Nelson Tasman Regional Transport Committee. The eBus service commenced in August 2023 and has been very successful, with continued growth in patronage. However, forecasted costs needed to be revised to meet cost escalations resulting from increased costs of operating the eBus contract and changes to Central Government policy (i.e. the introduction of Road User Charges for electric buses from December 2025). Also, a five percent increase to the eBus Bee Card fares (effective from 1 July 2024) was approved to boost farebox recovery.

City Centre revitalisation and waterfront initiatives

In response to submissions received and feedback from the City Revitalisation Summit (which took place after consultation commenced), Council allocated budget of $100,000 in 2024/25 for city and waterfront revitalisation initiatives. The funding will be used towards initiatives with oversight from the City Revitalisation Taskforce and Waterfront Redevelopment Taskforce and include some funding for the proposed new 'What If Whakatū Nelson…?' community-led taskforce.

Accessibility Strategy

Council agreed to allocate $103,000 from 2025/26 to 2027/28 to develop a Council-wide strategy for improving accessibility and an audit of Council facilities. Also, a programme of work to improve the condition assessments of a range of Council facilities is being undertaken in 2024/25 and will provide a good basis for the strategy and audit.

Crematorium

Council decided to retain its crematorium service at Wakapuaka Cemetery in Atawhai rather than seek to divest the service from 2025/26. Council agreed to aim for 100% cost recovery at the crematorium (instead of the previous target of fees covering 70% to 90% of costs). Proposed fee increases will be subject to further consultation. This decision enables Council to continue to provide to the community a local and cost-effective cremation option, while removing any ratepayer subsidy for the costs of the service. Council will also investigate options for transitioning to sustainable non-fossil fuel options.

Long term recreation access on Ngāti Koata whenua

Following submissions strongly in support of maintaining access to recreation trails on Ngāti Koata whenua, Council has now entered into a long-term (10 year) recreation access agreement with Ngāti Koata. The agreement includes renaming Sharlands to 'Waitarake' and the Codgers/Fireball area to 'Koata Park', and will enable recreation access for walking, running, mountain biking and paragliding. The decision supports the opportunity for Nelson | Whakatū to become a world-class mountain biking and recreation destination.

Saxton Field capital works programme

Council approved the Saxton Field capital works programme for the 10 years of the Plan, following recommendations from the Saxton Field Committee (a joint committee with Tasman District Council). Reallocations and rephasing of budgets were made in response to submissions; however, Council's contribution to the overall budget for capital works at Saxton Field over the 10 years was unchanged from consultation. In particular, budgets were brought forward to enable an inclusive play space to be developed sooner, and a number of projects deferred or reduced in scope to accommodate this. One recommendation from the Committee, to bring forward funding to investigate roofing for the outdoor netball courts, was not supported.

Decisions to change or allocate new funding

- Community Investment Fund – funding was increased to $380,000 in 2024/25, $400,000 in 2025/26, $450,000 in 2026/27, and $500,000 in 2027/28 (inflation adjusted for subsequent years).
- Te Tauihu Regional Community Development Agency – new funding of $20,000 was allocated in 2024/25 to support its work.
- Tasman Environment Trust – new funding of $20,000 was allocated in 2024/25, increasing to funding of $40,000 (plus inflation adjustment) from 2025/26 onwards, subject to appropriate projects being identified in the Nelson area.
- Nelson Yacht Club launching ramp investigation – new funding of $15,000 was allocated in 2025/26 for an investigation.
- Adam Chamber Music Festival – current level of biennial events funding was changed from being allocated from the Nelson Events Fund to a line item within the Long Term Plan 2024-2034 of $47,500 in 2024/25 (inflation adjusted for subsequent years), with a corresponding reduction in the Nelson Events Fund.
- General Emergency Fund – funding was increased by $17 million over the last four years of the Long Term Plan 2024-2034 (2030/31-2033/34) to replenish the General Emergency Fund.

Financial summary and your rates
Whakarāpopototanga ahumoni, reiti hoki

Council must demonstrate financial prudence and consider all aspects of financial performance.

Council was keenly aware of the cost-of-living pressures facing our community when we developed this Plan. So, we have prioritised keeping our rates rises as low as possible while maintaining core services, paying for the recovery, and continuing to invest in the projects that will make the most difference to Nelson's future. This means we had to make trade-offs to constrain costs as much as practicable.

Our Financial Strategy explains how we manage Council finances in a way that sustainably promotes our community's current and future interests. It aims to balance the need to keep rates affordable and limit borrowing with getting the most out of our capital spending and delivering as much as possible for the community. Some key aspects of our financial approach are highlighted below, and you can read the full strategy on pages 274-286.

Rates and debt caps

To fund Council's work, our annual rates limit (rates revenue rises cap) will remain at the Local Government Cost Index (LGCI) plus 2.5% and an allowance for growth[3].

Our debt limit is now set at a debt to revenue ratio of 200% (net external debt is not to exceed 200% of revenue). The net debt level is projected to be $208 million at 30 June 2024 and $504 million by 30 June 2034, while our assets are projected to increase in value from $2.4 billion to $3.7 billion over the same period.

We are forecasting to remain within our rates limit (except for years one and two due to the ongoing impact of inflation and the need to repay the August 2022 severe weather event) and our debt limit across the 10 years of the Plan.

Where the money will be spent

The following graphs show operational and capital expenditure for the full 10 years of the Plan by Council activity.

Operational expenditure is paid for immediately from rates received that year. Capital expenditure is funded by debt. These costs are paid off over a long period of time (commonly 80 – 100 years).

A capital project worth tens of millions of dollars can have a smaller impact on rates in any one year than a much smaller operational expenditure, but interest will be charged each year until the debt has been paid off. For instance, an additional $950,000 of operating expenditure or approximately $15 million capital expenditure added to Council's annual work programme, would add an additional 1% to rates in 2024/25.

Over the 10 years of the Plan, Council is forecasting to spend $1.062 billion on new and renewal projects (capital expenditure - including inflation and excluding vested assets and the joint business units) – with 75% of this on infrastructure activities. For instance, in the first year (2024/25), we are planning to spend $52.4 million on infrastructure out of the total capital expenditure budget of $96.8 million, and then larger proportions over the rest of the period.

What will my rates be?

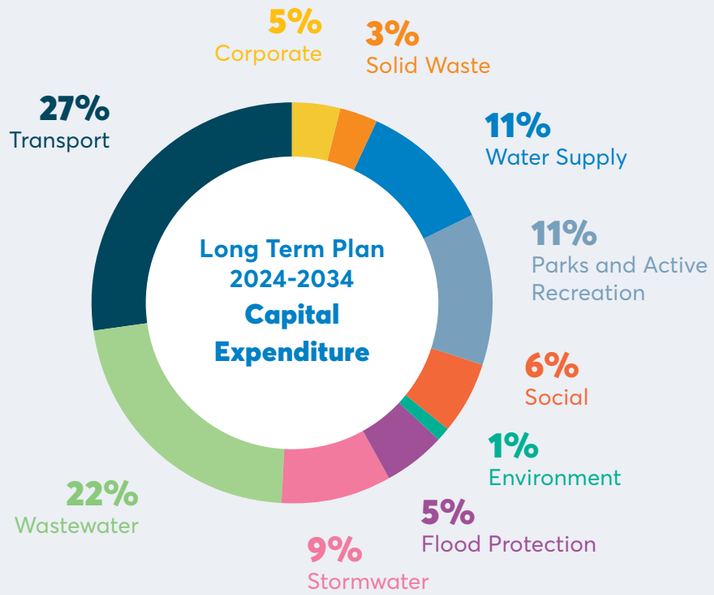
The average rates rise will be 8.2% plus a $300 (including GST) Storm Recovery Charge in 2024/25 (15.3% inclusive of the Storm Recovery Charge).[4] The average rates rises are projected to be 6.5% in 2025/26, 4.7% in 2026/27 and average 3.7% for the remaining seven years.

To help show the impact of our financial approach on rates, the rate changes between 2023/24 and the first year of the Plan (2024/25) are summarised for a selection of properties on pages 18-19. The table is GST inclusive.

The actual rates increase for each property is available at **nelson.govt.nz/rates-search**.

3. For information on the growth and inflation assumptions Council has used to prepare the Plan and Financial Strategy, please refer to the Significant Forecasting Assumptions available on Council's website: **nelson.govt.nz**

4. The Storm Recovery Charge will be an annual targeted rate of $300 (including GST) per separately used or inhabited part of a rating unit (SUIP) for the 10 years of the Plan.



Examples of Total Impact of General and Targeted Rates on Different Land Uses and Values (GST Inclusive)

			2024/25 Rates								
Property Type	2021 Land Value	2023/24 Rates	General Rate	UAGC @8.7%	Storm Recovery Charge	Stormwater Charge	Flood Protection Rate (LV)	Waste water	Water Annual Charge	Total Rates	$ increase on 2023/24 Rates
Residential	$265,000	$2,712	$1,082	$344	$300	$386	$99	$640	$252	$3,102	$390
	$305,000	$2,861	$1,245	$344	$300	$386	$114	$640	$252	$3,281	$419
	$380,000	$3,141	$1,551	$344	$300	$386	$142	$640	$252	$3,615	$474
	$430,000	$3,327	$1,755	$344	$300	$386	$160	$640	$252	$3,837	$510
	$500,000	$3,588	$2,041	$344	$300	$386	$186	$640	$252	$4,149	$561
	$540,000	$3,737	$2,205	$344	$300	$386	$201	$640	$252	$4,327	$590
	$560,000	$3,812	$2,286	$344	$300	$386	$209	$640	$252	$4,417	$605
	$590,000	$3,923	$2,409	$344	$300	$386	$220	$640	$252	$4,550	$627
	$625,000	$4,054	$2,552	$344	$300	$386	$233	$640	$252	$4,706	$652
	$670,000	$4,222	$2,735	$344	$300	$386	$250	$640	$252	$4,907	$685
	$870,000	$4,967	$3,552	$344	$300	$386	$324	$640	$252	$5,798	$831
	$1,200,000	$6,196	$4,899	$344	$300	$386	$447	$640	$252	$7,268	$1,071
	$1,500,000	$7,314	$6,124	$344	$300	$386	$559	$640	$252	$8,604	$1,290
									Average Residential Land Value is $500,000		
Multi Residential (Two flats - Two UAGC & Wastewater Charges)	$510,000	$4,976	$2,290	$688	$600	$386	$190	$1,280	$503	$5,938	$963
	$1,550,000	$9,007	$6,961	$688	$600	$386	$577	$1,280	$252	$10,744	$1,737
Empty Residential Section (Water annual charge included if water meter is installed)	$200,000	$1,621	$817	$344	$300	$386	$75	–	–	$1,847	$225
	$470,000	$2,855	$1,919	$344	$300	$386	$175	–	$252	$3,376	$521
	$860,000	$4,307	$3,511	$344	$300	$386	$320	–	$252	$5,113	$806
Small Holding (Water annual charge included if water meter installed)	$550,000	$2,720	$2,021	$344	$300	–	$205	–	–	$2,870	$150
	$700,000	$3,451	$2,572	$344	$300	–	$261	–	$252	$3,729	$278
Rural (Water annual charge included if water meter installed)	$1,380,000	$3,660	$3,662	$344	$300	–	$514	–	–	$4,820	$1,160
	$2,230,000	$5,945	$5,918	$344	$300	–	$831	–	$252	$7,644	$1,699
Commercial - Outside Inner City / Stoke - 1 Unit	$600,000	$8,778	$8,377	$344	$300	$386	$224	$160	$252	$10,042	$1,265
Commercial - Outside Inner City / Stoke - 1 Unit	$630,000	$9,154	$8,796	$344	$300	$386	$235	$160	$252	$10,472	$1,319
Commercial - Outside Inner City / Stoke - 3 Units	$260,000	$4,991	$3,630	$688	$600	$386	$97	$320	$252	$5,973	$982
Commercial - Stoke - 1 Unit	$53,000	$1,834	$898	$344	$300	$386	$20	$160	–	$2,108	$275
Commercial - Inner City - 2 Units	$385,000	$8,622	$7,614	$688	$600	$386	$143	$320	$252	$10,003	$1,382
Commercial - Inner City - 2 Units	$435,000	$9,516	$8,603	$688	$600	$386	$162	$320	$252	$11,011	$1,495
Commercial - Inner City - 1 Unit	$1,530,000	$28,634	$30,258	$344	$300	$386	$570	$160	$252	$32,270	$3,636

This table does not include water charges based on consumption. For occupied residential properties, this is charged at $2.626 per cubic metre and an average useage of 160 m3 costing $420.16 (GST Incl).

Investing in our community over the next ten years

Council undertakes a huge range of work that supports and influences your daily life. Over the life of the Plan, we will continue to invest in infrastructure and community assets that will make a positive difference for Nelson's future. A selection of (capital expenditure renewals and improvements) projects across the next 10 years are summarised below. See more in the Council activities section (from page 30).

$78.7M

Bridge to better project

2023/24-2027/28

$44.1M

Footpath renewals (Roading)

2024-2034

$30.6M

Water supply pipe renewals

2024-2034

$17.2M

Stormwater renewals

2024-2034

$44.2M

Flood protection capital works

2024-2034

$118.6M

Roading renewals

2024-2034

$96.3M

Wastewater pipe renewals

2024-2034

$4.8M

Public toilet renewals

2024-2034

$10.4M

Atawhai Trunkmain

2024/25-2030/31

$3.6M

Millers Acre regional bus hub

2024/25-2025/26

$8.4M

Maintaining aquatic facilities

2024-2034

$8.8M

Tāhunanui Hills Stormwater Catchment 9

2024/25-2030/31

$4.9M

East-West cycleway extension

2025/26-2027/28

$4.8M

City Development projects

2024-2034

$3.1M

Rutherford Park play space

Totalling $3.1 million

2024/25-2025/26

$4.4M

Freshwater improvement programme

2024-2034

$25M

Nelson Future Access Study projects

2026/27-2033/34

$68.4M

Civic investment (Approach to be confirmed)

$68.4M budget

2024-2034

$4.8M

Saxton Field capital works programme

(NCC's contribution)

2024-2034

$24.2M

Mahitahi Bayview utilities and transport connections

2024/25-2032/33

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

Council has developed a vision and three overarching priorities to guide our work programmes for the next 10 years.

Our vision

Our vision for Whakatū Nelson is a creative, prosperous, and innovative city. Our community is inclusive, resilient, and connected – we care for each other and our environment.

Our priorities

Our priorities are to:

- Support our communities to be prosperous, connected, and inclusive
- Transform our city and commercial centres to be thriving, accessible and people-focused
- Foster a healthy environment and a climate resilient, low-emissions community

Council's vision and priorities support the regional community outcomes.

Community outcomes
Ngā putanga hapori

Our eight community outcomes are broad, long-term goals that guide our overall direction and are aligned with those of Tasman District Council to ensure a consistent regional approach.

Each Council works towards achieving the outcomes in different ways, reflecting their unique communities. The community outcomes align closely with the intergenerational wellbeing outcomes of Te Tauihu Intergenerational Strategy – see more on the strategy at **tetauihu.nz**.

Our unique natural environment is healthy and protected
E hauora ana, ā e tiakina ana te taiao

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

Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed
Kua pai te whakamahere, ā e toitū ana te whakahaere

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

Our infrastructure is efficient, resilient, cost effective and meets current and future needs
He pai te hanganga o nāianei, o muri ake hoki

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

Our communities are healthy, safe, inclusive and resilient
Kō ō tātou hapori e hauora ana

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

Our communities have opportunities to celebrate and explore their heritage, identity and creativity
Kei te whakanui te hapori i tō tātou taonga tuku iho, tuakiri, auahatanga hoki

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

Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement
Ka hautū te Kaunihera, ka whakatītina hoki i tē ngātahitanga ā-iwi, ā-takiwā, ā-hapori hoki

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

Our communities have access to a range of social, cultural, educational and recreational facilities and activities
E āhei ana te hapori ki ngā hanganga ā-pāpori, ā-ahurea, ā-mātauranga, ā-rēhia hoki

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

Our region is supported by an innovative and sustainable economy
Kei te tautokona te rohe e te ohaoha toitū, auaha hoki

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

Climate change
Te āhuarangi hurihuri

Global efforts to address climate change and reduce greenhouse gas emissions are falling short. We are already seeing the impacts of a changing climate in Nelson, with more severe storms, eroding coastlines, variable rainfall and hotter seasons.

Action on climate change is one Council's biggest priorities. Council is committed to:

- Playing our part in curbing global greenhouse gas emissions by reducing Council's emissions footprint and supporting the community to reduce Nelson's emissions overall
- Preparing for the impacts of climate change.

Since Council declared a climate emergency in 2019, we have:

- Measured and reported on Council's operational emissions – the latest report shows a reduction in 89% since the baseline year of 2017/18.[5]
- Implemented the Climate Action Plan, a 'living' document which captures Council actions to address climate change.
- Compiled data and engaged with the community on climate change risks and our adaptive planning approach.
- Partnered with and provided funding to the Nelson Tasman Climate Forum and Businesses for Climate Action to support climate action by the community and businesses.

Climate change mitigation and adaptation is a key objective of many of Council's work programmes and is embedded within this LTP. Projects such as the East-West cycleway will encourage active transport with the aim of reducing transport emissions (which make up around 60 per cent of Nelson's emissions). Upgrades to stormwater and flood protection will increase our resilience to a changing climate.

Council cannot address climate change alone. A collective response, from central government, iwi, businesses and the community, is needed to reduce Nelson's emissions and prepare for a changing climate. That is why Council is preparing a Climate Change Strategy with updated Action Plan. This community strategy will set the direction for climate action in Nelson by leveraging off existing initiatives and drawing upon the collective expertise of our community.

5. Primarily resulting from landfill improvements to reduce methane, though significant work is still needed to reduce carbon emissions. For information on what emissions have been measured within this report, refer to the emissions measure on page 162.

Statement on fostering Māori participation in Council decision-making
Te whakatītina i te urunga o Ngāi Māori

Council is committed to strengthening partnerships with iwi and Māori of Te Tauihu and providing opportunities for Māori involvement in Council decision-making processes in a meaningful way.

This includes an intention to:

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

Kia Kotahi Te Tauihu, Together Te Tauihu Partnership Agreement

Council signed a partnership agreement with the eight iwi and two other councils of Te Tauihu in December 2023. This agreement recognises the important and unique roles that both iwi and councils play in the cultural, social, environmental and economic wellbeing of Te Tauihu. It seeks to weave these aspirations together more closely, to strengthen our position as Te Tauihu and deliver to our shared aspirations more effectively. It will be an enduring relational agreement that sets out protocols and tikanga that all the partners have committed to.

An accompanying action plan is being developed to set out partnership priorities and actions to complete over the next three years.

Initiatives to support Māori participation

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

- Continuing to engage with the eight iwi of Te Tauihu through the following regular iwi-Council engagement hui:
  - Te Tauihu Mayors and Chairs Forum involving three Top of the South councils' mayors and eight Te Tauihu iwi chairs to provide guidance related to governance and strategic direction
  - Te Ohu Whakahaere involving Nelson City Council's Chief Executive and eight Te Tauihu iwi Chief Executives and General Managers to provide direction related to management matters
  - Te Ohu Toi Ahurea involving iwi cultural managers to assist and contribute to guidance on arts and heritage
  - Te Ohu Taiao involving iwi environmental planners to assist and contribute to guidance on environmental management, including resource management matters.
- Continuing to support Iwi/Māori representation on the Audit, Risk and Finance Committee, Nelson Regional Sewerage Business Unit, Nelson Tasman Regional Landfill Business Unit, Nelson Regional Transport Committee, and the Nelson Marina Management Board.
- Continuing to facilitate iwi input into Council's activity management plan process, as part of the development of its long term plans.
- Supporting iwi capacity building, particularly the ability to engage with and respond to the range of matters of mutual interest that further iwi-Council partnership (funding prioritised from central government's Three Waters/Affordable Water Reform programme 'Better off funding').

Council facilitated the establishment of the Whakatū Māori Ward, with the support of Te Tauihu iwi, for the 2022 local election.

Initiatives to build capability and support engagement

Council recognises that we need to build capacity and capability to have effective and meaningful partnerships. Key initiatives to build Council capability to engage effectively with iwi and to support iwi engagement in Council decision-making include:

- Supporting staff cultural competency development through Te Puāwaitanga Cultural Competency Framework.
- Supporting the Kaumātua in their role to provide advice and guidance to Council on tikanga and kawa (Māori customary practices).
- Implementing Te Parikaranga, an online iwi engagement platform to enable Council officers to share projects with iwi and to receive input on the level of interest iwi have with a Council project.
- Supporting community events and activities to promote te reo Māori me ōna tikanga within the Whakatū Nelson region, including Waitangi Day, Matariki, national kapa haka, and Te Wiki o Te Reo Māori (Māori Language Week) celebrations.

Te Tau Ihu Treaty of Waitangi Settlement Acts 2014

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

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

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

Significance and Engagement Policy overview
Te tirohanga ki te hiranga

The Significance and Engagement Policy explains how Council will decide the degree of significance of a matter, the types of matters on which the community will be engaged during the decision-making process and when the community can expect Council to make a decision on its behalf.

A copy of the full Policy can be found on Council's website: **nelson.govt.nz** and is included in the Policies and strategies section of this Plan (pages 412-418).

Regional issues and Tasman District Council shared services
Ngā take ā-takiwā me ngā ratonga ngātahi ki Te Kaunihera o Te Tai o Aorere

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

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

Examples of shared services, projects and programmes include:

- Joint ownership of Infrastructure Holdings Limited, which owns Port Nelson and Nelson Airport
- Joint capital funding, such as for the development of Saxton Field
- Co-funding of regional services and activities, such as the Nelson Provincial Museum
- Aligning service delivery, such as shared library services
- Co-ordinated strategic planning, such as a shared Future Development Strategy and the development of consistent engineering standards
- The provision of services, such as those in place for some hydrological and biosecurity functions.

Some region-wide programmes are led by one council because it has particular expertise, so specialist skills do not have to be duplicated.

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

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

Engineering and infrastructure

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

Nelson City Council can currently provide a small proportion of Tasman's water supply needs but lacks the infrastructure to supply large volumes. Tasman District Council provides water and wastewater services to some Nelson residents on the Nelson side of Champion Road and some businesses in Nelson's Wakatū Industrial Estate.

Nelson City and Tasman District Councils operate a Joint Nelson Tasman Regional Transport Committee, which also includes a member from the New Zealand Transport Agency (NZTA) Waka Kotahi. The Joint Regional Transport Committee is responsible for developing the Regional Land Transport Plan, which tells a regional story and is a joint document involving the two Councils, Department of Conservation and NZTA Waka Kotahi. Nelson City and Tasman District Councils operate a joint public transport service (eBus). Strategic planning for this service is done through the Regional Public Transport Plan, which is developed by the Joint Regional Transport Committee.

Nelson City and Tasman District Councils share a joint regional landfill business unit. The Nelson Tasman Regional Landfill Business Unit (NTRLBU) manages and operates the York Valley Landfill as the regional landfill and manages the closed landfill at Eves Valley.

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

There is a coordination of bylaws where issues span council boundaries, including the Trade Waste Bylaw.

Iwi/Māori

Together Te Tauihu – A Partnership Agreement for a Stronger Te Tauihu was signed in December 2023 by Ngā Iwi o Te Tauihu (the Top of the South Iwi) and Ngā Kaunihera o Te Tauihu (Nelson City Council, and Tasman and Marlborough District Councils). The partners under the agreement are driven by a shared desire to realise the full potential of Te Tauihu o Te Waka-a-Māui, to protect and enhance the taonga of Te Tauihu and give effect to principles and practices of Te Tiriti o Waitangi within the region. The agreement recognises the important and unique roles that both Iwi and Councils play in the cultural, social, environmental and economic wellbeing of Te Tauihu. It seeks to weave these aspirations together more closely, to strengthen our position as Te Tauihu and deliver shared aspirations more effectively.

Together Te Tauihu has the following moemoeā (vision):

We are the people of Te Tauihu. Together, we care for the health and wellbeing of our people and our places. We will leave our taonga in a better state than when it was placed in our care, for our children and the generations to come.

Tūpuna Pono – Being Good Ancestors

Nelson City Council also has a Statement on Fostering Māori participation in Council decision making, which outlines the steps Council intends to take to foster the development of Māori capacity to contribute to Council decision-making processes.

Community Development

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

The Nelson Regional Development Agency, funded by both Councils, manages the 'It's On' website which showcases events in the Nelson Tasman Region.

Nelson Public Libraries work with Tasman and Marlborough District Libraries on The Prow website, which details historical and cultural stories across Te Tauihu/Top of the South region. Nelson Public Libraries are part of partnerships with Marlborough District Libraries, Tasman District Libraries and other public libraries in the South Island for the purchase of e-books and other digital resources and are part of Kotui, the shared library management system provided and managed through the National Library of New Zealand. The three councils provide free reciprocal lending to residents of the Top of the South. Separate cards from each library are needed and any item loaned needs to be returned to the owning library. Nelson Public Libraries, Tasman District Libraries and Nelson Historical Society have helped fund the digitisation of the Nelson Mail newspaper as part of the National Library's Papers Past service.

Other shared social and community activities with Tasman District Council include the Positive Ageing Expo, Positive Ageing Forum, Summer Events Guide and the Found Community Directory. The Skate Park tour competition occurs annually across Nelson and Tasman. It is organised by Tasman District Council with funding support from Nelson City Council.

Both Councils are involved with a range of other agencies on various forums and projects, including: Nelson Tasman Settlement Forum with Department of Internal Affairs (DIA) and Multicultural Nelson Tasman; Nelson Tasman Funders Forum; Te Tauihu Community Development establishment process with Marlborough District Council (MDC), Te Tauihu iwi and business sector representatives; Welcoming Communities with MDC; Nelson Tasman Disability Forum with DIA, Te Whatu Ora and various community service providers; Te Tauihu annual youth hui with MDC and Kaikoura District Council; and Strengthening Communities working group with central government agencies.

Environment/Planning/Regulation Activities

We are a partner with Tasman District Council in the Nelson Tasman Civil Defence Emergency Management Group (CDEM). The CDEM Group is jointly resourced by the councils and operates a regional Emergency Operations Centre based in Richmond. The current Civil Defence Emergency Management Plan for the Nelson Tasman Region was developed in 2018. A revised version of the Civil Defence Emergency Management Group Plan is being reviewed and will be consulted on in the 2024 calendar year.

The two councils work together on aligning monitoring programmes, including estuarine monitoring and industrial land needs. The two councils work collaboratively to deliver a hydrometric network used for the provision of flood warning.

Along with Marlborough and Tasman District Councils, Nelson City Council is a partner with the Ministry of Primary Industries and Greater Wellington in the Top of the South Marine Biosecurity Partnership. The main aim of which is to prevent the introduction, and minimise the spread, of damaging marine species throughout the Top of the South and Greater Wellington regions by coordinating action of all partners.

Both Councils work together in jointly procuring population projections and business land needs. For Future Development Strategies and Housing and Business Capacity Assessments we also work together in forecasting dwelling demand. We also work together on the management of growth in our region including, combined monitoring and reporting on housing and business trends, as well as assessments of capacity to meet demand, all required under the National Policy Statement for Urban Development. In addition, the councils work together on the joint Future Development Strategy for the wider Nelson Tasman region and its implementation. The latest version was adopted in 2022. The Strategy identifies location, timing and sequencing of future development capacity over the long term for urban development.

Together the councils also coordinate coastal oil spill contingency planning and management. Councils have a statutory responsibility under the Maritime Transport Act 1994 to conduct a Tier 2 or regional response to marine oil spills that occur within the coastal marine area. We hold a joint Nelson/Tasman Regional Marine Oil Spill Contingency Plan. This plan covers the entire coastal marine area as defined under the RMA for Nelson City Council and Tasman District Council. The current plan was approved in 2021 and is now under review and due for renewal this year.

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

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

Corporate and economic activities

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

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

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

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

The Nelson Regional Development Agency is owned by Nelson City Council, but funding is provided from both councils. The NRDA facilitates and assists in economic development and promotional activities across Nelson and Tasman. It works with key sectors and stakeholders to develop various strategies and priorities with a regional focus.

Council Activities
Ngā mahi a te Kaunihera

Council activities
Ngā mahi a te Kaunihera

If you are interested in finding out more about a particular project the activity sections are a good place to start.

The key projects for the next three years and budgets for the 10 years of the Long Term Plan 2024-2034 are included in the relevant activity sections.

Council structures its work programme around the 11 activities listed below.

- **Transport –** Te Ikiiki
- **Water Supply –** Te Ratonga Wai
- **Wastewater –** Te Para Wai
- **Stormwater –** Te Wai Āwhā
- **Flood Protection –** Te Ārai Waipuke
- **Solid Waste –** Ngā Para Totoka
- **Environment –** Te Taiao
- **Social –** Te Pāpori
- **Parks and Active Recreation –** Ngā Papa Rēhia, Mahi Rēhia hoki
- **Economic –** Te Ohaoha
- **Corporate –** Te Rangapū

Each activity section is set out in a consistent way:

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

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

Transport

Transport
Te Ikiiki

What we do

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

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

Why we do it

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

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

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

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

Challenges

Environmental impact/climate change

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

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

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

Congestion

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

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

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

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

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

Safety

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

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

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

Network resilience/road maintenance

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

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

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

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

Council's priorities for the next three years

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

- Improving public transport infrastructure and services, including:
  - proceeding with a regional bus hub at Millers Acre, with $2.7 million capital expenditure in 2024/25, and $920,000 in 2025/26 to progress the project. However, this is subject to receiving a 51% New Zealand Transport Agency Waka Kotahi Financial Assistance Rate subsidy.
  - increasing forecast public transport costs across the ten years of the Plan to meet cost escalations resulting from increased costs of operating the eBus contract and changes to central government policy. The eBus Bee Card fares also increased by five percent from 1 July 2024 to boost farebox recovery.
- Connecting and expanding the active mode network, and implementing safer regulatory speeds and safety improvements, including:
  - The Stoke School speed zone upgrade.
  - Contribute to the 'Bridge to Better' project to improve pedestrian and cycling facilities through central Nelson.
  - Intersection treatments to improve the St Vincent Street cycle facility.
  - Traffic calming to support speed reduction on residential streets.
  - Safety treatments at roundabouts at Halifax/Haven, Gloucester/Vanguard, Gloucester/St Vincent, Hardy/St Vincent, Nayland/Songer Street and Nile Collingwood Street.
  - Traffic signals at Waimea Road/Franklyn Street and at Toi Toi/Vanguard Street intersections.
- Connecting and expanding the active mode network, particularly the East–West active travel corridor that will connect the Maitai/Brook in the east with the Railway Reserve corridor in the west.
- Constructing additional carparking off Paru Paru Road, with budget of $1.27 million. The carpark will provide parking for the new play space at Rutherford Park and for recreational and other events at the park, as well as mitigating loss of carparking as part of the Bridge Street upgrade and the Millers Acre regional bus hub redevelopment.
- Progressing with preparatory works to accelerate the Montreal/Princess Drive intersection, with $226,000 (uninflated) capital expenditure per annum being brought forward to years 4-8 of the Plan. This work will provide greater alignment with the Golden Elm Rise subdivision timing, an opportunity for improved public transport efficiency and resilient access routes, and (pending design and consent) additional opportunities for hillside development along the ridge and hillside above Emano Street.
- Progressing the Mahitahi area development (subject to the Environment Court outcome), including working on upgrades to transport connections at the existing intersection of Nile Street and Maitai Valley Road and improved cycleway, footpath and bridge connections in the Maitai Valley locality.
- Lifting specific maintenance and renewal programmes by increasing:
  - reseals and rehabilitations of road pavements
  - footpath renewals.
- Increasing maintenance of sealed roads.
- Increasing maintenance of bridges/structures and drainage.
- Improving public transport initiatives, including participating in a national ticketing programme and more real-time travel information.

Drivers of capital expenditure

The following factors drive capital expenditure on transport:

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

Assumptions

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

- The New Zealand Transport Agency Waka Kotahi supports and funds the transport activity via the National Land Transport Programme.
- Tasman District Council will continue to contribute its fair and equitable share to public transport and Total Mobility services for the Tasman region.
- Public transport patronage will be at a level that continues to support the public transport level of service.
- Staff resources will be available to commission the scheduled projects, activities and actions.
- The New Zealand Transport Agency Waka Kotahi will co-fund the establishment, operation and maintenance of the proposed new public facility at Millers Acre.

Risks

Access and lifeline routes - resilience

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

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

Funding Partner Support

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

Resourcing

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

Change in legislation

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

Change in demands

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

Change in costs

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

Significant negative effects

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

Intended changes to the level of service

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

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

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

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

Community outcomes

Council's transport activity contributes to the following community outcomes:

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

Service levels, performance measures and targets

Community Outcomes	What Council will provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1-10
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our communities are healthy, safe, inclusive and resilient.	**Safety:** We provide a transport system which is safe for all people regardless of transport choice or demographic.	Reducing trend in the number of death and serious injury (DSI) crashes, per financial year on the local road network from the 2020/21 base year. (Mandatory Measure 1)	There were ten death or serious injury (DSI) crashes on local roads in this financial year. This is a slight increase over the nine DSI crashes from 2021/22 but well down on the 20 from 2020/21.	A reducing trend in the number of fatal or serious injury crashes as recorded in the New Zealand Transport Agency Waka Kotahi Crash Analysis System.
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.	**Amenity:** Our assets are maintained in good condition and operated in a way that contributes to quality neighbourhood environments.	The average quality of ride on a sealed local road network, as measured by smooth travel exposure in the Road Asset Maintenance and Management system (RAMM). (Mandatory Measure 2)	Smooth travel exposure was measured at 82% for the 2022/23 financial year.	At least 80% of all journeys are on smooth roads, when measured against the One Network Road Classification guidance every second year from 2024/25.
		Percentage of customer service requests relating to roads and footpaths to which Council responds within fifteen working days. (Mandatory Measure 5)	75% of transport related service requests were completed on time for the 2022/23 financial year.	70% of service requests responded to within fifteen working days.
		The percentage of footpaths that fall within the level of service standard for condition of footpath, as in Activity Management Plan. (Mandatory Measure 4)	The 2021/22 assessment determined that 85% of the network has a condition rating better than 4. This result includes shared paths and walkways.	80% of the footpath network by length has a condition rating of no worse than 4 (poor)[6], measured every second year from 2025/26.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	**Accessibility and efficiency:** We provide people with access to a connected transport system that delivers their journey needs.	The annual growth in use of passenger transport increases year on year from the 2023/24 year baseline. Measured using annual patronage data from BCard system (Nelson and Tasman).	A total of 454,943 trips were taken on the public transport system in the last financial year. This represents a 42% increase from the patronage in the 2021/22 financial year.	Number of bus patrons increases each year.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	**Value for money:** Our transportation network is maintained cost effectively and whole of life costs are optimised.	The percentage of the sealed local road network resurfaced each financial year, as measured in lane kilometres from RAMM data. (Mandatory Measure 3)	6.6 lane-km of a total 495 lane-km was resurfaced in 2022/23 which is 1.3% of the network.	Not less than 3% of the network is resurfaced every year.

6. If a footpath is scored as 4 (poor) then it is in the category that 20% is not meeting the standard or 80% is acceptable

Funding Impact Statement Transport

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	12,933	14,792	16,073	17,587	18,949	20,239	22,303	23,426	24,405	25,535	26,488
Targeted rates including water by meter	–	–	–	–	–	–	–	–	–	–	–
Subsidies and grants for operating purposes	8,049	8,276	8,749	10,041	10,412	10,538	12,649	12,898	12,882	13,053	13,588
Fees and charges	2,037	2,850	2,876	3,019	3,095	3,160	3,414	3,494	3,563	3,633	3,703
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	–	–	–	–	–	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	1,972	1,214	1,248	1,294	1,344	1,381	1,416	1,454	1,492	1,532	1,574
Total Operating Funding	**24,992**	**27,131**	**28,946**	**31,941**	**33,800**	**35,318**	**39,781**	**41,271**	**42,343**	**43,753**	**45,353**
Applications of operating funding											
Payments to staff and suppliers	19,419	21,596	22,393	24,569	25,469	25,802	29,568	30,077	30,266	30,848	31,924
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	551	975	1,122	1,421	1,873	2,417	2,738	3,147	3,538	3,812	4,147
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**19,971**	**22,570**	**23,515**	**25,990**	**27,342**	**28,219**	**32,306**	**33,224**	**33,804**	**34,660**	**36,071**
Surplus (Deficit) of operating funding	**5,022**	**4,561**	**5,431**	**5,951**	**6,458**	**7,099**	**7,475**	**8,048**	**8,539**	**9,093**	**9,282**
Sources of capital funding											
Subsidies and grants for capital	17,453	13,154	14,193	23,144	15,445	11,423	13,239	15,480	14,330	15,918	16,975
Development and financial contributions	329	294	819	837	854	871	1,609	1,641	1,676	1,710	1,746
Increase (decrease) in debt	5,950	5,761	6,593	7,361	12,140	4,548	5,750	8,264	5,011	5,775	8,219
Gross proceeds from sale of assets	–	860	–	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**23,732**	**20,070**	**21,605**	**31,342**	**28,439**	**16,843**	**20,598**	**25,385**	**21,017**	**23,403**	**26,940**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	3,198	6,334	5,413	13,300	11,080	3,300	3,631	2,193	304	392	3,794
- to improve level of service	14,100	5,983	9,668	11,815	8,681	4,942	7,387	12,824	10,907	10,622	10,161
- to replace existing assets	11,456	12,314	11,955	12,178	15,136	15,699	17,056	18,415	18,345	21,482	22,267
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	–	–	–	–	–	–	–	–	–	–	–
Total applications of capital funding	**28,754**	**24,631**	**27,036**	**37,293**	**34,897**	**23,942**	**28,074**	**33,432**	**29,556**	**32,496**	**36,222**
Surplus (Deficit) of capital funding	**(5,022)**	**(4,561)**	**(5,431)**	**(5,951)**	**(6,458)**	**(7,099)**	**(7,475)**	**(8,048)**	**(8,539)**	**(9,093)**	**(9,282)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**5,022**	**4,561**	**5,431**	**5,951**	**6,458**	**7,099**	**7,475**	**8,048**	**8,539**	**9,093**	**9,282**
Subsidies and grants for capital expenditure	17,453	13,154	14,193	23,144	15,445	11,423	13,239	15,480	14,330	15,918	16,975
Development and financial contributions	329	294	819	837	854	871	1,609	1,641	1,676	1,710	1,746
Vested Assets	2,454	1,251	1,279	1,309	1,339	1,369	1,397	1,427	1,455	1,485	1,513
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(12,218)	(12,409)	(12,986)	(13,567)	(14,451)	(15,233)	(15,793)	(16,492)	(17,144)	(17,736)	(18,373)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**13,039**	**6,851**	**8,736**	**17,674**	**9,646**	**5,529**	**7,928**	**10,103**	**8,856**	**10,470**	**11,142**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

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

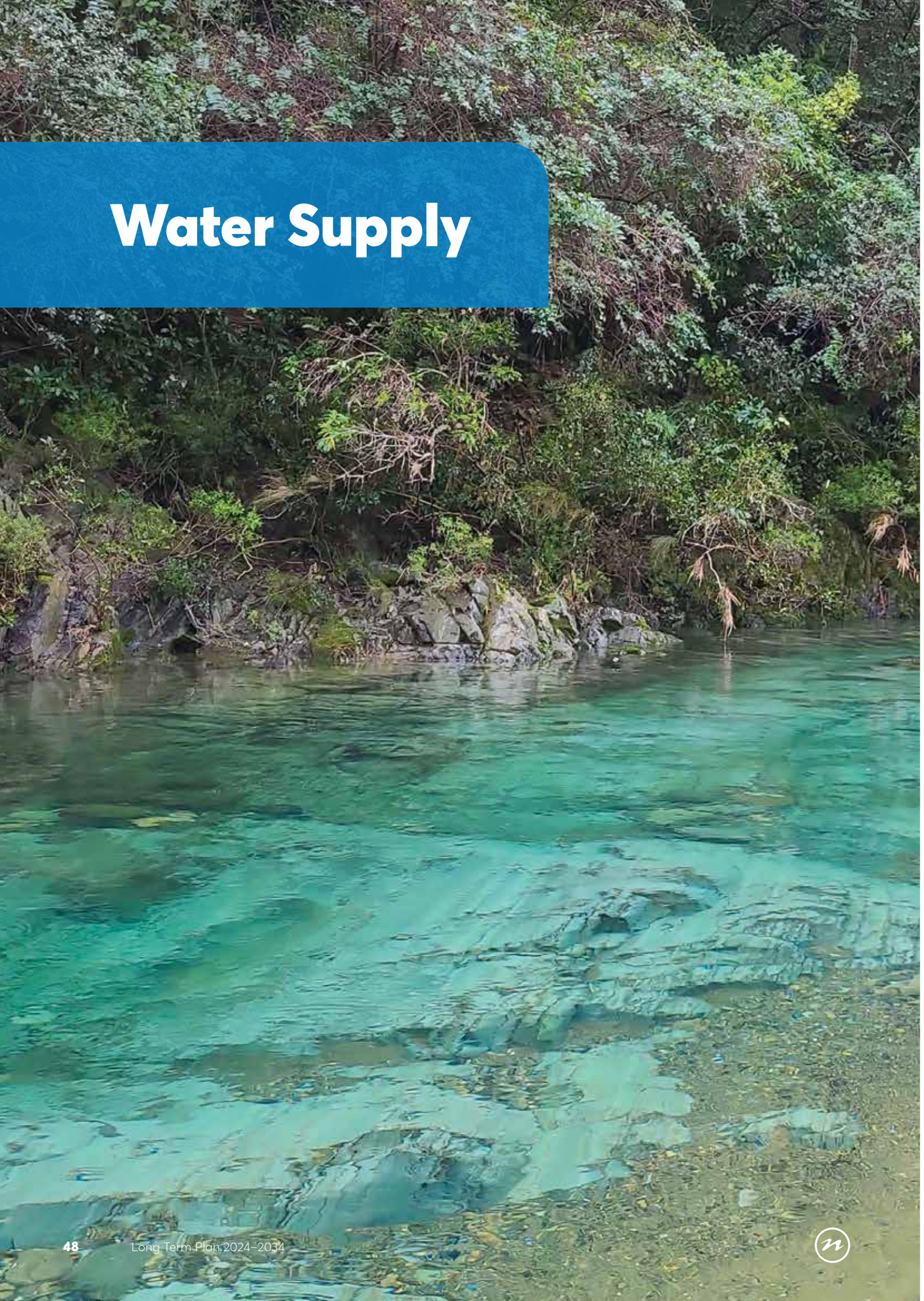
Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Transport											
Subsidised Roading											
WC 341L Streetlight Improvement	105,678	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	30,230
Freshwater Improvements Programme	–	–	–	–	–	10,942	55,855	–	116,340	2,373,400	–
WC 341 Marsden Valley Ridgeway Upgrade	–	–	–	–	214,120	2,626,080	2,681,040	–	–	–	–
WC225 Renewals: Footpaths	2,401,261	2,100,000	2,197,300	2,825,550	3,640,040	3,720,280	5,697,210	5,817,060	5,933,340	6,052,170	6,166,920
WC 341 Minor Improvements	57,905	–	–	–	678,833	693,797	708,317	723,218	737,675	752,448	766,715
WC 213 Drainage Renewals	344,778	500,000	511,000	837,200	1,520,252	1,455,286	1,753,847	2,332,527	2,495,493	4,800,202	2,496,998
WC 214 Sealed Road Pavement Rehabilitation	–	3,496,860	3,900,052	3,130,992	2,150,471	1,761,632	1,568,023	1,601,009	1,762,945	1,593,536	1,623,750
WC 212 Sealed Road Resurfacing	2,026,485	2,242,854	2,490,004	2,549,696	2,783,560	2,844,920	2,904,460	2,965,560	3,024,840	3,085,420	3,143,920
WC 211 Unsealed Road Metalling	70,382	70,382	71,930	146,909	150,292	153,605	156,820	194,337	198,222	202,192	206,025
WC222 Washington Valley Streetlight Renewal	–	–	–	–	–	–	–	–	232,680	237,340	–
WC452 NFAS Washington Road	85,614	–	–	89,601	214,120	–	–	–	–	–	–
WC 341L: Mount Street and Konini Street upgrade	90,000	90,000	–	–	–	–	111,710	570,300	–	–	–
WC 341Z Haven/Halifax Intersection Improvements	–	100,000	10,220	1,465,100	–	–	–	–	–	–	–
Nile St/Maitai Rd interserction (Bayview/Maitai)	–	100,000	204,400	1,569,750	–	–	–	–	–	–	–
2189 WC341 Innovative Streets - Kawai St	52,839	51,975	–	–	2,141,200	–	–	–	–	–	–
WC 324 Main Rd Stoke/Marsden Rd	–	–	–	–	–	–	–	–	–	118,670	1,813,800
WC 324 Quarantine/Nayland intersection Upgrades	200,000	200,000	–	–	–	–	–	–	–	–	–
WC 341Z Toi Toi/Vanguard intersection Upgrade	150,000	225,000	20,440	1,831,375	–	–	–	–	–	–	–
WC 215 Structures component replacement - Bridges	–	50,000	245,280	366,275	1,092,012	547,100	167,565	1,197,630	174,510	1,424,040	1,451,040
WC215 Structure Replacement	353,123	280,000	459,900	627,900	856,480	1,196,074	536,208	661,548	674,772	688,286	701,336
WC 222 Traffic Service Renewals - Signs, Markings and Deline	89,826	110,000	112,420	156,975	128,472	131,304	223,420	228,120	232,680	237,340	241,840
WC 222 Traffic Service Renewals - Signals	92,997	200,000	204,400	209,300	214,120	186,014	189,907	193,902	197,778	201,739	205,564
WC 341 Elm Street Intersection Safety Improvements	–	–	–	–	–	–	–	–	–	237,340	2,176,560
WC 222 Streetlight Renewals	317,034	610,000	613,200	837,200	1,070,600	1,313,040	1,340,520	1,368,720	1,396,080	1,424,040	2,418,400
WC 341 Montreal Princes Drive Intersection	–	–	–	–	241,438	246,761	251,925	257,225	262,366	–	–
WC 324 Polstead Main Road Stoke Intersection Upgrade	–	–	–	–	–	–	223,420	2,053,080	–	–	–
WC 341 Ngawhatu Suffolk Intersection	–	–	–	–	–	–	–	–	–	237,340	2,176,560
WC 324 Nelson Future Access Study	362,915	–	–	379,792	214,120	218,840	2,047,419	6,026,816	7,376,747	5,016,323	3,696,258
WC 341 Cross Town Links Brook to Central Programme	–	–	408,800	2,197,650	749,420	–	–	–	–	–	–
WC 452 Nile Street cycle Facilities	–	–	102,200	1,465,100	–	–	–	–	–	–	–
WC 341L Waimea Road Franklyn Street Intersection Improvement	1,500,000	110,000	1,839,600	–	–	–	–	–	–	–	–
WC 224 Cyclepath Renewals	236,557	105,678	108,003	110,592	113,139	1,099,671	1,122,686	1,146,303	1,169,217	1,192,634	1,215,246
WC 341 Railway Reserve Improvements	–	–	–	–	–	–	–	–	491,783	501,632	511,143
WC341 Maitai Bayview Growth Programme	–	100,000	1,022,000	–	–	–	–	–	–	–	–
WC341L Selwyn Place Pedestrian Crossings	192,341	–	–	20,930	642,360	–	–	–	–	–	–
WC341Z Speed Limit Changes Speed Signs	82,000	281,996	204,400	–	–	–	–	–	–	–	–
WC341 Nayland Road School Zone Upgrade	–	–	–	–	–	109,420	1,005,390	–	–	–	–

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Subsidised Roading continued											
WC341 Central School Speed Zone upgrade	–	–	–	104,650	963,540	–	–	–	–	–	–
WC341 Stoke School Speed Zone upgrade	–	100,000	459,900	470,925	–	–	–	–	–	–	–
WC341L Traffic Calming to Support Speed reduction	180,000	100,000	102,200	104,650	321,180	547,100	335,130	570,300	581,700	593,350	604,600
WC341Z St Vincent Street Toi Toi Street Raised Roundabout	666,100	300,000	–	–	–	–	–	–	–	–	–
WC341 School Speed Zone Haven Road	77,500	–	–	156,975	–	–	–	–	–	–	–
WC341 St Vincent Street Sepataed Cycle Facility Improvements	–	200,000	122,640	–	–	–	–	570,300	581,700	–	–
WC452 SFP Hospital Connection	1,400,000	–	–	–	–	–	–	–	–	–	120,920
WC141 Maori Road Flood Repair	150,000	310,000	–	–	–	–	–	–	–	–	–
WC141 Flood Recovery - Minor Works	1,024,837	145,000	112,420	303,485	42,824	–	–	–	–	–	–
WC141 Slip Repair Maitai Road	530,000	500,000	–	–	–	–	–	–	–	–	–
WC141 Cable Bay Road Slip Repairs	1,700,000	100,000	–	–	–	–	–	–	–	–	–
WC 141 Glen Creek Washout Repairs	50,000	100,000	–	–	–	–	–	–	–	–	–
WC141 Teal Valley Road Flood Repairs	–	100,000	817,600	–	–	–	–	–	–	–	–
WC141 Arrow Street Retaining Wall Slip Protection	110,000	250,000	–	–	–	–	–	–	–	–	–
WC141 Konini Street	80,000	430,000	–	–	–	–	–	–	–	–	–
WC141 Iwa Road Flood Repairs	–	350,000	–	–	–	–	–	–	–	–	–
WC141 Wakefield Quay	230,000	150,000	–	–	–	–	–	–	–	–	–
WC 341Z - Gloucester Vanguard Intersection Safety	100,000	–	817,600	–	–	–	–	–	–	–	–
WC341Z - Gloucester St Vincent Intersection safety	100,000	–	817,600	–	–	–	–	–	–	–	–
WC341Z - Hardy Vanguard Intersection Safety	100,000	800,000	–	–	–	–	–	–	–	–	–
WC341L - Nayland Songer Roundabout Safety	100,000	800,000	–	–	–	–	–	–	–	–	–
WC341L - Nile Collingwood	–	–	–	837,200	–	–	–	–	–	–	–
WC341W - Maori Road Raised Crossing	–	–	–	313,950	–	–	–	–	–	–	–
WC 341L IAF Active Linear Corridor	–	50,000	970,900	–	–	–	–	–	–	–	–
WC 341L Quarantine/Pascoe Intersection Improvements	–	–	102,200	–	–	–	–	–	–	–	–
WC 341Z Victory School Speed Zone Upgrade	–	–	–	–	–	–	111,710	1,026,540	–	–	–
WC 341W Walkway and Footpath Lighting Improvements	–	–	–	–	214,120	–	–	228,120	–	–	241,840
WC 341L Transport Temporary Works	–	–	–	–	214,120	–	–	228,120	–	–	241,840
WC 341W Pedestrian and Cycle Crossing Improvements	–	–	–	–	481,770	218,840	893,680	–	–	–	–
WC 341W Cycleway and Cycle Lane Improvements	–	–	–	261,625	374,710	1,039,490	279,275	–	581,700	593,350	604,600
WC 341L Driver Information Boards	–	–	–	104,650	107,060	109,420	–	–	–	–	–
WC 341L Cable Bay Roading Improvements	–	–	–	–	–	1,094,200	1,117,100	–	–	–	–
WC 341L Little Todd Roading Improvements	–	–	–	20,930	299,768	–	–	–	–	–	–
WC341 Iwa Catch wall	–	–	–	–	–	218,840	–	–	–	–	–
WC221 Stock Effluent Facility renewals	–	–	–	209,300	–	–	–	–	–	–	–
WC 214 Quarantine Road Rehab	–	–	–	–	–	–	–	–	122,946	125,408	127,786
WC 224 Atawhai and Whakatu Cycle Path Renewals	35,000	20,000	122,640	52,325	53,530	54,710	55,855	57,030	58,170	59,335	60,460
WC 111 Sealed Pavement Heavy Works	158,517	330,000	337,260	313,950	321,180	328,260	312,788	319,368	325,752	332,276	338,576

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Subsidised Roading continued											
WC 216: Structures Renewals	–	–	–	–	642,360	–	–	–	–	–	–
WC 111: Pre Seal Programme	–	400,000	459,900	470,925	481,770	492,390	502,695	513,270	523,530	534,015	544,140
WC341L Road Drainage Improvements	–	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Unsubsidised Roading											
Street Garden Dev	31,703	186,499	153,300	156,975	–	–	–	–	–	–	–
Structures Replacement	310,868	–	–	52,325	718,587	698,100	558,550	114,060	267,582	712,020	2,708,608
Maitai Bayview Growth Programme	250,000	249,996	–	–	–	–	–	–	–	–	–
Land Purchase	450,000	450,000	–	–	–	–	–	–	–	–	–
Slip 13 Cleveland Terrace	585,100	975,000	–	–	–	–	–	–	–	–	–
IAF Active Linear Corridor	2,100,000	2,903,135	3,372,600	14,046,217	10,822,107	–	–	–	–	–	–
Paru Paru Road Carpark	–	150,000	1,124,200	–	–	–	–	–	–	–	–
Public Transport											
WC 531 Stoke interchange	–	–	–	–	565,694	578,164	590,264	–	–	–	–
WC 532 Bus Shelter Lighting	–	50,000	102,200	104,650	107,060	–	–	–	–	–	–
WC532 PT Minor Improvements	281,678	20,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
WC 531 Integrated Ticketing GRETS	–	–	204,400	209,300	–	–	–	–	–	–	–
WC 532 CBD interchange	355,678	2,700,000	919,800	–	–	–	–	–	–	–	–
WC532 Bus Stop Improvements	–	–	–	–	–	–	111,710	1,026,540	–	118,670	1,088,280
WC 554: PT Signals Priority	–	100,000	102,200	104,650	–	–	–	–	–	–	–
Parking and CBD Enhancement											
Renewal: CBD Aesthetic Elements	169,138	100,000	102,200	104,650	181,079	185,071	223,420	228,120	232,680	237,340	241,840
Renewals: On and Off St Parking Meter	–	–	–	–	–	–	629,812	643,061	–	–	–
Stoke Centre Enhancements	–	–	–	–	–	54,710	111,710	57,030	–	–	–
Strawbridge Sq Layout & Access Improvement	–	–	54,001	110,592	791,972	–	–	–	–	–	–
Stoke Centre Traffic Calming and Ped Safety Works non sub ae	–	–	–	–	–	–	118,053	1,808,045	–	–	–
CBD Carpark Resurfacing	–	100,000	102,200	104,650	428,240	656,520	446,840	456,240	988,890	296,675	302,300
New Car Parks	–	690,000	1,941,800	–	–	–	–	–	–	–	–
Vested Assets	2,453,843	1,251,001	1,278,523	1,309,173	1,339,322	1,368,845	1,397,493	1,426,892	1,455,415	1,484,563	1,512,710
Projects under $100,000	13,530,694	1,800,681	1,448,858	1,446,001	1,363,481	1,537,807	1,565,263	1,470,016	1,594,644	1,614,626	1,576,510
Total Transport	**36,122,391**	**28,486,057**	**31,181,291**	**42,606,560**	**39,971,703**	**27,825,493**	**32,442,220**	**38,422,587**	**34,141,197**	**37,433,730**	**41,599,155**
Scope Adjustment	(4,914,815)	(2,604,087)	(2,867,170)	(4,004,165)	(3,734,929)	(2,514,788)	(2,970,968)	(3,563,399)	(3,129,687)	(3,453,252)	(3,864,154)
Total Transport Less Scope Adjustment	**31,207,576**	**25,881,970**	**28,314,121**	**38,602,395**	**36,236,774**	**25,310,705**	**29,471,252**	**34,859,188**	**31,011,510**	**33,980,478**	**37,735,001**



Water Supply

Water Supply
Te Ratonga Wai

What we do

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

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

Why we do it

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

Challenges

Climate change

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

Natural hazards

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

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

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

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

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

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

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

Maintaining, renewing and upgrading

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

- Pipe materials – Some pipe materials have not performed as well as expected which means they need to be replaced earlier than anticipated. We will need to continue doing this for the next 8–10 years before returning to a more normal renewal strategy.
- Maitai pipeline – Council will continue to use the original above ground pipeline between the Maitai Dam and the water treatment plant for as long as it remains economical to do so (alongside the more recently installed duplicate pipeline). A multi-year project to renew or repair necessary sections of original above ground pipe below the dam will start from 2027/28.

- Maitai Dam – The Maitai Dam is considered a high impact structure as it would pose a significant risk to residents if it collapsed, releasing water down into the Maitai Valley. Although the likelihood of this is extremely low, Council will continue to work with emergency response agencies to plan for this event. Council and the other emergency response agencies will plan to meet with Maitai Valley residents (2024/25) to advise them of the various emergency events for which residents need to develop their own response plans.
- Reticulation constraints – New residential development areas in the eastern parts of the city don't yet have the water supply pipes they will need in the future. Budget has been included in the Long Term Plan for the Council's share of the costs to upgrade one of the first developments in the Mahitahi and Bayview area. This will help support any future development in the wider area (subject to the Environment Court outcome).
- In addition, future residential development and intensification across the city that might need a water supply with a higher flow rate to support sprinkler systems can be addressed as part of the normal renewal programme.

Unaccounted for water

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

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

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

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

In 2021/22, Council replaced approximately 15,000 of the residential water meters installed in the mid-1990s. The remainder will be replaced as they come to the end of their lives in the next 10 years. More accurate water use data will help us to track down the unaccounted for water. Additional testing of larger commercial and industrial meters is planned between 2024/25 and 2026/27.

Maitai Dam water

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

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

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

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

Discoloured water

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

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

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

Maitai River water quality

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

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

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

Council's priorities for the next three years

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

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

Drivers of capital expenditure

The following factors drive capital expenditure on water supply:

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

Assumptions

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

- Renewals will be continued at a rate that is sustainable, based on consideration of both resource and financial aspects.
- On average, the change in Nelson's climate will remain relatively consistent for the next decade, with the likelihood of more severe and frequent extreme weather events continuing to increase.
- Future resource consents for the existing sources of water supply and abstraction volumes will be granted.
- There will be reductions in water losses.
- Water supply will continue to be funded from water charges and, consistent with Council's financial policies, most of the capital expenditure will be funded from borrowings.
- Council will provide education and promotion of the importance of water conservation; however the demand for water is expected to continue to be primarily managed through Council's water metering and charging system.
- Existing treatment plant membranes will continue to operate satisfactorily.

Risks

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

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

Significant negative effects

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

Intended changes to the level of service

- The new water regulatory environment has led to new drinking water standards being introduced by central government and Taumata Arowai. The level of service for water quality has been changed to reflect this.
- Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.

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

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

Community outcomes

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

- Our unique natural environment is healthy and protected.
- Our infrastructure is efficient, resilient, 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.

Service levels, performance measures and targets

Community Outcomes	What Council will provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1-10
Our communities are healthy, safe, inclusive and resilient.	**Quality:** We provide good quality water which is safe to drink.	The extent to which drinking water supply complies with: a) Table 1 of the drinking water standards# (Maximum acceptable values for microbiological determinands) b) Table 2 of the drinking water standards# (Maximum acceptable values for inorganic determinands) c) Table 3 of the drinking water standards# (Maximum acceptable values for organic determinands).[7] (Mandatory Performance Measure 1)	For the period 1 January 2023 – 30 June 2023 the drinking water quality compliance was assessed against the new Water Services (Drinking Water Standards for New Zealand (DWSNZ)) Regulations 2022 - with full compliance recorded for bacterial and protozoa tests and 99.9% compliance for the sampling frequency and 100% for the minimum chlorine residual.	100% compliance with Tables 1,2 and 3 of the drinking water standards.
		Total number of valid complaints per 1,000 connections about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) Council's response to the above issues.[8] (Mandatory Performance Measure 4)	26 complaints per 1,000 connections in 2022/23.	No more than 50 valid complaints per 1,000 connections.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	**Reliability:** We provide a reliable water supply for our customers.	Average drinking water standard consumption per day per resident.[9] (Mandatory Performance Measure 5)	275L per person per day 2022/23.	Normal demand less than 500L per person per day. This includes both domestic and commercial-industrial.
		Percentage real water loss from the system.[10] (Mandatory Performance Measure 2)	22.1% in 2022/23.	Real water loss less than 25%.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	**Customer Service:** We provide well built, operated and maintained water supply systems so that any failures can be managed and responded to quickly.	When attending a call-out in response to a fault or unplanned interruption to the system, the following median response times will be measured: a) attendance for urgent call-outs: from the time notification is received to the time service personnel reach the site b) resolution of urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption c) attendance for non-urgent callouts: from the time notification is received to the time service personnel reach the site d) resolution of non-urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption.[11] (Mandatory Performance Measure 3)	Median attendance times: a) 22 minutes in 2022/23. b) 172 minutes in 2022/23. c) 100 minutes in 2022/23. d) 1113 minutes in 2022/23.	a) Contractor to attend urgent call-outs in a median time of 30 minutes or less. b) Contractor to resolve urgent call-outs in a median time of 480 minutes or less. c) Contractor to attend non-urgent call-outs in a median time of 120 minutes or less. d) Contractor to resolve non-urgent call-outs in a median time of 24 hours (1,440 mins) or less.

7. Measurement procedure: Assessed by independent drinking water assessor - Nelson
8. Measurement procedure: Report from service request system at 1 July.
9. Measurement procedure: Calculated by metered supply divided by Statistics NZ estimated population.
10. Measurement procedure: Council uses a water balance methodology developed by Water NZ to track and report on un-accounted for water.
11. Measurement procedure: Report from service request system at 1 July.

Funding Impact Statement Water Supply

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	–	–	–	–	–	–	–	–	–	–	–
Targeted rates including water by meter	14,451	16,192	17,250	18,648	19,377	20,936	21,749	22,955	23,909	26,026	26,521
Subsidies and grants for operating purposes	–	–	–	–	–	–	–	–	–	–	–
Fees and charges	40	57	58	60	61	62	63	65	66	67	59
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	–	–	–	–	–	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	15	–	–	–	–	–	–	–	–	–	–
Total Operating Funding	**14,506**	**16,249**	**17,309**	**18,708**	**19,438**	**20,998**	**21,812**	**23,020**	**23,975**	**26,094**	**26,579**
Applications of operating funding											
Payments to staff and suppliers	7,721	8,903	9,259	9,719	9,982	10,377	10,593	10,900	11,184	11,983	12,309
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	1,417	1,582	1,594	1,701	1,912	2,161	2,428	2,481	2,505	2,821	3,103
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**9,138**	**10,485**	**10,854**	**11,420**	**11,894**	**12,538**	**13,021**	**13,380**	**13,689**	**14,803**	**15,412**
Surplus (Deficit) of operating funding	**5,368**	**5,764**	**6,455**	**7,288**	**7,544**	**8,459**	**8,791**	**9,639**	**10,286**	**11,290**	**11,167**
Sources of capital funding											
Subsidies and grants for capital	1,226	879	169	–	678	–	–	–	–	–	–
Development and financial contributions	455	617	978	999	1,020	1,040	1,985	2,024	2,067	2,108	2,153
Increase (decrease) in debt	(520)	1,499	1,925	2,861	3,718	5,089	(155)	(1,502)	5,789	6,330	2,143
Gross proceeds from sale of assets	–	–	–	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**1,161**	**2,995**	**3,072**	**3,860**	**5,416**	**6,129**	**1,829**	**523**	**7,856**	**8,438**	**4,296**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	891	3,156	4,404	5,612	4,910	3,830	2,659	2,425	3,961	3,632	5,331
- to improve level of service	4,100	4,304	3,291	4,489	6,612	6,039	4,515	4,249	4,335	3,615	3,643
- to replace existing assets	1,538	1,300	1,833	1,047	1,437	4,720	3,447	3,488	9,846	12,481	6,489
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	–	–	–	–	–	–	–	–	–	–	–
Total applications of capital funding	**6,529**	**8,759**	**9,528**	**11,148**	**12,959**	**14,588**	**10,620**	**10,162**	**18,142**	**19,728**	**15,463**
Surplus (Deficit) of capital funding	**(5,368)**	**(5,764)**	**(6,455)**	**(7,288)**	**(7,544)**	**(8,459)**	**(8,791)**	**(9,639)**	**(10,286)**	**(11,290)**	**(11,167)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**5,368**	**5,764**	**6,455**	**7,288**	**7,544**	**8,459**	**8,791**	**9,639**	**10,286**	**11,290**	**11,167**
Subsidies and grants for capital expenditure	1,226	879	169	–	678	–	–	–	–	–	–
Development and financial contributions	455	617	978	999	1,020	1,040	1,985	2,024	2,067	2,108	2,153
Vested Assets	1,380	1,577	1,611	1,650	1,688	1,725	1,761	1,798	1,834	1,871	1,907
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(6,831)	(7,997)	(8,314)	(8,588)	(8,904)	(9,251)	(9,604)	(10,001)	(10,421)	(10,806)	(11,195)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,598**	**840**	**900**	**1,349**	**2,025**	**1,973**	**2,934**	**3,461**	**3,766**	**4,463**	**4,032**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

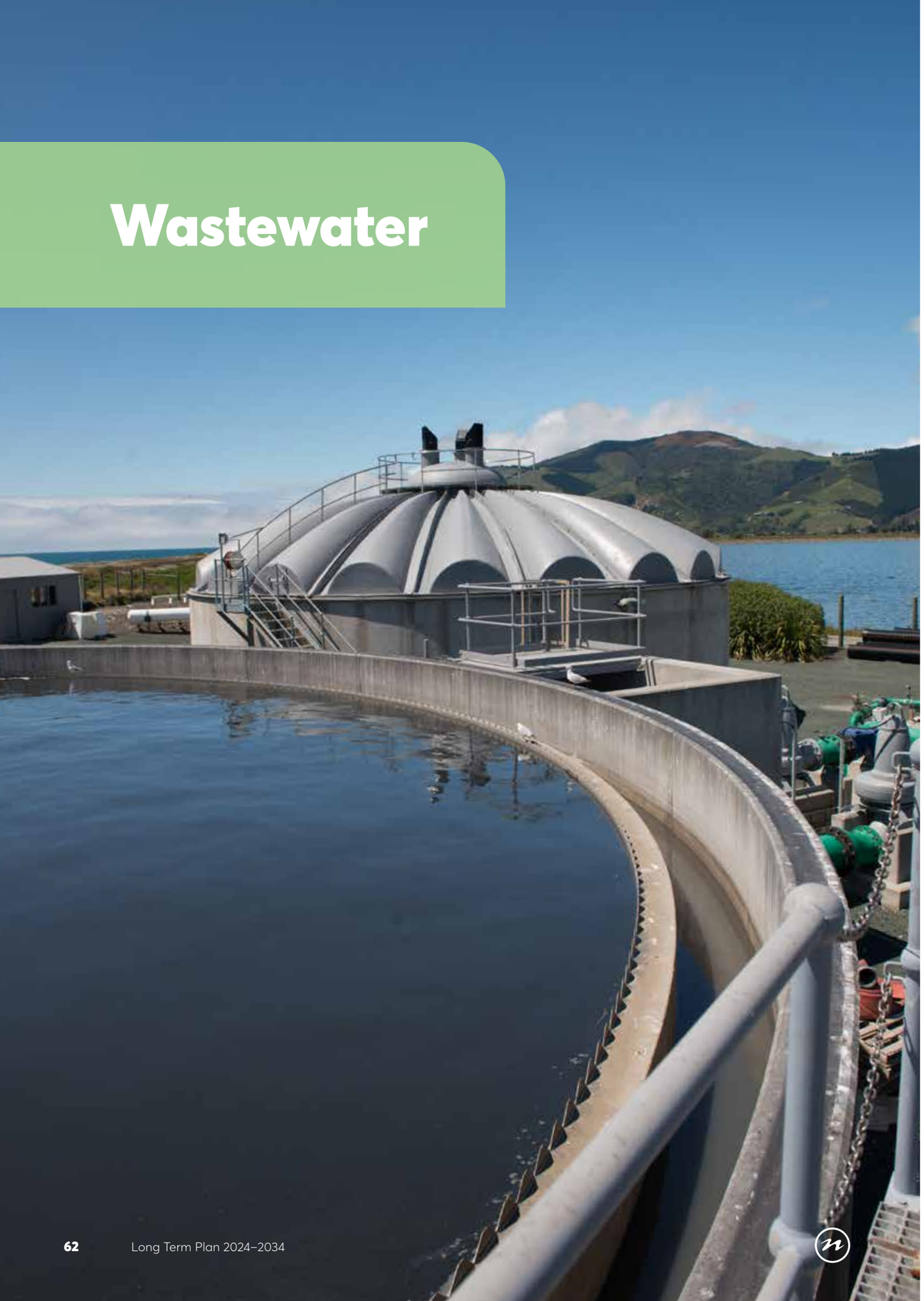
Summary of Capital Expenditure over $100,000 in any one year Water Supply

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Water Supply											
Capital: Backflow Prevention	220,000	100,000	102,200	104,650	107,060	268,079	284,860	290,853	296,667	314,476	320,438
Renewals & Upgrades: Water Pipes	1,125,000	285,000	1,313,270	298,252	305,121	2,171,987	2,217,444	2,264,091	2,850,330	2,907,415	2,962,540
Renewals: Commercial Meters	150,000	150,000	153,300	179,998	184,143	210,086	214,483	228,120	232,680	237,340	266,024
Renewals: Headworks	50,000	50,000	22,995	23,546	74,942	125,833	139,638	68,436	69,804	356,010	24,184
Headworks Upgrades	401,576	215,000	255,500	144,417	117,766	382,970	240,176	364,992	430,458	557,749	604,600
Washington Valley Water Renewal & upgrade	164,148	50,000	–	–	–	–	–	114,060	2,908,500	2,966,750	–
Residential Meters Renewals	–	–	–	–	53,530	547,100	–	–	–	–	120,920
Roding Pipeline	–	–	–	–	–	125,833	240,176	–	–	–	–
Fire Flow Upgrades	–	–	–	–	–	109,420	111,710	114,060	116,340	118,670	120,920
Capital: Atawhai Trunkmain	101,500	50,000	153,300	209,300	1,605,900	2,735,500	2,792,750	2,851,500	–	–	–
Capital: Atawhai Res & Pump	175,000	–	–	–	–	218,840	111,710	–	872,550	712,020	–
Capital: Atawhai No.2 Reservoir	264,105	750,000	1,533,000	1,726,725	2,676,500	1,094,200	–	–	–	–	–
Renewal: Membranes WTP	–	–	–	–	–	–	–	114,060	3,490,200	5,340,150	–
Pressure Enhancement	–	–	–	–	53,530	109,420	111,710	–	–	–	–
NCC - TDC Link	–	–	–	–	–	109,420	111,710	114,060	1,745,100	1,780,050	–
Water Loss Reduction Programme	158,517	100,000	102,200	104,650	107,060	153,188	156,394	171,090	174,510	178,005	181,380
Natural Hazards Risk Remediation	105,678	100,000	102,200	104,650	123,119	125,833	128,466	136,872	349,020	356,010	1,209,200
Water Treatment Plant Upgrades	220,000	245,000	388,360	253,253	331,886	355,615	178,736	433,428	511,896	213,606	459,496
Dam Upgrades	1,752,675	2,173,723	511,000	523,250	–	–	–	–	–	–	–
Pump Stations - Renewals	30,000	65,000	68,474	71,685	53,530	164,130	55,855	171,090	58,170	178,005	60,460
Reservoir Refurbishment Programme	25,000	136,000	90,958	52,325	53,530	164,130	55,855	57,030	232,680	59,335	60,460
Water Treatment Plant Renewals	166,561	165,000	127,750	261,625	256,944	361,086	390,985	273,744	232,680	237,340	241,840
Scada Renewal	4,500	25,000	10,220	5,232	267,650	5,471	5,586	57,030	5,817	77,136	27,812
Toi Toi St water Ridermain	–	–	–	–	–	–	–	–	58,170	118,670	362,760
Konini Street Water Renewal	–	–	51,100	–	53,530	875,360	–	–	–	–	–
Maitai Pipeline Hazard Mitigation	–	50,000	51,100	104,650	107,060	–	–	–	116,340	118,670	120,920
Suffolk Road (Saxton to Ngawhatu) Water Upgrade	–	–	–	–	–	–	–	–	58,170	118,670	120,920
water pump stations - Upgrades	86,246	70,000	56,721	131,336	64,236	65,652	189,907	68,436	69,804	237,340	72,552
Ngawhatu Valley High Level Reservoir	–	–	–	104,650	165,943	169,601	1,117,100	1,365,298	–	–	–
Maitahi Development Growth Project	50,000	270,000	102,200	680,225	2,141,200	2,243,110	167,565	171,090	174,510	–	–
Bayview Development Growth Project	105,678	50,000	153,300	994,175	107,060	547,100	558,550	–	–	–	–
Maitai Raw Water Pipeline Renewal & Upgrade	–	–	–	–	107,060	109,420	111,710	114,060	581,700	1,186,700	3,023,000
Future Growth and Intensification Projects	–	150,000	51,100	1,046,500	107,060	196,956	167,565	182,496	610,785	741,688	4,957,720
Maitai Pump Station Upgrade	100,000	100,000	51,100	1,046,500	1,605,900	1,094,200	558,550	–	–	–	–
Nayland Rd - Aldinga to Songer	–	200,000	–	–	–	–	–	–	–	–	–
WTP Fluoride Dosing	821,000	287,331	–	–	–	–	–	–	–	–	–
Taumata Arowai - Contractor Access to Mains	100,000	100,000	102,200	–	–	–	–	–	–	–	–
Flood Recovery 2022 - WTP	232,478	150,000	153,300	156,975	107,060	–	–	–	–	–	–

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Water Supply continued											
Flood Recovery 2022 - Headworks	131,891	150,000	102,200	104,650	107,060	–	–	–	–	–	–
Flood Recovery 2022 - Reticulation	30,794	100,000	102,200	261,625	107,060	–	–	–	–	–	–
IAF Bridge St	–	385,000	1,686,300	2,783,481	2,258,752	–	–	–	–	–	–
IAF Collingwood St	–	859,100	–	–	–	–	–	–	–	–	–
IAF Halifax St	–	1,226,150	1,253,483	–	–	–	–	–	–	–	–
IAF Rutherford St	–	22,000	929,151	–	–	–	–	–	–	–	–
Maitai Dam Renewals	–	–	–	–	–	109,420	111,710	114,060	–	–	–
Roding Dam Renewals	–	–	–	–	–	109,420	111,710	114,060	–	–	181,380
Thompson Terrace Reservoir Refurbishment - Electrical/Bldg/V	–	250,000	102,200	209,300	107,060	–	–	–	–	–	–
Water Model Upgrade	–	50,000	51,100	–	–	109,420	111,710	114,060	116,340	–	–
WTP New Clear Water Reservoir	–	–	–	–	–	109,420	167,565	171,090	1,745,100	1,780,050	–
Climate Change Emission Reduction Projects	–	–	–	–	53,530	54,710	55,855	171,090	58,170	59,335	604,600
Water Network Upgrades	–	–	–	–	–	–	–	–	1,163,400	118,670	120,920
Vested Assets	1,380,155	1,576,711	1,611,399	1,650,028	1,688,027	1,725,237	1,761,344	1,798,397	1,834,346	1,871,083	1,906,559
Projects under $100,000	864,904	572,006	620,704	666,221	794,060	843,155	787,893	845,161	791,663	813,429	918,101
Total Water Supply	**9,017,406**	**11,278,021**	**12,165,585**	**14,003,874**	**16,053,869**	**17,900,322**	**13,526,978**	**13,053,814**	**21,955,900**	**23,754,372**	**19,049,706**
Scope Adjustment	(1,108,204)	(941,980)	(1,026,359)	(1,205,756)	(1,406,372)	(1,586,699)	(1,145,139)	(1,093,493)	(1,979,467)	(2,154,988)	(1,680,304)
Total Water Supply Less Scope Adjustment	**7,909,202**	**10,336,041**	**11,139,226**	**12,798,118**	**14,647,497**	**16,313,623**	**12,381,839**	**11,960,321**	**19,976,433**	**21,599,384**	**17,369,402**

Wastewater



Wastewater
Te Para Wai

What we do

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

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

Why we do it

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

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

Challenges

The location of the NWWTP

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

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

Natural hazards

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

The need to maintain, renew and upgrade the wastewater assets

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

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

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

Wastewater overflows

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

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

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

Part of the solution to limiting wastewater overflows is to upgrade the system downstream (to carry flow away from areas prone to overflows) and/or provide storage to minimise overflows. We also need to investigate high E.coli readings in water samples and repair any damage in the public network with urgency.

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

Atawhai Rising Main

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

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

The full pipeline was inspected and sections were repaired or replaced with more durable material in the early 1990s. However, further failures have occasionally caused small volumes of untreated wastewater to directly discharge into the Haven. These discharges impact on coastal water quality, cultural values, and public perceptions of the quality of the environment. They also have the potential to affect Council's compliance with future resource consent conditions.

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

Growth and intensification

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

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

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

Council's priorities for the next three years

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

- Continuing to work on overflow reduction. This key work will continue to be a priority area with a focus on parts of Nelson that have high levels of wet weather overflows.
- Start the detailed design work for the replacement of the Atawhai Rising Main. We aim to obtain resource consents in 2024/25 and construction is scheduled to begin in 2026/27.
- Increasing the rate of wastewater pipe renewals. A large portion of Nelson's wastewater pipes were installed in the period between 1950 and 1970. Over the next two decades a much of this pipework will be due for renewal. To manage this large volume of work Council is increasing its renewals programme.
- Applying for renewal of the NWWTP Resource Consent. The current resource consent is due to expire in December 2024. A new consent application was lodged in December 2023 and Council will continue to support the consent process until a new consent is obtained. The proposal is to ensure that the plant continues to operate in its existing location until its long term future is decided.
- Defining options for the location and disposal route for the NWWTP in the long term. We expect the NWWTP to remain in its current location for the medium term as Council renews its resource consent for this facility. However, we will undertake work to identify options available in the future and the levels of risk and cost associated with these options.
- Improving natural hazard network resilience. This is a continuation of a programme commenced in the last Long Term Plan, which will increase the resilience of the wastewater network. Work to date has focused on identifying where key assets interact with different types of natural hazards. Work over the period of this Long Term Plan will focus on providing greater resilience to those key assets.
- Implementing pump station resilience and upgrade programmes. To protect the environment and community from overflows associated with pump station failures and to ensure the network is keeping pace with growth and development we need to review our pump station operations and either increase their resilience (by increasing operational redundancy) or upgrade them.

Drivers of capital expenditure

The following factors drive capital expenditure on wastewater:

- Increasing the capacity of the wastewater network to meet the demands of a larger population.
- Extending the piped network to support residential development in greenfield areas.
- Undertaking renewals, including the Atawhai Rising Main and wastewater pipe renewal programme.
- Meeting demand of new potential wet processing industries for wastewater services.
- Reducing wastewater overflows.
- Reducing greenhouse gas emissions associated with the NWWTP.
- Improving the quality of wastewater discharges to coastal waters.

Assumptions

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

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

Trade Waste Changes

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

We have changed the way trade waste charges are charged. Previously there were two categories for charging for trade waste, Trade Waste A and Trade Waste B. We have moved to the following three graduated methods of charging:

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

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

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

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

The specific detail of the individual methods including criteria for identifying the appropriate method for each customer can be found in the Commercial Wastewater Charge – Trade Waste Charges section which follows the Funding Impact Statement in the Accounting information (page 472).

Risks

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

Additional risks which are specific to wastewater activity includes:

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

Significant negative effects

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

Any intended changes to the level of service

- Minor update of text to the performance measures to add the words 'Measurement procedure' to the reference numbers 1 and 2.
- Addition of the word 'valid' to the text for the quality level of service to read 'The total number of valid complaints received about any of the following'.
- Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.

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

Increasing financial pressures due to:

- more expensive insurance, caused by valuation increases and global weather events
- rising prices for both contracted labour and materials
- asset re-valuation leading to increased depreciation costs.

- Recovery from the August 2022 severe weather event is ongoing.

Community outcomes

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

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

Service levels, performance measures and targets

Community Outcomes	What Council will provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1-10
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	**Reliability:** We provide reliable wastewater systems with a minimum of odours, overflows or disturbance to the public.	Level of compliance of treatment plant with resource consent conditions.[12]	100% compliance in 2022/23.	Compliance with 100% of the resource consent conditions for 90% of the time.
		Number of dry weather overflows from the sewerage system, per 1,000 connections.[13] (Mandatory Performance Measure 1)	3 dry weather overflows per 1,000 connections in 2022/23.	Fewer than 15 per 1,000 connections.
Our region is supported by an innovative and sustainable economy.	**Response:** We provide well built, operated and maintained wastewater systems so that any failures can be managed and responded to quickly.	Median response times are measured for overflows resulting from a blockage or other fault in the sewerage system: a) attendance time: from when notification is received to the time service staff reach the site. b) resolution time: from the time of notification is received to the time service staff confirm resolution of the blockage or other fault.[14] (Mandatory Performance Measure 3)	a) Median response time of 20 minutes in 2022/23. b) Median resolution time of 163 minutes in 2022/23.	a) Contractor to attend in median time of 60 minutes or less. b) Contractor to resolve issue in a median time of 480 minutes or less.
Our unique natural environment is healthy and protected.	**Quality:** We provide wastewater systems that aim to have minimal adverse effect on the environment.	Compliance with territorial authority's resource consents for discharge from the sewerage system measured by number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions in relation to those resource consents.[15] (Mandatory Performance Measure 2)	100% compliance in 2022/23.	a) ≤2 b) ≤2 c) 0 d) 0
		The total number of valid complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockage d) Council's response to issues with the sewerage system, expressed per 1,000 connections to the sewerage system.[16] (Mandatory Performance Measure 4)	17 valid complaints per 1,000 connections in 2022/23.	No more than 20 valid complaints a year per 1,000 connections.

12. Measurement procedure: Council RMA infringement records at 1 July.
13. Measurement procedure: Report from service request system at 1 July.
14. Measurement procedure: Report from service request system at 1 July.
15. Measurement procedure: Council RMA infringement records at 1 July.
16. Measurement procedure: Report from service request system at 1 July.

Funding Impact Statement Wastewater

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	–	–	–	–	–	–	–	–	–	–	–
Targeted rates including water by meter	11,907	12,508	13,301	14,851	16,205	18,295	18,991	21,295	22,564	24,938	25,718
Subsidies and grants for operating purposes	–	–	–	–	–	–	–	–	–	–	–
Fees and charges	3,682	8,003	8,814	9,382	10,164	10,848	11,230	12,169	13,153	13,777	14,659
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	–	–	–	–	–	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	1,766	(1,265)	(1,325)	(1,505)	(1,743)	(1,988)	(2,247)	(2,544)	(2,786)	(2,974)	(3,383)
Total Operating Funding	**17,354**	**19,246**	**20,790**	**22,728**	**24,626**	**27,155**	**27,974**	**30,920**	**32,931**	**35,741**	**36,994**
Applications of operating funding											
Payments to staff and suppliers	10,375	11,647	12,188	12,725	13,901	14,624	14,700	16,135	19,235	17,696	18,643
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	231	320	338	581	961	1,307	1,731	2,148	2,615	3,191	3,824
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**10,606**	**11,967**	**12,526**	**13,306**	**14,861**	**15,931**	**16,431**	**18,283**	**21,851**	**20,887**	**22,467**
Surplus (Deficit) of operating funding	**6,749**	**7,279**	**8,264**	**9,422**	**9,765**	**11,224**	**11,543**	**12,638**	**11,080**	**14,854**	**14,527**
Sources of capital funding											
Subsidies and grants for capital	352	378	224	3,544	5,316	–	–	–	–	–	–
Development and financial contributions	704	1,134	1,839	1,878	1,916	1,953	3,717	3,790	3,868	3,944	4,026
Increase (decrease) in debt	2,269	2,377	6,124	9,891	8,247	10,065	8,920	11,314	13,527	14,481	15,943
Gross proceeds from sale of assets	–	–	–	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**3,325**	**3,889**	**8,187**	**15,313**	**15,480**	**12,018**	**12,637**	**15,103**	**17,395**	**18,425**	**19,969**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	1,030	1,700	9,405	13,373	10,637	1,460	941	4,793	5,676	11,736	13,217
- to improve level of service	7,153	5,250	3,085	2,922	4,863	7,708	7,328	5,392	6,159	7,987	12,046
- to replace existing assets	1,890	4,219	3,962	8,441	9,745	14,074	15,911	17,557	16,640	13,557	9,233
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	–	–	–	–	–	–	–	–	–	–	–
Total applications of capital funding	**10,074**	**11,168**	**16,451**	**24,735**	**25,244**	**23,242**	**24,180**	**27,741**	**28,475**	**33,280**	**34,496**
Surplus (Deficit) of capital funding	**(6,749)**	**(7,279)**	**(8,264)**	**(9,422)**	**(9,765)**	**(11,224)**	**(11,543)**	**(12,638)**	**(11,080)**	**(14,854)**	**(14,527)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**6,749**	**7,279**	**8,264**	**9,422**	**9,765**	**11,224**	**11,543**	**12,638**	**11,080**	**14,854**	**14,527**
Subsidies and grants for capital expenditure	352	378	224	3,544	5,316	–	–	–	–	–	–
Development and financial contributions	704	1,134	1,839	1,878	1,916	1,953	3,717	3,790	3,868	3,944	4,026
Vested Assets	663	1,189	1,215	1,244	1,273	1,301	1,328	1,356	1,383	1,411	1,438
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(8,485)	(10,612)	(11,066)	(11,386)	(11,925)	(12,534)	(12,989)	(13,431)	(13,918)	(14,437)	(14,965)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(18)**	**(632)**	**477**	**4,703**	**6,346**	**1,944**	**3,600**	**4,353**	**2,413**	**5,773**	**5,026**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Wastewater											
NWWTP Minor Upgrades	103,000	100,000	109,354	111,976	114,554	120,362	122,881	125,466	139,608	142,404	145,104
Renewals Pump Stations	300,000	350,000	357,700	366,275	374,710	382,970	335,130	342,180	349,020	356,010	362,760
Wastewater Pipe Renewals & Upgrades	100,000	500,000	511,000	523,250	2,141,200	2,188,400	2,234,200	1,140,600	1,745,100	2,373,400	3,023,000
Wastewater Model Calibration	26,420	25,000	25,550	209,300	321,180	273,550	27,928	28,515	29,085	474,680	483,680
Pump Station Resilience Improvement Programme	211,356	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Washington Valley Sewer Upgrade	50,000	40,000	10,220	–	–	–	–	114,060	2,326,800	2,373,400	–
Mount St and Konini St	–	50,000	–	–	–	109,420	893,680	–	–	–	–
NWWTP Renewals	322,318	330,000	337,260	523,250	535,300	361,086	368,643	376,398	325,752	332,276	338,576
Ngawhatu Valley TM - Stage 2	–	–	–	–	–	54,710	223,420	3,421,800	3,199,350	–	–
NWWTP Resource Consent Renewal	100,000	761,500	102,200	–	–	–	–	–	–	–	–
Atawhai Rising Main Renewal & Upgrade - Stage 1	235,678	637,965	1,022,000	5,232,500	5,353,000	9,847,800	10,053,900	10,265,400	10,470,600	5,933,500	–
Natural Hazards Risk Remediation	100,000	–	–	–	107,060	218,840	558,550	114,060	232,680	593,350	241,840
SCADA Renewals	65,000	24,000	5,110	5,232	371,498	5,471	5,586	27,374	5,817	77,136	29,021
Manhole Replacement	20,000	50,000	56,210	62,790	69,589	76,594	83,782	91,248	98,889	106,803	114,874
Quarantine Rd Sewer PS/Catchment Upgrades	–	1,000,000	–	–	–	–	–	–	–	–	120,920
Saxton Road Sewer Upgrade	–	–	–	–	–	–	–	–	232,680	3,560,100	3,385,760
System Performance Improvements (Overflow Reduction / I&I)	211,356	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Mahitahi Development	200,000	740,000	4,088,000	2,629,854	1,070,600	1,094,200	–	–	–	–	–
Bayview Development	–	–	–	–	–	–	223,420	1,368,720	1,407,714	–	–
Pump Station Upgrades	317,034	–	51,100	261,625	107,060	109,420	111,710	114,060	116,340	118,670	120,920
NWWTP Replacement	–	–	613,200	784,875	–	–	–	–	581,700	7,120,200	7,255,200
Capital WW Network Reactive	50,000	75,000	76,650	78,488	107,060	109,420	111,710	114,060	116,340	118,670	120,920
NWWTP Wetlands Plant Renewal	389,195	200,000	20,440	20,930	21,412	109,420	22,342	22,812	23,268	23,734	120,920
Climate Change - Emissions Reduction Strategy Implementation	132,928	30,000	51,100	52,325	–	–	–	–	581,700	593,350	604,600
Climate Change - Vulnerability Assessment Implementation	–	–	–	–	80,295	218,840	223,420	–	–	–	120,920
Climate Change - Adaptation Strategy Implementation	–	–	–	–	–	82,065	223,420	228,120	–	–	604,600
Wastewater Overflows Resource Consent Renewal	–	–	–	–	–	382,970	390,985	342,180	–	–	–
Washington/Hastings to Paru Paru PS Capacity Improvements	–	–	–	–	535,300	1,641,300	1,675,650	–	–	–	–
Renewals & upgrades Swallow Rising Main Watercourse Crossing	–	200,000	511,000	523,250	–	–	–	–	–	–	–
Emano/Murphy St Wastewater Pipe Renewal & Upgrades	–	–	–	–	–	–	–	3,421,800	3,490,200	3,560,100	3,627,600
Pump Station/Network Overflow Screening	–	–	–	–	642,360	765,940	670,260	570,300	581,700	–	–
Awatea/Quarantine/Airport RM network - Renewal and Upgrade	–	–	–	–	–	–	–	–	–	–	120,920
Halifax St East - WW Pipe Renewal	–	–	–	–	–	–	1,340,520	1,368,720	–	–	–
Generator Renewal	–	70,000	71,540	156,975	85,648	87,536	–	114,060	116,340	–	–
Vangaurd PS	–	–	–	–	–	–	–	–	–	118,670	241,840
City Centre (gravity and pressure) Network Risk Mitigation	–	–	–	–	–	–	–	114,060	290,850	2,373,400	2,418,400
Storage Facility - WW Spares/Pipes	–	–	–	–	107,060	547,100	558,550	–	–	–	–
Overflow Reduction/I&I Capital Works	100,000	100,000	102,200	104,650	133,825	164,130	195,492	228,120	261,765	178,005	211,610

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Wastewater continued											
Central City Intensification Capacity Increases	–	–	–	–	–	–	–	–	–	1,305,370	1,934,720
NWWTP Inlet Work Bypass	–	–	–	–	107,060	1,094,200	–	–	–	–	–
IAF Wastewater Pipeline Upgrade	135,000	467,500	4,705,901	2,239,447	1,571,587	–	–	–	–	–	–
IAF Paru Paru PS Upgrade	300,000	500,000	429,240	8,390,628	8,583,857	–	–	–	–	–	–
Nelson Regional Sewerage	4,604,112	4,768,303	3,729,566	3,912,264	4,158,138	4,390,198	4,725,650	5,265,390	3,592,103	3,777,804	10,404,502
Vested Assets	662,601	1,189,073	1,215,233	1,244,365	1,273,022	1,301,084	1,328,313	1,356,257	1,383,368	1,411,073	1,437,827
Projects under $100,000	2,914,236	618,389	630,610	605,344	628,712	636,212	690,473	642,926	642,974	659,381	726,780
Total Wastewater	**11,650,234**	**13,026,730**	**19,036,784**	**28,248,893**	**28,815,207**	**26,592,078**	**27,623,035**	**31,546,806**	**32,574,423**	**37,918,826**	**38,559,654**
Scope Adjustment	(913,912)	(669,196)	(1,370,155)	(2,269,413)	(2,297,802)	(2,048,671)	(2,114,670)	(2,449,438)	(2,715,957)	(3,228,180)	(2,626,020)
Total Wastewater Less Scope Adjustment	**10,736,322**	**12,357,534**	**17,666,629**	**25,979,480**	**26,517,405**	**24,543,407**	**25,508,365**	**29,097,368**	**29,858,466**	**34,690,646**	**35,933,634**

Stormwater

Stormwater
Te Wai Āwhā

What we do

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

Why we do it

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

Challenges

Climate change

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

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

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

Natural hazards

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

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

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

The need to maintain, renew and upgrade the stormwater assets

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

We also need a more strategic approach to identifying and responding to stormwater requirements across the city. Following on from the Stoke Stormwater Strategy, funding was allocated in the Long Term Plan 2021-31 for additional stormwater strategies (or catchment management plans) to cover Tāhunanui, Port Hills, Central Nelson and Atawhai.

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

Meeting new freshwater quality objectives and standards

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

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

Management of increased stormwater flows associated with urban intensification and growth

Council is planning for about 11,500 new dwellings in Nelson over the next 30 years, with 78% of

this growth to be achieved by adding new houses in existing urban areas, and the remaining 22% expected to be in new (greenfield) areas.

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

Council's priorities for the next three years

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

- Completing major stormwater upgrades in St Vincent Street, York Terrace, Bridge Street as part of the 'Bridge to Better' project and progressing stormwater upgrades for the Tāhunanui Hills catchments.
- Progressing the Haven/St Vincent Culvert renewal/upgrade, which is a major stormwater project in St Vincent Street. The work is planned to be undertaken from 2024/25 to 2026/27 with $10 million allocated towards the project. The culvert carries stormwater flows from Washington Valley and a short section of St Vincent Street to discharge into Saltwater Creek.
- Progressing stormwater quality improvements to respond to freshwater quality targets to be set in the Nelson Plan and the aims of the National Policy Statement – Freshwater Management 2020.
- Progressing stormwater designs for Murphy Street/Emano Street, Mount Street/Konini Street and culverts under SH6 at Atawhai.
- Completing stormwater works in Airlie Street and Strawbridge Square.
- Continuing recovery works from the August 2022 severe weather event.

Drivers of capital expenditure

The following factors drive capital expenditure on stormwater infrastructure:

- Significant population growth and residential expansion into greenfield areas as the development of more impervious surfaces leads to increased runoff rates.
- Changes in residents' expectations related to levels of protection from flooding, creating demand for stormwater reticulation to be installed in existing urban areas.
- Community expectations that stormwater quality will be improved to enhance freshwater environments.
- The community expects more protection from tidal flooding in the areas of the city where this type of flooding currently occurs due to backflow through the stormwater network.
- Council needs to comply with legislative changes related to freshwater management, urban development and dam safety.
- The need to reduce stormwater flows into the wastewater network by extending or upgrading stormwater reticulation in priority areas.

Assumptions

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

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

Risks

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

Medium level risks which are specific to stormwater activities include:

- A flood event where reticulation or an open channel has insufficient capacity to deal with rainfall which is larger than a Q15 event. Ways to manage this are to inspect and maintain existing capacity, respond to emergencies as they occur and fix damage after events, or upgrade sections to improve capacity (based on the assessed risk).
- Flooding occurs after an accumulation of debris creates blockages to existing channels. Ways to manage this include carrying out regular inspections and maintenance of drains and waterways as well as culverts, intakes and outfalls, and responding to emergencies as they occur.
- A flood event coinciding with high tide. Ways to manage this include responding to emergencies as they occur, using stormwater pumping systems in Tāhunanui and The Wood, and through insurance.
- Earthquake risks to stormwater assets can be managed through emergency responses followed by repairs to the assets, regular inspections and maintenance, and proactive works to increase resilience to slope instability and earthquake impacts, particularly liquefaction.
- Stormwater discharges fail to meet water quality standards. This risk can be managed through the stormwater quality improvements, capital investments in stormwater treatment infrastructure, and monitoring to evaluate the impacts of interventions.

Significant negative effects

Stormwater discharges from the wider network can impact on water quality and aquatic health in the streams and rivers they connect to, and on cultural values associated with new connections to natural waterways. Council intends to extend its monitoring of stormwater quality to identify sub-catchments for stormwater discharge improvements.

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

Any intended changes to the level of service

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

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

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

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

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

Community outcomes

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

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

Service levels, performance measures and targets

Community Outcomes	What Council will provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1-10
Our unique natural environment is healthy and protected.	**Environmental Protection:** We provide stormwater systems that do not adversely affect or degrade the receiving environment.	Compliance with resource consents for discharge from the stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) successful prosecutions received in relation to those resource consents.[17] (Mandatory Performance Measure 2)	No contraventions in 2022/23.	a) ≤2 b) ≤2 c) 0 d) 0
Our region is supported by an innovative and sustainable economy.	**Customer response:** We provide well built, operated and maintained stormwater systems so that any failures can be managed and responded to quickly.	The number of valid complaints received about the performance of the stormwater system, per 1,000 properties connected to the stormwater network.[18] (Mandatory Performance Measure 4)	20 complaints per 1,000 properties in 2022/23.	No more than 20 valid complaints per 1,000 connections per year.
Our communities are healthy, safe, inclusive and resilient.	**Customer service:** We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community.	a) The number of flooding events that occur b) For each flooding event, the number of habitable floors affected per 1,000 properties connected to the stormwater network.[19] (Mandatory Performance Measure 1)	2022/23: a) One major flood event on 17-20 August 2022 and one moderate flood event on 6 May 2023. b) August 2022: 2 per 1,000 properties affected; May 2023 < 1 per 1,000 properties affected.	No more than 10 per 1,000 urban properties with habitable floor damage in any one year.
		Median response time to attend a flooding event, measured from the time that notification is received to the time service personnel reach the site.[20] (Mandatory Performance Measure 3)	Median response time was 10 minutes in 2022/23.	Median response time is less than 60 minutes.

17. Measure Procedure: Council RMA infringement records at 1 July.
18. Measurement Procedure: Report from service request system at 1 July.
19. Measurement Procedure: Report from service request system at 1 July.
20. Measurement Procedure: Report from service request system at 1 July.

Funding Impact Statement Stormwater

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	–	–	–	–	–	–	–	–	–	–	–
Targeted rates including water by meter	6,355	7,663	8,376	9,080	9,568	10,216	10,727	11,360	11,956	12,781	13,057
Subsidies and grants for operating purposes	–	70	–	–	–	–	–	–	–	–	–
Fees and charges	5	5	5	5	6	6	6	6	6	6	6
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	–	–	–	–	–	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–	–	–	–	–	–	–	–	–
Total Operating Funding	**6,361**	**7,738**	**8,381**	**9,085**	**9,573**	**10,221**	**10,733**	**11,366**	**11,962**	**12,787**	**13,063**
Applications of operating funding											
Payments to staff and suppliers	1,850	2,207	2,209	2,310	2,458	2,528	2,696	2,793	2,909	2,981	3,030
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	1,142	1,657	1,756	1,855	1,891	2,005	2,107	2,167	2,193	2,342	2,444
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**2,992**	**3,864**	**3,965**	**4,165**	**4,348**	**4,533**	**4,802**	**4,959**	**5,102**	**5,322**	**5,474**
Surplus (Deficit) of operating funding	**3,369**	**3,875**	**4,416**	**4,920**	**5,225**	**5,688**	**5,931**	**6,406**	**6,860**	**7,464**	**7,589**
Sources of capital funding											
Subsidies and grants for capital	592	301	721	2,162	721	–	–	–	–	–	–
Development and financial contributions	388	1,009	1,746	1,779	1,812	1,843	3,498	3,560	3,626	3,691	3,761
Increase (decrease) in debt	3,059	3,794	3,278	(1,329)	1,628	946	65	(341)	2,975	2,416	520
Gross proceeds from sale of assets	–	–	–	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**4,039**	**5,105**	**5,744**	**2,612**	**4,160**	**2,789**	**3,563**	**3,219**	**6,602**	**6,107**	**4,281**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	292	1,804	1,299	2,650	2,069	329	222	226	2,246	3,440	2,957
- to improve level of service	4,121	3,696	2,034	3,581	6,018	7,546	8,458	8,924	10,710	9,328	8,085
- to replace existing assets	2,995	3,480	6,826	1,301	1,297	603	814	475	505	803	828
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	–	–	–	–	–	–	–	–	–	–	–
Total applications of capital funding	**7,408**	**8,979**	**10,160**	**7,532**	**9,384**	**8,477**	**9,493**	**9,625**	**13,462**	**13,571**	**11,870**
Surplus (Deficit) of capital funding	**(3,369)**	**(3,875)**	**(4,416)**	**(4,920)**	**(5,225)**	**(5,688)**	**(5,931)**	**(6,406)**	**(6,860)**	**(7,464)**	**(7,589)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**3,369**	**3,875**	**4,416**	**4,920**	**5,225**	**5,688**	**5,931**	**6,406**	**6,860**	**7,464**	**7,589**
Subsidies and grants for capital expenditure	592	301	721	2,162	721	–	–	–	–	–	–
Development and financial contributions	388	1,009	1,746	1,779	1,812	1,843	3,498	3,560	3,626	3,691	3,761
Vested Assets	862	1,623	1,659	1,699	1,738	1,776	1,813	1,852	1,889	1,926	1,963
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(4,570)	(4,983)	(5,230)	(5,407)	(5,609)	(5,826)	(6,034)	(6,306)	(6,636)	(6,975)	(7,285)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**641**	**1,825**	**3,312**	**5,152**	**3,885**	**3,481**	**5,208**	**5,512**	**5,739**	**6,106**	**6,028**

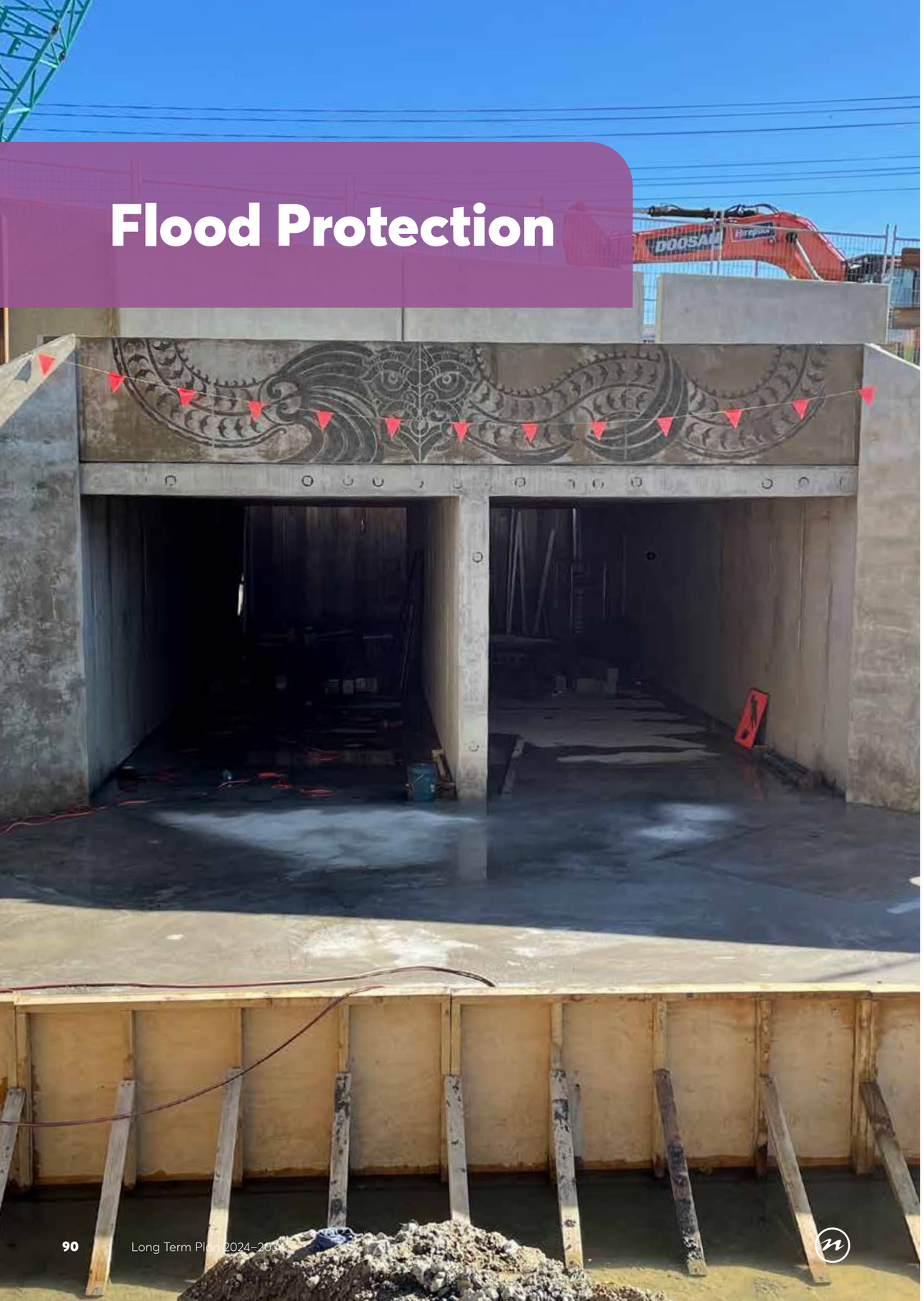
*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Stormwater											
Capital: Poynters Crescent	–	–	–	–	53,530	109,420	279,275	285,150	58,170	–	–
Annesbrook Drive Storm Water	104,607	–	–	–	–	–	–	–	116,340	118,670	846,440
Capital: Freshwater Improvement Programme	264,195	100,000	102,200	104,650	160,590	164,130	223,420	228,120	232,680	237,340	241,840
Stormwater Renewals	40,000	50,000	102,200	104,650	160,590	164,130	279,275	285,150	290,850	593,350	604,600
Haven/St Vincent Culvert Renewal & Upgrade	3,114,447	3,000,000	6,643,000	523,250	–	–	–	–	–	–	–
Washington Valley Stormwater Upgrade	100,000	14,174	102,200	104,650	1,177,660	109,420	–	–	2,326,800	1,186,700	60,460
Main Road Stoke / Arapiki / Maitland Stormwater Upgrade	–	–	–	–	–	–	223,420	228,120	232,680	830,690	1,813,800
Capital: Milton: Grove-Cambria	–	–	–	–	–	–	111,710	114,060	814,380	949,360	60,460
Capital: Mount St / Konini St	20,000	–	51,100	104,650	1,177,660	1,094,200	111,710	–	–	–	–
Stormwater Pump Station Renewals & Upgrades	40,000	300,000	51,100	52,325	508,535	109,420	430,084	79,842	116,340	118,670	120,920
Airlie St	–	342,223	–	–	–	–	–	–	–	–	–
Wastney Terrace Stormwater (pvt drain prgm)	100,000	–	–	–	–	54,710	558,550	–	–	–	–
Tāhunanui Hills Stormwater Catchment 9 - Moana Ave to Rocks	208,678	150,000	511,000	2,093,000	2,141,200	2,188,400	1,675,650	57,030	–	–	–
Anglia/Scotia	–	–	–	–	–	–	–	–	–	–	120,920
Bisley Avenue	314,195	364,000	–	–	–	–	–	–	–	–	–
Brooklands	–	–	–	–	53,530	109,420	558,550	1,140,600	581,700	118,670	–
Cawthron Crescent	225,000	–	–	–	–	109,420	167,565	1,939,020	58,170	–	–
Kowhai	–	–	–	–	–	–	111,710	171,090	1,628,760	178,005	–
Rutherford Stage 2 - Box Culvert Examiner to Hardy	–	–	–	–	–	–	–	–	–	–	241,840
Central Nelson SW Strategy Implementation	–	–	–	–	–	218,840	223,420	228,120	581,700	949,360	967,360
Tāhunanui SW Strategy Implementation	–	–	–	–	107,060	109,420	279,275	114,060	581,700	1,186,700	1,209,200
Totara/Hutcheson	150,000	–	–	–	107,060	109,420	1,117,100	570,300	58,170	–	–
Natural Hazards Risk Remediation	–	–	–	–	–	–	–	57,030	232,680	237,340	241,840
York Terrace	181,553	1,500,000	766,500	–	–	–	–	–	–	–	–
Toi Toi St Upgrade	100,000	–	–	104,650	53,530	547,100	55,855	–	–	–	–
Minor Stormwater Improvements Programme	50,000	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Strawbridge Sq Stormwater Improvements	21,136	531,572	102,200	–	–	–	–	–	–	–	–
Stormwater Network Models	84,542	100,000	102,200	104,650	107,060	109,420	111,710	114,060	116,340	118,670	120,920
Intensification AP N270 City Centre	–	–	–	–	–	218,840	111,710	114,060	1,745,100	1,780,050	1,209,200
Intensification City Wide	–	–	–	–	–	109,420	111,710	114,060	581,700	1,780,050	1,813,800
Tāhunanui Hills - Maire Stream Stage 2	–	–	–	–	–	109,420	111,710	570,300	116,340	–	–
Vanguard Street LOS	380,000	–	–	–	–	–	–	114,060	116,340	118,670	1,209,200
Murphy / Emano Street Upgrade	150,000	100,000	102,200	104,650	107,060	2,188,400	2,234,200	2,281,200	2,326,800	2,373,400	120,920
The Wood Stormwater Upgrade	–	–	–	–	–	–	–	–	116,340	237,340	181,380
Tāhunanui Hills Stormwater Catchment 2 - Moncrieff Avenue	80,000	412,000	–	–	–	–	–	–	–	–	–
Stormwater Network Extensions	–	–	–	–	–	–	167,565	570,300	581,700	593,350	604,600
Atawhai SH6 Stormwater Culverts	–	100,000	102,200	523,250	535,300	218,840	–	–	–	–	–
Flood Recovery Intakes Resilience	100,000	200,000	306,600	313,950	321,180	–	–	–	–	–	–

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Stormwater continued											
Flood Recovery Minor Stormwater Improvements	100,000	300,000	306,600	313,950	321,180	–	–	–	–	–	–
Flood Recovery 2022 Intakes Resilience Cleveland Terrace	150,000	750,000	–	–	–	–	–	–	–	–	–
Flood Recovery 2022 Intakes Resilience Devenish Place	300,000	200,000	204,400	–	–	–	–	–	–	–	–
IAF Stormwater Pipeline Upgrade	100,000	330,000	562,100	2,621,169	2,092,702	–	–	–	–	–	–
Vested Assets	862,332	1,623,395	1,659,110	1,698,883	1,738,007	1,776,319	1,813,495	1,851,644	1,888,658	1,926,483	1,963,009
Project under $100,000	2,130,055	950,843	983,199	1,003,667	1,045,807	1,067,201	1,088,817	1,110,825	1,133,018	1,155,655	1,178,465
Total Stormwater	**9,470,740**	**11,518,207**	**12,862,309**	**9,980,644**	**12,076,301**	**11,104,730**	**12,269,196**	**12,452,261**	**16,749,796**	**16,907,193**	**15,052,094**
Scope Adjustment	(1,200,128)	(915,397)	(1,043,462)	(749,786)	(953,872)	(851,288)	(962,382)	(975,213)	(1,399,570)	(1,409,800)	(1,218,874)
Total Stormwater Less Scope Adjustment	**8,270,612**	**10,602,810**	**11,818,847**	**9,230,858**	**11,122,429**	**10,253,442**	**11,306,814**	**11,477,048**	**15,350,226**	**15,497,393**	**13,833,220**



Flood Protection

Flood Protection
Te Ārai Waipuke

What we do

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

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

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

Why we do it

The proximity of the Nelson foothills, and the location of the commercial and residential development on the flood plains and close to waterways, mean that during heavy rainfall events stream and river flows can rise rapidly and cause flash flooding to occur. The purpose of Council's flood protection activity seeks to prevent harm to people and property where this is feasible and affordable and protect the environment from harm related to in-stream protection works.

Challenges

Climate change

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

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

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

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

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

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

Natural hazards

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

The need to maintain, renew and upgrade flood protection assets

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

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

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

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

Council received multiple requests from rural landowners for assistance with flood management so we have decided to extend the flood protection rate to rural catchments. This change coincides with the changes to Council's stormwater rate from year 2024/25.

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

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

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

Council's priorities for the next three years

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

- Implementing the 'Flood Recovery Programme', which includes removing gravel, managing stream bank erosion and making improvements to rivers and streams.
- Completing investigations, design and minor works for the Maitai Flood Mitigation Project.
- Constructing a stopbank along Jenkins Creek at Trent Drive (2025/26 and 2026/27).
- Developing a new programme of works in line with a risk-based approach for the Maitai River and Brook Stream, with York Stream, Jenkins Creek and Poormans Valley Stream progressing from 2024/25 onwards.
- Completing the Saxton Creek upgrade Stage 4 (between Main Road Stoke and State Highway 6), which involves the final task of planting out the new channel. This work will take place in 2024/25 with a budget of $200,000 to complete the full project.

Drivers of capital expenditure

The following factors drive capital expenditure on flood protection:

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

Assumptions

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

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

Risks

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

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

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

  Existing ways to manage this risk include inspecting and maintaining existing capacity, an emergency management response during the event and responding to flood damage after the event and using a risk-based approach to make decisions on upgrading the capacity of channel sections.
- A flood event occurring after a period of inadequate maintenance. This risk relates to reduced capacity of open channels including watercourses and the condition of structures especially intakes within the channels. The risk may be elevated due to accumulation of debris, resulting in blockages.

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

  Existing ways to manage this risk are following the processes in the Emergency Action Plan and Emergency Procedures Manual and emergency management response during the event, responding to damage after the event, carrying out regular inspections and maintenance

of the structures, and initiatives to increase the resilience of flood protection assets to earthquake risks (such as liquefaction).

Significant negative effects

- Flood protection works have the potential for environmental impacts on instream habitats/ riparian margins, impacts on cultural values associated with natural waterways and for social impacts related to the amenity/use of esplanade reserves. Council intends to investigate nature-based solutions where possible, in order to help mitigate these effects.
- Flood protection methods also have the potential for social and economic impacts on communities which are in areas which are vulnerable to sea level rise and more intense flood events (e.g. more requirements or restrictions related to development or specific costs associated with Council's physical flood protection works).

Any intended changes to the level of service

- Text changes have been made to the levels of service statements, from the 2021-2031 statements, to better clarify the level of service delivered to the community.
- A new target has been included for Flood Protection measure: 'No failure of flood protection in the existing stopbank system maintained by Council below the original design levels'.
- Three performance measures have been removed as part of work to streamline levels of service throughout the Plan. They related to:
  - 'Flooding of habitable floors'.
  - 'Developing risk-based Maitai flood response options'.
  - 'Developing city wide flood protection strategies'.

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

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

Community outcomes

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

- Our unique natural environment is healthy and protected.
- Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.
- Our infrastructure is efficient, resilient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.

Service levels, performance measures and targets

Community Outcomes	What Council will provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1-10
Our unique natural environment is healthy and protected. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our communities are healthy, safe, inclusive and resilient.	**Protection:** Our flood protection structures and channels are managed to reduce the impact of flooding and erosion now and in the future.	The major flood protection and control works are maintained, repaired and renewed to the key standards defined in the Flood Protection Activity Management Plan 2024–34.[21] (Mandatory Measure 1)	2022/23 Major works undertaken to maintain capacity in all urban watercourses. 2022/23: 2 major flood events, August 2022 and May 2023. Five year flood recovery programme put in place.	No failure of flood protection in the existing stopbank system maintained by Council, below the specified design levels. Maitai River Stopbanks: • Hanby Park to Clouston Bridge = approximately 250 m3/s at Girlies Hole flow gauge, (2 % AEP[22] to 3% AEP in 2020) • Clouston Bridge flood wall = approximately 290m3/s at Girlies Hole flow gauge, (1% AEP to 2% AEP in 2020) • Clouston Terrace = approximately 170 m3/s at Girlies Hole flow gauge (10% AEP to 20% AEP in 2020) • Downstream of Trafalgar Street (Left bank) - River Flow Capacity = approximately 450 m3/s at Avon Terrace flow gauge (1% AEP in 2090) - Coastal Inundation = 1% AEP event in 2060.
				Following major flood events: Flood event damage identified, and repair work prioritised.

21. Measurement procedure: Review check sheets for individual projects and GIS flood reports for properties inside flood overlay.
22. Footnote: AEP = Annual Exceedance Probability

Funding impact statement

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	–	–	–	–	–	–	–	–	–	–	–
Targeted rates including water by meter	4,228	5,782	5,944	6,192	6,568	6,854	7,253	7,526	7,827	8,138	8,400
Subsidies and grants for operating purposes	180	–	–	–	–	–	–	–	–	–	–
Fees and charges	–	–	–	–	–	–	–	–	–	–	–
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	–	–	–	–	–	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–	–	–	–	–	–	–	–	–
Total Operating Funding	**4,408**	**5,782**	**5,944**	**6,192**	**6,568**	**6,854**	**7,253**	**7,526**	**7,827**	**8,138**	**8,400**
Applications of operating funding											
Payments to staff and suppliers	1,350	1,270	1,146	1,116	1,175	983	1,092	989	960	980	997
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	1,683	2,529	2,510	2,646	2,846	3,010	3,244	3,541	3,748	3,900	4,046
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**3,033**	**3,799**	**3,657**	**3,762**	**4,022**	**3,993**	**4,336**	**4,530**	**4,708**	**4,881**	**5,043**
Surplus (Deficit) of operating funding	**1,375**	**1,983**	**2,287**	**2,429**	**2,546**	**2,861**	**2,917**	**2,996**	**3,119**	**3,257**	**3,357**
Sources of capital funding											
Subsidies and grants for capital	–	–	–	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in debt	5,494	1,678	3,104	2,396	1,906	2,329	3,723	4,276	3,063	2,460	3,732
Gross proceeds from sale of assets	–	–	–	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**5,494**	**1,678**	**3,104**	**2,396**	**1,906**	**2,329**	**3,723**	**4,276**	**3,063**	**2,460**	**3,732**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	23	60	350	–	–	–	–	–	–	–	–
- to improve level of service	6,846	3,601	5,041	4,825	4,453	5,076	6,527	7,158	6,063	5,595	6,846
- to replace existing assets	–	–	–	–	–	113	112	114	119	123	244
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	–	–	–	–	–	–	–	–	–	–	–
Total applications of capital funding	**6,869**	**3,661**	**5,391**	**4,825**	**4,453**	**5,190**	**6,640**	**7,271**	**6,181**	**5,718**	**7,089**
Surplus (Deficit) of capital funding	**(1,375)**	**(1,983)**	**(2,287)**	**(2,429)**	**(2,546)**	**(2,861)**	**(2,917)**	**(2,996)**	**(3,119)**	**(3,257)**	**(3,357)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**1,375**	**1,983**	**2,287**	**2,429**	**2,546**	**2,861**	**2,917**	**2,996**	**3,119**	**3,257**	**3,357**
Subsidies and grants for capital expenditure	–	–	–	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Vested Assets	–	–	–	–	–	–	–	–	–	–	–
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(854)	(893)	(999)	(1,082)	(1,164)	(1,246)	(1,309)	(1,375)	(1,495)	(1,613)	(1,734)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**521**	**1,090**	**1,289**	**1,347**	**1,382**	**1,614**	**1,608**	**1,621**	**1,624**	**1,644**	**1,623**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Flood Protection											
Capital: Todds Valley Stream Upgrade	–	–	–	–	107,060	164,130	1,117,100	1,140,600	116,340	–	–
Capital: York Stream Channel Upgrade	–	–	–	–	–	–	–	–	116,340	178,005	181,380
Maitai Flood Management	369,873	300,000	511,000	523,250	1,070,600	1,094,200	1,675,650	2,281,200	2,326,800	2,373,400	2,418,400
Brook Stream Fish Passage	–	–	–	104,650	107,060	109,420	111,710	–	–	–	–
Brook Stream Catchment Improvements	100,000	100,000	408,800	313,950	160,590	164,130	111,710	570,300	581,700	118,670	–
Capital: Oldham Creek	–	–	–	–	107,060	109,420	558,550	570,300	581,700	593,350	60,460
Inventory of Urban Streams	200,000	100,000	153,300	156,975	107,060	164,130	167,565	171,090	116,340	118,670	120,920
Trafalgar Park and Hathaway Tce	–	–	–	–	107,060	109,420	558,550	57,030	–	–	–
Jenkins & Arapiki (airport) – Flood Protection	160,000	167,000	1,226,400	523,250	53,530	–	–	–	–	–	–
Wakapuaka Flats Stormwater Network Upgrade	–	150,000	153,300	–	–	54,710	111,710	285,150	116,340	–	–
Orchard Stream	–	–	–	–	–	–	–	34,218	116,340	178,005	241,840
Jenkins Stream Stormwater Upgrade	–	–	–	209,300	160,590	547,100	558,550	570,300	290,850	–	–
Rural Rivers	42,000	–	–	–	107,060	109,420	558,550	570,300	581,700	593,350	604,600
Saxton Creek Stage 4 Upgrade	4,200,000	200,000	–	–	–	–	–	–	–	–	–
Poormans Stream	–	–	–	–	–	–	–	114,060	174,510	178,005	1,813,800
Channel Bank Renewal	–	–	–	–	–	109,420	111,710	114,060	116,340	118,670	241,840
Orphanage Stream Flood Management Stage 2	–	–	–	–	–	109,420	446,840	456,240	116,340	–	–
Coastal Inundation Modelling	80,000	80,000	–	–	–	109,420	111,710	–	–	–	–
Coastal Erosion Modelling	51,500	50,000	–	–	–	109,420	55,855	–	–	–	–
Coastal Response Strategy Implementation	–	–	–	–	–	109,420	223,420	228,120	581,700	949,360	1,209,200
Flood Recovery Channel Bank protection	1,500,000	1,600,000	1,124,200	1,046,500	321,180	–	–	–	–	–	–
Flood Recovery 2022 River Stream Improvements	575,000	500,000	1,277,500	1,674,400	1,659,430	1,696,010	–	–	–	–	–
IAF Flood Gate Upgrade	25,000	55,000	342,881	–	–	–	–	–	–	–	–
Project under $100,000	695,894	701,257	725,715	740,641	809,326	825,845	825,800	842,456	859,287	876,454	905,878
Total	**7,999,267**	**4,003,257**	**5,923,096**	**5,292,916**	**4,877,606**	**5,695,035**	**7,304,980**	**8,005,424**	**6,792,627**	**6,275,939**	**7,798,318**
Scope Adjustment	(1,130,306)	(342,200)	(532,002)	(467,786)	(425,028)	(505,520)	(665,233)	(733,976)	(611,367)	(558,342)	(709,196)
Total Flood Protection Less Scope Adjustment	**6,868,961**	**3,661,057**	**5,391,094**	**4,825,130**	**4,452,578**	**5,189,515**	**6,639,747**	**7,271,448**	**6,181,260**	**5,717,597**	**7,089,122**

Solid Waste

Solid Waste
Ngā Para Totoka

What we do

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

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

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

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

Why we do it

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

Challenges

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

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

Reducing emissions from organic waste

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

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

The New Zealand Waste Strategy 2023 currently proposes that kerbside foodwaste collection should be a compulsory council activity. Council is undertaking preparatory work to meet this obligation should the legislation be enacted. The possibility of a residential kitchenwaste service is currently being researched through a jointly funded business case (with Nelson City Council, Tasman District Council and the Ministry for the Environment). The business case will provide information that can help inform a range of options including localised community-based composting initiatives as well as broader kerbside collection, taking into account costs and emission reduction benefits..

Meeting the recycling requirements in proposed legislation

The Ministry for the Environment has gazetted (made compulsory) a list of materials to be collected for recycling throughout New Zealand. The list is almost the same as to what is being collected in Nelson now, but it specifies that no other material can be added or removed from the list. This means if a local solution for a (non-listed) plastic was developed, Council would not be permitted to collect this in the general kerbside collection.

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

The Materials Recovery Facility in Tasman is at capacity

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

Unsorted materials from construction sites are currently disposed to landfill

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

Council's priorities for the next three years

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

- Through the Nelson Tasman Joint Waste Management and Minimisation Plan (JWMMP) 2019:
  - Reducing waste per capita by 10% by 2030 or aligning with any new targets in the JWMMP 2024.
  - Supporting a culture where people avoid the creation of waste.
  - Supporting the development of a circular economy approach where resources are reused.
  - Council walking the talk on waste minimisation.
  - Reducing the emissions caused by waste and waste services.
  - Diverting specific waste streams from landfill, such as construction and demolition.
- Continuing to support effective domestic recycling through kerbside collection and through advocacy with government.

Drivers of capital expenditure

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

Assumptions

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

- Where there is insufficient revenue within the closed solid waste account, activities will be slowed, stopped, or modified until they are affordable or potentially paid through rates.
- The proposed increase to the Waste Disposal Levy will be implemented in the timeframe that was required by the Ministry for the Environment, and the current method for distribution of the fund will continue.
- The current user-pays green waste companies in the Nelson/Tasman region will continue to offer services to residents and Council.
- Proposed waste legislation will not require Council to deliver a kerbside collection service for refuse (rather than relying on other providers to do this).

Risks

Waste legislation reform

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

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

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

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

The cost of recycling will increase

The low commodity value of recycled materials and the high export costs has created a need for Council to subsidise the recycling service to ensure it continues in Nelson. Following the expiry of the Nelmac collection contract in 2025, Council will inherit the full costs of the commodity shortfall, and this has been budgeted in the Long Term Plan.

Increased waste levy and landfill prices lead to illegal dumping

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

Service delivery through multiple private contracts

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

Significant negative effects

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

Any intended changes to the level of service

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

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

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

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

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

Community outcomes

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

- Our unique natural environment is healthy and protected.
- Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.
- Our infrastructure is efficient, resilient, 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, including with iwi, fosters a regional perspective, and encourages community engagement.

Service levels, performance measures and targets

Community Outcomes	What Council will provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1-10
Our unique natural environment is healthy and protected.	We enable effective waste minimisation activities and services.	A quantifiable reduction of refuse from the Nelson Waste Recovery Centre to landfill, as measured by the tonnage carted to landfill compared to 2021/22 baseline of 4,337 tonnes (excluding waste generated from any natural event/ disaster).	New measure	Year 1: reduction of 3-5% from baseline year Year 2: further reduction of 3-5% from baseline year Year 3: further reduction of 2-3% from baseline year 4-10 further reduction of 2% from previous year[23]
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Our kerbside services are reliable, easy to use.	Recycling service is provided to all Nelson residents with less than 1% verified missed collection complaints.	New measure.	Less than 1% verified missed collection complaints.

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

Funding impact statement

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	–	–	–	–	–	–	–	–	–	–	–
Targeted rates including water by meter	–	–	–	–	–	–	–	–	–	–	–
Subsidies and grants for operating purposes	1,611	1,081	1,105	1,130	2,627	2,657	2,713	2,767	2,770	2,823	2,877
Fees and charges	10,589	9,900	10,615	10,990	12,690	13,009	13,306	13,791	14,560	15,295	16,974
Interest and dividends from investments	–	(507)	(543)	(761)	(926)	(897)	(899)	(1,091)	(1,546)	(1,978)	(2,073)
Internal charges and overheads recovered *	4,193	3,035	2,460	2,527	2,443	2,504	2,557	2,716	2,733	2,858	2,846
Local authorities fuel tax, fines, infringement fees, and other receipts	271	–	–	18	(196)	(200)	(205)	(212)	(217)	(225)	(229)
Total Operating Funding	**16,665**	**13,509**	**13,637**	**13,904**	**16,637**	**17,073**	**17,472**	**17,972**	**18,302**	**18,773**	**20,396**
Applications of operating funding											
Payments to staff and suppliers	11,838	9,150	9,034	9,435	11,661	11,987	12,278	12,675	12,898	13,265	14,784
Finance costs	262	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	4,266	3,108	2,530	2,594	2,510	2,572	2,627	2,788	2,806	2,932	2,921
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**16,367**	**12,258**	**11,563**	**12,029**	**14,171**	**14,559**	**14,905**	**15,463**	**15,704**	**16,197**	**17,705**
Surplus (Deficit) of operating funding	**298**	**1,251**	**2,074**	**1,875**	**2,467**	**2,514**	**2,566**	**2,509**	**2,597**	**2,577**	**2,690**
Sources of capital funding											
Subsidies and grants for capital	–	–	–	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in debt	4,014	595	1,159	4,405	(2,597)	(2,789)	(1,416)	4,659	8,802	4,374	(163)
Gross proceeds from sale of assets	–	–	–	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**4,014**	**595**	**1,159**	**4,405**	**(2,597)**	**(2,789)**	**(1,416)**	**4,659**	**8,802**	**4,374**	**(163)**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	2,513	–	–	–	–	–	–	–	–	–	–
- to improve level of service	896	1,598	2,487	5,914	48	–	–	51	–	–	54
- to replace existing assets	439	581	1,089	722	188	104	1,541	5,808	9,196	4,707	580
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	464	(332)	(343)	(355)	(367)	(378)	(390)	1,309	2,203	2,243	1,893
Total applications of capital funding	**4,311**	**1,846**	**3,233**	**6,281**	**(131)**	**(275)**	**1,151**	**7,168**	**11,399**	**6,950**	**2,527**
Surplus (Deficit) of capital funding	**(298)**	**(1,251)**	**(2,074)**	**(1,875)**	**(2,467)**	**(2,514)**	**(2,566)**	**(2,509)**	**(2,597)**	**(2,577)**	**(2,690)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**298**	**1,251**	**2,074**	**1,875**	**2,467**	**2,514**	**2,566**	**2,509**	**2,597**	**2,577**	**2,690**
Subsidies and grants for capital expenditure	–	–	–	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Vested Assets	–	–	–	–	–	–	–	–	–	–	–
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(1,124)	(1,223)	(1,306)	(1,460)	(1,597)	(1,635)	(1,673)	(1,708)	(1,745)	(1,782)	(1,817)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(826)**	**29**	**768**	**415**	**869**	**879**	**894**	**802**	**853**	**794**	**874**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

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

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

Environment

Environment
Te Taiao

What we do

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

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

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

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

Why we do it

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

Challenges

Changes to environmental legislation and policy statements

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

Climate change

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

Sea level rise will affect the marine and coastal environments.

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

Lack of affordable housing

The ways Council is helping to address this issue includes:

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

Recruitment and retention of staff

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

Council's priorities for the next three years

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

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

- Responding to new biosecurity incursions and emerging pests, including anticipating what changes there may be due to changes in climate.

Specific projects/actions proposed

Resource management planning review and implementation

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

Housing Reserve Fund changes

We have broadened the purpose of the Housing Reserve Fund so that Council can also support partners to develop and provide accommodation for our vulnerable and highest need residents to reduce housing vulnerability, in addition to continuing to support delivery of social and affordable housing (this is also included in the Social Activity section).

Tasman Environment Trust funding support

We are providing incremental funding increases to the Tasman Environment Trust over the next two years towards its operating costs. $20,000 is allocated in 2024/25, increasing to $40,000 annually from 2025/26, subject to appropriate projects being identified in the Nelson area.

City Centre Revitalisation

We have included $100,000 in 2024/25 for city and waterfront revitalisation initiatives, including some funding for a new community-led taskforce to work with Council on initiatives.

Drivers of capital expenditure

The following factors drive capital expenditure on environmental activities:

- Council city centre development initiatives ($4.8 million).
- Existing air quality monitors are reaching the end of their life and will need to be replaced over a three-year period.
- Riparian and restoration planting on Council land as part of the Healthy Streams programme.

Assumptions

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

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

Risks

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

Other risks for the environmental management activity are listed below.

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

Significant negative effects

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

Any intended changes to the level of service

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

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

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

The cost of insurance claims and premiums has increased so the insurance charge under the building consent activity has increased at a higher rate than CPI to meet expected costs.

Community outcomes

Council's environmental activities contribute to the following community outcomes:

- Our unique natural environment is healthy and protected.
- Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.
- Our infrastructure is efficient, resilient, 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, cultural, educational and recreational facilities and activities.

Service levels, performance measures and targets

Community Outcomes	What Council will provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1-10
Our unique natural environment is healthy and protected.	We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes, and risks.	Provision of easily accessible, accurate, up to date and fit for purpose state of the environment monitoring data for all environmental domains, as measured by the production of an annual State of the Environment (SOE) report in compliance with section 35 of the Resource Management Act 1991.	In 2021/22 the State of the Environment web reporting programme was completed, with 2021 updates for water quality, and a new module for rainfall.	At least one SOE domain report per year e.g. Air Quality, Freshwater, Coastal/ Marine, Biodiversity/ Biosecurity, Land/ Soils.
Our unique natural environment is healthy and protected.	We implement the Tasman Nelson Regional Pest Management Plan provisions as they apply to Nelson City.	Compliance with the Tasman Nelson Regional Pest Management Plan reporting requirements (e.g. annual reporting on yearly operational targets and progress towards 10 year Plan objectives).	A report on the delivery of the 2021/22 Operational Plan was presented to the Council at its 15 December 2022 meeting.	100% delivery of operational plans and operational plan reviews reported to Council each year.
Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.	We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.	All resource consents are processed within statutory timeframes, as measured by MagiQ reports.	Of the 316 consents decided in 2022/23, 57% were on time. COVID delays, the August 2022 storm event and subsequent availability of specialists and planners has collectively created a backlog of applications and impacted the ability to achieve timeframes. Despite this, slightly more consents have been decided than last year and the backlog has reduced significantly.	100%.
Our communities are healthy, safe, inclusive and resilient.	We provide building control services in a professional and timely manner, to ensure building work is safe and in accordance with the New Zealand Building Code and is therefore safe and healthy.	% building consents and code compliance certificates issued within the statutory timeframe of 20 working days as measured by monthly reporting.	There was 90.25% compliance for the granting of building consents and 99% compliance for the issuing of Code Compliance Certificates (CCCs) at year end for 2022/23. The vast majority of building consent granting breaches were incurred due to the disruption of the August 2022 weather events and the unavailability of geotechnicians to review building consents. Substantive compliance of 95% (for IANZ accreditation) was achieved for the issuing of CCCs, but not for granting of building consents.	95% (as per IANZ requirements)
Our communities are healthy, safe, inclusive and resilient.	We provide an environmental health service that ensures food provided for sale is safe, free from contamination and prepared in suitable premises, and in association with other agencies, fosters the responsible sale and consumption of alcohol.	Respond to food safety complaints within one working day, as tracked and measured through Council's MagiQ system.	All six food safety complaints responded to within one working day.	100%.
		High risk alcohol selling premises are inspected at least two times each year as tracked and recorded through inspection reports.	All high risk premises were inspected twice.	100%.
Our communities are healthy, safe, inclusive and resilient.	We provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered.	We respond to reports of dog attacks that have just occurred within 60 minutes, 24 hours a day, seven days a week as tracked and measured through Council's MagiQ system.	All six urgent dog attacks responded to within one hour.	90%.

Funding Impact Statement Environment

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	12,372	12,693	13,051	13,458	14,496	14,734	15,104	15,556	15,831	16,130	16,340
Targeted rates including water by meter	–	–	–	–	–	–	–	–	–	–	–
Subsidies and grants for operating purposes	1,286	971	641	279	78	80	82	83	85	269	274
Fees and charges	503	6,916	7,054	7,290	7,436	7,585	7,737	7,904	8,062	8,223	8,388
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	53	54	55	57	58	59	60	62	63	64	65
Local authorities fuel tax, fines, infringement fees, and other receipts	5,855	56	57	59	60	61	62	63	65	66	67
Total Operating Funding	**20,068**	**20,691**	**20,859**	**21,142**	**22,128**	**22,519**	**23,045**	**23,668**	**24,106**	**24,752**	**25,134**
Applications of operating funding											
Payments to staff and suppliers	23,915	26,328	22,373	21,328	21,171	21,408	21,800	21,562	21,988	22,639	23,038
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	464	569	628	676	741	836	913	951	940	919	891
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**24,379**	**26,897**	**23,001**	**22,004**	**21,912**	**22,244**	**22,713**	**22,513**	**22,928**	**23,558**	**23,929**
Surplus (Deficit) of operating funding	**(4,311)**	**(6,207)**	**(2,142)**	**(862)**	**216**	**275**	**332**	**1,155**	**1,178**	**1,194**	**1,206**
Sources of capital funding											
Subsidies and grants for capital	–	125	2,300	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in debt	5,604	7,375	2,953	1,428	1,406	938	127	(642)	(811)	(1,034)	(1,042)
Gross proceeds from sale of assets	–	–	–	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**5,604**	**7,500**	**5,253**	**1,428**	**1,406**	**938**	**127**	**(642)**	**(811)**	**(1,034)**	**(1,042)**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	38	–	–	42	–	–	–	–	–	–	–
- to improve level of service	914	1,241	2,982	510	1,567	1,075	444	454	361	154	157
- to replace existing assets	342	52	129	14	55	138	15	59	6	6	7
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	–	–	–	–	–	–	–	–	–	–	–
Total applications of capital funding	**1,293**	**1,294**	**3,111**	**566**	**1,622**	**1,213**	**460**	**513**	**367**	**161**	**164**
Surplus (Deficit) of capital funding	**4,311**	**6,207**	**2,142**	**862**	**(216)**	**(275)**	**(332)**	**(1,155)**	**(1,178)**	**(1,194)**	**(1,206)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**(4,311)**	**(6,207)**	**(2,142)**	**(862)**	**216**	**275**	**332**	**1,155**	**1,178**	**1,194**	**1,206**
Subsidies and grants for capital expenditure	–	125	2,300	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Vested Assets	–	–	–	–	–	–	–	–	–	–	–
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(178)	(223)	(313)	(384)	(404)	(457)	(508)	(525)	(541)	(552)	(556)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(4,489)**	**(6,305)**	**(155)**	**(1,246)**	**(188)**	**(182)**	**(176)**	**630**	**636**	**643**	**649**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

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

Project	Annual Plan 2023/24 $	Long Term Plan 2024/25 $	Long Term Plan 2025/26 $	Long Term Plan 2026/27 $	Long Term Plan 2027/28 $	Long Term Plan 2028/29 $	Long Term Plan 2029/30 $	Long Term Plan 2030/31 $	Long Term Plan 2031/32 $	Long Term Plan 2032/33 $	Long Term Plan 2033/34 $
Environmental Management											
Monitoring The Environment											
Healthy Streams	121,944	149,900	124,627	127,614	130,553	133,431	136,224	139,089	28,417	28,986	29,535
Plant & Equipment	201,871	170,000	173,740	125,635	128,529	131,362	134,111	136,932	139,670	142,467	145,168
City Development											
Upper Trafalgar Street Stage 2	–	–	–	–	1,160,804	109,420	–	–	–	–	–
CBD Enhancements	300,000	599,110	664,866	313,950	321,180	820,650	223,420	228,120	232,680	–	–
3W-BOF-City Centre Playspace	–	125,000	2,350,600	–	–	–	–	–	–	–	–
Dog Control											
EIL Equipment	–	220,000	–	–	–	–	–	–	–	–	–
Navigation Safety											
Renewal: Boat/Trailer	100,000	–	127,750	–	–	136,775	–	–	–	–	–
Project under $100,000	797,530	148,819	15,379	62,062	61,366	16,466	16,810	65,379	7,008	7,147	7,283
Total Environmental Management	**1,521,345**	**1,412,829**	**3,456,962**	**629,261**	**1,802,432**	**1,348,104**	**510,565**	**569,520**	**407,775**	**178,600**	**181,986**
Scope Adjustment	(228,203)	(119,283)	(345,697)	(62,926)	(180,243)	(134,811)	(51,057)	(56,952)	(40,777)	(17,860)	(18,199)
Total Environmental Management Less Scope Adjustment	**1,293,142**	**1,293,546**	**3,111,265**	**566,335**	**1,622,189**	**1,213,293**	**459,508**	**512,568**	**366,998**	**160,740**	**163,787**

Social

Social
Te Pāpori

What we do

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

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

Why we do it

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

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

Challenges

Affordable housing, housing vulnerability and homelessness

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

Crematorium

The crematorium's resource consent to discharge to air expires in 2026 and so Council will need to apply for a new resource consent to keep the service functioning.

Council will continue to provide this service to the community as a local and cost-effective option, while removing any ratepayer subsidy for the costs of the service (subject to further consultation on fee changes). Council will also investigate options for transitioning to sustainable non-fossil fuel options.

Delivering new arts and heritage strategies

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

Earthquake Prone Buildings

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

Increasing costs

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

Insufficient cemetery land

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

Nelson libraries

Elma Turner Library

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

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

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

Stoke Library

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

Non-strategic campground management

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

Volunteers

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

Council's priorities for the next three years

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

- Supporting community groups that work with Nelson's communities of greatest need.
- Supporting activities that contribute to a thriving arts and creativity scene in Nelson.
- Supporting activities that enable the community to experience our heritage by protecting and sharing our heritage resources and diverse stories.
- Delivering, and supporting our community to deliver, a diverse calendar of community events alongside high calibre events attracting visitors to our city.
- Supporting the preparation and delivery of the national kapa haka event – Te Matatini in Nelson in 2027.
- Working towards removing the risk of earthquake prone buildings.
- Progressing a new joint regional cemetery with Tasman District Council.

Specific projects/actions proposed

Accessibility Strategy

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

Delivering He Tātai Whetū – Whakatū Nelson Arts and Creativity Strategy

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

Arts Hub

Council is progressing with providing a new arts hub as part of implementing He Tātai Whetū – Whakatū Nelson Arts and Creativity Strategy, by purchasing an existing building in 2025/26. The hub will house the new arts development agency which will coordinate community efforts to deliver better outcomes for the sector.

Crematorium

We will apply for a new resource consent for the crematorium to discharge to air, as the current consent expires in 2026. We will also investigate options for transitioning to sustainable non-fossil fuel options. Council agreed to aim for 100% cost recovery at the crematorium, which will remove any ratepayer subsidy for the costs of the service (subject to further consultation on fee changes).

Housing Reserve Fund

We have broadened the purpose of the Housing Reserve Fund so that Council can also support partners to develop and provide accommodation for our vulnerable and highest need residents to reduce housing vulnerability, in addition to continuing to support delivery of social and affordable housing (this is also included in the Environment Activity section).

Joint Regional Cemetery

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

Pasifika Community priority projects support

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

Stoke Memorial Hall

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

Nelson's Provincial Museum's new ARC (Archives, Research and Collections) Facility

Council is contributing funding to the new ARC facility, with a $3.04 million carry over from 2023/24 to 2024/25 and 2025/26.

Community Investment Fund

Council is increasing funding to the Community Investment Fund which is heavily oversubscribed. This contestable fund provides grants to causes that contribute to Council's social development outcomes.

Te Tauihu Regional Community Development Agency

We are providing $20,000 in 2024/25 to support the work this agency to facilitate strategic planning, funding bids and supporting groups delivering on social wellbeing outcomes in Nelson.

Drivers of capital expenditure

The following factors drive capital expenditure on the social activities:

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

Assumptions

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

- Council will continue to be involved in community partnerships and arts, heritage and events activities.
- That Council's social objectives will be supported by community partners.

Risks

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

Significant negative effects

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

Any intended changes to the level of service

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

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

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

Community outcomes

Council's social activities contribute to the following community outcomes:

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

Service levels, performance measures and targets

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

Funding impact statement

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	16,503	17,292	17,919	18,213	18,683	19,729	21,510	22,665	23,342	23,896	23,905
Targeted rates including water by meter	–	–	–	–	–	–	–	–	–	–	–
Subsidies and grants for operating purposes	1,304	483	236	242	194	198	202	206	210	214	219
Fees and charges	900	2,062	2,075	2,146	2,105	2,280	2,005	2,151	2,090	2,233	2,165
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	–	–	–	–	–	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	1,074	261	267	272	278	284	289	294	300	305	311
Total Operating Funding	**19,781**	**20,098**	**20,497**	**20,873**	**21,260**	**22,491**	**24,006**	**25,316**	**25,942**	**26,648**	**26,600**
Applications of operating funding											
Payments to staff and suppliers	16,877	16,693	16,898	17,147	17,390	17,986	17,963	18,572	18,807	19,562	19,553
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	1,430	1,863	2,042	2,140	2,249	2,869	4,433	4,780	4,812	4,754	4,705
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**18,307**	**18,556**	**18,940**	**19,287**	**19,639**	**20,855**	**22,396**	**23,352**	**23,619**	**24,316**	**24,258**
Surplus (Deficit) of operating funding	**1,474**	**1,542**	**1,557**	**1,586**	**1,621**	**1,636**	**1,610**	**1,964**	**2,323**	**2,332**	**2,342**
Sources of capital funding											
Subsidies and grants for capital	371	26	27	28	28	29	29	30	30	31	32
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in debt	6,433	6,248	2,677	107	3,187	37,342	5,132	1,071	(1,245)	(1,220)	(612)
Gross proceeds from sale of assets	–	–	–	–	–	–	121	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**6,804**	**6,274**	**2,704**	**135**	**3,215**	**37,371**	**5,282**	**1,101**	**(1,215)**	**(1,189)**	**(580)**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	1,704	602	613	1,059	954	2,061	747	732	332	495	301
- to improve level of service	2,421	1,699	1,848	216	2,511	36,267	5,788	1,007	32	32	26
- to replace existing assets	1,181	4,163	473	564	1,464	772	450	1,419	837	709	1,528
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	2,972	1,352	1,327	(118)	(93)	(93)	(93)	(93)	(93)	(93)	(93)
Total applications of capital funding	**8,278**	**7,816**	**4,261**	**1,721**	**4,836**	**39,007**	**6,892**	**3,065**	**1,108**	**1,143**	**1,762**
Surplus (Deficit) of capital funding	**(1,474)**	**(1,542)**	**(1,557)**	**(1,586)**	**(1,621)**	**(1,636)**	**(1,610)**	**(1,964)**	**(2,323)**	**(2,332)**	**(2,342)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**1,474**	**1,542**	**1,557**	**1,586**	**1,621**	**1,636**	**1,610**	**1,964**	**2,323**	**2,332**	**2,342**
Subsidies and grants for capital expenditure	371	26	27	28	28	29	29	30	30	31	32
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Vested Assets	–	–	–	–	–	–	–	–	–	–	–
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(1,445)	(1,423)	(1,467)	(1,495)	(1,530)	(1,550)	(1,527)	(1,889)	(2,254)	(2,262)	(2,270)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**400**	**145**	**117**	**119**	**119**	**115**	**112**	**105**	**99**	**101**	**104**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Social											
Managing Heritage & Arts											
Art Works Programme	91,445	234,066	93,456	95,696	97,900	100,058	102,152	104,301	106,386	108,517	110,574
Arts Hub Facility	–	–	1,635,200	–	–	–	–	–	–	–	–
Founders Park											
Cultural space development	–	–	–	–	231,517	114,344	–	–	–	–	–
Energy centre venue development	34,075	101,000	–	–	–	67,840	350,211	100,373	–	–	–
Historic Cemeteries											
Wakapuaka Cemetery Accessible Toilet	–	–	–	156,975	–	–	–	–	–	–	–
Marsden Valley Cemetery											
Cemetery Capacity Development	–	30,000	68,270	236,901	298,697	136,775	135,728	–	–	65,625	24,449
Crematorium											
Wakapuaka Cemetery Low Carbon Cremator	–	–	–	52,325	10,706	1,094,200	–	–	–	–	–
Nelson Library											
Elma Turner Library Extension/ Relocation	200,000	–	–	–	–	39,377,238	5,536,855	805,183	–	–	–
RFID circulation (Radio Frequency ID)	–	–	–	–	–	115,633	–	–	–	–	–
Renewals: Specialised Lib Equipment	12,555	160,000	12,831	13,138	13,441	13,737	14,025	14,320	14,606	14,898	15,181
Book Purchases	341,009	310,000	316,820	324,415	331,886	427,842	436,796	445,984	–	–	–
Stoke Library											
Stoke Library Structural Improvements	–	469,229	–	–	–	–	–	–	–	–	–
Nellie Nightingale Library Memorial											
Nightingale Roof Repair	41,200	245,577	–	–	–	–	–	–	–	–	–
Camps											
Maitai Campground Wastewater Renewal Project	–	1,325,683	–	–	–	–	–	–	–	–	–
Maitai Camp LED Lighting Upgrade	–	–	–	–	10,706	164,130	–	–	–	–	–
Toilets											
Toilet Renewals Program	93,814	686,907	97,202	99,533	735,403	104,069	106,247	783,486	110,651	112,867	830,608
Toilet Arts & Improvement Program	–	–	–	20,930	160,590	164,130	–	–	–	–	–
Montgomery Sq Toilet Renewal	852,000	694,932	–	–	–	–	–	–	–	–	–
Halls											
Stoke Hall Remediation	100,000	84,196	–	–	2,248,260	–	–	–	–	–	–
Trafalgar St Hall Photovoltaic Solar Installation	–	–	–	–	121,738	–	–	–	–	–	–
Community Properties											
Refinery Deconstruction and Future Use	–	1,387,000	–	–	–	–	–	–	–	–	–
Greenmeadows Centre											
Photovoltaic Solar Installation	–	–	–	–	–	311,803	–	–	–	–	–
Project under $100,000	4,400,142	1,400,945	981,527	987,711	1,158,176	1,193,957	1,019,544	1,194,479	1,040,905	1,008,750	1,014,862
Total Social	**6,166,240**	**7,129,535**	**3,205,306**	**1,987,624**	**5,419,020**	**43,385,756**	**7,701,558**	**3,448,126**	**1,272,548**	**1,310,657**	**1,995,674**
Scope Adjustment	(860,289)	(665,076)	(270,877)	(148,108)	(490,228)	(4,285,863)	(716,386)	(289,965)	(71,312)	(74,005)	(141,370)
Total Social Less Scope Adjustment	**5,305,951**	**6,464,459**	**2,934,429**	**1,839,516**	**4,928,792**	**39,099,893**	**6,985,172**	**3,158,161**	**1,201,236**	**1,236,652**	**1,854,304**

Parks and Active Recreation

Parks and Active Recreation
Ngā Papa Rēhia, Mahi Rēhia hoki

What we do

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

We also support a range of national and international sporting and entertainment events hosted in Nelson, which contribute to our local identity and provide economic and social benefits to the city.

Why we do it

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

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

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

Challenges

Financial constraints

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

Overarching strategies

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

Considerable high-value recreation occurs on private land

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

Parks infrastructure is vulnerable to storm damage

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

Our public swimming pools are ageing

Our aquatic facilities need investment to ensure they meet the needs of users.

Retired forestry areas

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

Council's priorities for the next three years

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

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

Specific projects/actions proposed

Central city Rutherford Park Play space

We will develop a destination playground in Rutherford Park to be completed by 2025/26. $2.425 million has been allocated through the Government's Better Off Funding. Council is proposing to contribute a further $664,000 towards the project in year 2025/26 and also pursue additional fundraising avenues.

Saxton Field capital works programme

We will, jointly with Tasman District Council, continue to invest in this regional asset through the Saxton Field capital works programme over the ten years of the Plan. Budgets have been brought forward to enable an inclusive play space to be developed sooner, and a number of other projects deferred or reduced in scope to accommodate this project.

Weed control programme in Conservation and Landscape Reserves

We are decreasing funding for the weed control programme in landscape reserves in 2024/25 from a planned $1.2 million in the last Long Term Plan to $480,000 (saving $720,000) by deferring the implementation of ecological restoration plan measures. Funding will be fully reinstated in 2025/26 and increased by $500,000 in 2028/29 and 2029/30.

Marina CCO proposal

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

Aquatic facilities

We will focus on maintaining our existing aquatic facilities by implementing a programme of work to ensure the assets meet users' needs, with an investment of $8.4 million over the 10 years of the Plan.

Long term recreation access on Ngāti Koata whenua

An interim agreement has been in place for a number of years which has enabled recreation access into the Maitai Codgers area and on Fringed Hill Road. Council has now entered into a long-term (10 year) recreation access agreement with Ngāti Koata. The agreement includes renaming Sharlands to 'Waitarake' and the Codgers/Fireball area to 'Koata Park', and will enable recreation access for walking, running, mountain biking and paragliding.

Tāhunanui Beach facilities

We are progressing with building a new facility closer to the beach to provide a suitable space for the Nelson Surf Life Saving Club at a cost of $3.30 million. We've budgeted $200,000 in 2024/25, $1.53 million in 2025/26, and $1.57 million in 2026/27 towards the project. Council has capped its capital funding contribution towards the new lifesaving facility at either $1.65 million or 50% of the total capital costs (whichever is the lesser amount). The project will proceed once the Nelson Surf Life Saving Club has raised the necessary funds to cover the rest of the capital costs.

Improving existing sports fields

We will continue to progress an upgrade programme of improvements on existing sports fields. This programme will improve lighting and drainage at existing fields to enable increased use in wetter conditions and winter evenings. Council has included budget of $1.9 million across the 10 years of the Plan – upgrades will commence in 2025/26 following preparatory works in 2024/25.

Nelson Yacht Club launching ramp

Council is providing $15,000 in 2025/26 to undertake a Nelson Yacht Club launching ramp investigation. This work will investigate the ramp's future ownership, usage and access, as well as costs to undertake the work necessary to bring it up to a safe standard. This allocation acknowledges that yachting is a popular recreational activity and that this is an opportunity to consider increased public use for the ramp depending on the outcome of the investigation.

Drivers of capital expenditure

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

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

Assumptions

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

- Tasman District Council will continue to fund 50% of Saxton Field capital and operational spend.
- That the Nelson Surf Life Saving Club will raise at least 50% of the capital funds for the Tāhunanui Beach lifesaving facility.

Risks

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

Significant negative effects

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

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

Any intended changes to the level of service

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

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

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

Community outcomes

Council's parks and active recreation activity contributes to the following community outcomes:

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

Service levels, performance measures and targets

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

Funding impact statement

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	15,109	16,479	19,101	20,384	21,118	21,764	22,435	22,010	22,490	22,602	23,093
Targeted rates including water by meter	–	–	–	–	–	–	–	–	–	–	–
Subsidies and grants for operating purposes	135	2,799	79	80	81	81	82	83	83	84	85
Fees and charges	581	3,739	1,243	1,290	1,316	1,365	1,393	1,444	1,473	1,503	1,533
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	–	–	–	–	–	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	4,370	1,145	1,097	1,089	1,107	1,154	1,159	1,178	1,229	1,418	1,248
Total Operating Funding	**20,195**	**24,162**	**21,521**	**22,844**	**23,622**	**24,365**	**25,069**	**24,716**	**25,275**	**25,606**	**25,958**
Applications of operating funding											
Payments to staff and suppliers	16,411	19,387	16,344	16,512	16,897	17,260	17,613	17,038	17,448	18,342	18,027
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	2,587	3,450	2,944	3,109	3,417	3,742	4,048	4,229	4,372	4,382	4,385
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**18,997**	**22,838**	**19,289**	**19,621**	**20,313**	**21,001**	**21,661**	**21,267**	**21,820**	**22,724**	**22,412**
Surplus (Deficit) of operating funding	**1,197**	**1,324**	**2,232**	**3,223**	**3,308**	**3,364**	**3,408**	**3,449**	**3,455**	**2,882**	**3,546**
Sources of capital funding											
Subsidies and grants for capital	454	1,334	943	2,063	1,151	460	722	736	392	89	486
Development and financial contributions	1,952	3,390	4,286	4,401	4,485	4,600	8,784	8,980	9,147	9,343	9,510
Increase (decrease) in debt	9,486	16,302	4,314	3,021	4,500	4,181	(1,218)	1,613	(2,020)	(2,218)	(2,923)
Gross proceeds from sale of assets	–	–	29,486	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**11,891**	**21,026**	**39,029**	**9,485**	**10,137**	**9,241**	**8,288**	**11,330**	**7,519**	**7,213**	**7,073**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	2,027	6,724	4,691	4,611	3,976	4,048	7,264	7,058	7,332	7,557	7,654
- to improve level of service	7,057	10,814	3,823	3,428	3,297	2,176	1,897	3,091	194	441	356
- to replace existing assets	4,005	4,812	3,262	4,669	6,172	6,380	2,535	4,630	3,448	2,098	2,609
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	–	–	29,486	–	–	–	–	–	–	–	–
Total applications of capital funding	**13,089**	**22,350**	**41,261**	**12,708**	**13,445**	**12,604**	**11,696**	**14,779**	**10,974**	**10,096**	**10,619**
Surplus (Deficit) of capital funding	**(1,197)**	**(1,324)**	**(2,232)**	**(3,223)**	**(3,308)**	**(3,364)**	**(3,408)**	**(3,449)**	**(3,455)**	**(2,882)**	**(3,546)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**1,197**	**1,324**	**2,232**	**3,223**	**3,308**	**3,364**	**3,408**	**3,449**	**3,455**	**2,882**	**3,546**
Subsidies and grants for capital expenditure	454	1,334	943	2,063	1,151	460	722	736	392	89	486
Development and financial contributions	1,952	3,390	4,286	4,401	4,485	4,600	8,784	8,980	9,147	9,343	9,510
Vested Assets	–	–	–	–	–	–	–	–	–	–	–
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(3,571)	(3,711)	(3,482)	(3,586)	(3,686)	(3,756)	(3,806)	(3,860)	(3,904)	(3,935)	(3,967)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**31**	**2,337**	**3,979**	**6,100**	**5,259**	**4,668**	**9,108**	**9,306**	**9,090**	**8,379**	**9,575**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

Summary of Capital Expenditure over $100,000 in any one year Parks and Active Recreation

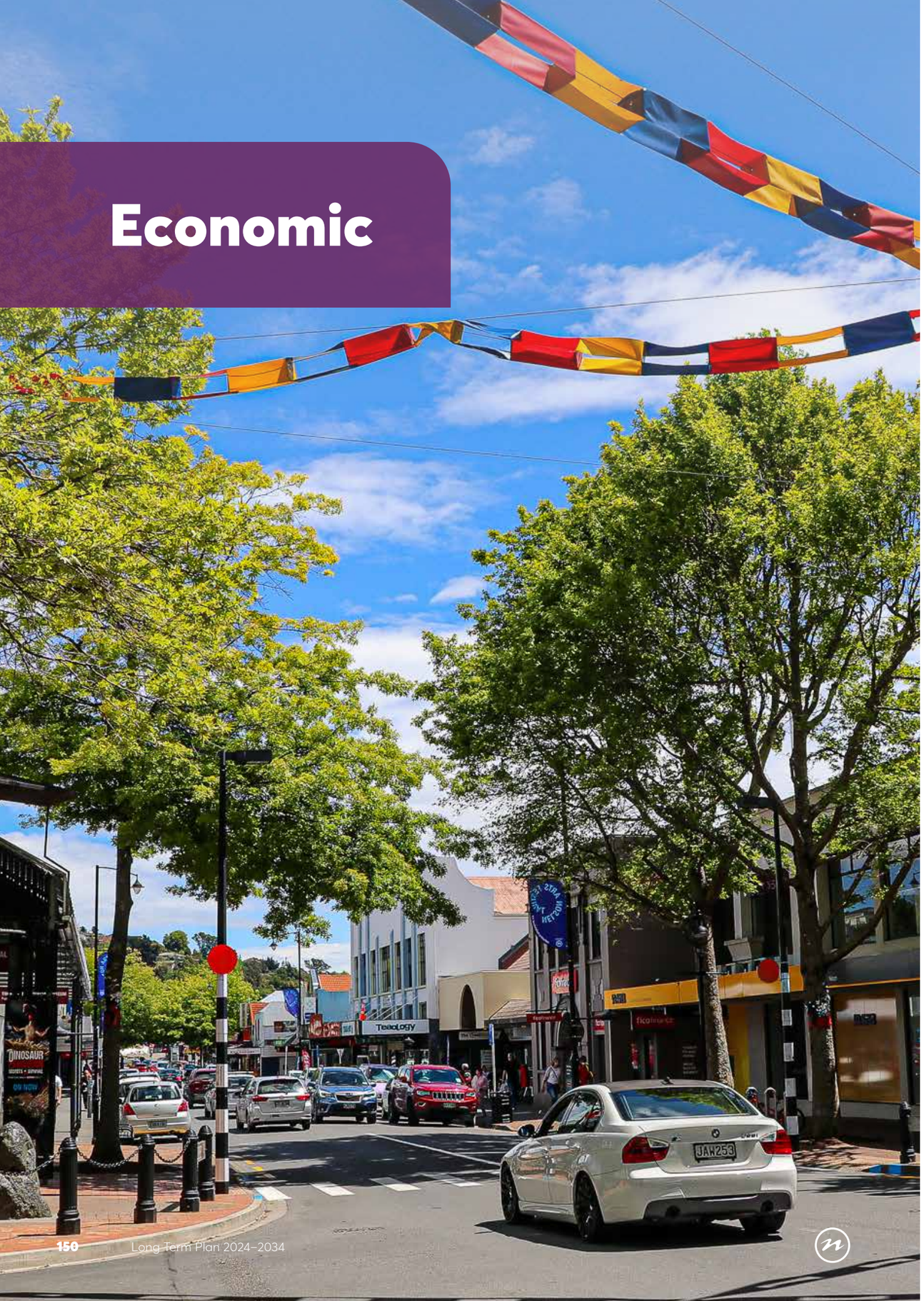
Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Parks and Active Recreation											
Public Gardens											
Capital: Park Upgrades	62,017	40,700	72,255	73,988	75,691	177,279	78,979	80,640	82,252	83,900	85,490
Walkway to Connect Poorman Stream to Greenmeadows	10,668	–	–	111,501	–	–	–	–	–	–	–
Neighbourhood Parks											
Reserve Development Programme	157,057	354,415	165,622	481,075	60,359	508,784	62,981	536,387	65,591	558,066	68,173
Land Purchase: General Reserve	902,067	1,500,000	2,883,222	2,951,731	3,020,331	3,086,272	6,320,613	6,452,913	6,582,581	6,713,722	6,841,720
Renewal: Undergound Services	–	–	10,220	156,975	–	–	167,565	–	–	178,005	–
Conservation Reserves											
Slip 0: Brook Street	522,200	582,603	–	–	–	–	–	–	–	–	–
Slip 3: Halifax Street	335,200	267,004	–	–	–	–	–	–	–	–	–
Slip 4: Milton Street	202,900	374,100	–	–	–	–	–	–	–	–	–
Slip 7: Miro Street	365,200	560,000	–	–	–	–	–	–	–	–	–
Slip 12: Allan Street	546,600	827,000	–	–	–	–	–	–	–	–	–
Slip 14: Tukuka Street	124,400	124,000	–	–	–	–	–	–	–	–	–
Slip 16: Endeavour Street	1,041,000	2,090,000	–	–	–	–	–	–	–	–	–
Slip 17: Lauria Way	117,000	110,000	–	–	–	–	–	–	–	–	–
Slip 18: Collingwood Street	518,300	769,000	–	–	–	–	–	–	–	–	–
Planting – General RTRP Recommendation 16	–	1,093,000	1,117,046	1,143,824	1,170,166	1,195,961	1,220,990	1,246,676	–	–	–
Planting – ETS RTRP Recommendation 16	–	369,500	766,500	–	–	–	–	–	–	–	–
Planting – Maitai RTRP Recommendation 17	–	258,500	–	–	–	–	–	–	–	–	–
Planting – Marsden RTRP Recommendation 19	–	422,222	–	–	–	–	–	–	–	–	–
Saxton Field											
New Cycle/Path Development	156,475	–	153,300	–	160,590	–	167,565	–	–	–	–
Renewal: Hockey Turf No 1	–	–	–	–	33,941	462,531	–	–	–	–	–
Renewal: Athletic Track	–	–	–	–	22,628	404,715	–	–	–	–	–
Saxton Oval Surface Renewal	268,400	–	–	–	21,412	–	322,172	–	–	–	–
Saxton Oval Cricket Block Renewal	–	–	–	–	–	–	118,053	–	–	–	–
Harekeke Green Levelling, Irrigation and Drainage	–	–	–	–	481,770	–	–	–	–	–	–
Harekeke Green Car Park and Paths	–	–	–	–	–	–	118,053	1,254,660	–	–	–
Harekeke Green Toilets and Changing Rooms	–	–	–	–	–	–	–	–	–	100,326	36,164
Renewal: Hockey Turf No 2	–	52,839	–	442,368	–	–	–	–	–	–	–
Media towers	–	26,420	–	–	–	–	353,903	–	–	–	–
Hard Surface Renewals	–	–	–	–	–	–	236,106	–	232,680	–	846,440
Netball Surface Renewal	–	–	–	–	226,278	–	–	–	–	–	–
Entrance Development	–	51,500	–	110,592	–	–	–	–	–	–	–
Renewal: Drainage	–	–	–	–	5,353	–	–	–	465,360	–	–
Irrigation Bell Island Wastewater	–	15,000	–	156,975	–	–	–	–	–	–	–
Regional Skate Facility	–	20,000	–	418,600	428,240	–	–	–	–	–	–

Summary of Capital Expenditure over $100,000 in any one year Parks and Active Recreation continued

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Saxton Field Stadium											
Basketball Hoops	–	25,000	10,220	606,970	–	–	–	–	–	–	–
LED Lighting Upgrade	–	5,000	102,200	–	–	–	–	–	–	–	–
Landscape Reserves											
Capital: Planting	73,293	83,554	85,392	87,439	89,453	91,425	93,338	95,302	97,207	99,154	101,034
Capital: Mountainbike Tracks	169,085	12,854	123,123	13,452	128,978	14,065	134,580	14,661	140,158	15,254	145,676
Marsden Valley MTB Hub	20,000	480,000	–	–	–	–	–	–	–	–	–
Retired Forestry Block Conversion Programme	293,785	292,681	371,483	307,397	139,786	142,868	145,858	148,926	151,242	154,271	157,196
Grampians Brook Acquisition: Access & Development	–	100,000	–	–	–	–	–	–	–	–	–
Renewal: Landcape Reserves Accessways and Tracks	–	87,120	122,273	178,053	145,133	241,011	56,013	146,386	290,457	76,853	264,743
Botanical Hill Drainage Upgrade (above Lauria Way)	–	20,000	102,200	–	–	–	–	–	–	–	–
Marina											
Capital: Minor Development	103,000	104,000	–	–	–	–	–	–	–	–	–
Marina Hardstand LOS Improvements	100,000	150,000	–	–	–	–	–	–	–	–	–
Water Sports Building	–	4,200,000	–	–	–	–	–	–	–	–	–
Travel Lift Renewal	1,600,760	2,508,020	–	–	–	–	–	–	–	–	–
Marina Master Plan Marine Centre	–	350,000	–	–	–	–	–	–	–	–	–
Marina Master Plan Marina Extension	50,000	250,004	–	–	–	–	–	–	–	–	–
Marina Public Promenade	–	2,025,000	–	–	–	–	–	–	–	–	–
Sports Parks											
Capital: Minor Development	153,000	11,276	242,062	42,561	11,423	11,675	11,919	12,170	12,413	118,670	12,902
Renewals: Services	49,455	200,000	53,206	209,300	62,828	218,840	65,557	228,120	68,274	237,340	70,962
Renewals: Access/Carparks	98,911	11,276	106,412	11,166	85,648	218,840	89,368	228,120	93,072	237,340	96,736
Sportsground Lighting Improvements	103,000	33,568	554,055	–	–	547,100	–	–	814,380	–	–
Capital: Trafalgar Park Stand Removal	–	–	185,058	–	–	–	–	–	–	–	–
Trafalgar Park Field Renewal	–	22,552	–	941,850	–	–	–	–	–	–	–
Trafalgar Park – Tower Lights Renewals	–	–	44,324	–	1,605,900	–	–	–	–	–	–
Rutherford Park – Saltwater Cr Path Landscaping	–	–	–	10,465	339,417	–	–	–	–	–	–
Rutherford Park Toilets	–	–	20,440	–	267,650	–	–	–	–	130,537	133,012
Nelson Surf Lifesaving Club Facility	–	200,000	1,533,000	1,569,750	–	–	–	–	–	–	–
Trafalgar Pavilion Photovoltaic Solar Installation	–	–	–	–	–	–	228,034	–	–	–	–
Esplanade & Foreshore Reserves											
Jenkins Stream (Pascoe to Airport)	–	–	–	–	–	32,826	33,513	684,360	–	–	–
Almond Tree Flats to Maitai Track Connection	–	50,000	64,139	–	509,125	–	–	–	–	–	–
Wakefield Quay Sea Wall Renewal	50,000	2,500	2,555	2,616	53,530	2,188,400	–	–	–	–	–
Wakapuaka Sandflats Esplanade Shared Path	10,000	–	–	–	10,706	325,716	–	–	–	–	–
Glen – Boulder Bank Pathway (P7)	–	10,000	–	126,075	–	–	–	–	–	–	–
Glenduan Reserve Wetland Development	–	247,989	–	–	–	–	–	–	–	–	–
LED Lighting Upgrade	–	–	–	–	–	–	–	51,397	52,424	113,886	–
Renewal: Esplanade & Foreshore Minor Assets	–	45,012	97,818	47,105	48,190	62,383	50,283	109,169	52,367	53,416	68,939

Summary of Capital Expenditure over $100,000 in any one year Parks and Active Recreation continued

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Trafalgar Centre											
Renewals: Minor Assets	112,758	112,758	115,239	118,001	281,309	254,684	148,304	151,424	154,451	157,544	160,531
Renewal: Mechanical Seating	–	15,000	–	–	–	382,970	–	–	–	–	241,840
Renewal: Basketball Hoops	–	–	81,760	–	–	–	178,736	–	–	–	–
Trafalgar Centre storage solution	30,000	–	–	–	10,706	583,778	–	–	–	–	–
Capital: HVAC	–	–	–	837,200	–	–	–	–	–	–	–
Northern Extension Exterior Tiles	–	–	153,300	–	–	–	–	–	–	–	–
Renewal: Sports Flooring Main Hall	–	–	–	52,325	–	–	–	570,300	349,020	–	–
Pools											
Renewals: Minor Assets	84,345	88,693	70,202	165,888	149,909	112,742	76,735	78,349	79,915	81,516	83,061
Riverside Pool Water Heating System Renewal	828,481	797,918	–	–	–	–	–	–	–	–	–
Capital – Riverside Pool Upgrades	–	150,000	30,660	523,250	32,118	656,520	33,513	2,281,200	34,902	118,670	36,276
Capital – Nayland Pool Upgrades	–	50,000	817,600	31,395	2,141,200	32,826	335,130	34,218	116,340	35,601	120,920
Play Facilities											
Playground Development Programme	216,640	38,563	258,559	37,823	277,304	39,547	296,076	41,224	308,348	42,890	320,486
City Play Space	–	–	613,200	–	–	–	–	–	–	–	–
Renewals: Play Equipment	108,207	150,498	117,019	342,729	319,574	129,991	133,940	323,474	124,484	287,063	90,690
Macrocarpa Play Structure	5,000	104,373	–	–	–	–	–	–	–	–	–
Golf Course											
Renewals: Services	38,457	40,917	17,286	17,700	428,240	27,761	18,895	19,292	19,678	20,072	20,452
Project under $100,000	5,708,074	1,793,507	1,761,762	1,731,048	2,032,743	1,790,398	1,634,611	1,566,993	1,739,119	1,535,672	1,725,977
Total Capital: Park Upgrades	**15,335,735**	**24,777,436**	**13,024,712**	**14,059,187**	**14,877,629**	**13,941,908**	**12,931,383**	**16,356,361**	**12,126,715**	**11,149,768**	**11,729,420**
Scope Adjustment	(2,247,065)	(2,427,553)	(1,249,287)	(1,351,660)	(1,432,409)	(1,337,724)	(1,235,535)	(1,576,880)	(1,152,742)	(1,053,849)	(1,110,601)
Total Parks & Active Recreation Less Scope Adjustment	**13,088,670**	**22,349,883**	**11,775,425**	**12,707,527**	**13,445,220**	**12,604,184**	**11,695,848**	**14,779,481**	**10,973,973**	**10,095,919**	**10,618,819**



Economic

Economic
Te Ohaoha

What we do

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

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

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

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

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

Why we do it

The wellbeing of Nelson's community is linked to the performance of the local economy and our goal is to ensure that Nelson is supported by an innovative and sustainable economy. Local people require training and skills development to be able to respond to the workforce requirements of the future. The region requires investment in infrastructure, skills and knowledge, technology and innovation to thrive. Attraction, and retention, of businesses, investment and people to our region is important in making the most of our natural resources, innovation and creativity.

Challenges

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

Council's priorities for the next three years

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

- Increasing the region's productivity by supporting investment in systems, infrastructure and people.
- Supporting the ongoing development of our blue economy cluster (Moananui).
- Maintaining strong collaborations with iwi, Tasman District Council, the Nelson Tasman Chamber of Commerce, Multicultural Nelson Tasman, tertiary education and relevant regionally based public agencies through participation in the Kōkiri Forum.
- Supporting our visitor economy by implementing the actions in the Nelson Tasman Destination Management Plan.

Specific projects/actions proposed

Supporting the Adam Chamber Music Festival

As the Adam Chamber Music Festival is an internationally recognised biennial event that brings significant economic benefit to Nelson, Council is including a line item in the Long Term Plan for funding certainty, replacing the need for the Festival to regularly apply for contestable events funding.

Funding for Sister City country relationships

Council has allocated continued funding to support Nelson's sister city relationships. Funding has been provided to support Nelson's existing sister city relationships, any future sister city relationships in the USA, Sister City Coordinating Group activity and for future reciprocal Council/Mayoral sister city visits.

Drivers of capital expenditure

Most of Council's expenditure on economic development is operational spending.

Assumptions

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

Risks

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

Significant negative effects

There are no significant negative effects from this activity.

Any intended changes to the level of service

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

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

Not applicable.

Community outcomes

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

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

Service levels, performance measures and targets

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

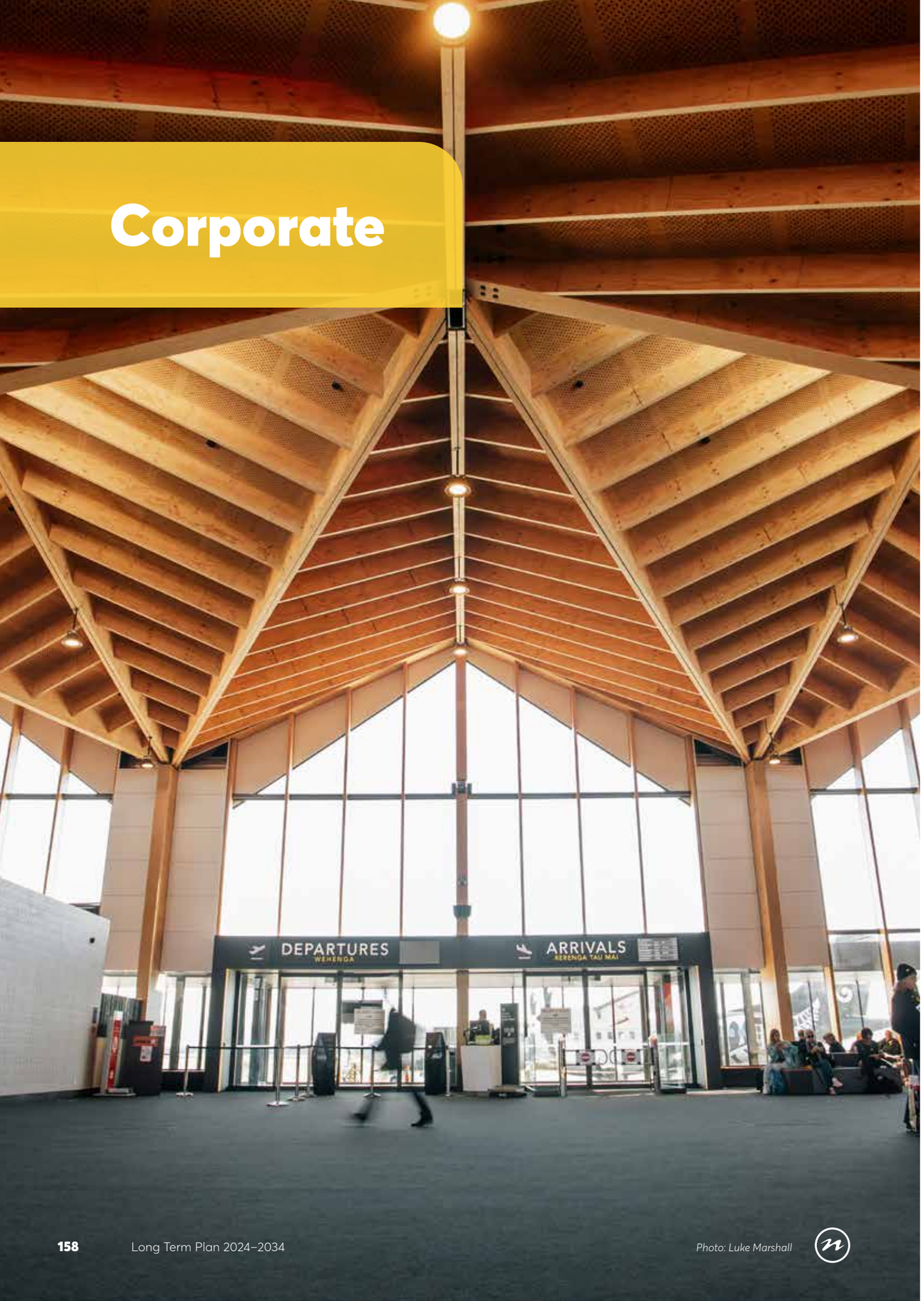
Funding impact statement

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	2,288	2,002	2,328	2,038	2,457	2,081	2,618	2,164	2,728	2,245	2,824
Targeted rates including water by meter	–	–	–	–	–	–	–	–	–	–	–
Subsidies and grants for operating purposes	325	336	359	366	373	380	388	396	404	412	420
Fees and charges	–	–	–	–	–	–	–	–	–	–	–
Interest and dividends from investments	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads recovered *	–	–	–	–	–	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–	–	–	–	–	–	–	–	–
Total Operating Funding	**2,613**	**2,338**	**2,686**	**2,404**	**2,830**	**2,462**	**3,006**	**2,560**	**3,132**	**2,657**	**3,244**
Applications of operating funding											
Payments to staff and suppliers	2,841	2,232	2,585	2,303	2,726	2,355	2,896	2,446	3,019	2,544	3,131
Finance costs	–	–	–	–	–	–	–	–	–	–	–
Internal charges and overheads applied *	84	104	99	99	103	105	108	111	111	111	111
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**2,924**	**2,336**	**2,685**	**2,402**	**2,828**	**2,460**	**3,005**	**2,558**	**3,130**	**2,655**	**3,242**
Surplus (Deficit) of operating funding	**(311)**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Sources of capital funding											
Subsidies and grants for capital	–	–	–	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in debt	311	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Gross proceeds from sale of assets	–	–	–	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**311**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	–	–	–	–	–	–	–	–	–	–	–
- to improve level of service	–	–	–	–	–	–	–	–	–	–	–
- to replace existing assets	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in reserves	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in investments	–	–	–	–	–	–	–	–	–	–	–
Total applications of capital funding	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus (Deficit) of capital funding	**311**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**(311)**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Subsidies and grants for capital expenditure	–	–	–	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Vested Assets	–	–	–	–	–	–	–	–	–	–	–
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Other non-cash income / Expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(313)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)



Corporate

Photo: Luke Marshall

Corporate
Te Rangapū

What we do

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

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

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

- Anchor building at 258 Wakefield Quay
- Former Four Seasons building at 250 Wakefield Quay
- Former Reliance Engineering building at 236 Wakefield Quay
- Zumo site at 42 Rutherford Street
- Former Hunting & Fishing building at 81 Achilles Avenue
- Four Seasons building at 105 Achilles Avenue
- 41 Halifax Street
- 25-27 Bridge Street
- 19 Halifax Street

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

Our current CCTOs are:

- Nelmac Ltd
- Infrastructure Holdings Ltd (IHL), which is the investment arm for Port Nelson and Nelson Airport. It is owned equally by Nelson City Council and Tasman District Council.

Our CCOs are:

- Nelson Regional Development Agency
- Tasman Bays Heritage Trust (Nelson Provincial Museum – 50% ownership with Tasman District Council)
- Bishop Suter Trust
- City of Nelson Civic Trust
- Nelson Marina Management Limited (recently established).

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

Why we do it

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

Council's support for civil defence emergency management helps our community become more resilient by preparing for hazards and risks. It also provides systems to help respond to and recover from hazard events.

Challenges

Civic Investment

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

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

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

Preparing the region for hazards

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

Council's earthquake prone buildings

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

Council's priorities for the next three years

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

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

Specific projects/actions proposed

Deconstruction of the building at 3 Halifax Street

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

Marina CCO proposal

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

General Emergency Fund

With the increasing frequency of weather events and the potential for an Alpine Fault 8 Earthquake, Council will replenish the General Emergency Fund by $17 million over the last four years of the Long Term Plan.

Buy-out of private properties affected by slips

Council has accepted the buy-out support offer from Central Government to share the costs of purchasing private properties that were impacted by slips during the August 2022 severe weather event. This includes up to $6 million from Central Government to cover 50% of the total cost of purchase of private properties, with Council allocating up to $6 million to cover the other 50%.

Drivers of capital expenditure

The following factors drive capital expenditure on corporate activities:

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

Assumptions

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

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

Risks

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

Significant negative effects

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

Any intended changes to the level of service

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

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

There is no material change to the cost of services.

Community outcomes

Council's corporate activity contributes to the following community outcomes:

- Our region is supported by an innovative and sustainable economy.
- Our communities are healthy, safe, inclusive and resilient.
- Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective and encourages community engagement.

Service levels, performance measures and targets

Community Outcomes	What Council will provide (Level of Service)	Performance Measure	Current Performance (2022/23 unless stated)	Targets Years 1-10			
Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective and encourages community engagement.	We provide a range of channels that enhance Council's ability to engage and connect with the communities it serves.	% of participants in Council engagements and consultation processes satisfied with the information provided and opportunity to provide feedback as measured by survey of stakeholders/ recent participants.	Compared against baseline - there was an increase in satisfaction of ease of feedback (18%) and options for feedback (25%), and a reduction in satisfaction of information provided (12.5%).	Maintain satisfaction levels from 2023/24 year.			
Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective and encourages community engagement.	We are strengthening our partnerships with Te Tauihu iwi and Māori and recognise the significance of their participation in decision-making processes.	Te Tauihu Mayors from Nelson City Council, Tasman District Council and Marlborough District Council met with eight iwi Chairs in March and June 2023 through the Te Tauihu Mayors and Chairs Forum.	Te Tauihu Mayors from Nelson City Council, Tasman District Council and Marlborough District Council met with eight iwi Chairs in March and June 2023 through the Te Tauihu Mayors and Chairs Forum.	An agreed collaborative work programme to implement the Partnership Agreement is developed and regularly reviewed and updated. Quarterly meetings of Te Tauihu iwi chairs and council mayors are held.			
Our communities are healthy, safe, inclusive and resilient. Our region is supported by an innovative and sustainable economy. Our unique natural environment is healthy and protected.	We will continue to respond to the challenge of climate change, working towards net zero carbon and a more resilient and sustainable future for Nelson.	Council will reduce greenhouse gas emissions from its own activities in line with the national emissions targets and budgets, as measured against the 2017/18 emissions (72,904 tCO2) using ISO 14064-1 as the basis of the measurement methodology.[24]	New measure.	Year 1: A reducing trend in Council's operational greenhouse gas emissions.[25]	Year 2: A reducing trend in Council's operational greenhouse gas emissions.	Year 3: A reducing trend in Council's operational greenhouse gas emissions.	Year 4-10: a reducing trend in Council's operational greenhouse gas emissions and a 21% reduction by 2030.

24. The emission sources included in this measure are selected based on Council's ability to influence any emission reductions and what information is available to Council to measure the emissions. The significant emission sources measured include: waste, electricity, diesel, petrol, air travel, LPG, paper use, fertilizer use, accommodation, taxi, refrigerants, and emissions from the Wastewater Treatment Plant (WWTP). This means potentially significant emission sources such as carbon embedded in capital goods (e.g. roading material) are not measured. This is a Council operations only measure and does not include emissions generated from the wider Group. For information on emissions generated from entities such as Nelson Airport Limited, Port Nelson Limited and NELMAC refer to their respective statement of intents and annual reports. This is a gross emission reduction measure and therefore does not take into consideration sequestration of carbon through forestry nor the use of offsets.

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

Funding impact statement

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	(1,649)	406	679	254	(478)	(284)	(417)	1,096	2,834	3,517	5,647
Targeted rates including water by meter	–	4,200	4,181	4,165	4,134	4,212	4,361	4,579	4,814	5,048	5,216
Subsidies and grants for operating purposes	337	660	398	380	388	391	386	397	416	426	438
Fees and charges	17	559	543	450	459	456	465	474	484	493	503
Interest and dividends from investments	3,621	3,395	4,300	4,409	4,534	4,786	5,425	5,601	5,731	5,853	5,971
Internal charges and overheads recovered *	10,973	15,714	15,645	16,629	18,398	20,885	24,530	26,847	27,874	28,875	29,841
Local authorities fuel tax, fines, infringement fees, and other receipts	3,149	3,021	4,109	4,912	5,966	6,474	7,411	9,449	10,796	11,478	11,974
Total Operating Funding	**16,449**	**27,956**	**29,855**	**31,198**	**33,402**	**36,919**	**42,160**	**48,444**	**52,948**	**55,689**	**59,590**
Applications of operating funding											
Payments to staff and suppliers	8,705	9,326	10,096	10,447	10,400	11,010	10,936	11,114	11,875	11,837	12,233
Finance costs	7,481	11,485	12,823	14,294	16,461	19,179	23,810	27,422	29,224	30,583	31,573
Internal charges and overheads applied *	1,365	2,647	2,597	2,390	2,397	2,423	2,770	3,284	3,029	2,633	2,174
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**17,551**	**23,458**	**25,516**	**27,131**	**29,258**	**32,613**	**37,517**	**41,820**	**44,128**	**45,052**	**45,980**
Surplus (Deficit) of operating funding	**(1,102)**	**4,498**	**4,339**	**4,067**	**4,144**	**4,307**	**4,643**	**6,624**	**8,820**	**10,637**	**13,610**
Sources of capital funding											
Subsidies and grants for capital	–	12,000	–	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in debt	2,917	(3,527)	(1,908)	4,049	415	20,157	39,725	7,465	(7,868)	(10,436)	(13,872)
Gross proceeds from sale of assets	–	3,750	4,590	–	–	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**2,917**	**12,223**	**2,682**	**4,049**	**415**	**20,157**	**39,725**	**7,465**	**(7,868)**	**(10,436)**	**(13,872)**
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	353	370	389	392	406	397	400	436	421	424	445
- to improve level of service	2,630	10,357	447	593	280	141	246	222	97	64	104
- to replace existing assets	3,127	3,567	1,458	1,958	1,791	6,796	16,437	1,717	869	1,063	753
Increase (decrease) in reserves	(1,470)	436	360	333	364	397	432	468	506	547	590
Increase (decrease) in investments	(2,826)	1,992	4,367	4,838	1,717	16,732	26,854	11,247	(941)	(1,897)	(2,153)
Total applications of capital funding	**1,814**	**16,721**	**7,021**	**8,115**	**4,558**	**24,463**	**44,368**	**14,090**	**953**	**201**	**(262)**
Surplus (Deficit) of capital funding	**1,102**	**(4,498)**	**(4,339)**	**(4,067)**	**(4,144)**	**(4,307)**	**(4,643)**	**(6,624)**	**(8,820)**	**(10,637)**	**(13,610)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

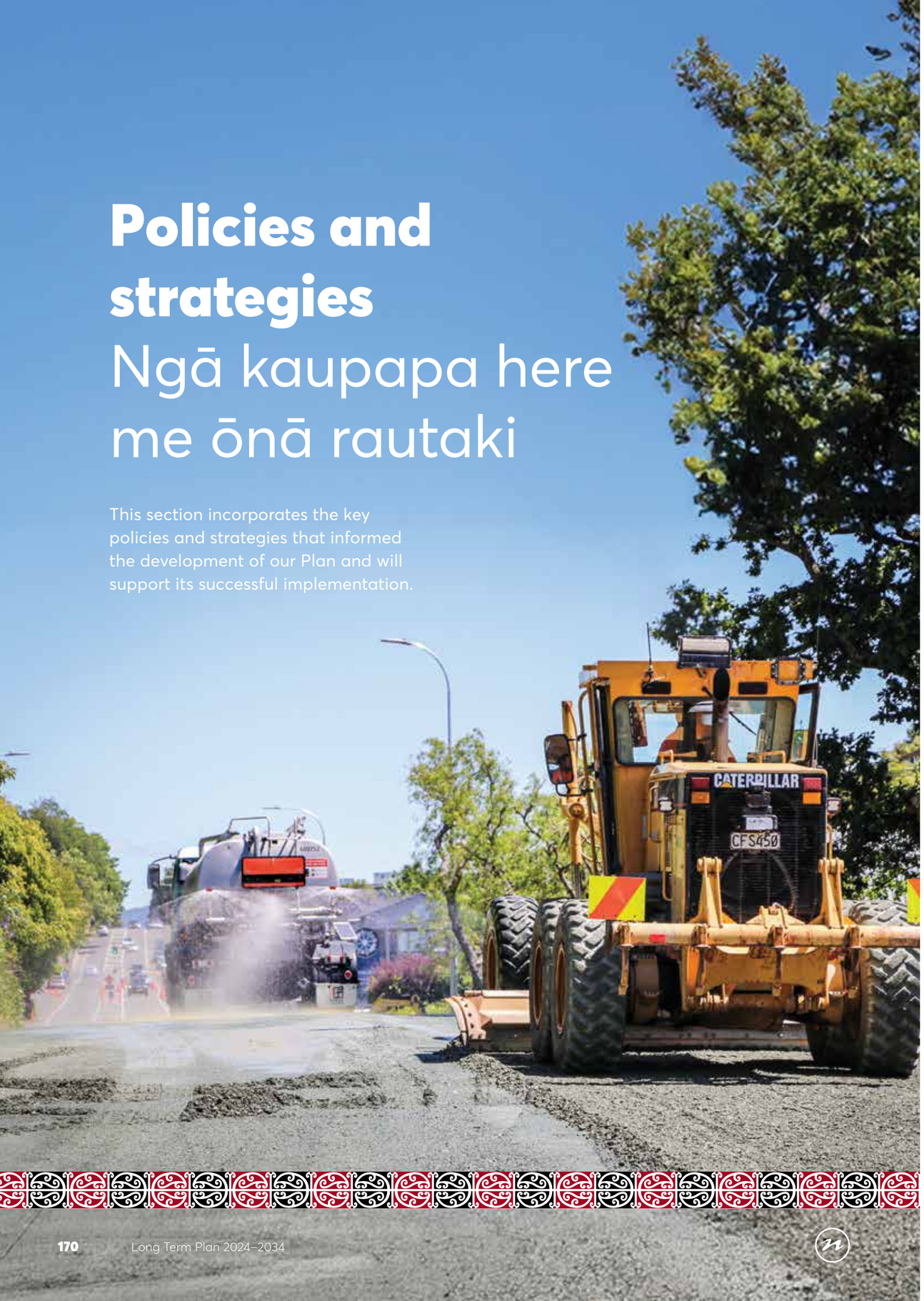
Reconciliation between the net surplus/(deficit) of operating funding in the Funding Impact Statement and the net surplus/(deficit) in the cost of service statement

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**(1,102)**	**4,498**	**4,339**	**4,067**	**4,144**	**4,307**	**4,643**	**6,624**	**8,820**	**10,637**	**13,610**
Subsidies and grants for capital expenditure	–	12,000	–	–	–	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–	–	–	–	–	–
Vested Assets	–	–	–	–	–	–	–	–	–	–	–
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(1,606)	(1,864)	(1,634)	(1,485)	(1,397)	(1,303)	(1,236)	(1,211)	(1,188)	(1,169)	(1,148)
Other non-cash income / Expenditure	(1,702)	(758)	468	469	469	470	470	470	471	471	472
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(4,411)**	**13,876**	**3,174**	**3,051**	**3,216**	**3,473**	**3,878**	**5,884**	**8,103**	**9,939**	**12,934**

*(Internal charges and overheads Applied and Internal charges and overheads recovered will net off to Zero across Council's 11 activities thus they do not appear in the Whole of Organisation FIS)

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

Project	Annual Plan 2023/24	Long Term Plan 2024/25	Long Term Plan 2025/26	Long Term Plan 2026/27	Long Term Plan 2027/28	Long Term Plan 2028/29	Long Term Plan 2029/30	Long Term Plan 2030/31	Long Term Plan 2031/32	Long Term Plan 2032/33	Long Term Plan 2033/34
	$	$	$	$	$	$	$	$	$	$	$
Corporate											
Civic House											
Civic House Refurbishment	901,476	–	–	–	–	5,908,680	16,755,715	–	–	–	–
Civic House Roof Cladding	–	711,124	–	–	–	–	–	–	–	–	–
Civic House Roof and Structure	650,632	646,130	–	–	–	–	–	–	–	–	–
Capital: Plant & Equipment: Renewals	–	20,000	20,440	20,930	267,650	21,884	22,342	22,812	23,268	23,734	24,184
Civic House Renewal Program	–	444,828	432,012	–	90,511	225,484	–	–	–	–	–
Civic House Ceiling Tiles	1,146,018	1,223,452	–	–	–	–	–	–	–	–	–
Chamber Sound System Upgrade	–	–	–	276,480	–	–	–	–	–	–	–
Integriti System Database Upgrade	2,642	26,420	22,141	2,765	113,139	2,891	2,951	3,013	–	–	–
Rental Properties											
Anchor building strengthening	–	44,226	267,968	–	–	–	–	–	–	–	–
Slip effected property purchases	–	9,339,700	–	–	–	–	–	–	–	–	–
Strategic Building Purchases	–	1,726,004	–	–	–	–	–	–	–	–	–
Administration											
Capital: Motor Vehicles	105,678	105,000	153,300	109,882	112,413	164,130	117,296	119,763	174,510	124,604	126,966
Computer Hardware – Client devices	110,000	110,000	97,203	1,491,262	101,825	104,070	106,248	1,215,247	110,651	112,867	115,007
Computer Hardware – Network Devices	45,103	45,103	46,096	–	181,079	185,070	–	51,327	52,353	200,692	54,414
Capital: Telephone System	–	–	–	–	–	115,633	–	–	–	–	–
IT Infrastructure Hosting Investigation	–	–	–	–	735,403	–	–	–	–	–	–
Asset Management System enhancements	100,000	100,000	28,810	29,500	113,139	30,845	31,874	32,545	33,195	124,604	34,462
Aerial Photography and LiDAR	89,826	89,826	120,963	94,003	18,102	129,509	100,345	19,286	137,699	106,803	19,347
EDRMS Replacement	–	–	–	–	–	–	649,291	–	–	–	–
Building Systems Upgrade	105,678	105,678	–	–	–	115,633	–	–	–	125,790	–
Core Systems enhancement	304,448	304,448	311,146	318,605	325,942	333,127	339,992	347,145	354,084	361,176	368,024
Meeting / Agenda / Action Mgmt System	105,678	105,678	–	–	–	–	118,053	–	–	–	–
IRIS Next Gen	122,707	–	238,775	204,068	–	–	–	–	–	–	–
Project under $100,000	3,223,198	713,969	788,659	701,152	672,275	788,506	713,464	801,090	632,714	521,300	678,797
Total Corporate	**7,013,084**	**15,861,586**	**2,527,513**	**3,248,647**	**2,731,478**	**8,125,462**	**18,957,571**	**2,612,228**	**1,518,474**	**1,701,570**	**1,421,201**
Scope Adjustment	(902,992)	(1,568,349)	(233,844)	(305,059)	(254,697)	(791,263)	(1,874,510)	(237,579)	(130,925)	(150,840)	(119,890)
Total Corporate Less Scope Adjustment	**6,110,092**	**14,293,237**	**2,293,669**	**2,943,588**	**2,476,781**	**7,334,199**	**17,083,061**	**2,374,649**	**1,387,549**	**1,550,730**	**1,301,311**



Policies and strategies
Ngā kaupapa here me ōnā rautaki

This section incorporates the key policies and strategies that informed the development of our Plan and will support its successful implementation.

Infrastructure Strategy 2024 – 2054
Rautaki Tūāpapa 2024–2054

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Executive summary

The purpose of an Infrastructure Strategy is to identify significant infrastructure issues during the period covered by the strategy (which needs to be at least 30 years), the principal options for managing those issues, and the implications of those options.

Part One of this strategy summarises how Council's strategic direction, which is driven by both local and national objectives, influences the provision of infrastructure.

Part Two discusses the specific issues Council needs to address related to water supply, wastewater, stormwater, flood protection, transport, and solid waste management, to achieve objectives related to:

- managing risks related to natural hazards and climate change
- maintaining, renewing, and upgrading infrastructure
- meeting the needs of growth
- maintaining and enhancing public health and safety outcomes, and the environment.

Part Two also includes options tables which estimate the cost of alternative options to address the issues. This includes the potential costs of failing to prepare for climate change impacts.

Part Three provides an overview of the financial implications of Council's proposed approach to infrastructure management.

A separate Infrastructure Strategy will be prepared for the Regional Landfill Business Unit and Nelson Regional Sewerage Business Unit which manages the Bell Island Wastewater Treatment Plant. It processes approximately half of Nelson's wastewater.

Recovery from August 2022 severe weather event

In August 2022, a severe weather event caused significant damage to both public and private property.

Flooding and numerous slips impacted Council's land, roading and piped infrastructure network, gravel build-up in rivers and streams has been significant. The scale and impact of the August 2022 severe weather event, and the February 2023 national emergency associated with Cyclone Gabrielle, show our climate is changing and that the impacts are becoming more frequent and severe. The events highlight the importance of preparing for, and adapting to, the effects of climate change and reinforce the priority Council has given to climate change response in the Long Term Plan and the work underway through the weather event recovery to build back better and more resilient.

The full recovery work programme is expected to take until 2028 to complete. This timeframe is driven primarily by the need to build back better and more resilient. However, other factors are also influencing the programme, including consultant and contractor availability, supply and transport issues driven by continued COVID-19 and Cyclone Gabrielle impacts.

The total estimated cost of the recovery is $87.2 million, with some of this to be paid for by insurance and central government. That leaves about $60 million for us to pay.

Council is having to borrow to fund the recovery costs. To repay the loans, we are proposing a uniform targeted rate of $300 (incl GST) which will apply to all separately used or inhabited parts of a rating unit (SUIP) in Nelson. We think this is the most transparent way to pay for the recovery. We need to pay this off over a relatively short period because we expect more natural disasters and intense storm events to come our way in the future. But paying off this debt faster means higher costs in the short term.

Council considers debt funding recovery work is appropriate to keep rates increases lower for its community. Council is aware of the impacts of rates increases, particularly when households are facing escalations in their cost of living due to higher-than-expected inflation rate.

The frequency and impact of severe weather events may impact central government funding and NZ Transport Agency Waka Kotahi opportunities for Nelson, which may mean a higher reliance on rates to cover the costs of recovery from future weather events.

Transport – Te Ikiiki

Strategic changes related to transport include:

- Triennial amendments to the Government Policy Statement on Land Transport.
- Increasing commitments at a national and local level to climate change adaptation and mitigation targets.
- Implementation of the Nelson Future Access Strategy to address capacity constraints on Nelson's transport network that impact on the city's ability to accommodate growth and intensification.

Significant transport issues considered in this Infrastructure Strategy include:

- Amendments to the Government Policy Statement on Land Transport.
- Increasing commitments at a national and local level to climate change adaptation and mitigation targets.
- Implementation of the Nelson Future Access Strategy to address capacity constraints on Nelson's transport network that impact on the city's ability to accommodate growth and intensification.

The transport network is critical to enable all other utilities to get up and running following natural hazard events, by enabling essential service vehicles to access affected areas, issues include:

- Incomplete data on the roading network assets.

The current transport system is in a highly constrained geographic environment, with hills on one side and the Tasman Sea on the other, issues include:

- The growing demand for travel is being squeezed along historical corridors that must function as 'all things to all users'.
- When and where and how to safety accommodate increased demand on the transport network to provide for urban intensification and growth.
- Increasing demand for alternative transport options on the existing road network.
- Public transport services and facilities.
- Reduced capacity and resilience due to more intense storms and sea level rise projected with climate change.
- Damage to road assets from natural hazards. Recovery from the August 2022 will extend over the first several years of this Infrastructure Strategy. Resilience issues identified by these floods will inform future asset renewals and upgrades.
- Managing road water run off to the stormwater network to meet new freshwater quality objectives and standards set under future freshwater plans drafted to meet the National Policy Statement for Freshwater Management (NPS-FM), and the National Environmental Standard for Freshwater Management (NES-FM).
- Use of road corridors to implement the Urban Greening Strategy.

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Water Supply – Te Ratonga Wai

Strategic changes related to the water supply include:

- The increasing potential for extended periods of dry weather as a result of climate change, affecting water security.
- The need to meet the requirements of the National Policy Statement for Freshwater Management and National Environmental Standards and comply with the 2017 and 2019 water supply resource consent conditions.
- The new Government has repealed the previous government's water services entities legislation and will instead implement a new plan for water services over the next two years. In anticipation of this Nelson City Council has prepared activity management plans and this Infrastructure Strategy based on the activity remaining in Council ownership and control.
- Nelson's water supply catchments have capacity to meet water demands well into the latter part of the century. However, there are constraints in some areas of the city reticulation that impact on the city's ability to accommodate growth and intensification. This is particularly the case in the Maitai Valley, south Nelson and parts of the inner city.

Significant water supply issues considered in this Infrastructure Strategy include:

- The older piped water reticulation network which is at risk of damage during earthquakes and flood events.
- Water supply assets are starting to show signs of age, resulting in increased failures. Due to a greater proportion of the network reaching the end of its design life, a significant length of watermains will need to be renewed within the next 30–50 years.
- Levels of service for water supply will reduce unless assets are maintained, renewed, and upgraded in a timely fashion.
- 20–25% of water supplied is not able to be accounted for in the water supply. This due to a combination of water being lost as it travels through the pipes, water meters reading over and difficulties estimating volumes lost through pipe breaks.
- Being able to access water from the Maitai Dam increases the resilience of the water supply network. The presence of Lindavia intermedia in the Maitai Dam Lake is being investigated to ensure that any future impacts on the Water Treatment Plant processing system are managed by the plant operators.
- Deposits in cast-iron pipes are discolouring the water supply received by some customers.
- Improving the quality of water discharges from the Maitai Dam into the Maitai River to avoid impacts on the downstream environment.
- Meeting Government requirements for fluoride in the water supply.

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Wastewater – Te Para Wai

Strategic changes related to wastewater include:

- In the long term the need to consider relocation of the Nelson Wastewater Treatment Plant (NWWTP) considering the impacts of climate change and cultural values including any regional approach/philosophy, agreed with iwi partners, to dealing with the region's wastewater.
- In the short term the renewal of the resource consents for the operation of the NWWTP for a period up to 35 years that will be decided through the consenting process.
- The renewal of the Atawhai rising main – a significant, aged lifeline asset that takes half of Nelson's wastewater to the NWWTP.
- The new Government has repealed the previous government's water services entities legislation and will instead implement a new plan for water services over the next two years. In anticipation of this Nelson City Council has prepared activity management plans and this Infrastructure Strategy based on the activity remaining in Council ownership and control.
- The need to manage, reduce and mitigate wastewater greenhouse gas emissions in line with new climate change legislation and targets.
- Nelson's wastewater network has capacity constraints that impact on the city's ability to accommodate intensification and growth.

Significant wastewater issues considered in this Infrastructure Strategy include:

- The impact of climate change and new requirements for wastewater discharges on the long-term viability of the NWWTP's current location and treatment processes/ disposal routes.
- The desire of iwi partners to eliminate or minimise discharge of treated wastewater to water noting that the magnitude of a change of this kind is significant and will take decades as opposed to years to give effect to.
- Planned levels of service for wastewater will not be met unless assets are maintained, renewed, and upgraded.
- Inflow and infiltration cause overflows from the wastewater network.
- Failures of the Atawhai rising main could result in untreated wastewater discharges directly into Nelson Haven.
- Nelson's wastewater network has capacity constraints that impact on the city's ability to accommodate growth and intensification.

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Stormwater – Te Wai Āwhā

Strategic changes related to stormwater include:

- The Affordable Water Reforms (previously Three Waters Reform) required a separation of the stormwater and flood protection functions and assets that were previously covered under a single activity management plan. These have now been split into two separate activity management plans.
- The new Government has repealed the previous government's water services entities legislation and will instead implement a new plan for water services over the next two years. In anticipation of this Nelson City Council has prepared activity management plans and this Infrastructure Strategy based on the activity remaining in Council ownership and control.

- Through the Long Term Plan 2024–2034 consultation process Council decided, with respect to stormwater and flood protection rating arrangements, to split the previously combined rate into separate stormwater and flood protection targeted rates. The stormwater rate is a uniform charge, whereas the flood protection rate is based on land value. The rating area for stormwater excludes properties within the rural zone. The flood protection rate coverage was extended to cover the whole Nelson City area (excluding Saxton Island ratepayers and Council's stormwater utility assessments).
- Recovery from the August 2022 flood event is on-going. The recovery programme is due to extend from 2022/23 to 2027/28.

Significant stormwater issues considered in this Infrastructure Strategy include:

- Unless additional capacity is allowed for, the level of service provided by existing stormwater assets will progressively reduce over time due to more intense storm events and sea level rise projected with climate change.
- Damage to the stormwater network from natural hazards.
- Planned levels of service for stormwater will not be met unless assets are maintained, renewed and upgraded.
- Management of increased stormwater flows associated with urban intensification and growth.
- Meeting new freshwater quality objectives and standards set under future freshwater plans drafted to meet the National Policy Statement for Freshwater Management (NPS-FM), and the National Environmental Standard for Freshwater Management (NES-FM). Council will need to see what changes (if any) the government will make to these.

» Find out more on page 234

Flood Protection – Te Ārai Waipuke

Strategic changes related to the flood protection activity include:

- The RMA reforms are expected to include new direction on how existing and future development is managed in floodplains and low-lying coastal areas. The flood protection activity needs to be considered within the wider context of adaptive pathways planning for these areas.
- The new Government has repealed the previous government's water services entities legislation and will instead implement a new plan for water services over the next two years. In anticipation of this Nelson City Council has prepared activity management plans and this Infrastructure Strategy based on the activity remaining in Council ownership and control.
- Recovery from the August 2022 flood event is on-going. The recovery programme is due to extend from 2022/23 to 2027/28.

Significant flood protection issues considered in this Infrastructure Strategy include:

- Unless additional capacity is allowed for, the level of service provided by existing flood protection assets will progressively reduce over time due to more intense storms and sea level rise projected with climate change.
- Damage to flood protection assets from natural hazards: Recovery from the August 2022 flood event will extend over the first several years of this Infrastructure Strategy and will include a significant programme of works to repair, reinstate and upgrade assets.
- The risk of flood protection asset failures will increase over time unless assets are maintained, renewed, upgraded and adapted (eg. Nature-based solutions).
- Responding to new freshwater objectives and standards set under future freshwater plans drafted to meet the National Policy Statement for Freshwater Management (NPS-FM), and the National Environmental Standard for Freshwater Management (NES-FM).

» Find out more on page 246

Solid Waste – Ngā Para Totoka

Strategic changes related to solid waste include:

- The introduction of mandatory construction and demolition waste reduction.
- Introducing Council-led management of commodities in line with a container return scheme, and legislation relating to performance standards and recycling collection methodology.
- Developing commitments to reducing operational greenhouse gas emissions as part of a transition to a low carbon society.
- Direct engagement with commercial waste providers and builders to achieve coordinated waste minimisation.
- Direct engagement with industry to support both voluntary and mandatory product stewardship, including diversion of soft plastics and refrigerants.
- Developing strategies for the increasing requirements of protecting the environment from outputs from closed landfills and waste related to weather events.

Significant solid waste issues considered in this Infrastructure Strategy include:

- Meeting Council's legislative obligations to reduce greenhouse gas emissions, as well as cost-effectively diverting waste from landfill, and using these decisions to proactively contribute to a low carbon future.
- 'Te Rautaki Para – the New Zealand Waste Strategy – was updated and released in March 2023. The new strategy aligns more closely to action on climate change and signals new directions around improving recovery of resources and moving to a circular economy model, for example creating solutions for 'reuse' rather than 'recycle'.
- The effects of the increases in the cost of disposal due to the cost of emission units.
- Meeting services within a changing transport and roading infrastructure.
- Commodity value of recovered recyclables.
- Unpredictable timetable for the introduction of legislation and central government schemes.
- Expectation to extending the range of council infrastructure and services used to divert and recover waste.
- Where economically and operationally practical (and subject to a business case) the introduction of Council-led diversion of organic materials such as kitchenwaste, where this will reduce emissions and assist Council to meet emission ambitions.
- Increased requirement for management of waste related to weather and other natural disaster events.

» Find out more on page 257

Financial implications – most likely scenario

Infrastructure costs for the next 30 years are shown in the graph below. These estimates are based on the likely options outlined in this strategy and the work programmes included in the 2024–2034 Activity Management Plans.

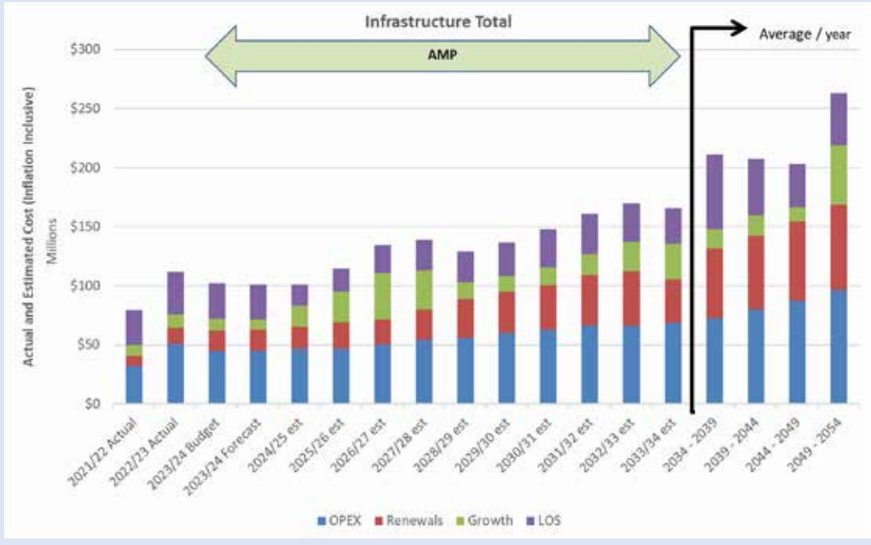


Figure ES1: Financial implications – most likely scenario graph

Part One: Strategic direction

Background

Nelson's unique coastal location and its identity attracts residents, businesses, investment, and visitors. Climate change, ageing infrastructure, development to meet the needs of an increasing population and the need to improve environmental outcomes will require changes to how Council provides infrastructure services. This strategy identifies innovative and effective ways to meet the future needs of the community.

Purpose of Infrastructure Strategy

The purpose of this Infrastructure Strategy is to identify significant infrastructure issues during the period covered by the strategy (which needs to be at least 30 years), the principal options for managing those issues, and the implications of those options.

Section 101B of the Local Government Act requires Council to outline how it intends to manage its infrastructure assets, considering the need to:

- renew or replace existing assets; and
- respond to growth or decline in the demand for services reliant on those assets; and
- allow for planned increases or decreases in levels of service provided through those assets; and
- maintain or improve public health and environmental outcomes or mitigate adverse effects on them; and
- provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.

The Infrastructure Strategy must also outline the most likely scenario for the management of the local authority's infrastructure assets of water supply, wastewater, stormwater, flood protection, transport and solid waste over the period of the strategy.

Structure and scope of this strategy

Part One of this strategy summarises how Council's strategic direction, which is driven by both local and national objectives, influences the provision of infrastructure.

Part Two discusses the specific issues Council needs to address related to water supply, wastewater, stormwater and flood protection, transport and solid waste management, in order to achieve objectives related to:

- Managing risks related to natural hazards and climate change
- Maintaining, renewing, and upgrading infrastructure
- Meeting the needs of growth
- Maintaining and enhancing public health and safety outcomes, and the environment.

Part Two also includes options tables which estimate the cost of both preferred and alternative options to address the issues. This includes the potential costs of failing to prepare for climate change impacts.

Part Three provides an overview of the financial implications of Council's proposed approach to infrastructure management.

Public and active transport and solid waste services are included in this strategy, in addition to the activities which the Local Government Act requires councils to include – water supply, sewerage, stormwater and flood protection as well as roads and footpaths.

The Nelson Tasman Regional Business Units manage infrastructure on behalf of both the Tasman and Nelson Councils (York Valley Landfill and Eves Valley with respect to landfill and Bell Island with respect to wastewater). These are reported separately to their own boards and to both Councils.

Implementation of the strategy

Effective implementation of this Infrastructure Strategy relies on good information flow and alignment between three different levels:

- Strategic documents (10–30 years) including the Infrastructure, Financial Strategy, Nelson Tasman Future Development Strategy 2022 (FDS), and the Nelson Plan
- Tactical plans (1–10 years) including the Long Term Plan, activity management plans, the Intensification Action Plan, the operative Nelson Resource Management Plan
- Operational activities (year to year) including work programmes and service delivery contracts.

Good levels of service statements and effective performance monitoring are key to aligning outcomes at each of these levels.

Infrastructure projects are spread over three to five years, depending on their complexity. Council has been able to increase the number of projects it delivers, and continues a commitment to month on month, year on year improvements in the delivery of capital projects. This reflects that the level of project management maturity is increasing, and that Council's delivery model has most of the technical component of the work delivered by consultants who have access to more staff. As Council's project managers become increasingly skilled, they can increase the number of projects they deliver, this has been seen over the last few years and continues.

Council's processes, procedures and procurement strategies are improving and becoming more streamlined, which also increases delivery capacity.

Strategic direction

- Overview
  - » Our vision for Whakatū Nelson is a creative, prosperous, and innovative city. Our community is inclusive, resilient, and connected – we care for each other and our environment.
- Council has set priorities as:
  - » Support our communities to be prosperous, connected and inclusive
  - » Transform our city and commercial centres to be thriving, accessible and people-focused
  - » Foster a healthy environment and a climate resilient, low-emissions community.
- Iwi partnership
- Council's approach to community engagement
- Financial Strategy
- Climate change
- Future development (including intensification)
- Resource management
- Legislative changes, Government Policy Statements, and proposals.

Overview

Many changes have occurred since the previous Infrastructure Strategy was adopted in 2021. This section of the Infrastructure Strategy outlines how the following changes affect infrastructure management in Nelson.

Additional strategic direction at a government level that affects infrastructure management includes:

- The Government's Climate Change targets of zero net emissions by 2050 (excluding methane) and a series of emissions budgets to meet these targets (the first three of which were set in 2022).
- The National Adaptation Plan and Emissions Reduction Plan which contain objectives and policies to reduce embodied and operational emissions from infrastructure and reduce exposure to climate change risks.
- A Government Policy Statement on Land Transport has been adopted with a strong focus on safety, multi modal transport systems and emission reductions.
- NZ Transport Agency Waka Kotahi Road to Zero Programme plans for zero deaths or serious injury crashes on the road network by 2050.
- A new National Policy Statement on Urban Development with additional requirements to meet the needs of communities and encourage well-functioning, liveable urban environments.
- The new agency – Taumata Arowai to administer and enforce a new drinking water regulatory system and improve the environmental performance of wastewater and stormwater networks.
- The National Policy Statement for Freshwater Management 2020 with higher freshwater quality standards.
- The Government review into the future of local government. The review includes, but is not limited to, roles and functions of local government, as well as representation, governance, funding, and financing.
- The Resource Management Act Reform will result in changes to the Resource Management Act 1991.
- A National Policy Statement for Indigenous Biodiversity is under development.
- A proposed increase to the landfill levy has been confirmed.
- In addition, new Nelson City Council strategies and plans include:
  - The Nelson Tasman Future Development Strategy 2022
  - Waka Kotahi Nelson Future Access Study 2021
  - Te Ara ō Whakatū – City Centre Spatial Plan 2021
  - E Tu Whakatū – walking and cycling strategy 2022
  - Parking Strategy 2022
  - Draft Urban Greening Strategy 2022
  - Nelson Tasman Speed Management Plan 2024
  - Traffic and Parking Bylaw 2023
  - Regional Public Transport Plan (updated 2024)
  - Regional Land Transport Plan (Mid term review 2024–34).

The Vision

Our vision for Whakatū Nelson is a creative, prosperous, and innovative city. Our community is inclusive, resilient, and connected – we care for each other and our environment.

Specific examples of how the Vision relates to infrastructure management include:

- Encouraging the shift towards a more active and sustainable transport culture.
- Investing in infrastructure to support intensification of residential areas.
- Increasing research and preparedness to adapt new methodologies and materials which deliver innovative solutions.
- Prioritise low emissions infrastructure and nature-based solutions in the delivery of projects and services.
- Consider of climate change impacts in the location, design and operation of our infrastructure.
- Sufficient appropriately zoned land to accommodate growth and enable affordable housing in accordance with the Future Development Strategy.

Council priorities

In implementing the three priorities for the 2024–34 period, Council will be paying particular attention to projects that deliver multiple benefits.

- Support our communities to be prosperous, connected and inclusive.
- Transform our city and commercial centres to be thriving, accessible and people-focused.
- Foster a healthy environment and a climate resilient, low-emissions community.

Resilient infrastructure

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

Environment

Nelson's stunning natural environment is treasured by residents and visitors alike – it is part of what makes Nelson an extraordinary place. A healthy environment is essential to our health and wellbeing, and we all have a duty to care for it. The challenge of climate change and the desired freshwater outcomes for streams, for making the city greener, healthier, and more resilient using the concept of urban greening.

City Centre development

The activation and revitalisation of our City Centre is focused around Six Key Moves that Council has developed to address the significant transformative opportunities in Nelson City: Destination Nelson, Walkable Nelson, Blue-Green Heart, Smart Development, Liveable Centre, and Clever Business. That transformation will be guided by the spatial plan Te Ara ō Whakatū that defines 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 creative, prosperous, and innovative city allowing our community to be inclusive, resilient, and connected Housing affordability and intensification.

Housing

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

Creating a sustainable transport culture

The community is demanding better facilities to safely transition to more sustainable modes – choosing active transport (including walking, cycling, skateboarding, riding scooters), and public transport more often for their journeys. Catering for this demand support social and environmental wellbeing and reduce the City's greenhouse gas emissions, fostering a healthy environment and a climate resilient, low-emissions community.

Iwi partnership

The Council recognises Ngāti Koata, Ngāti Rārua, Ngāti Tama, Te Ātiawa, Ngāti Toa and Ngāti Kuia as Tangata Whenua. The Council also recognises the traditional customary association and statutory acknowledgements of Ngāti Apa ki te Rā Tō and Rangitāne ki Wairau within the Whakatū region, as acknowledged through Treaty Settlements.

Council is committed to strengthening partnerships with iwi and Māori of Te Tauihu, and providing opportunities for Māori involvement in Council decision-making processes in a meaningful way.

Council's approach to community engagement

Council is continuing its focus on working closely with the community when planning, designing, and implementing projects. This means staff will take a proactive, best practice approach to engagement, including the development of communications and engagement plans during the initiation stage of new projects, and aims to introduce more pre-project engagement, in particular for transport cycleway projects. Engagement and Communications teams aid the infrastructure project managers and members of the community to engage with Council about upcoming and current infrastructure projects. Translation tools enable residents to follow projects in their respective language.

Council recognises that not everyone wants to use digital communication methods. Multiple communication channels are used including printed publications (Our Nelson, letter box drops) or face to face (public meetings). Engagement will be included in all stages of projects where feedback can help shape the project. Post project engagement reviews will be undertaken to inform future projects.

More consultation and engagement results in slower progress initially, but once agreements are made the projects are more robust. It enables Council to identify the right solution at the right time and right place, with support from the majority of the community, and why cycleways are especially highlighted for pre-project engagement.

Key stakeholders

Council works alongside a variety of stakeholders and partners to share knowledge and views, make the most of resources, and achieve shared goals. Key stakeholders are identified at project initiation stage. These stakeholders include Iwi, organisations focused on community development, arts, sport, recreation, environment and transport, other territorial authorities (particularly Tasman and Marlborough District Councils), other road controlling authorities (NZTA Waka Kotahi – state highways,) health bodies, NMIT, central government agencies, suppliers, businesses and residents' associations.

Financial Strategy summary

This Infrastructure Strategy is aligned with Council's Financial Strategy. The Financial Strategy 2024–2034 demonstrates how Council will:

- Ensure that the level of rates and borrowing are financially sustainable and are kept within pre-set limits
- Fund delivery of the work programme, including network infrastructure, and deliver the levels of service in the Long Term Plan.

Over the next 10 years, we will support our community's wellbeing through transforming our city centre, fostering a healthy environment and climate resilience, and continuing recovery from the August 2022 severe weather event. We are also budgeting to make sure we have enough infrastructure in place so that houses can be built for the extra 5,000 people we expect to be living in Nelson in 10 years' time, bringing the population up to about 60,400.

Over recent years we have maintained relatively modest rates increases (including a 0% rise in 2020/2021) and kept our debt level to $168.9 million as at June 2023. That approach is unsustainable going forward. Council is facing a perfect storm, brought about by increasing interest rates, higher insurance costs, higher inflation costs, increases in the cost of depreciation after a revaluation of Council assets, population growth, the earthquake prone status of the current civic building, and costs associated with recovery from the August 2022 severe weather event.

Council's goal is to set affordable and predictable rates over the long term. To do this Council has had to strike a balance between providing levels of service that meet customer and legislative requirements, and the public's ability to pay for these services.

Council is budgeting carefully during this time of increasing costs. That has meant finding savings where we can, while continuing to pay for the essentials, including our roading network and water services pipes.

Proposed investments in services and assets

We are continuing to invest in the services and assets that make a real difference to our residents and our environment. Some examples of the specific benefits of this proposed investment for Council's infrastructure services and assets include:

- Recovery from the August 2022 severe weather event that has not only repaired damaged infrastructure but has included betterment (ie building back better) to provide resilience for future weather events that will offer some security with assets being less likely to fail in future severe weather events.
- The Bridge to Better infrastructure project in the inner city provides infrastructure capacity and resilience for increased city centre intensification and to revitalise Bridge Street. This project is also supported by central government funding.
- Extending the east-west cycle way link, estimated costs $4.9 million.
- Detailed design, consenting and construction of the Atawhai rising main between 2024-2033, estimated cost $58.8 million.
- The availability of land serviced, with infrastructure to support more intensive living in existing urban areas and some greenfields development, will enable housing development to keep pace with our increasing population.

Rates and debt limits

To fund Council's work, our annual rates revenue rises cap will remain at Local Government Cost Index (LGCI) plus 2.5% and an allowance for growth[26]. The rates rises are 8.2% plus $300 including GST per separately used or inhabited part of a rating unit for the Recovery targeted rate in 2024/25, and projected to be 6.5% in 2025/26, 4.7% in 2026/27 and average 3.7% for the remaining 7 years. Our debt cap has increased from a 175% debt to revenue ratio to a 200% debt to revenue ratio. The net debt level at 30 June 2025 is projected to be $252.3 million and to be $504.3 million by 30 June 2034.

Forecast capital and operating expenditure

The ten year forecast capital expenditure was $645 million (including inflation, excluding vested assets and the joint business units) in the Long Term Plan 2021–2031. This is proposed to increase to $1.062 billion in the Long Term Plan 2024-2034, of which $448 million is for renewals. Overall capital expenditure is proposed to increase by $417 million. This significant capital expenditure programme reflects the need to undertake renewals, meet growth needs and the greatly increased costs of doing the work.

The forecast operational expenditure is proposed to increase from $169.9 million in 2023/24 to $185.6 million in 2024/25, rising to $252.6 million at the end of the 10 year period in 2033/34.

General Emergency Fund

Due to the ongoing impacts of COVID over the last 4 years, including the 0% rates increase in 2020/21, the General Emergency Fund has a projected overdrawn balance at 30 June 2024 of $13.5 million. Council has decided to increase rates by an average additional 1% rates increase in the last four years of the LTP to repay the deficit in the General Emergency Fund and start to build up the Fund for future emergency events.

Extreme weather events are unpredictable but expected to increase due to climate change. Should an event occur while the Emergency Fund has insufficient funds, Council will need to borrow to cover the shortfall. Council may also reconsider, from time to time, the amount transferred to this Fund from rates, particularly if a significant event should occur.

Asset revaluations and depreciation

Council has seen very large infrastructure valuation increases during the last four years. At 30 June 2023, our assets were worth $2.4 billion, compared with $1.6 billion in 2019. It is not affordable for current ratepayers to fully fund the increased depreciation on the revaluations in one step, as it would add a further 9.3% onto rates in the 2024/25 year. Therefore, Council has chosen to phase in the depreciation funding over the 10 years of the Long Term Plan. Council plans to fully fund renewals through depreciation by 2034. This ensures that current users of infrastructure pay their fair share of the costs of wear and tear on our assets.

Our debt will still be well controlled, serviceable through our income streams and will keep interest payments manageable. Debt headroom will be available earlier in the Long Term Plan to respond to emergencies caused by natural disasters and, as noted above, Council is planning to start to repay and build up the General Emergency Fund later in 10 year period covered by the Long Term Plan.

Climate change

Climate change is our biggest global challenge and Council is committed to reducing carbon emissions and adapting to climate change impacts.

At a local level, Council has a key role to play by reducing its corporate emissions, supporting and providing leadership on mitigation actions across the community, and managing and reducing risk by helping Nelson to adapt to climate change effects, especially in relation to:

Sea level rise: sea level rise is a significant climate challenge for Nelson as a large proportion of its urban infrastructure is coastal or low lying. These areas will become more vulnerable to coastal inundation over time.

Heavy rainfall and flooding events: higher intensity rainfall events mean Nelson will experience more regular and extensive flooding from streams, rivers and stormwater overflows, which will increase the risk of landslips.

Droughts and high temperatures: with a warmer climate, the temperature of the water within our rivers and streams will increase and affect habitats. Droughts will result in a higher risk of fires.

26. For information on the growth and inflation assumptions Council has used to prepare the LTP and Financial Strategy, please refer to the Significant Forecasting Assumptions available on Council's website: **nelson.govt.nz**

Responding to climate change

Mitigation

Mitigation is about reducing greenhouse gas (GHG) emissions and enhancing carbon sinks (sequestration to remove greenhouse gases from the atmosphere). Council is committed to emissions reduction targets for its own activities in line with government targets:

- Net zero emissions of all GHGs other than biogenic methane by and beyond 2050
- 10% reduction below 2017 biogenic methane emissions by 2030
- 24–47% reduction below 2017 biogenic methane emissions by 2050.

Adaptation

Adaptation is the process of responding to current and future climate related impacts and risks. To manage these impacts and risks, Council is following the Ministry for the Environment guidance and is using the Dynamic Adaptive Pathways Planning (DAPP) approach. This means managing our assets in a way that makes them more resilient, or in some instances, it may mean moving those assets.

What Council is doing

How Council delivers its services will play a key role in meeting emissions reduction targets and building community resilience.

Acknowledging the need for urgent action, Council declared a climate emergency in May 2019. Council adopted Te Mahere Mahi a te Āhuarangi Climate Action Plan in 2021, which includes initial mitigation actions to reduce the Council's Carbon Footprint. This is a living document that will be updated with progress on actions completed and for new actions that are identified. We have funded some emission reduction opportunities within this LTP and will consider the implications of further actions required to meet our targets through future updates to the Climate Action Plan. Council does not plan to purchase offsets during the period of this LTP.

In 2022, Council also began developing a Climate Change Strategy, which will set the long-term direction and guide Council and community investment in climate action.

Council is working with Tasman District Council on a regional climate change risk assessment, which will build a comprehensive picture of how climate change will impact the region.

The impact climate change will have on infrastructure

The key climate change effects that are likely to impact Nelson are sea level rise, heavy rainfall, slips, flooding, drought, and extreme temperatures. These effects will have differing impacts on infrastructure. It is critical that new infrastructure is built to withstand future climate change and existing infrastructure is made more resilient, for example through upgrades or relocation. A summary of the key impacts climate change will have on infrastructure is included in this section. Further information on specific impacts is detailed within the various 2024–34 Infrastructure Activity Management Plans.

A Nelson Tasman Climate Change Risk Assessment is being developed. This assessment will provide a more comprehensive picture of climate change risks across Nelson and Tasman. A separate Nelson built environment exposure assessment has been undertaken for various coastal areas across a range of future sea level rise scenarios. This quantifies increasing exposure with increasing sea level for a range of assets and land use zones.

Sea level rise

Sea level rise is one of the biggest climate challenges for Nelson as a large proportion of our urban infrastructure is coastal or low lying. These areas will become more vulnerable to coastal inundation (flooding) as tides and storm surges extend further inland over time.

In 2019, LGNZ released two reports 'Vulnerable: the quantum of local government infrastructure exposed to sea level rise' and 'Exposed: Climate change and infrastructure'. These reports are based on information LGNZ requested in 2018 from most councils within New Zealand. This information included asset type, quantity, and replacement value of infrastructure assets that could be exposed to the impacts of varying sea level rise. These reports highlight that for 1.0m sea level rise (above Mean High Water Spring (MHWS), approximately $56m of Nelson infrastructure (three waters and roads) could be affected.

For the Nelson community, the main impacts will be the more regular inundation of areas around The Wood, lower lying streets within the CBD, and areas of Monaco and Tāhunanui.

Areas on the open coast that are more exposed to coastal swell such as Glenduan, state highway 6 – Wakefield Quay/ Rocks Road and Whakatū Drive,

Some of the key impacts this will have on infrastructure activities are as follows:

- Roads, including the state highway in low lying areas, will not always be accessible. Diverting traffic to alternative routes will increase congestion and asset deterioration on residential and arterial routes.
- Increased coastal erosion, because of sea-level rise, cyclones and storm surge, has the potential to damage roads, and other infrastructure assets located in vulnerable coastal areas.
- Over the long term, coastal inundation has the potential to affect the wastewater network and the Nelson Wastewater Treatment Plant, (NWWTP) potentially resulting in wastewater overflows and contaminants discharging into the receiving environment.

Other anticipated impacts include:

- The hydraulic flow capacity of watercourses and drains is anticipated to reduce within low lying areas as the outlets will be submerged more often. The culverted urban stream network has the potential to act as a conduit for sea level rise resulting in high tides potentially backflowing into lower lying areas of the city.
- Sea level rise has the potential to affect the Atawhai (closed) landfill in the long-term resulting in contaminants potentially discharging into the coastal marine environment.
- Increased risk of liquefaction to Council assets and urban areas generally due to higher water table in coastal areas.

Heavy rainfall and flooding events

Higher intensity rainfall events will result in an increase in surface water, stormwater, and stream flows, as well as causing slope instability/landslides. The implication for the community is that without measures to avoid or reduce these effects by Council, they may experience more regular and extensive land slips, flooding from streams, rivers, and stormwater overflows. The impacts this will have on Council infrastructure activities is as follows:

- Roads affected by flooding/slips will not be always accessible. Diverting traffic to alternative routes will increase congestion on residential and arterial routes (including state highway traffic onto local roads).
- Undersized road culverts increase the risk of flood waters over-topping, damaging the road network and resilience of lifeline routes and disrupting access, especially to rural communities.
- Slope instability/landslides, causing damage to infrastructure, is likely to occur.
- Water, wastewater pipelines, bridges, and culverts that cross streams and rivers are at risk of being damaged during high flow events.
- Increased rainfall intensity has the potential to increase the likelihood of sewer overflows contaminating the environment, from stormwater inflow and infiltration.
- Flooding has the potential to affect the wastewater network and the NWWTP potentially resulting in wastewater overflows and contaminants discharging into the receiving environment.
- The increase in storm rainfall intensity will result in higher sediment volumes entering the rivers, streams and drainage network which is expected to increase maintenance requirements as well as risks associated with blockages.
- Refuse and recycling materials is at a greater risk of entering the freshwater/coastal marine environment from flooding and storm events.

Drought and extreme temperatures

With a warmer climate, the community will be exposed to more extreme temperatures and longer and more severe droughts. This will also have a negative impact on the environment, particularly with our streams and rivers, including new biosecurity risks. The impact this will have on infrastructure activities is as follows:

- Increase in water supply abstraction from the rivers and reservoir due to increased demand. This will have an impact on the flows within the rivers and increase the likelihood of moving to water restrictions.
- Droughts are expected to become more regular and potentially more severe. This may result in the water restriction requirements for residential and commercial use becoming more severe than those at present.
- Droughts will increase the likelihood of forest fires within the river catchments. This will influence water quality, access to reserve areas and increased costs for the community if three water utilities are impacted.
- Increased temperatures of water off extensive areas of hot black road surfaces increases stream and river water temperatures.
- The temperature of the wastewater within our network will increase, which could lead to an increase in the gas, hydrogen sulphide. This would result in greater issues with odour and corrosion of susceptible assets (particularly those made of concrete).
- An increase in river temperature and a reduction of flow will have a negative impact on the stream health and biodiversity. Potential increase in aquatic weeds and algae as well as the emergence of new pest organisms that are better adapted to warmer temperatures. This has the potential to further reduce stream health, biodiversity, and hydraulic capacity.

Mitigation actions

Key projects that are featured within the Infrastructure Activity Management Plans that will contribute to the Council and community GHG reduction initiatives are:

Emissions reduction strategies

Implementing initiatives identified in the Energy Audits for water, wastewater, and stormwater activity. Wastewater, will focus on refining the measurement methodology developed at the NWWTP and identifying potential changes to processes that produce GHG emissions.

Most of the GHG emissions related to Solid Waste disposal produced at the landfill are managed by the Nelson Tasman Regional Landfill Business Unit (NTRLBU).

Solid waste, through the application of the Joint Waste Management and Minimisation Plan, is developing initiatives and programmes to reduce the production and disposal of waste such as rethink waste programme, construction and demolition waste reduction, and organic waste reduction.

Climate change adaptation – responding to the effects of climate change

The effects from climate change will vary depending on the activity, and so will the adaptation response. The LGNZ 2019 report 'Exposed: Climate Change and Infrastructure' provides guidance for Council particularly on the gathering of relevant, accurate and up to date information. This is to lead the way to better informed decisions around improving the long-term resilience of infrastructure.

Accurate data collection is critical to better understanding the exposure of infrastructure to climate changes hazards and to plan for impacts caused by climate change. These include both long term gradual impacts (stressors), as well as event-based changes/hazards, such as extreme weather events.

The delivery of the climate adaptation work programme sits outside the Infrastructure Strategy but will be critical to inform future infrastructure decisions.

Council-wide climate adaptation framework

To prepare for the impacts of climate change, Council is following the Dynamic Adaptive Pathways Planning (DAPP) process recommended in the Ministry for the Environment's *Coastal Hazards and Climate Change: Guidance for Local Government*. The DAPP process involves 10 steps centered around five key questions: what is happening; what matters most; what can we do about it; how can we implement the strategy; and how is it working?

The DAPP process assists Council and the community to identify different options for adaptation and assess these against various climate change scenarios. This process will help Council and the community with the management of change and adaptation to unavoidable climate change impacts. The intention of the adaptation framework is to provide for truly long-term planning (50 to 100+ years) and a transition toward 'adaptive planning' that allows for increasing flexibility in at-risk areas (or areas that may become exposed to risk in the future). Better understanding of trigger points, retreat locations, and adaptation options is expected to provide greater certainty for communities and allow for longer term infrastructure planning and investment.

Application of the DAPP process

Council released coastal inundation maps in 2020 and river and stream flooding maps in 2021 and engaged on these as part of the development of the draft Nelson Plan.

In June–August 2022, Council engaged with the community to provide information on sea-level rise and Maitai River flooding, and present on the types of adaptation options available. The purpose of the consultation was to find out what is important to the community to achieve through Nelson's adaptation response. In 2023, Council is continuing to identify and understand the community's values that may be impacted by climate change (step 3).

In accordance with direction from Council, staff are engaging with groups that were less represented during the community workshops in 2022, including iwi, youth, and young families. Council will consider the feedback from the community alongside direction in existing strategies, such as Te Tauihu Intergenerational Strategy and the Long Term Plan, to form proposed objectives for guiding Nelson's adaptation response.

In parallel, Nelson City Council and Tasman District Council are undertaking a joint Regional Climate Change Risk Assessment to build a comprehensive understanding of how climate change will impact the region (step 4). This risk assessment will build on existing natural hazards information to identify key climate change risks related to five key domains: human, natural environment, governance, economy and the built environment.

Council will develop location-specific adaptation options for Nelson (step 5) and these options will be evaluated and engaged on with the community in 2024/2025 (step 6).

Use of sea-level rise projections for planning

Dynamic Adaptive Pathways Planning is a long-term process, and some decisions will need to be made before a adaptation framework is in place.

In 2022, Ministry for the Environment released *Interim guidance on the use of new sea-level rise projections*. The updated projections reflect the latest sea-level rise scenarios from the Intergovernmental Panel on Climate Change (IPCC) and new localised information on changes in land levels around the coast, known as vertical land movement (VLM). **environment.govt.nz/publications/interim-guidance-on-the-use-of-new-sea-level-rise-projections/**

Strategies that infrastructure activities will be implementing in their relevant activity management plans are:

- Vulnerability Assessment Strategies – This considers combination of step 1 and 2 of the LGNZ climate change adaptation process. This involves:
  - » Data gathering (Environmental/ topographical and infrastructure)
  - » Establishing a collaborative process to explore values and objectives to guide the adaptive decision-making process
  - » Assessing the vulnerability and risk (potential likelihood and consequences).
- Adaptation strategies – This considers combination of step 3 and 4 of the LGNZ climate change adaptation process. This involves:
  - » Developing and understanding options / pathways for adaptation over the short, medium, and long term
  - » Developing adaptation plans, including options, timeframes, funding sources and responsibilities.

It is anticipated that future projects will be identified following the conclusion of these strategies and a placeholder for capital expenditure has been included within the 2024–34 Activity Management Plans for adaptation projects.

The Flood Projection Activity Management Plan is an activity that is critical to providing protection to Nelson City from the impacts of heavy rain and flooding, at least over the short to medium term. Key projects included within the flood projection activity that will provide protection to urban areas from the effects of stream and river flood overflows include:

- Maitai Flood Mitigation Project
- Brook Stream Catchment Improvements
- York Stream Upgrade
- Jenkins Creek Upgrade
- Poorman Valley Stream Upgrade.

These projects will form part of the Council-wide climate change adaptation framework as detailed in section 2.7.4.

Further information on specific projects relating to adaptation projects is detailed within the various 2024–34 Activity Management Plans.

Community engagement

Climate change is a significant issue facing Council. For Council to respond to future challenges, community engagement is required to understand the values of residents. This is expected to come from several Council activities as follows:

- Consultation for the Long Term Plan and Annual Plans (if required).
- Whakamahere Whakatū Nelson Plan consultation on natural hazards overlays (including flood maps) and provisions (Objectives, Policies, Rules, and Methods). While the Nelson Plan has been parked, engagement and consultation on these matters, in addition to new technical information, has informed Plan Change 29 – the Housing Plan change.
- Maitai flood management options: Consultation is to be undertaken in the first five years of this Strategy to inform a risk-based approach to identification and prioritisation of response options.
- Flood Management Plans: Consultation on flood protection in other catchments will be undertaken in subsequent years, starting with the Jenkins Creek and Poorman Valley Stream. These catchments have been prioritised based on the extent of flooding predicted, and the number of affected properties and structures.
- Working with adjoining road controlling authorities (Tasman District Council and NZTA Waka Kotahi) to provide a resilient transport network.
- Notification of resource consents where required, including for flood protection upgrades.
- Coastal Hazard Adaptation: Consultation is to be undertaken with the wider community on this significant issue.
- Publication of annual Council operational footprint to track reduction of greenhouse gas emissions against Council's baseline.
- Identification of greenhouse gas reduction initiatives for community emissions, such as in the transport and energy sectors, and the opportunity to influence the community to reduce these emissions through behaviour change and education.

Knowledge gaps

The following knowledge gaps have been identified. Further information on specific knowledge gaps is detailed within the various 2024 – 34 Infrastructure Activity Management Plans.

- A comprehensive risk exposure and vulnerability assessment of the impacts climate change will have on infrastructure assets.
- Assessment of the drainage capacity to accommodate flows predicted in flood models for the rural road network.
- A better understanding of adaptation responses required, and community priorities is needed to drive development of climate change adaptation options, and adaptive pathways planning.
- Data collection equipment and data visibility.
- Flow gauge stations are required on a number of streams where no recording is currently undertaken, for instance the Jenkins Creek, Poorman Valley Stream and streams in Atawhai and the Hillwood catchment.
- Stormwater network flows across the urban area, and how these may contribute to land instability issues, for instance on hillslopes.
- Groundwater levels, particularly in low-lying areas where a tidal signal is present.

Future Development Strategy

The Nelson Tasman Future Development Strategy 2022 (FDS) provides capacity for about 24,000 houses over the next 30 years in the combined urban environment.

In Nelson, the FDS identifies capacity for about 11,500 new dwellings, with 78% of this growth to be achieved by adding new housing into existing urban areas, and the remaining 22% expected to be through new greenfield expansions. This proportion reflects community feedback supporting growth through intensification of existing urban areas rather than expansion onto rural land.

Provision of intensification infrastructure is identified for the City Centre, Stoke and Nelson South, where higher density and mixed-use environments will see growth consolidated. Most of the new greenfield potential identified are within the Maitai, Marsden, and Ngawhatu valleys. Parts of Nelson Central are subject to flood risks and future intensification will be guided by the outcome of a Dynamic Adaptive Planning Pathways process, which is currently underway.

Implementation of intensification projects is more complex than traditional expansion. The Council does not have full control over the location or level of uptake of intensification or urban expansion opportunities, as this is largely dependent on decisions by individual landowners and/or developers. Where the Council can take a lead include:

- Identify priority areas in which to undertake this neighbourhood planning
- Lead investment in urban amenity and public transport to encourage growth in specific areas, such as the city centre
- Provide for wastewater reticulation, and treatment facilities that have capacity to service intensification.

Infrastructure underpins all development and having high-quality, reliable infrastructure provides certainty to developers that there is sufficient capacity in each intensification area and encourages development by achieving a coordinated plan for high-quality intensification development in agreed areas, and development of neighbourhood asset upgrade plans and refinement of infrastructure investment through the Long Term Plan process for the next thirty years. The role of high-quality public transport, safe walking and cycling options and access to suitable greenspaces also become more important in intensified neighbourhoods. This has led to a programme of reserves redevelopment in intensification areas, and the alignment of transport investment with intensification areas.

Resource management

The Nelson Resource Management Plan, Nelson Regional Policy Statement and the Nelson Air Quality Plan include objectives, policies, rules, and standards for managing effects from transport and infrastructure. The documents also control management of natural hazard risks, freshwater and coastal environments.

Council has paused the full review of the resource management plans, due primarily to the implications of the resource management law reforms underway. In the interim, plan changes relating to housing intensification, natural hazard management and freshwater are being prepared.

The plan change for housing is expected to implement the FDS by explicitly stating where new urban expansion can occur (Development Areas) and enables intensification through zoning (new High and Medium Density Residential Zones) and introduce rules relating to residential density.

Climate change and natural hazard provisions

Climate change

Plan Change 29 (the Housing Plan Change) is one of the early steps to recognise the potentially significant effects of climate change on Whakatū Nelson's natural and physical resources. Initially, the Plan Change limits opportunities for intensification in low lying areas. Subsequent plan changes will be required to increase the resilience of the community, including its regionally significant infrastructure.

Natural hazards

There is recognition within the Housing Plan Change that some of Whakatū Nelson's regionally significant infrastructure is in areas subject to natural hazards. The high-level approach of the plan change is to provide for the operation, maintenance and upgrading of regionally significant infrastructure that is in areas subject to natural hazards. Construction of new infrastructure in hazard areas should generally only occur if it is functionally or operationally required to locate in a hazard area, or there is no reasonable alternative. The infrastructure should also be designed, maintained, and managed to be resilient to the hazard event, and to avoid, remedy or mitigate any potential adverse effects.

Flood maps produced for Plan Change 29 – the Housing Plan Change take into consideration climate warming and sea level rise out to 2130. The effects of climate change that are shown in this mapping include the extent to which significant areas of the city would be more regularly and severely impacted by river and coastal flooding in future, particularly low-lying areas exposed to tidal inundation. Sea level rise projections have been taken from the latest SeaRise data and direction from the Ministry for the Environment guidance for Local Government. Allowances for future temperature warming, and the associated increases in storm rainfall intensity, are based on NIWA projections and statistical analysis of rainfall data.

Legislative changes, Government Policy Statements and proposals

Local Government Act 2002

The purpose of local government was amended by deleting references to good quality (efficient and effective) infrastructure, and reinstating promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Examples of how this directs Council's management of infrastructure are:

- environment, health, and safety outcomes are the transport priorities, above vehicle capacity outcomes
- freshwater improvement programme
- Urban Greening Strategy
- the need to consider the effects of climate change on infrastructure, with flow on effects for the four wellbeings.

Climate Change Response (Zero Carbon) Amendment Act

The Climate Change Response (Zero Carbon) Amendment Act 2019:

- sets a new domestic greenhouse gas emissions reduction target for New Zealand to reduce net emissions of all greenhouse gases (except biogenic methane4) to zero by 2050
- establishes a system of emissions budgets to act as steppingstones towards the long-term target
- requires the development of an emissions reduction plan for each budget period that sets out the policies and strategies for achieving the emissions budget
- establishes a new, independent Climate Change Commission to provide expert advice and monitoring to help keep successive governments on track to meeting long-term goals
- requires the Commission to prepare a national climate change risk assessment every six years
- requires the Government to develop a national adaptation plan that responds to the Commission's risk assessment.

Emission budgets and Aotearoa New Zealand's first emission reduction plan

In May 2022, the Government published New Zealand's first emissions reduction plan (mapped below), setting out the policies and strategies for how New Zealand will meet its first emissions budget and ultimately the 2050 targets.

These policies and strategies form a balanced strategic package with a mutually supportive and balanced mix of emissions pricing, well-targeted regulations, tailored sectoral policies, direct investment (public and private), innovation and mechanisms to meet climate targets, while supporting an equitable transition to a low-emissions economy.

Future emissions reduction plans will continue to build on these policies and strategies, and the mix of policy tools will change over time, responding to changing circumstances. The next emissions reduction plan for the 2026–30 period is to be published by the end of 2024.

Aotearoa New Zealand's first national adaptation plan

In August 2022, Aotearoa New Zealand released its first national adaptation plan 2022–28 in response the risks identified in the National Climate Change Risk Assessment 2020.

The emissions reduction plan and the national adaptation plan are both key strategies and are interlinked. For further details on adaptation, refer to chapter 6.

New Zealand Emissions Trading Scheme

The new government outlined in the "Blueprint for a Better Environment" report that it will take a technology-led approach to lower agricultural emissions by:

1. Giving farmers the tools they need to reduce emissions
2. Introducing fair and sustainable pricing of on-farm emissions by 2030
3. Limiting on farm conversions to forestry on high-quality land from 2024 to protect highly productive farm land.

Government Policy Statement on Land Transport

The Government Policy Statement on Land Transport (GPS) sets out the Government's priorities for expenditure from the National Land Transport Fund over the next 10 years. The new government has signalled it will be rewriting the Government Policy Statement on land transport (GPS 2024). The final is expected to be released in September / October 2024.

The past Government Policy Statement on Land Transport had a strong focus on safety, accessibility, resilient and liveable cities, the environment, mode neutrality, reducing dependency on vehicles, and recognising how the transport system can improve access to economic and social opportunities.

The GPS includes the Road to Zero programme target of 0 deaths and serious injury crashes on roads by 2050. The new government has signalled a safety focus on drinking and drugged drivers and less emphasis on speed reduction.

Future changes to the GPS could include more emphasis on network resilience following nationally significant flood events in multiple parts of the country in 2022 and 2023.

National Policy Statement on Urban Development

The National Policy Statement on Urban Development (NPS-UD) objectives are:

- Well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future.
- Planning decisions improve housing affordability by supporting competitive land and development markets.
- Regional policy statements and district plans enable more people to live in, and more business and community services to be in, areas of an urban environment near a city zone or other area with employment opportunities, areas well serviced by existing or planned public transport, areas with high housing demand.
- Urban environments that develop and change over time in response to the changing diverse and changing needs of people, communities, and future generations.
- Planning decisions relating to urban environments and FDS take into consideration the principles of the Treaty of Waitangi.
- Urban environment decisions are integrated with infrastructure planning and funding decisions, strategic over the medium and long term, responsive, particularly in relation to proposals that would supply significant development capacity.
- Councils to have robust and frequent updated information on their urban environments.
- Urban environments that support reductions in greenhouse gas emissions and are resilient to the current and future effects of climate change.

Local Water Done Well – central government's review of the previous Affordable Water Reforms (formerly Three Waters Review)

The Affordable Water Reforms (formerly Three Waters Review) was looking at how to improve the management of drinking water, stormwater, and wastewater (three waters) to address issues identified by the Havelock North Drinking Water Inquiry and improve overall management of our water resources.

The new Government has repealed the previous government's water services entities legislation and will instead implement a new plan for water services over the next two years. In anticipation of this Nelson City Council has prepared activity management plans and this Infrastructure Strategy based on the activities remaining in Council ownership and control.

Freshwater changes through the Action for Healthy Waterways Package

The Action for Healthy Waterways package includes amendments to the Resource Management Act, a new National Policy Statement for Freshwater Management (NPS-FM 2020), new regulations around the measurement and reporting of water takes, and new National Environmental Standards for Freshwater (NES-FM 2020). The NPS-FM 2020 is a full replacement of the National Policy Statement for Freshwater Management 2014 (as amended in 2017).

Key changes:

- Speed up the implementation of freshwater regulations through amendments to the RMA.
- Change the hierarchy of obligations towards water management, so that the priority is to maintain the health of the waterway (known as Te Mana o Te Wai).
- Strengthen and clarify the requirement to manage freshwater in a way that gives effect to Te Mana o te Wai.
- Set and clarify policy direction to bring our freshwater to a healthy state within a generation but start making immediate improvements so water quality improves within five years. Raise the bar on freshwater ecosystem health by introducing new attributes and requirements in the NPS-FM to protect threatened species and habitats.
- Support the delivery of safe drinking water through amending the National Environmental Standard for Sources of Human Drinking Water. This will involve Council both through resource management regulation and the operation of the network.

- Better manage stormwater and wastewater to stop things getting worse and improve freshwater health in a generation, through new regulations and potentially new legislation. This will also involve Council through resource management regulation and the operation of the networks.
- Increase Māori participation in water management.
- Improve farming practices where needed to stop things getting worse and improve freshwater health in a generation, through new National Environmental Standards for Freshwater and regulations.

Water supply implications

Amendments are proposed to the National Environmental Standards for Sources of Human Drinking Water (NES-DW).

In early 2022 the Government consulted on proposed amendments to the NES-DW to improve the protection of human drinking water sources.

The Ministry for the Environment has since revised proposals based on feedback received during consultation and engagement to:

Proposal 1: To map three categories of source water risk management area (SWRMA) – remains unchanged.

Proposal 2: To control activities within the different SWRMAs. The proposal is to retain the existing protections of the NES-DW and to introduce controls for specific high-risk activities within SWRMA 1 and 2.

Proposal 3: Extending the protections of the NES-DW to smaller registered drinking water supplies – will not be actioned. The Ministry now intends to keep the scope of the existing NES-DW, which provides protection to source water that serves 82 per cent of the population.

Work is now underway to draft these changes to the NES-DW.

Wastewater implications

The Government is proposing to require wastewater network operators to prepare a risk management plan, and to introduce a new National Environmental Standard for Wastewater (Wastewater NES). It is likely to require consent conditions to include:

- minimum treatment standards
- targets or limits on the volume and frequency of wet weather overflows (which is a challenge in the face of climate change impacts, particularly increased intensity of storms)
- methods for monitoring compliance
- approaches for incorporating culturally acceptable wastewater treatment processes.

Council's stormwater activities will need to contribute to achieving a reduction in wet weather overflows, through upgrades that reduce inflow and infiltration of stormwater into the wastewater network. Reductions of inflow and infiltration can be achieved by providing a stormwater network where there currently is not one or it is under capacity.

Stormwater implications

The Government proposes to require stormwater network operators to prepare a risk management plan (RMP). This is similar to the proposal for wastewater operators, but would address specific stormwater risks, including at a minimum:

- meeting stormwater discharge resource consents and/or permitted activity requirements.
- ensuring public health risks associated with stormwater are managed where community values exist, such as for recreation or mahinga kai.
- proactively managing the risk of flooding in and around buildings and habitable areas (which will be exacerbated by climate change).

Waste disposal levy

The Government has confirmed an increase in the landfill disposal levy. This will mean more money is available for waste minimisation initiatives at both a national and regional level. The broadening of the levy to other types of landfills will also influence how waste disposal occurs in future.

The government is also proposing to introduce product stewardship for a range of waste streams. Depending on how these programmes are delivered, this could have implications on cost of future delivery of services such as kerbside recycling.

Central Government review of local government

An independent review of local government has been undertaken with the final report released in June 2023. The review includes, but is not limited to, roles and functions of local government, as well as representation, governance, funding, and financing. Council considers that if any changes result from the recommendations this is not likely to be for several years.

Part Two: Issues and options

Transport – Te Ikiiki

Asset description

The Transport services and assets associated with this activity are primarily focused on connecting people and moving goods across Nelson safely, efficiently, and effectively. This includes the provision, operation, and maintenance of physical infrastructure on the road reserve such as for driving, parking, cycling, walking and amenity, as well as the provision of safety, traffic control and public transport services.

Infrastructure Objective 1: Increase resilience to natural hazards and climate change

One of the key findings of the Nelson Tasman Lifelines Project (2017) was that roads, bridges and retaining structures are vitally important to allow reinstatement of the other services the community needs to rebound from natural hazard events. If resources are stretched following an emergency, Council will follow the One Network Road Classification (ONRC) hierarchy when prioritizing which roads to open first. The road network gives access to the water supply, sewer, and stormwater networks as well as critical telecommunications and power reticulation. It also provides the means for accessing food and fuel, and for emergency services to be moved around the region, which is critical to enabling the community to respond and recover.

Climate change can influence the frequency and intensity of events or one-off emergencies. However, Council will also need to plan for slow onset change associated with climate change, such as increasing average temperatures and sea level rise. Trees and green spaces will become increasingly important for the contribution they make to adapting to the climate change impacts such as increasing temperatures and higher intensity rainfall, by providing shade to cool paved areas and limiting the rates of water run-off from roads, as well as adapting to demand changes in intensification areas.

Table T1: Summary of Transport assets

Asset	Quantity	
	Km	Units
Roads	272km (256km sealed and 16km unsealed)	–
Bridges (including footbridges)	–	98
Retaining walls	–	460 comprising 34,363m^2
Footpaths, walkways and cycleways	380km	–
Off street carpark areas	–	6 (1100 spaces)
Kerb and channel	464km	–
Culverts	50km	–
Sumps / drainage assets	–	6,591
Streetlights	–	5,351
Other transport assets include 33 bus shelters, 14 sets of traffic signals and 9 cameras, signs, 1 stock effluent disposal facility, 28 electronic signs and land for legal roads. Parks bridges are not included unless they are part of the transport network.		

Key risks to the transport network – earthquakes, slips and flooding

Earthquakes are a considerable risk to the transport network, especially in areas of reclaimed coastal margins and steep hillside terrain. The transport assets at most risk of earthquake damage are bridges and retaining walls. Council also needs to manage transport risks associated with unsupported hill slopes above and below roads.

The Waimea-Flaxmore fault line passes through Bishopdale and the Grampians, so Waimea Road may be at risk of slips during a rupture of this fault line.

Due to Nelson's hilly topography, many high value retaining walls and structures are required to support the transport network compared to other cities located on flatter ground. An earthquake or storm event could result in slope failure that results in the need for new structures to remake the road.

Unplanned road network closures as a result of flooding and landslips cause disruptions in the functioning of the city (as occurred in 2011,2013, 2018 Fehi and Gita, along with the August 2022 and March 2023 rain events). Nelson is a network of very long cul-de-sacs. Many single road closures result in isolated communities.

Service disruptions to the transport network associated with severe weather are typically due to flooding from under-capacity or overwhelmed drainage and bridge structures, the road acting as the secondary flow path, slope and retaining wall failures blocking roads, and fallen trees due to the occurrence of high winds, which are often associated with major storm events.

Active transport pathways within esplanade reserves are vulnerable to flooding from rivers and the sea. This has implications for decisions on the surface type (e.g., asphalt or concrete) and construction methods to use in areas where coastal erosion and/or flooding is occurring regularly. There are also longer-term considerations related to the viability/cost of continuing to operate that activity in that area, and the need to assess the full range of adaptation options, which are protection, accommodation, and retreat.

Key risks to the transport network – safety

Police close roads to manage fire and emergency events, like a house fire, road crash or armed offender response. The frequency of these events is expected to increase as road space becomes more intensely used with urban intensification and growth factors. Managing network resilience to these events is like natural hazard planning with the same benefits.

Key risks to the transport network – demand changes

Electric vehicles are heavier than petrol/diesel so are expected to put new pressures on the road pavements requiring more rehabilitations. The new bus routes, and areas with poor drainage are particularly vulnerable.

Financial implications

Where transport activities that are subsidised by Waka Kotahi NZ Transport Agency (NZTA) are damaged by natural hazards, Waka Kotahi pays 51% for small events and up to 95% for very large events.

Council needs to plan for contributing the local share of these costs, or take out sufficient insurance to manage this risk, and to consider what the picture looks like when Nelson has more frequent and larger events, and access to insurance or Waka Kotahi funding is less certain. (Council's Emergency Fund is discussed in Part One of this strategy.

Council assumes the NZ Transport Agency Waka Kotahi Financial Assistance Rate (FAR) will remain at the same rate (51%) over the term of the Long Term Plan 2024-2034. Changes to the funding priorities of Waka Kotahi are outside Council's control, however any significant change to the FAR or National Land Transport Fund eligible works may require Council to reassess its transport work programme to reduce costs and/or to make up operational and/or capital shortfalls. If the FAR is reduced, Council will need to decide whether to increase its funding (which would impact on rates and/or debt) or to remove work from the work plan (which may impact services). Note:

- Petrol taxes have been one source of funding for Waka Kotahi to pass on to councils. However, as New Zealand transitions to increasing use of electric vehicles, the amount of money collected by the Government through petrol taxes will decline. This also has potential implications for future.
- Waka Kotahi subsidies of Council's renewals and maintenance work. Other regions and state highways are also experiencing significant storm damage impacting the Government funding reserves to support recovery programmes. This may impact the conditions and quantity of future recovery funding.

Table 1 (T1) issue: The transport network is critical to enable all other utilities to get up and running following natural hazard events, or closures for safety (eg fire, armed offenders, or road crash) by enabling essential service vehicles to access affected areas.

Desired benefits/investment objectives:

- Community resilience. People can access the services they need in an emergency.
- Resilience of the network so essential service operators are able to access the parts of the network which are critical for recovery from natural hazard events.
- Value for Money maintenance, renewal and resilience planning integrated with state highway and Tasman networks.
- Minimise the number of journeys affected by closures.
- Businesses and other activities can return to normal as soon as possible.
- People can move about and interact with others, which is a key ingredient of community resilience.

Table T2: Principal options to ensure the transport network is resilient to natural hazards, climate change and safety closures

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Implement the future works schedule which: • uses lifeline route status and ONRC as factors when prioritising structure renewals and resilience-related capex works. • considers ONRC, and if alternative routes or sole access is available to customers, when prioritising structure renewals and resilience-related capex works. • Caters for an alternative parallel resilience route for heavy traffic when the state highway is closed via Waimea Road/Main Road Stoke. • Review ownership of very low volume roads to concentrate resources where needs are more efficiently managed as public assets.	The works schedule prioritises renewals which reduce resilience risks for the network and lifeline routes. Right time right intervention (value for money) is a focus of the AMP. For example, renewal in coastal areas which are being flooded more often might not be prioritised due to the natural hazard making the demand redundant. Existing networks may need to be supplemented/ replaced with new networks with greater resilience and lower risk exposure. This includes working with Waka Kotahi where the state highway is more at risk than the local network.	✓	$15–30M over the next 30 years.
Preferred Option 2 New infrastructure and new developments are constructed in a manner that increases resilience, such as providing connections to adjacent networks so there are multiple access/ egress points for each community. This approach will have less focus on car access by multiple access routes.	These requirements help to future-proof new development and are reflected in the LDM 2019. One of the problems for Nelson is the high number of areas with a single entry and exit, including the Maitai, Brook and Stoke valleys, as well as the Glen and Cable Bay. This option does not fix the lifeline routes which are constrained by terrain and unlikely to be developed further in the 30-year period to fix the resilience issues. Caution is required to avoid inheriting high maintenance options.		Some of the costs of new infrastructure are developer costs.
Preferred Option 3 Zoning to encourage more small commercial community hubs eg for medical practitioners and basic food supplies.	Review of the Nelson Plan zoning requirements, plan change and consultation.	✓	Staff time and consultation costs. Long term enabler for communities to create the community hubs they need.

Table T2: Principal options to ensure the transport network is resilient to natural hazards, climate change and safety closures (continued)

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 4 Civil Defence Emergency Response plans ensure lifeline infrastructure is back up and running as quickly as possible following natural hazard events. Maintain emergency management plans with contractors.	While improvements can be made it is not practicable, affordable or foreseeable to build all infrastructure capable of withstanding all natural hazard or safety events within the 30-year period.	✓	Existing resources, as well as insurances or Waka Kotahi funding. Ongoing response to emergency events.
Preferred Option 5 Coastal hazards work to include agreed decision points at which to reconsider ongoing investment in maintaining and/or renewing existing infrastructure, including transport assets.	Examples include Monaco and the Glen. However, these decisions will be part of the Council and community-wide conversations as part of the dynamic adaptive pathways planning approach and is not a transport decision alone.	✓	No cost estimates are available at this stage. Community consultation commences in April 2023 to develop this option further.
Preferred Option 6 Maintain existing road assets and stormwater drainage on roads.	Carry out renewals and drainage maintenance and improvements based on the need to improve the resilience of the transport assets and ONF priorities. Catchment check and upsizing culverts identified as deficient for new flood model scenario. Transport infrastructure to support the road as the secondary flow path, and an inlet to the drainage network. (This work needs to be managed alongside desired freshwater improvements.)	✓	$100k/year for Additional staff resource to lead drainage programme.
Alternative Option 7 Maintain status quo.	Known and future hazard areas will not be addressed and customers will continue to be exposed to access disruption. Does not consider the impacts of climate change, including sea level rise. Does not improve the access resilience of the lifeline routes.	XX	Estimated Transport costs of $10–30M every 10 years, plus community costs.

Investigations/CAPEX decisions

- Structural inspections are ongoing. New inspections identify new issues. Decision for scale of funding programme to manage network changes and demands.
- Catchment calculations require reassessment to understand capacity issues for culverts especially in rural areas, lifeline routes and bridge structures. Renewal funding to include upgrading culverts and sumps.

Key assumptions

- Climate change will increase the frequency and intensity of natural hazards. Climate change will also have slow, ongoing impacts related to sea level rise and higher average temperatures.
- Safety events have similar resilience demands to natural events and need to be included in the resilience planning. Safety events can include lane or road closures for maintenance or construction projects.
- Community consultation and adaption. Retreat or mitigation priorities options considered before decisions to change transport LOS.

Infrastructure Objective 2: Maintain, renew, and upgrade existing assets in a cost-effective way

Incomplete network data creates uncertainty about the level of renewal investment that is required. Council is improving its understanding of asset age and asset performance through testing, investigations and analysis, and use of data on useful life/renewal options, which will help form the future works plan. Work is also underway to better forecast the useful life of assets and/or asset components to determine depreciation and where maintenance can improve lifespan.

In the meantime, visual inspection, analysis of the cost of maintenance, and maintenance records are the primary means of assessing renewal programmes, while also co-ordination with capital works programmes and utility providers to maintain alignment of programmes as much as possible. (In other words, when Council needs to dig up the road as part of the renewals programme it is important to consider opportunities to renew power, phone, wastewater, water supply and/or stormwater pipes buried beneath that road, and vice versa. This also applies to decisions to provide new transport facilities or improved LOS (levels of service), like cycleways on roads).

Other assets have robust condition assessments (including bridges and retaining walls) and it is a matter of maintaining a good routine for ongoing assessments.

The RAMM data platform (an asset management database) is changing to meet industry demand for better data and is required by our funding partner Waka Kotahi NZTA. This change will benefit Nelson provided alignment is maintained with data quality standards and reporting platforms.

Renewals

In general, the transport assets are performing as expected for most areas. However, weak road pavement layers provide poor support for expensive asphalt surfaces. The understanding of the pavement asset and medium-term management is being addressed through the Long Term Plan 2024–2034 and will require ongoing development.

Maintenance and renewals of transport and stormwater assets needs to be integrated to keep the drainage system operating. Roads form secondary flow paths which are likely to be increasingly important due to increasing flooding frequency and intensity as a result of climate change. In addition, stormwater pipes and sumps within roads are a major collector of pollutants.

Historical network growth (lower Stoke areas) and a large capital works programme (e.g. city centre redevelopment) in the 1990's bring a lot of assets into the renewal programme in the 30-year Infrastructure Strategy period. Understanding condition and future demands is required to ensure new assets are fit for purpose for the future.

Theoretical renewal forecasts

Transport asset data has been combined to map the future theoretical renewal demand for assets. This does not include new assets which would be included in the 3 yearly updates of the strategy. It does not include maintenance or operational costs. Future lifecycle forecasts would be updated as interventions or demands or investigations reveal longer and shorter lifespans of assets with view to closer alignment between theoretical and actual renewal demands to enable accurate forward works planning. High renewal forecasts in year 1 reflect poor data quality, and do not reflect a renewals backlog because the asset conditions are generally acceptable.

Figure T1 plots the depreciation based on the book value of the transport assets and their expected life, whilst the bars represent the actual proposed capital spend based on observed asset performance. Bridges are the biggest ticket item, but their renewal is not imminent. For example, with good maintenance Collingwood and Trafalgar Street bridges should last another 30 years before they need to be replaced but are being monitored and have load restrictions.

Further work is required to align valuations, depreciation, and asset life expectancy to ensure of depreciation forecasts are accurate. Further detail of the lifecycle forecasting, and data improvement plan are given in the transport AMP.

Budgets for renewals are inadequate to meet the future demand. Asset condition is generally average, but this is forecast to decline as assets age if not addressed. Refining asset lifecycle forecasts is critical to understanding and managing this more closely over a longer period.

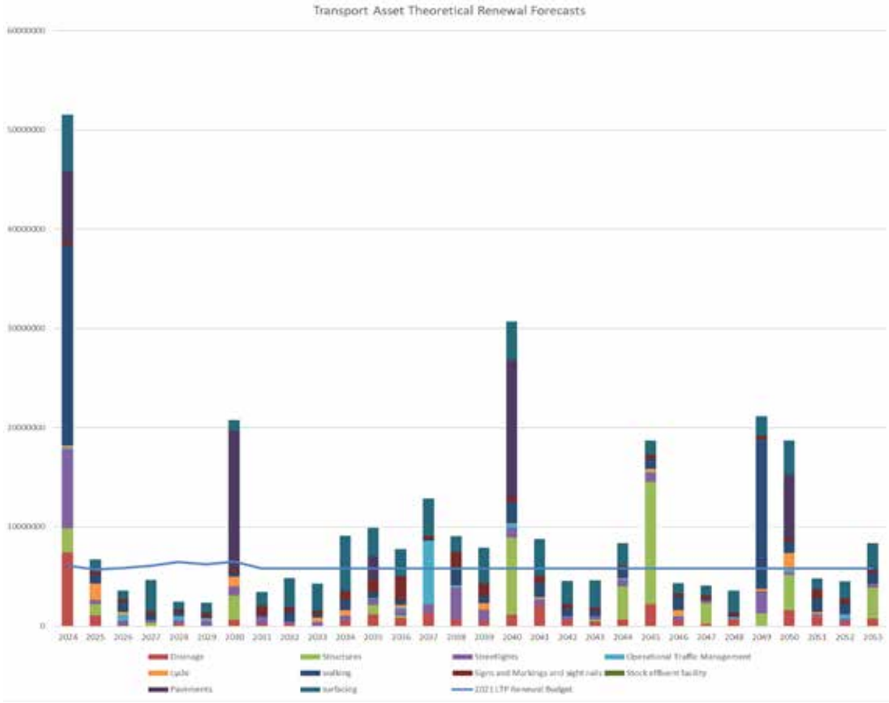


Figure T1: Depreciation model versus actual renewals

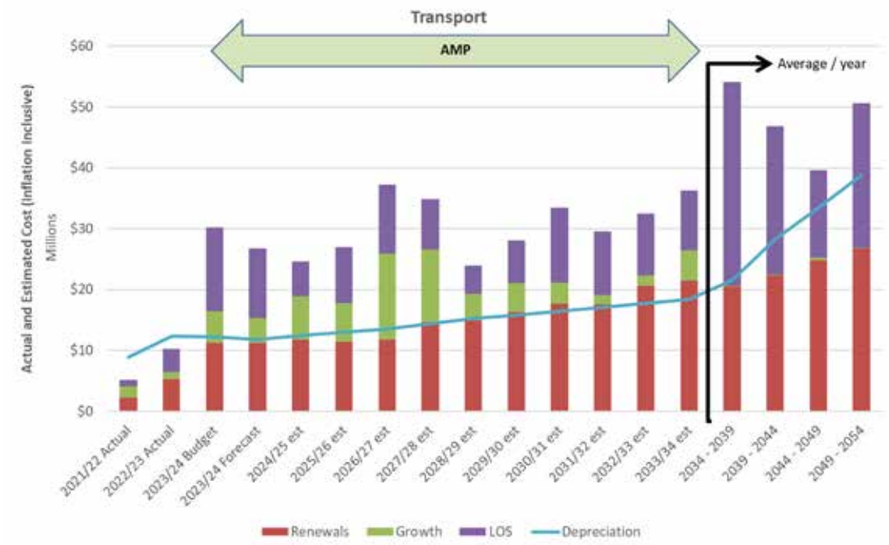


Figure T2: Transport capital funding compared to renewal forecast and depreciation expense

Urban stream culverts

Urban streams are contained in large box section culverts where these lie under roads. These box culverts are maintained as a transport structure due to the structural integrity required for transport loading, and because the road cannot exist without the culvert to contain the stream in these situations. The flood protection activity will maintain the waterway and take ownership of renewals for urban stream culverts not located under roads. Future-proofing the flood capacity and decisions to daylight the streams under roads, for future environmental benefits, would require trade off road capacity if required.

Freshwater standards

Future freshwater plans developed under the National Policy Statement on Freshwater will set new standards for freshwater management. Meeting these standards will require the quality of the water runoff from roads to be managed. Water quality off roads has been determined to vary depending on road use and surrounding land use. High volume roads, and industrial areas requiring improvement. Low volume roads and residential areas contribute least contamination. The preferred option identified for the transport activity is to invest in a sump filter programme. Long term sump renewals with deeper and more efficient designs can remove the need for in sump filters and extend the programme to lower volume roads.

Vehicle designs may reduce the contamination from the transport activity, but brake pad wear from heavier electric vehicles, and ongoing combustion engine emissions are expected to continue for the duration of this Infrastructure Strategy. Natural and freshwater environments are being maintained or enhanced through best practice and nature-based solutions, associated with:

- Natural gravel management in beds where practicable to protect bridge structures and drainage capacity.
- Retreat from natural riverbanks where possible.
- Moving away from using rock armouring for stream bank protection to using geotextile soil-filled bags which grow vegetation, and look like green walls.
- Sump filter and sump improvement programmes.
- Green wall retaining and slope stability solutions.
- Urban Greening in the road corridor to provide shade for people and reduce road surface temperatures.

Additional environmental mitigation that could be adopted in the future include:

- Future consideration of dark sky outcomes could be timed for future renewal cycles. LED light renewals are due within the Infrastructure Strategy period with like for like renewal planned.
- Smart technology to manage and dim streetlights to reduce light spill and energy consumption.

In general, the transport assets are performing as expected for most areas.

Issue T2: Incomplete network data creates uncertainty about the level of renewal investment that is required.

Desired benefits/investment objectives:

- The total cost of ownership of the assets (operating, maintaining, and replacing them) is minimised over time.
- Better network knowledge.
- Renewals are not a surprise. They are well planned, efficient, effective, and timely.
- Opportunity is maximised to adapt renewed assets for future demands.

Table T3: Principal options to maintain and renew existing transport assets in a cost-effective way

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Retain flexibility in the budget to allocate additional (or reduced) renewal budget as network gaps are identified. Optimise levels of service, as appropriate, using good data and the ONRC framework as a guide. Maintain network inspections and the maintenance and renewal programme.	Improved data and analysis methods will help Council understand existing, underlying issues in the pavement that the historical process didn't always identify. Failure of roads or poor levels of service may be experienced due to risks with optimisation. Heavy commercial vehicles (HCV) and buses are increasing in their gross mass and overall numbers which impacts on road pavement lives.	✓	There should be no additional costs from this option if good asset management and good budget principles are applied.

Table T3: Principal options to maintain and renew existing transport assets in a cost-effective way (continued)

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Alternative Option 2 Introduce differential LOS to suit demand metrics and provide value for money outcomes based on road classification.	Differential LOS provides services to match the needs of the area. It could result in lower LOS on some roads. Lower LOS requires consultation with affected residents to manage expectations. Lower LOS requires management to avoid deterioration and sustain the lower criteria. Integrated planning is required to ensure appropriate activities on roads with appropriate LOS (e.g. don't want heavy vehicle traffic on weak roads with low LOS). Ongoing data improvement required to determine current and future road hierarchy to quantify the gaps for programme delivery. Options may be required to use temporary works to bridge the gap between LOS delivery and the asset renewal programme. Drainage improvements to filter road water run off to meet the NPS Freshwater standards.	✓	Temporary works have additional monitoring and maintenance costs, but can be less than consultant and design costs. Otherwise, a net increase in costs would only result from net LOS increases.
Alternative Option 3 Emergency capacity and resilience assessments. Review drainage catchment assessments and culvert sizing, and unretained slope stability and create a resilience improvement plan.	Work with flood protection to integrate flood capacity across and under road networks (rural and urban) and update asset data and renewal forecasts to reflect changing climate conditions. Undertake culvert renewals to mitigate capacity risks. Install new culverts and drainage where required, especially rural roads for resilience. Drainage improvements to control road water run off where it affects private property. Slope stability risk assessments and mitigation planning alongside growth and development demands.	✓	To be confirmed, following assessment $100k per annum to manage water run off from road where it affects private property.

Investigations/CAPEX decisions

- Increased data collection, improved analysis, and ongoing asset optimisation, and LOS discussions as part of the Transport AMP improvement plan to improve the quality of data for decision making.
- Testing of pavements, including test pits to inform assessment and future designs.
- Degree of temporary works required, and acceleration or delay of the renewals programme required to manage LOS demands and whether these are capital or operational works.
- Condition assessments of the urban stream box culverts, these are incomplete, to inform expected life and renewal forecasting.

Assumptions

- Sealed surface LOS follows national best practice, i.e. asphaltic concrete (AC) will only be applied where it provides best value for money outcomes. This is typically where traffic volumes are greater than 15,000 vehicles per day and where buses and HCV generate high stress movements on the pavements.
- Increased renewal budgets are required to minimise increasing maintenance and reactive budgets as assets age and reach end of life.
- Consultation is required to inform the community of the future network hierarchy and LOS framework.

Structural improvements

Inspections, age, and condition are used to prioritise projects related to structures based on need, using a number of ranking criteria. The renewal phase is an opportunity to make improvements to increase the capacity of bridges, in terms of vehicles, walking and cycle facilities, and flood flow capacity.

Trees are another ageing asset on road reserves, as older trees pose a bigger risk to infrastructural assets and the public if they are not well maintained.

Mode shift and road space allocation maybe a method of reducing pavement assets but also increase traffic loading demands on narrower lanes thus increasing the operational cost of maintaining the asset. Priority bus lanes and cycle lanes within the road corridor will also introduce new assets and Levels Of Service to maintain.

Infrastructure Objective 3: Provide infrastructure to enable growth and development

The future network will be required to balance vehicle traffic congestion with a connected walking and cycle network, bus and freight routes and resilience when the roads need to perform against the extreme events. Safety and differential LOS are the primary tools to manage the competing priorities.

Differential LOS

In the future, Waka Kotahi will require all Councils to manage their road networks by a One Network Framework (ONF) hierarchy. The ONF hierarchy will enable Council to deliver differential LOS along the roads in the network. Initially this includes stronger pavements on freight routes, bus priority at intersections, street cleaning in the city centre or industrial areas and determining the facility required for pedestrians and cyclists.

Within time this is expected to include time management as well as place and traffic volumes. Ultimately the priority would be managed, for example children access across a road before and after school but vehicle access along the arterials at morning and evening peaks, and side road access interpeak. Higher quality IT systems are likely to be required to manage these demands. Traffic signals are the initial management tool, thus more manipulation of traffic signal phasing is expected in the short term as the network evolves.

Traffic congestion

Some parts of the urban road network are operating at or near capacity. This is causing peak hour delays in some areas. These peak delays are likely to increase in volume and time as travel demand increases (with population and freight forecasts).

Travel time variability remains static on Waimea Road and Rocks Road, but the overall travel time is increasing since monitoring began in 2015. The travel time variability and overall travel time is easily affected by works on or near the arterial routes, which indicate that the resilience of these routes is vulnerable to disruption. This type of arterial road congestion has a flow-on effect for other areas, as some motorists are rerouting via residential streets to avoid arterial road congestion, reducing amenity, and increasing safety risk in the affected residential areas. This can also occur during works or disruptions on the arterial routes.

Multimodal increases in transport capacity will be needed to meet the projected demand in the Nelson Urban Area (which includes both Nelson and Richmond). Nelson has slightly below medium growth, but the Richmond area is a high growth area.

The level of increased congestion pressure on the road network is related to where new development occurs, which is a compelling reason for:

- The focus on intensified development in FDS
- Encouraging people to live closer to where they work, or along public and active transport networks
- Public transport improvements
- Walking and cycling network improvements
- Coordinated planning and resilience improvements in consultation with Tasman District Council and Waka Kotahi state highway planning.

In the medium term, predicted growth in population in both Nelson and Tasman has the potential to further increase congestion on the road network.

Transport data indicates demand is likely to flatten off over the longer time scale of this strategy. Increased congestion also encourages people to change transport modes.

Nelson Future Access Project

The Waka Kotahi Nelson Future Access Project concluded in 2021 with recommendations to create a future-proof transport system for Nelson including:

- Develop a multi modal transport system
- Improve SH6 Rocks Road for walking and cycling
- Keep state highway traffic on Rocks Road
- Improve public transport infrastructure and services
- Priority bus lanes on the Waimea Road routes and state highway 6.

The Nelson Future Access Project recommendations align with the FDS which encourages a greater level of intensification in keys areas including those with good access to public and active transport networks and the Waka Kotahi Vehicle Kilometres Travelled (VKT) reduction programme to address climate change. However, uncertainties about future vehicle choices will make some long-term projections challenging.

These recommendations align with the concurrent Tasman Regional Land Transport Strategy. The concepts can be extended to the wider network for Nelson, especially Stoke and public transport routes which sit between the two areas.

Walking and Cycling Strategy

Nelson adopted E Tu Whakatū, walking, and cycling strategy in 2022 which sets out the principles and routes for further development of the active transport network. The network is expected to be a combination of separated cycle facilities, a phasing out of shared facilities, and a slowing of speeds where cyclists mix with vehicle traffic. This aligns with the similar Tasman strategy, and Nelson Future Access Project to improve the infrastructure network for those choosing alternative modes than cars.

Long term strategies are expected to include closing roads to through traffic to improve access for adjoining land use, pedestrian, and cycle safety, e.g., Upper Trafalgar Street and Hampden Street at Waimea Road. These will require regular consultation of the strategy and options to ensure it remains current and informs the long-term goals for the network.

Waka Kotahi Road to Zero Programme

Waka Kotahi prioritises funding to meet its Road to Zero target to reduce the death and serious injury (DSI) toll for New Zealand roads. The programme aims for 0 DSI crashes on the land transport network by 2050. Council has a capital works programme to contribute to this target. The programme focuses on intersection and cycle safety infrastructure as these continue to be the sources of DSI crashes on the local network. The new government has signalled a safety focus on drinking and drugged drivers and less emphasis on speed reduction.

Speed Management Plan

In 2021 the Ministry of Transport introduced a new framework for the management of speeds on roads for nationally consistent speed setting for similar road environments and to prioritise speed management to address the national road toll. Speed management is a factor for improving the options for cyclists to use the network and survivable outcomes for pedestrians, cyclists, and vehicle occupants in event of a crash. Regular review, and consultation of the speed management framework is required to ensure it remains current and informs the long-term goals for the network. The new government has removed the mandatory requirement and deadline for authorities to submit and then implement speed management plans, and work has begun on developing new policy at central government level.

Te Ara ō Whakatū – City Centre Programme Plan

The City Centre Programme Plan was adopted in 2019 and refreshes the Heart of Nelson Strategy 2009, closely followed by the adoption of Te Ara ō Whakatū (city centre spatial Plan) in 2021. Te ara ō Whakatū is people focused, aiming to create a social hub where people 'linger longer'. The Plan seeks to create a successful regional heart attracting high quality development. The plan will inform the renewal and development of the transport assets with and around the City Centre to create a place that will draw talent, offers great hospitality, and celebrates events and activation, connected to and enveloped by stunning natural landscapes in conjunction with property development, introduction of inner city living and utility upgrades.

Significant renewals

Trafalgar Street Bridge and Collingwood Street Bridges are due for renewal in approximately 30 years. They are currently restricted for weight of heavy traffic. This programme may be extended by timely maintenance and component renewal programmes or could be earlier if maintenance is insufficient or condition deteriorates quicker than modelled. Renewal will provide opportunities to review walking, cycle, and traffic facilities along with Maitai River flood capacity.

Clouston Bridge, Nile Street Bridge and Gibbs Bridge are all due for renewal in the 30–55-year period. Demand from the Mahitahi residential subdivision and other proposed developments in the Maitai Valley, and resilience demands to access the Maitai Dam will require review of the network in the 30-year period to inform these major renewals. Improvements may be required before the bridge renewal timeframe to address the changing LOS demands.

Parking Strategy

The Council adopted a Parking Strategy in 2022. It has a decision-making framework to manage the available parking space within and around the City Centre and high demand locations. Properties no longer need to have onsite parking. The impact of this change is in the strategy with options to develop residents parking areas. The Parking Strategy is supported by the Traffic Control and Parking Bylaw.

Subdivision interconnection

Most greenfield development in Nelson is in foothills and valleys. These are all currently served by single points of access. Working with developers to connect the subdivisions between the valleys will increase resilience and congestion potential as an alternative route for some journeys. Interconnection will also increase the efficiency of future public transport service routes. Interconnecting roads potentially come with high costs as the terrain between valleys is steep and unstable. Establishing and maintaining such routes will include structures (such as retaining walls), gradient and stability issues.

Subdivision connections being planned in the 30-year period are:

- Marsden to Ngawhatu
- Bay View to Mahitahi
- Hill Street to Suffolk Road

Future potential connections (not yet investigated) may include:

- Enner Glynn to Marsden
- Market Road to Enner Glynn
- Market Road or Enner Glynn to Brook
- Bay View to Walters Bluff

Future connections are typically more challenging terrain to the current subdivision areas but could become economic as sea level rise impacts coastal and river areas and growth areas reach capacity.

Issue T3: The current transport system is in a highly constrained geographic environment, with hills on one side and the Tasman Sea on the other.

The growing demand for travel is being squeezed along historical road corridors that must function as 'all things to all users.'

Desired benefits/investment objectives:

- Maintain agreed levels of service for travel time, and efficiency
- Provide resilience for lifeline routes
- A world class waterfront.
- City Centre revitalisation
- Safe and connected road network for all road users.

Table T4: Principal options to provide a future-proofed transport system which considers the needs of all users

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Continue to develop the transport improvement programme off the deficiency database which relies on customer complaints.	The deficiency database records faults identified in the network. Customer complaints are a valid feedback process for identifying where gaps in LOS are causing problems for network users. Relying on the deficiency database alone generates site specific physical works projects only where better value for money and systematic improvement for the transport network could be achieved by planning and using all the tools available to manage LOS and demands. Option is unlikely to be effective at gaining Waka Kotahi funding for renewal or improvement works in the future.	XX	Budgets are set on the 3-year work programme and ability of Council and Waka Kotahi to fund desired improvements.
Preferred Option 2 Use the identified planning strategies, and deterioration modelling for renewals and develop Waka Kotahi One Network Framework (ONF) to create and support a future-proofed connected resilient networks for all modes of transport.	Waka Kotahi have developed the ONF to standardise network descriptions and include land use planning across the country. It caters for the current state, future desired state, all know transport modes and activity alongside road corridors. The vehicle-based road network is well defined. The active travel network is less defined and disconnected, hence requires additional input. Interrelationship between modes and between modes and land use planning is also currently less well defined. A forward works plan will help identify best value for money options to deliver the renewal and improvement programmes and a long-term view towards consultation with the community. A forward works programme looks 10-30 years in advance so allows coordination of major renewals and improvement activities over a longer time for better financial, risk and value for money outcomes. Community facing planning documents allow for no surprises and long-term views towards consultation and activity management that affects the transport system.	✓	Rough order estimates of $200M over 30 years to create the walking and cycling network and local road improvements.
Preferred Option 3: City Centre Revitalisation.	Working with developers to create liveable city centre spaces. Renewal of City Centre footpaths and infrastructure to provide and maintain attractive environments. Implementation of the City Centre Spatial Plan and Palette. NRMP plan change 29 is underway and required to enable residential living in the City Centre.	✓	Speed and scale of redevelopment of urban spaces is yet to be determined.

Table T4: Principal options to provide a future-proofed transport system which considers the needs of all users (continued)

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 4 Investigate more sea connections to Nelson, passenger, vehicle, and freight.	Coastal shipping is now included in the transport network for Waka Kotahi co-funding of eligible services. Investigate ferry, and vehicle passenger options and destinations. Support Port Nelson to further develop coastal shipping.	✓	No research into demand or options has been undertaken.

Investigations/CAPEX decisions

- Priorities to be placed on the different aspects of the programme to balance resilience, LOS, traffic, bus, and walking and cycling demands for delivery of improvement works.
- LTP funding budgets will be allocated for the capital works programme.
- Future-proof includes the capacity to manage emergency events. Long term spoil site/s are required to dispose of spoil material.
- Port Nelson land for growth, storage, and logistics to manage coastal shipping demand increases.

Assumptions

- Programme development will include the Government Policy Statement for Transport priorities for the subsidised programme. Council can choose to accelerate other programmes as unsubsidised works.
- Safety will continue to be highest priority in the decision matrix.
- Resources will be available to implement and manage the Parking Management Strategy.
- Maintenance budgets can increase as higher risk development areas are subdivided and vested in Council.
- Port Nelson has undertaken so feasibility, and demand research but this information has not been used for Waka Kotahi funding research. Any coastal shipping, or passenger or vehicle ferry services would be jointly investigated with TDC and Port Nelson.

Increasing road network capacity to provide for urban growth and development

Council is planning to make multi modal transport options attractive to the current population in intensification areas because these are close to amenities and the city centre. However, the timing of urban development is dependent on several factors which are outside of Council's control which means there is a risk that urban growth and development won't occur at the projected rate.

To manage this risk, some services may be provided ahead of time to create the right conditions for development and to encourage it to occur, and others will be provided once the demand is created by growth (as discussed in Part One of this strategy). Safety is monitored to manage the implementation programme where there is uncertainty.

Issue T4: When and where to provide increased capacity of the transport network to provide for urban intensification and growth.

Desired benefits/investment objectives:

Local road capacity meets LOS. (Approaching unstable flow where all drivers are severely restricted in their freedom to select desired speed and manoeuvre within the traffic stream. Delays at intersections of 25–35 seconds per vehicle or better and road safety is managed in growth areas.)

People have access to travel options to suit their journey, method of travel and ability.

Table T5: Principal options to provide increased capacity of the road network to reflect the impacts of urban growth and development

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Prioritise areas to deliver the agreed capacity and safety level of service 'just in time' to match or slightly lag actual development.	This option is likely to result in traffic congestion getting worse before it gets better. Unplanned/unforeseen development areas could be delayed by the lack of road infrastructure until this can be planned, funded, and implemented. Development contributions will provide partial funding (approximately 30%) with the remainder to be funded by rates. Waka Kotahi funding would only be sought when LOS/safety outcomes match the current GPS outcomes. Working with developers to identify and facilitate road connections between valley subdivisions. Work with developers and flood protection to understand resilience and drainage implications of growth areas upstream of the existing network to plan for drainage and secondary flow path upgrades where these affect transport culverts and roads. The Councils traffic model is historical and now an unsupported format. A new model would be required if this is to be used for future planning. New models can be multimodal.	✓	Rough order estimates of $146M over 30 years to create the walking and cycling network and local road improvements in addition to developer costs. Rough order cost estimate $250k, plus 1 staff resource to develop a new transport model, plus ongoing management costs.
Alternative Option 2 Deliver capacity level of service improvements across the city to enable distributed development.	This option would almost certainly result in Council investing in infrastructure in areas that don't end up being developed.	X	Costs relate to poor utilisation of facilities and poor value for money outcomes.
Alternative Option 3 Priority Bus Lanes and walking and cycling infrastructure improvements and parking management.	Nelson Future Access Project recommends higher frequency buses, extended bus service network priority bus lanes on the Waimea Road route, and state highway 6 and the attractiveness of the public transport service will cap the congestion experienced by growth on the vehicle network. Providing facilities that support people who choose or need to walk and cycle around the network will improve the attractiveness and cap the vehicle congestion experienced by growth on the network. Parking availability and attractiveness are factors that increase traditional vehicle behaviour patterns. Managing parking to ensure all customers and businesses have fair access to facilities is a congestion demand management tool and maximises the use of the city centre assets. Improving public transport services to meet growth demand.	X	$114M over 30 years (incl 51% Waka Kotahi contribution). Rough order estimates of $30M over 30 years for new and additional public transport service routes and timetables.

Investigation/CAPEX decisions

- Priorities to be placed on the different aspects of the programme to balance resilience, LOS, traffic, bus, and walking and cycling demands for delivery of improvement works.
- LTP funding budgets for the capital works programme.

Assumptions

- Demand (growth) occurs as forecast by Council.
- Development Contributions Policy will provide partial funding (approximately 30%), of local share of growth projects.
- Travel demand, which is not related to new, isolated development continues at current levels.

Infrastructure Objective 4: Maintain or improve public health and safety, and environmental outcomes

The transport activity can improve environmental outcomes through a reduction in fossil-fueled vehicles on Nelson roads, alternative construction materials (in future, as these become viable options), stormwater filtration, increased active travel and improved amenity such as shade and green space. However, the rate of single occupancy car use has gone up, even while more people are walking and cycling.

Considering Northern European examples where there is much higher utilisation of cycling, with separated cycleways for user safety, and a wider range of footpath usage, with wider footpaths being deployed, it is likely that New Zealand will further embrace these trends. Micro-mobility options (such as skateboards, invalid carriages, electric bikes, and electric scooters) may make a significant difference to transport choices in future.

Reconfiguration of the existing transport corridors, speed management and redesigned shared spaces are required to facilitate these changes.

Issue T5: Growth in the number of car users, and demand for alternative transport options, has increased the demands on the existing road network.

Desired benefits/investment objectives:

- Transport corridors are appropriate for the through traffic demand and adjoining land use.
- Reduced transport-related emissions.
- Land transport network caters for all modes and abilities equally.
- Parking assets deliver appropriate LOS for customers.

Other environmental improvements

Increased uptake of alternative fuel sources and technology such as electricity and hydrogen will lead to:

- lower carbon emissions
- less pollution associated with use of vehicle brakes.

However, these options could also lead to ongoing demand for vehicles, resulting in road congestion. Council permits the use of recycled materials in road and road surface construction and is monitoring industry developments to make more improvements as these become viable to reduce the impact of the transport network on the environment.

Table T6: Principal options to reduce traffic congestion and incentivize reductions in transport-related carbon emissions

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Implement more travel demand management (TDM) activities including: • education • a rideshare programme.	Travel demand management activities typically require social change, which can be difficult to achieve without significant incentives such as increased parking charges and new alternative facilities. Can be very difficult to access target audiences and only effective long term if the audience want to change.	X	Ongoing work.
Alternative Option 2 Potentially increase parking charges.	Increased parking charges would provide a significant incentive not to travel to the city centre by car and would improve the success of travel demand management initiatives.	✓	Potential to generate income to offset management costs.
Alternative Option 3 Speed Management programme and implement the Walking and cycling strategy and bus priority lanes to cater for growth and those users who prefer these modes. Parking management to ensure fair use of the available facilities.	Option aligns with Option 3 T4. Include more consultation to identify and plan physical interventions with the community to improve value for money and efficiency of the capital works programme.	✓	$200k per year for two new staff resources to improve consultation and co-design with communities. $114M over 30 years (incl 51% Waka Kotahi contribution). Rough order estimates of $30M over 30 years for new and additional public transport service routes and timetables.

Investigation/CAPEX decisions

- Ongoing review of the Regional Public Transport Plan Parking Policy and walking and cycling strategy.
- Consultation and community co-design of future facilities.

Key assumptions

- Future transport choices will be influenced by micro-mobility options, improved public transport options and technological advancements.
- Customer travel choices are influenced by where they work, live and play. The quantum and location of these for the transport activity will be influenced by the Future Development Strategy and rate of urban intensification or outlying greenfield growth development.
- Coastal Shipping and the change this could introduce to the Port and local network will be considered in future Infrastructure Strategies.

Water Supply – Te Ratonga Wai

Asset description

The inventory of public water services assets owned by Nelson City Council and managed by the Infrastructure Group is shown in Table WS1.

Issue WS1: The piped water supply network is at risk of damage during earthquakes and flood events.

Table WS1: Summary of Water Services assets as at June 2022

Asset category	km	units	Replacement value ($M)
Reticulation including rider mains	354	–	160.48
Trunk mains	45.7	–	51.68
Maitai pipelines	17.2	–	39.58
Roding pipeline	10.7	–	9.61
Maitai water supply scheme	–	1	32.46
Roding Dam	–	1	4.4
Treatment plant	–	1	29.8
Tunnels	–	3	17.2
Reservoirs and tanks	–	39	24.95
Pump stations	–	13	7.24
Pressure reducing / control valves	–	55	1.14
Air and non-return valves	–	196	0.89
Backflow prevention valves	–	814	0.57
Gate valves	–	4,487	9.87
Manholes	–	111	0.51
Hydrants	–	2,668	9.14
Residential meters	–	19,610	5.15
Commercial meters	–	1,804	
Network reticulation meters	–	56	–
Customer connections (including unmetered sprinkler connections)	–	21,458	34.36
Total			**437.03**

Infrastructure Objective 1: Increase resilience to natural hazards and climate change

The Maitai Dam is a critically important asset which has been designed to withstand extreme seismic and flood events with only limited damage. However, the pipes between the Maitai and Roding rivers, the Water Treatment Plant, and water users are more vulnerable than the dam to natural hazards, particularly the above ground trunk mains and pipes which cross earthquake faults and waterways. In 2014 Council completed a new duplicate pipeline between the Dam and the Water Treatment Plant to provide resilience for the raw water supply for the city.

Ensuring there are several water supply options available to the city in the event of emergency is critical to the wellbeing of the community. Currently the city has three river based raw water sources that supply water via pipelines to one treatment plant. Recent experience in the August 2022 storm event highlighted essential vulnerabilities in the supply pipelines and the operation of the treatment plant. Projects to improve the resilience of the supply of water include improving the linkage of the network with the Tasman District Council supply, constructing addition emergency power supplies at the treatment plant, expanding the ability for direct chlorination of raw water for urgent supply to the network if the treatment plant is damaged and constructing mobile treatment trailers for small volume supply in an absolute worst-case scenario.

Council has also commissioned work to review the potential natural hazard risks for the three waters reticulation (water supply, wastewater, and stormwater). Generally, all the water supply network is considered a critical asset because of its importance to life. Within the network, pipelines that also serve other critical activities have been identified and will be given priority weighting to improve resilience. The underlying resilience of the network comes from it being a pressure-based system. This means if one pipe is closed off, due to a breakage, Council often has choices on how to deliver water via other connected pipes. For example, if the main pipeline under Waimea Road to the hospital broke, this section of pipeline could be turned off, and water could be redirected to the hospital via the Vanguard Street and Motueka Street pipelines.

Liquefaction and sea level rise are potential risks to the network in coastal areas. Following the assessment of critical network assets, the next step has been to set up a programme of work to bolster these assets:

- Improve treatment plant resilience.
- Prioritise renewals (and renewal in a pipe material that is more robust).
- More valves to isolate sections of the raw water pipelines and complete the project to configure the urban reticulation into district metered zones.
- Ability to use lower criticality pipes (e.g., Vanguard Street/Motueka Street) if there is a failure of a critical pipe (e.g. Waimea Road).
- Continue development of storage reservoirs across the city.

Desired benefit/investment objective:

Improve the resilience of the network and the speed of post-disaster recovery.

Adapting to climate change – droughts

A report by WSP showed that Nelson has sufficient water from current sources – Maitai Dam and Roding River, to provide drought security for the city out to 2070–2080. Demand strategies will support drought security, and work to reduce water losses (discussed under Objective 2) will also improve resilience to droughts.

Tasman District Council has completed constructing the Waimea Community Dam to enhance long term water security in the region. A benefit of this dam is that it can also provide the opportunity for Nelson to develop a further water source and improve the future water supply security for the city into the next century.

Council included a budget of $5M for a contribution towards the construction of the Waimea Dam as part of the LTP 2018–28. This contribution will secure Nelson City Council's right to access up to 22,000m³/day from the Waimea aquifer. This additional water supply would require new infrastructure to abstract, treat and distribute the water. A budget of $28.7M has been included in the years 2045–2055 to signal the need for this work. The project will be further considered over the next few years and options included in future infrastructure strategies if demand or resilience shortfalls are identified.

Through an engineering services agreement, Tasman District Council supplies water to the residential areas in south Nelson adjacent to Champion Road, as well as the Wakatū Industrial Estate, Alliance Freezing Works and ENZA in Nayland Road. Although the demand is not a large volume of water (500,000–600,000m³/year) Nelson City Council does not have the appropriately sized reticulation in place to be able to supply the required fire flows to all areas. Additionally, the supply of these extra volumes in dry summers would reduce the long-term drought security provided by the Maitai Dam.

The ongoing supply of water to these areas relies upon Tasman District Council being able to provide that water to the city economically. Future reviews of the agreement will continue to monitor the effectiveness of this arrangement.

Adapting to climate change – sea level rise

Sea level rise could change the demand profile in the long term. For example, if certain areas become uninhabitable because of sea level rise, it will impact where water supply needs to be provided.

Table WS2: Principal options to improve the resilience of the water supply and the speed of post-disaster recovery

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Proactively identify and assess risks to the water supply network from significant flooding and earthquakes. Continue to invest in insurance to assist with recovery costs.	Risks associated with natural hazards are being assessed on an ongoing basis. A better understanding of the likely impacts on the city will allow improvements in future construction – and the costs of enhancing the network resilience will be better identified following completion of the investigation. Significant resilience to natural hazards will be 'built-in' through the renewals and capital upgrade programme for the dams and the Water Treatment Plant. Repairing significant damage to infrastructure from natural hazards is part-funded by insurance.	✓	A budget of $1.45M has been included to support the recovery from the August 2022 storm event. These works will enhance the resilience of the water treatment plant and the raw water intakes. Costs and timing will not be determined until the investigation is completed. However: • $0.33M is identified for hazard mitigation to the Maitai raw water pipeline in years 2025–2028 • a budget of $6.8M over 30 years has been included to allow for any natural hazard risk remediation.
Alternative Option 2 Reactively respond to natural hazard events and rely on insurance to assist with recovery costs.	Repairing significant damage to infrastructure from natural hazards is part-funded by insurance.	X	Costs depend on what events occur.

Investigation/CAPEX decisions

The design and minor works costs in years 1–4 for the recovery from the August 2022 storm event will be approximately $1.45M. In total the expected 30-year budget for natural hazard mitigation is $10.85M.

Key assumptions

- No specific level of service for recovery from natural hazards.
- Current level of service continues for recording number of complaints about continuity of supply.
- Water supply demand will increase with population growth.
- Protection from damage from some natural hazards will be embedded in renewals and capital works.
- The impacts of climate change will be monitored, and growth controls adjusted to respond to the latest information.
- Earthquake risk will be reviewed as any future investigations provide additional information.
- Existing information held about fault hazard areas of land instability are reliable, although it is expected that additional areas may be identified that are subject to liquefaction risk.
- Renewal and upgrade of assets will be designed to minimise vulnerability to known natural hazards.

Infrastructure Objective 2: Maintain, renew, and upgrade existing assets in a cost-effective way

Asset condition/data confidence

Water supply services are beginning to be impacted by ageing infrastructure, such as regular breakages of asbestos cement pipes. Council has an ongoing programme of replacing the broken pipes and an increased budget is proposed (at 34M per year from 33/34 up from $1.17 million per year in 23/24) to keep up with the work required. Years 1 to 4 of the 24/34 LTP have significant renewal budget of $12.7M to allow for the redevelopment of the central city Bridge Street network.

Council is planning to prioritise replacing the weakest asbestos pipes in critical areas where failure would be unacceptable like in the CBD and industrial areas. Firefighting requirements for specific building types, including four, five and six story buildings often drive demand for larger capacity water supply pipes. Therefore, larger watermains are required around the city centre, which will also support intensification. Water supply capacity for firefighting is also a requirement in industrial areas.

An additional budget of $29.5M has been included for infrastructure upgrades that will be required to service growth and intensification areas across the city.

Water supply pipes are generally under roads, so they are expensive to replace. In the past, some publicly owned pipes have also been sited under private property which can cause access issues.

Renewal of the water supply network

Water pipes are renewed when they fail to provide the required level of service, or where performance or reliability is compromised due to age and poor condition. Most water assets are relatively new, with an increase in renewals (based on design life) anticipated from the late 2030s onwards.

Figure WS1 shows the theoretical renewal dates for pipe materials based on their average expected service life. The theoretical life expectancy is one indicator to help guide renewal funding and is helpful for assessing the longer-term funding needs, but it has limitations.

The current renewal strategy adapts the theoretical renewal dates by balancing the industry resourcing limits and construction costs, which have become apparent through the number of tenders and tendered prices received by Council, against the need to renew parts of the network that have met the end of their service lives or are not meeting expected service lives. Assets are prioritised based on criticality.

Council aims to ensure pipe life is maximised as much as possible and isn't renewed too early.

Council is also investigating ways of extending the service life of assets through measures such as water pressure reduction and pipe lining. In the future these investigations are expected to allow Figure WS1 to be re-cast to reflect the renewal criteria based on a more accurate assessment of service lives.

However, Council has recognised that AC Black pipes (bituminous coated asbestos cement pipe) used in the water supply network are showing a larger number of failures than expected. These pipes are the current focus of the renewal programme and have been funded to ensure replacement by 2030. As this material is known to be prone to failures, the rate of failures will be closely monitored and, if necessary, the renewal programme will be adjusted through future Long Term Plans.

Pipe renewals are expected to increase to approximately $3M per year by the end of the first ten years of this strategy. A further increase to approximately $6.5M per year by the end of this Infrastructure Strategy is planned to more evenly spread renewal costs predicted from the late 2030s onwards.

Considering the increasing costs and general construction resources shortage, Council proposes to review the water network renewal strategy to address the increasing level of anticipated renewals required from the late 2030's onwards, and to identify renewals required earlier due to poor condition or growth. This will prioritise regular assessments of critical assets (including larger pipes and reservoirs) and include consideration of how to maintain critical infrastructure.

Specific renewal budgets are in place for critical assets such as pump stations, the Water Treatment Plant, and headworks (dams and raw water pipelines). Other critical assets are being identified through the natural hazards resilience assessment (discussed under Objectives).

Figure WS2 highlights the issue that has led Council to focus on condition assessment of assets and greater investigation of rehabilitation techniques. The renewal strategy based on generic service lives necessarily establishes a level of depreciation to match and predicts either a shortfall in renewal activity or fails to identify the need for renewal of assets that do not meet their predicted service lives. In addition, this approach does not consider short term industry resourcing constraints that lead to higher renewal costs and a reduction in the overall renewal programme to maintain affordability.

Figure WS2 will also be reviewed to match changes to Figure WS1 above and better align renewal expenditure to the more accurate service lives.

Years 2031–2051 are the average of each of the respective five yearly block.

Issue WS3: Water supply assets are starting to show signs of age, resulting in regular failures.

Due to a greater proportion of the network reaching the end of its design life, a significant length of watermains will need to be replaced within the next 30 years. This means a big wave of renewals will potentially be required in approximately 20 years' time.

Council's current renewal programme has been impacted by the need to fund the recovery works after the August 2022 storm event. The proposed increased future renewals budgets will be required to allow Council to match the future impacts of the ageing infrastructure.

Desired benefits/investment objectives:

- Continue renewal of the network.
- Upgrade of the network to meet increasing demand and firefighting requirements in growth, intensification, and industrial areas such as the city centre (enabling intensification including the development of multi-storey buildings).

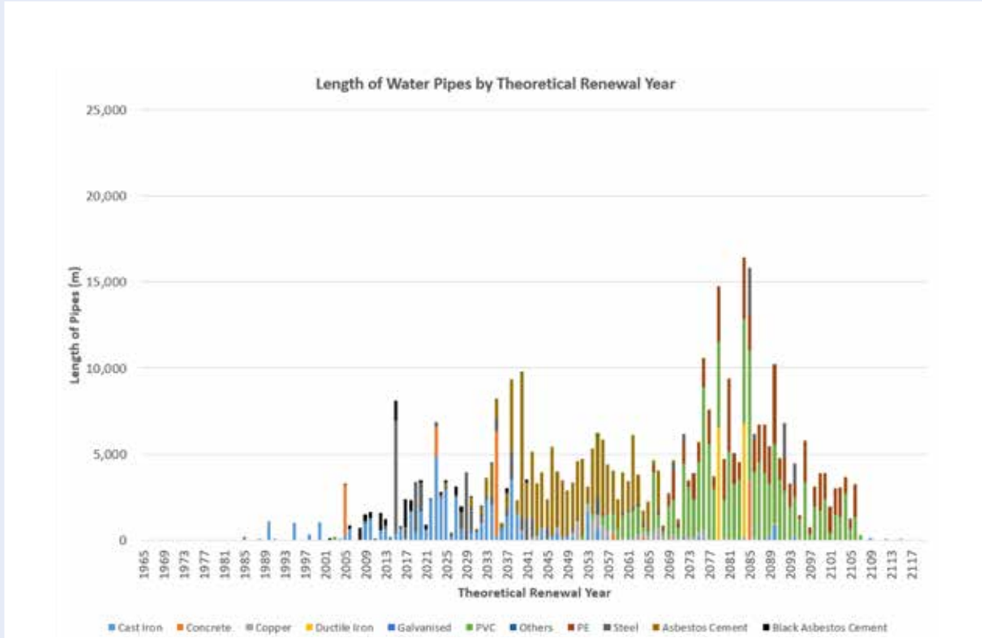


Figure WS1: Water supply theoretical renewal dates

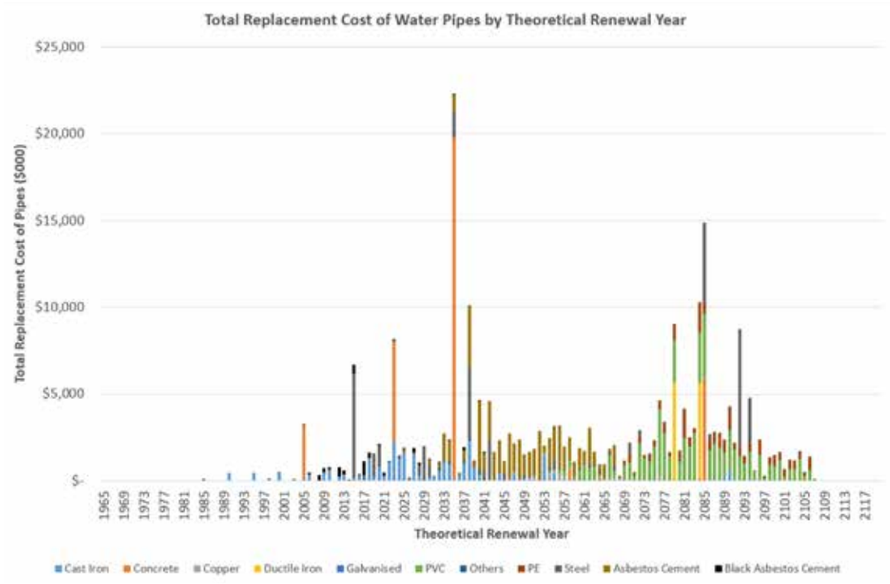


Figure WS2: Water supply theoretical pipe renewal year and cost

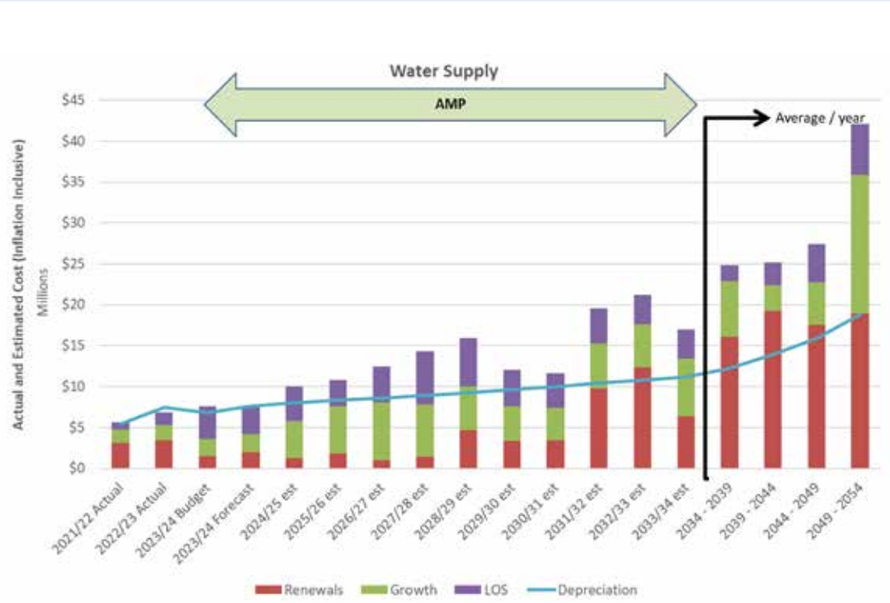


Figure WS3: Water depreciation compared to capital expense

Table WS3: Principal options for renewal of water supply assets

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Repair or replace broken pipes and introduce new strategic upgrades (including large diameter mains to the main areas of the city centre and future growth areas).	New strategic upgrades support the development of the city centre and the other growth areas.	✓	Up to $3m per year for the first ten years with $5M–$6.5M per year for remainder of the strategy for the repair or renewal of broken pipes due to the need to get ahead of the upcoming wave of required renewals. The renewal budget is approximately $162M over 30 years. A separate budget of $38M over 30 years has also been included for future strategic upgrades to the raw water pipeline from the Maitai dam.
Alternative Option 2 Focus on the repair or renewal of broken pipes.	Limits options for growth and development.	x	$1.6M–$2M per year.
Investigation/CAPEX decisions Costs of strategic upgrades.			
Key assumptions Growth and development in the City Centre will enable the construction of multi-story buildings.			

Issue WS3: Planned levels of service for water supply will not be met unless assets are maintained, renewed, and upgraded.

Desired benefits/investment objectives

- Updated asset ownership information, to reflect the standards in the LDM 2020.
- A reticulation, maintenance and operation policy that reduces risks of property damage because of water supply being in poor condition, and from a non-maintained water supply network.
- Minimal disruption to business and residential customers from day-to-day network activities.
- Network renewal strategy which prioritises assets based on criticality, remaining design life, current condition, and level of service assessments.

Table WS4: Principal options for improving the maintenance, renewal and upgrade of water supply assets

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Proactive focus on gaining a better understanding of water supply asset condition and developing a renewal strategy.	Increase the proportion of the network that has been assessed for condition, prioritising critical assets. This information is required to inform a renewal strategy. Condition assessment is generally an operational cost where this applies to regular assessment of critical assets or condition assessment of adjacent pipework at mains failures.	✓	Condition assessment of the water supply network as part of the renewal programme, prioritising critical pipes and structures, at a cost of $500k over 10 years.
Alternative Option 2 Implement and update existing strategies that provide a consistent basis for prioritising upgrades of the water supply network.	An enhanced evidence base is required for improved prioritisation of water supply projects. This includes an assessment of existing levels of service across the water supply network and assessing the implications of growth areas on potable water demands and raw water sources.	✓	Development of three separate strategies, supported by operations contractors to cover the city in the first 10 years. Implementation will follow each strategy. Water supply strategies have been budgeted for: Total $700k over 10 years.
Alternative Option 3 Status quo – reactive response to service requests for water supply upgrades.	Upgrades occur in the areas where the most complaints are made, which may not be the areas in most need of improvement.	X	Piecemeal expenditure does not represent value for money.

Investigation/CAPEX decisions

Water renewal and growth strategies are required for the whole city. Pipeline renewal strategies have been completed and treatment plant and headworks strategies are planned. These will assess current renewal provisions and set out appropriate options for each part of network, taking into consideration growth areas identified by council and the impact of growth on the normal renewal cycle.

Key assumptions

- Current levels of service focus on the reliability of the network as measured by pipe failures and the response to issues as measured by contractor response times. There is a focus on maintaining the serviceability of the existing infrastructure and ensuring appropriate water supply options are available across the city.
- Future demand for water supply services is primarily considered through subdivision consents, normal renewal cycles and city growth planning. Renewal planning aims to match renewals to the rate at which assets reach the end of their service lives and consider the opportunities to increase pipe capacity to allow for growth and changing demands e.g., pressure reduction and fire sprinkler requirements.
- Council only assumes full responsibility for the public water supply network as defined in the Water Supply Bylaw and the Nelson Tasman Land Development Manual 2020. Private laterals or common private supply mains (typically in private roads or rights of ways) are generally the responsibility of the landowners.

Water losses from the water supply network

Water loss estimates are based on the difference between the three magnetic flow meters at the Water Treatment Plant and the 20,000 water meters on commercial and residential properties. Currently there is a gap of approximately 20% between the volume of treated water, and the water used.

Some of the reasons for this gap are:

- the need for scouring of cast-iron pipes (which involves flushing water at pressure through the pipes to waste, to address the discoloured water issue)
- contractors' and others' access to unmetered water (currently being addressed through requiring meters and backflow protection)
- water leaks from broken pipes (public and private pipes)
- inaccurate meters (currently being rectified through the meter renewal programme and magnetic flow meter testing).

To understand the scale of the leakages on private property, every year $80k to $100k worth of water credits are granted to people who have had undetected water leaks on their properties – sometimes for months. This shows a large amount of water is lost from the system through privately owned water supply pipes.

As most of the water leaks are underground, it is difficult to detect these and to quantify the losses. There are also considerable leaks between the Maitai Dam and the Water Treatment Plant.

A significant investment to replace residential meters was completed in 2021/22. This will improve the accuracy of these meters.

The next steps are to:

- complete the checks on the magnetic flow meters at the Water Treatment Plant to ensure they are accurate, and then to check that the 2,000 individual commercial meters are accurate
- fix significant known leaks
- ensure all connections to the public network are metered.

These water losses mean:

- more water is being taken from the Maitai and Roding rivers than is needed to meet the community's needs, resulting in lower river levels and poorer freshwater habitats
- more limitations on how much water can be taken from the Maitai and Roding rivers as the population grows
- water is not being used efficiently, as required by the National Policy Statement for Freshwater Management (NPSFM) objective B3.

Issue WS4: Council is unable to account for approximately 20% of water supplied through the water supply network.

Desired benefit/investment objective:

Ensuring the water take from the rivers is the minimum necessary to meet the reasonable demands of the city.

Table WS5: Principal options for reducing water losses from the water supply network

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Improve the accuracy of the water loss assumptions. Complete checks on the accuracy of the flow meters at the Water Treatment Plant and commercial meters across the city. Carry out an ongoing programme of investigating water leaks, and repairing and renewing the public network of water pipes, and residential water meter replacement. This option also involves investigating how much water is actually taken from the network for fire flows, construction uses by contractors, other un-metered connections, plus pipe scouring by Council.	Identifying leaks and unmetered uses will help improve water use reporting. Some income could result from monitoring and charging for contractor usage. Monitoring needs to be ongoing to ensure compliance with backflow and metering requirements, and any drought restrictions.	✓	Ongoing over the next 30 years. Renewal of treated water pipes – $205M over 30 years. Targeted water loss reduction programme – $2.1M over 30 years.
Alternative Option 2 Place a stronger emphasis on community responsibility for leaks in privately owned pipes through a charging regime that requires people to pay for all water taken from the public network.	This approach could incentivize the economical use of water and the fixing of leaks in privately owned water pipes. However, finding and repairing leaks can be costly, and this may create an affordability issue for some customers.	✓	Ongoing over the next 30 years. Charging regime based on recovering network costs.

Investigative work/CAPEX decision

The 2024–34 Water Supply AMP includes funding to address this issue and investigations are currently underway to pinpoint priority areas of need.

Key assumptions

- The current level of service, which sets a limit of real water losses of less than 25%, will be retained. This measure matches the Non-Financial Performance Measures of the Department of Internal Affairs (DIA) and will be adjusted as required to follow central government requirements.
- Demand will increase as population increases.
- Current sources of raw water will be subject to resource consent conditions.
- Expected demand will be met by current sources out to 2060–2080 if Tasman District Council continues to supply water to south Nelson.
- Private landowners and contractors will support an increased focus on the issue and will comply with Council policy.
- Council will enforce repairs of private leaks and the contractor use policy.

Impacts of Maitai Dam water on the Water Treatment Plant

During storm conditions the usual sources of the water supply (the Roding River and the South Branch of the Maitai River) are often too full of sediment to be used for water supply. In this situation water is taken directly from the Maitai Dam instead. The Water Treatment Plant processes this lower quality water using the ultra-filtration membranes and a coagulant to remove the high levels of organic material from the Dam water. (The organic material needs to be removed to ensure chlorination is successful.)

While adding coagulant into the water enables water treatment membranes to take the organic material out of the water, the additional cleaning of the membranes can reduce their service life.

One option Council is considering is having a primary clarifier between the dam and the treatment plant. This would be like constructing a swimming pool or reservoir, with the coagulant added there, creating a sludge before the water is filtered through the membranes. This would give the city a 'belts and braces' method of organic removal that would extend the life of the membranes and last well into the future. However, it would cost about $20 million to set up.

A consultants' recommendation was to rely on working the Water Treatment Plant membranes harder and accept a reduced membrane life

Council considers full reliance on the membranes to be a less resilient approach. Council would need to keep a spare set of membranes available to swap out before anything went wrong. As demand for water increases in the future this option could also require expenditure of $10M–$15M to reconfigure the Water Treatment Plant, to increase the number of 'trains' of membranes from five to eight sets.

Now there is no driver for either option. A decision on these options will not be required until (or if) Council needs to rely more heavily on Dam water as the primary source of the municipal water supply or environmental conditions change and require the use of more marginal water from the rivers.

In 2019 a freshwater diatom Lindavia intermedia was discovered in the Maitai Dam reservoir. This diatom has been known to cause 'Lake Snow' to develop in other freshwater lakes in New Zealand, particularly in Central Otago. 'Lakesnow' is described as a "suspended mucilaginous microaggregate" that can cause biofouling in the water treatment plant membranes leading to more frequent cleaning cycles and subsequent wear on the membranes. Further investigations are currently underway as to how we can identify the trigger(s) that might lead to the formation of 'Lake Snow' and how the city water supply might be protected from its impact.

Issue WS5: Using water from the Maitai Dam increases impacts on the Water Treatment Plant processing system.

Desired benefits/investment objectives:

Ensure the Water Treatment Plant can meet the demand for water to the required level of service (LOS) in the most cost-effective manner, irrespective of raw water source Maintain agreed LOS for customers while recognising that climate change may enhance the need for trade-offs between affordability and levels of service.

Table WS6: Principal options for processing Maitai Dam water at the Water Treatment Plant

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Invest in a primary clarifier above the Water Treatment Plant.	A primary clarifier will require changes to the layout of the site. Additional sludge will be produced that will require extra settlement lagoons or a lamellar thickener. This option could potentially extend the lives of the treatment plant membranes by 3–5 years.	✓	A primary clarifier would cost $20M–$25M.
Alternative Option 2 Install more membranes at the Water Treatment Plant.	Regular replacement of membranes will lead to replacement before the end of their service lives and some economic inefficiency.	✓	$10M–$15M for reconfiguration of the Water Treatment Plant. More regular replacement of membranes is estimated to cost $7.5M–$10M every 6–8 years.

Investigative work/CAPEX decision

Detailed investigation of options and cost benefit analysis will be the first stage of the project. It is possible that the preferred option may change as a result.

Key assumptions

- The current levels of service require compliance with drinking water standards and resource consent conditions.
- Current sources of raw water (with the Waimea Community Dam) are expected to meet demand out to 2070–2080.
- Climate change will occur at a gradual rate and allow time for the community to adapt to longer drought periods.
- Nationwide freshwater policy will not result in significant changes to water supply resource consent conditions.

Note: A decision on these options will not be required until (or if) Council needs to rely more heavily on Dam water or marginal quality river water as the primary source of the municipal water supply.

Discoloured drinking water

Some of the water supply network consists of cast iron pipes. These cast iron pipes are lasting well on the outside, but the insides of these pipes are accumulating a layer of iron and manganese. They also accumulate tubercles (lumps). If these lumps break off it causes discolouration of the water. Scouring is used to remove these deposits and potentially some of the lumps. The risk of breaking the tubercles and allowing the dis-coloration to spread into the network needs to be carefully managed.

While there is no specific level of service in the Water Supply Activity Management Plan regarding water colour, it does cause customer dissatisfaction with the water supply service.

Issue WS6: Deposits in the cast-iron pipes are discolouring the water supply received by some customers.

Desired benefit/investment objective:

Meet reasonable requirements for water clarity and reduce customer dissatisfaction.

Table WS7: Principal options to resolve discoloration of the water supply

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Renewal of cast-iron pipes in problem areas with the modern equivalent earlier than the renewal plan indicates.	Most of the cast-iron pipes which have been tested have been found to be in good structural condition. It is increasingly expensive to replace pipes by trenching. This option will be desirable where the network must be upsized for growth. Investing in this option could mean Council has to delay renewal of other lower priority (asbestos cement, pvc, steel) pipes.	✓	Renewal (replacement) of 48 km of cast-iron pipes would cost $70–$90M over 10 years. Likely to begin after 2028.
Preferred Option 2 Reline the cast-iron pipes in problem areas depending upon accreditation of products which are suitable for pipes carrying potable water.	Regular replacement of membranes will lead to replacement before the end of their service lives and some economic inefficiency.	✓	Relining of cast-iron type pipes could cost approximately $20–$30M over 10 years. Would begin after 2028.

Investigative work/CAPEX decision

Options for re-lining need to be investigated and proven for potable water. The focus would be the removal of iron and manganese oxides from the inside of the pipes and the sealing of the wall to prevent regrowth of tubercles (if possible).

Key assumptions

- The current levels of service require monitoring of complaints about water clarity and compliance with the Water Services (Drinking-water Standards for New Zealand) Regulations 2022.
- Asbestos Cement (black bitumen coated) water mains involve more risk, and their renewal is more critical over the next eight years.
- Suitable products for relining of potable water supply pipes are available in New Zealand but uncertainty remains regarding their performance and success on a large scale.

Infrastructure Objective 3: Provide infrastructure to enable growth and development

The pipe network around the city centre has a mix of smaller pipes, which were designed to serve a smaller city. Now there is a need for larger trunk mains (250mm to 300mm) in the central city and in some other areas. This will support the higher flow capacity required to allow for growth and intensification, including meeting the sprinkler firefighting requirements of buildings with multi-storeys and pressure reduction initiatives.

Providing adequate water supply in greenfield growth areas (such as Saxton and Mahitahi/Bayview) is partly funded through development contributions for the growth component of any upgrading works. However, the funding of adequate water supplies for brownfield redevelopment and randomly distributed intensification is more complex.

The proposed approach of upgrading some pipework around key roads such as the existing ring road of Collingwood, Halifax, Rutherford, and Selwyn Place to match the normal renewal programme or growth projections can be extended to other development areas. The details of any necessary upgrading can be considered as the timing and nature of any proposed growth developments are confirmed and when pipes are scheduled for renewal, which is likely to be in the first 10 years of this strategy.

A provisional budget of approximately $45M has been included in the water supply cost estimates for renewals and upgrade proposals for growth areas.

Providing sufficient capacity for the next 100 years is the most cost-effective approach because this time closely matches the expected service life of trunk mains, and the material cost of upsizing pipes is only approximately 10% of the cost of digging up the roads to replace the water mains.

Infrastructure Objective 4: Maintain or improve public health and safety, and environmental outcomes

Usually, water for Nelson's water supply is taken directly from the 'run of the river', from the Roding River and the South Branch of the Maitai River. To compensate for this loss of water (particularly during times of low flow), water is released from the Maitai Dam to the Maitai River, to increase river flows to at least the level required by Council's resource consent.

The Maitai reservoir retains higher levels of organic material than run of river flows, and there are some slightly elevated levels of minerals because of the proximity to the Nelson Mineral Belt. However, the greatest impact on water quality come from the tendency of the Maitai Dam to stratify, resulting in anoxic (oxygen-depleted) conditions at the base of the Dam. This variable water quality at different times of the year occurs in most large dams.

The lack of oxygen in the colder water (in the lower levels of the Dam) creates a challenging environment for freshwater aquatic life. In addition, elevated levels of iron and manganese occur in the water as these chemicals become soluble.

Discharging this water to the river can lead to a poor-quality environment until the water becomes oxygenated. In recent years Council has only discharged this water during storm events, when the impact is greatly reduced.

However, as the frequency and intensity of droughts are predicted to increase over the next 30 years because of climate change, it is likely Council will be more reliant on the release of Dam water to maintain flow levels, rather than only doing so during storms. This increases the need to address water quality in the Maitai Dam.

In addition, the desire for improved water quality and quantity in the Maitai River may drive increased use of the Maitai Dam water for the water supply. The new water supply resource consent gained in 2019 has increased the minimum flow from 175 litres per second to 230 litres per second (as the Dam gets emptier during dry periods this minimum flow reduces).

Currently, one cubic metre of water is added to the river (from the Dam) for everyone cubic metre taken from the run of the river.

Under the new approach (a higher minimum flow) the drain on the Dam is significantly quicker due to the combined effect of augmenting the river flow and using water from the Maitai Dam for the water supply more frequently.

Ongoing trade-offs are likely between the need to keep the Dam full at the beginning of summer to maintain resilience to droughts and the need to enhance the Maitai River's environmental values.

Legislation changes regarding community water supplies to protect public health

At this stage it is not known whether legislative changes will require Council to take on responsibility for private community supplies serving small numbers of people (which would affect both the Glenwood and Maitai Valley supplies). More is expected to be known once the final shape of central governments water reforms is known. Both supplies are well away from the public supplies, so if this change does occur, it would likely be a matter of arranging for professional management of these water supplies rather than connecting these households to the municipal supply.

If legislation confirms Council must take on the responsibility, there would need to be a decision on who would pay for this change – the water users of these supplies, or the community:

- Council takes over these community supplies (and users pay)
- Council takes over these community supplies (management funded by all ratepayers)
- Council doesn't take over these community supplies.

Other environmental actions

Other sustainable development improvement actions identified in the Water Supply Activity Management Plan 2024–34 are to develop demand management options, include: monitoring use of improved plumbing and appliance technology, reduced supply pressures in the public network to reduce losses, more structured water restrictions to match supply to available water resources, and possible Council support for on-site greywater and rainwater storage for reuse through future Resource Management Plans and pricing incentives.

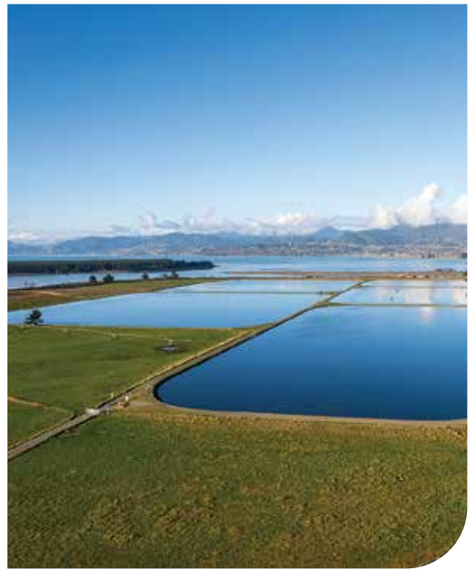
Wastewater – Te Para Wai

Asset description

The inventory of public wastewater services assets owned by Nelson City Council and managed by the Infrastructure Group is shown in Table WW1.

Table WW1: Public wastewater services assets owned by Nelson City Council

Asset	Km	Units
Reticulation pipes	341.6	–
Trunk mains	36.2	–
Swallow mains	5.8	–
Rising mains	25.9	–
Access points	–	1,053
Manholes	–	7,096
Tanks	–	7
Valves	–	293
Neale Park detention tank	–	1
Pump stations	–	28
Nelson Wastewater Treatment Plant	–	1



Infrastructure Objective 1: Increase resilience to natural hazards and climate change

Note on Nelson Wastewater Treatment Plant

As outlined in Part One of this strategy, Council is also a joint owner in the Nelson Regional Sewerage Business Unit (NRSBU) which manages the Bell Island Wastewater Treatment Plant. The other joint owner is Tasman District Council. The two councils are the major customers of the scheme together with several primary industry processers (Alliance Nelson and Nelson Pine Industries) which have a significant demand for wastewater processing.

Increase resilience to natural hazards

Council's wastewater network covers a wide geographical area which has a range of natural hazards including liquefiable soils, slope instability, coastal hazards (including sea level rise), fault lines and flood hazard areas. The levels of risk associated with these hazards vary, as do the return periods associated with them. In addition, the level of knowledge varies between hazards.

The wastewater network for a city the size of Nelson contains the full range of assets required to effectively convey and treat the city's wastewater. These range from small diameter gravity pipes to large diameter pumped pipes, simple pipe connections, highly complex pump stations and a treatment plant.

The failure of some assets carries a significantly greater level of consequence than others. For example, a catastrophic failure of the Nelson Wastewater Treatment Plant would be of far greater consequence than the failure of a single property's connection to the wastewater network.

Work has been undertaken to map hazards, incorporating current climate change projections, and determine asset criticality. This enables identification and prioritisation (for risk mitigation/upgrade work) of assets that have a high consequence of failure in relation to risk of failure from natural hazard events. This work was carried out in conjunction with the water and stormwater activities.

Adapting to climate change – the Nelson Wastewater Treatment Plant and resource consent

The Nelson Wastewater Treatment Plant (NWWTP) is located at Wakapuaka. Its low lying, coastal location means it is particularly exposed to the effects of climate change, including flooding, sea level rise and storm surges. This is significant because the NWWTP treats half of Nelson's wastewater, at around 7 million litres of wastewater on a dry summer's day. The remainder of Nelson's wastewater goes to the Bell Island Wastewater Treatment Plant in the Tasman district, operated by Nelson Regional Sewerage Business Unit.

The NWWTP is not currently exposed to a 1 in 100-year (1% AEP) flood event from either storm rainfall or tidal inundation. Council updated a catchment flood model in 2021 to evaluate storm rainfall impacts on the NWWTP, covering Hillwood Stream, Todd Valley Stream, and the Wakapuaka Flats drainage area. The model shows the NWWTP will not be inundated, but will be surrounded, by flood water in a present day 1% AEP flood event.

Storm rainfall currently generates the highest flood levels across the Wakapuaka Flats. It is expected that in future, due to sea level rise and increased number and intensity of storms, coastal flooding will become the dominant source of flooding. Further assessment of coastal inundation levels is required which will involve modelling of overtopping volumes into the Wakapuaka Flats during storm surge events for future sea levels.

Resource consents granted in 2004 permit the use and operation of the NWWTP and the discharge of treated wastewater to the coastal marine area via an ocean outfall. These consents expire in December 2024 and preparations for renewing this resource consent began in 2019. A new consent application was lodged in December 2023 and Council will continue to support the consent process until a new consent is obtained. The proposal is to ensure that the existing plant continues to operate in its existing location until its long term future is decided.

As part of the consent application process for the NWWTP, funding has been allocated to undertake studies/investigations relating to:

- natural hazards and the impacts of climate change
- cultural views related to discharges of treated wastewater
- viability of other discharge options
- alternative treatment processes.

In addition to the investigations to inform the resource consent application, Council has begun to consider the long-term strategic viability of the current location.

Council also needs to consider it's small rating base, as this limits the community's ability to pay for the types of sophisticated technology used in larger centres, and the significant costs associated with changes in location or process/discharge type; additionally this consideration is an important factor in seeking maximum consent durations.

Issue WW1: The impact of climate change and vulnerability to other natural hazard events (as well as new requirements for wastewater discharges and greenhouse gas emissions) on:

- the long-term viability of the NWWTP's current location and treatment processes/disposal routes
- the resilience of the wider network.

Desired benefits/investment objectives:

As a critical asset with significant capital investment, Council wishes to ensure the NWWTP continues to operate (with improvements to treatment processes as required) effectively in this location for as long as practicable, whilst planning for a future, possibly in a different location, with potentially different treatment/disposal processes.

Gain resource consent (prior to the expiry of the existing consent) for the continued operation of the NWWTP in its current location, recognising it could take 20 plus years to relocate the wastewater treatment after a decision is made.

Certainty on the location of the NWWTP to enable the renewal of the Atawhai rising main, as this large diameter (approximately 1m) pipe needs replacement.

Ensure that the NWWTP is operating as efficiently as possible and is operating to minimise the production of greenhouse gases.

Ensure the network is as resilient as realistically possible and undertake project work to ensure resilience is improved.

Table WW2: Principal options for managing natural hazard risk in the Wastewater activity

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Continue to refine the Natural Hazard data in line with the latest available information. Use this data to inform programmes of work and key projects with a view to mitigating risk and increasing network resilience. Investigate long term options for managing natural hazard risks affecting the NWWTP in its current location. Investigate alternative NWWTP locations or treatment options including: • retreat further inland • dispose wastewater to land • treat all wastewater at Bell Island through the NRSBU.	Some geographical areas are more prone to natural hazards. In addition, some of the wastewater network has a higher consequence of failure. Combining these two factors establishes parts of the network that need to have a higher priority. This work increases our understanding of the natural hazards that impact on the NWWTP. The cost of any actions required in response to this investigation at the NWWTP are not yet known, but could be considerable, particularly if relocation is the most cost-effective option in the long term. Iwi partners perspectives and upcoming regulatory changes (related to greenhouse gas emissions and wastewater treatment plant discharge quality) will be an important factor in decision making relating to the future of the plant.	✓	As the city's wastewater network develops and evolves, and our awareness of risk levels associated with different natural hazards changes, there will be a need to review the strategy and programme of works. This work will be ongoing. The processes related to a potential relocation of the NWWTP are likely to take between 10 and 20 years. . This is a significant piece of work and is expected to cost from $100,000 to $200,000 per annum over the 2024/5–2027/8 period. The resource consent for the NWWTP expires 1 Dec 2024. Preparation for the NWWTP replacement consents began in 2019/20. A new consent application was lodged in December 2023.

Investigative work required/CAPEX decision

- Investigation work is required as part of the consenting process.
- Capex decisions are expected after the consenting process is complete in 2024/25. The consent application was lodged in December 2023 but the outcome of the application will not be known for some time after this. Timing depends on hearings and Environment Court proceedings.

Key assumptions

- The existing treatment plant will have treatment capacity for dry weather flows out to at least 2050–2060.
- Replacement resource consents will be granted for the operation of the plant out to 2040–2060.
- The impacts of climate change will be monitored, and planning timeframes adjusted to respond to the latest information on sea level rise.
- Existing information held about fault hazard areas of land instability are reliable, although it is expected that Council may identify additional areas which are subject to natural hazard risk.
- Renewal and upgrade of assets will be designed to minimise vulnerability to known natural hazards.
- The NWWTP will remain in its current location or within the Nelson North area for the medium to long term.

Other actions

Council has commissioned consultants to carry out an assessment of natural hazard risks for all three waters (water supply, wastewater, and stormwater). This investigation has identified opportunities to improve the resilience of critical assets within the wastewater network.

Infrastructure Objective 2: Maintain, renew, and upgrade existing assets in a cost-effective way

Asset condition/data confidence

Work is constantly being carried out to improve Council's understanding of the wastewater network. Recent changes include the use of new technology to improve real time understanding of how the network is operating. Related work is underway to improve Council's data management, visibility, and storage systems.

More remote monitoring technology is now available, allowing for more reliable and consistent monitoring of the wastewater network than has been the case historically. The availability of more information (also to be included in the hydraulic model and to monitor network performance) will provide Council with an increasingly full picture of how the whole network is operating.

Renewal of the wastewater network and theoretical renewal dates

Wastewater assets are renewed when they fail to provide the required level of service, or where performance or reliability is compromised due to age and poor condition.

Wastewater assets are a mixture of relatively new facilities/pipes through to pipes that are well past their theoretical design life, with an increase in renewals (based on design life) anticipated from 2030 onwards. When this increase occurs it is substantial; an increase from an average of about one million dollars per annum at present, to up to in excess of $10 million per annum in the 2030s. There is also significant annual variation if following a "renew on expiry of life" philosophy. To manage this, the strategic approach will be to increase renewals to a relatively consistent and sustainable level over the next decade that will be maintained through the coming renewals "surge" (see Figure WW1).

Council has developed a wastewater pipe renewal approach that considers the following factors:

- asset criticality
- age
- condition
- material
- the ability to combine with other infrastructure work.

The theoretical renewal dates in Figure WW1 are based on industry standards of expected lives of assets.

The current renewal approach is based on improving Council's knowledge of the actual service lives of the network components through CCTV records, fault analysis, use of the hydraulic models, data analysis, establishing criticality and the Wastewater Overflow Reduction project.

Council will use a variety of techniques for replacement of pipework ranging from traditional "dig and lay" techniques through to more innovative trenchless technologies, where appropriate.

Additionally, Council, in some situations, is rehabilitating existing pipework by installing PVC 'sleeves' (also commonly called relining). While this technique is quick and cost-effective and allows existing pipes to remain in place, it will not be suitable for all pipes and does not give the same asset life as a full replacement. Risks remain as the long-term outcomes of using this technique are not fully understood. When compared against the conventional approach of installing new pipes, the weaknesses (in addition to a shorter asset life) are that the sleeve is not able to bridge sections that have broken or been dislocated, and the sleeve reduces the capacity of the existing pipe.

The physical renewal work on the Atawhai rising main is expected to commence in 2026/27 and to extend into the early 2030s. An important consideration in relation to the Atawhai rising main is the future location of the NWWTP. At this stage it is assumed that the NWWTP will remain in its current location or within the Nelson North area for the medium to long term.

Issue WW2: Planned levels of service for wastewater will not be met unless assets are maintained, renewed, and upgraded.

Desired benefits/investment objectives

- Appropriate capacity in the network.
- Pre-empt high levels of reactive maintenance with timely asset renewals.
- Solutions to network issues that decrease wastewater overflows.
- Ability to cater for growth and intensification within the city.
- Prioritised spend of budget with a focus on critical assets and considering remaining design life, current condition, and level of service assessments.
- Council not being in a position of managing assets that are high risk because they have exceeded their design life and managing the consequences of failure (e.g. Wellington City).
- Use of network modelling and other data to inform good asset renewal decision making.

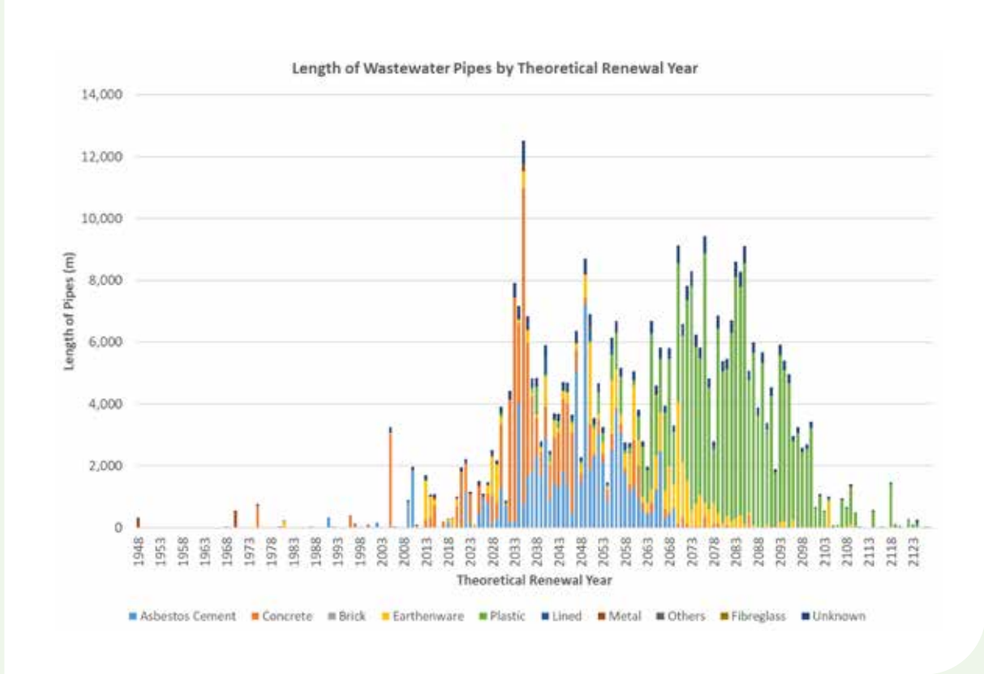


Figure WW1: Theoretical wastewater pipe renewal dates

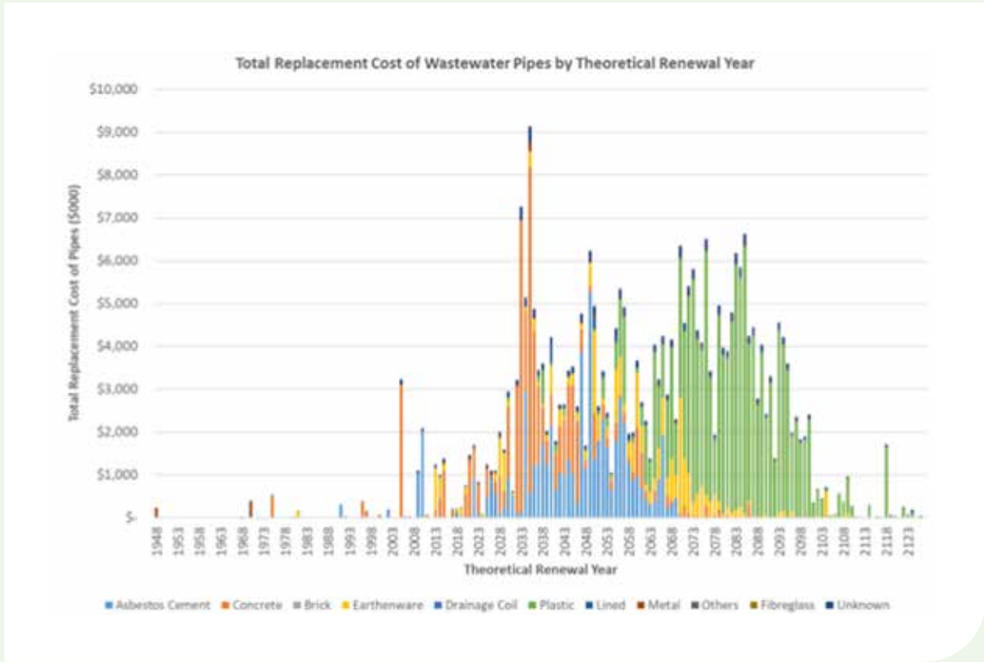


Figure WW2: Theoretical wastewater pipe renewal year and cost

Table WW3: Principal options for improving the maintenance, renewal

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Proactive focus on gaining a better understanding of wastewater asset condition and on investing in data storage and management systems to support the renewal approach.	Increase the proportion of the network that has been assessed for condition, prioritising critical assets. This information is required to inform a renewal programme. Condition assessment is generally an operational cost where this applies to regular assessment of critical assets.	x ✓	Investment in condition assessment of the wastewater network, prioritising critical pipes and assets. Investment in data management and storage systems required.
Preferred Option 2 Align wastewater asset renewals with growth and Level of Service upgrades to maximise economic benefit to ratepayers.	Growth and Level of Service upgrades often occur out of sync with the need to replace an asset. It is important to bear in mind the future potential for an upgrade when undertaking a renewal and vice versa. Additional lateral thought is required where relatively new assets are needing to be upgraded to ensure that maximum benefit is obtained from these assets.	✓	Ongoing. Low-cost work requires adequate staffing levels as requires iterative communication.
Alternative Option 3 Status quo – reactive response to service requests for wastewater improvements and like for like replacements.	Upgrades occur in the areas where the most complaints are made, which may not be the areas in most need of improvement.	x	Piecemeal expenditure does not represent value for money, nor does it target critical or poor condition assets.

Investigative work required/CAPEX decision

- The condition assessments programme needs to be enhanced to consider advances in technology that are occurring. Additionally, more work needs to be done on prioritising condition assessments to better target key/critical infrastructure given technological advances.
- Structural condition assessments need to be undertaken on some key structures and an ongoing programme and an ongoing programme of condition assessment established.
- Pressure pipe condition needs to be ascertained and an ongoing programme of condition assessment established.

Key assumptions

- A philosophy of smoothing out the renewal's "surge" will be employed. This will involve early replacement for some assets and later replacement for others.
- An increased spend on renewals will be feasible and these will not be cut to make up deficits elsewhere.
- Investing in better condition assessments and data gathering will be key to making good decisions related to asset renewal.
- Recruitment and retention of appropriately trained and experienced staff will be supported.
- Use of modern technology to capture, store and manage large quantities of asset data will be supported and upgrade of wastewater assets.

Wastewater overflow reduction

Stormwater/wastewater issues

If households' stormwater pipes are connected to the Council's wastewater network not the stormwater network, rainwater from roofs and driveways flows into the wastewater system. These above-ground effects are called inflow.

Stormwater and natural sources of groundwater also enter the wastewater system if underground stormwater and wastewater pipes are broken. These underground effects are called infiltration.

This is a significant issue because inflow and infiltration can lead to wet weather wastewater flows which are several times greater than the flows the network was designed for. The increased flows into wastewater pipes put pressure on the capacity of the wastewater network as a whole and can result in wastewater overflows during wet weather in combination with other factors (such as dryness of soil, existing network blockages and debris levels within the network etc.).

Climate change and environmental standards

The height of the tide also influences groundwater levels, and therefore the amount of groundwater infiltration into the wastewater system. For example, daily flows of wastewater to the NWWTP increase by approximately 1,000 m^3/day with a 4.4m tide compared to a 3.4m tide.

If infiltration is not addressed as an ongoing "business as usual" basis, wastewater overflows will become an even bigger problem in future, because of the predicted increase in sea level in combination with the increased frequency and intensity of future rainfall events. That means wastewater contamination of land or water would have ongoing impacts on cultural wellbeing, public health, and the environment, and make it difficult to achieve the outcomes required by the National Policy Statement for Freshwater Management (NPS-FM).

Council currently has a level of service regarding compliance with resource consents with respect to wastewater overflows. Council's wastewater resource consent requires no dry weather overflows from pump stations by 2023 and a maximum of five wet weather overflows from pump stations per 12 months by 2032. The future reforms by central government are expected to set more challenging targets.

Levels of service are likely to increase because of changes to the National policy statement for freshwater management, the expected new National Environmental Standard for Wastewater Discharges and Overflows, and the probable new obligation on wastewater network operators to prepare a risk management plan, and/or to report annually on environmental performance measures. Further expenditure will be needed to meet the new requirements.

The ongoing updating and calibration/verification of the Council's two hydraulic models is key to understanding network performance and where constraints exist and therefore to investing appropriately to reduce wastewater overflows.

Misconnections and broken pipes on private property are not always easy to resolve either through education or regulation. They tend to be extremely demanding on staff time and can become extremely challenging.

To have the best chance of completely solving the issue, Council would have to replace most of the wastewater network, including privately owned pipes and pump stations, and ensure stormwater was being disposed of appropriately across the city (which itself is a challenging piece of work particularly where there is no existing stormwater network).

Developing a holistic strategy and using the hydraulic model to predict where there is a higher likelihood of overflows is a key part of any solution to limiting wastewater overflows. It is probable that a solution will include upgrades to the system downstream (to carry flow away from areas prone to overflows) and/or provide storage to minimise overflows and/or include measures to reduce inflow and infiltration at source.

Issue WW3: Inflow and infiltration causes overflows from the wastewater network.

Desired benefits/investment objectives:

- Compliance with resource consents and legislative requirements.
- Increased public knowledge of inflow and infiltration issues to decrease the incidence of cross connections, and an increased understanding of affordability.
- Minimisation of risk to cultural wellbeing, public health, and environmental impacts due to overflows from the wastewater network.

Table WW4: Principal options to reduce overflows from the wastewater network

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Continue to progress with addressing I&I in priority catchments. Maintain the wastewater hydraulic models to current standards and use them to assist in confirming poorly performing catchments, allowing investigation work to be focused. Part of the solution is likely to be system improvements (such as pipe renewal/ upsizing, pump station upgrades and storage tanks) in locations at risk of overflow. Continue site investigations into high *E. coli* levels in receiving environments and undertake mitigation work as needed. Continue working with private property owners to limit I&I from this source. Grow NCC capability in this area (that requires strong non-infrastructure skill sets).	This is an important piece of work for the city, and it is expected that over time increased staff resources will be required to make a significant difference to the I&I issue. Detention tanks or network upgrades are 'end of pipe' solutions and do not treat the source of the problem. Instead, they work to remedy the consequences, but they are still an important part of the solution.	✓	Timing: This is an ongoing piece of work that will never fully conclude. The strategy and programme will need reviewing periodically and the hydraulic models will need to be maintained and upgraded on an ongoing basis (as will other tools and equipment). Costs: Ongoing, consistent operational and corresponding capital budgets will be required.
Alternative Option 2 Rely on pipeline renewal to reduce infiltration.	Wet weather overflows will not decrease at a significant rate into the foreseeable future. This is not a particularly strategic approach. This approach would be more effective if combined with financial and practical support to make changes on private property, and if used as part of a wider, comprehensive approach to tackling the issues of inflow and infiltration and wastewater overflows.	x (On own)	Ongoing as the network ages and deteriorates. Significant costs. Actual quantum dictated by the timeframes over which the work is completed (noting that longer timeframes will likely mean overflow reduction will occur at a slower rate).
Alternative Option 3 Undertake a public education campaign to encourage appropriate disposal of stormwater.	Uncertainty regarding how much investment property owners would be willing to make in resolving cross connections and broken pipes on a voluntary basis. This approach would be partially effective if combined with financial and practical support to make changes on private property and if used as part of a wider, comprehensive approach to tackling the issues of inflow and infiltration and wastewater overflows.	x (On own)	This would need to be an ongoing programme for a considerable time to ensure the messaging reached people and became a societal norm.

Table WW4: Principal options to reduce overflows from the wastewater network (continued)

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Alternative Option 4 Increase resources for investigating discharge of stormwater (by inflow and/or infiltration) to wastewater pipes on private properties, to avoid inflow of rainwater to the wastewater system.	Significant issues on private properties would require landowner support and possible funding to resolve. This approach would be more effective if combined with financial and practical support to make changes on private property and if used as part of a wider comprehensive approach to tackling the issues of inflow and infiltration and wastewater overflows.	x (On own)	The costs of fixing private stormwater/wastewater cross-connections have not yet been assessed. This is likely to be a slow process as it would involve dealing with landowners on an individual basis over several decades. It is also likely to require a significant level of staffing to ensure it is successful.

Investigative work required/CAPEX decision

- Investigations into which catchments require priority attention will continue being refined as data improves and regulatory standards are clarified.
- Additional resourcing to deal with private property inflow and infiltration is required.

Key assumptions

- Council will increase LOS to improve environmental outcomes in line with regulatory requirements.
- The community is generally in support of resolving the wastewater overflows issue but may be less supportive of remediating private property issues.
- Growth may be constrained where wet weather capacity is insufficient or requires alternative solutions to be developed.

Discharges to Nelson Haven from the Atawhai rising main

There is a large pipeline (approximately 1m in diameter) between Nelson and the NWWTP, which is located along Atawhai Drive. This rising main suffered significant damage from acid attack (from the gases emanating from the sewage being carried in the pipe) after approximately 30 years of service, and extensive repairs were carried out in the 1990s. However, further failures have since occurred, leading to low volumes of untreated wastewater discharging directly into Nelson Haven.

These untreated wastewater discharges impact on coastal water quality, cultural values, and public perceptions of the quality of the environment.

They also have the potential to affect Council's compliance with future resource consent conditions, as the regulatory environment related to discharges of wastewater to the environment is likely to become more stringent over time.

It is assumed that the NWWTP will remain in its current location or within the Nelson North area for the medium to long term.

Issue WW4: Failures of the Atawhai rising main are occasionally causing untreated wastewater discharges directly into Nelson Haven.

Desired benefit/investment objective:

Avoid wastewater discharges to Nelson Haven due to asset failures.

Table WW5: Principal options to address discharges to Nelson Haven due to asset failures

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Renewal of the Atawhai rising main pipeline.	Renewal of key lifeline asset is underway.	✓	The renewal of the pipeline is estimated to cost approximately $53M.

Investigative work required/CAPEX decision

- Investigation of renewal options, including a duplicate pipeline which is located to minimise impacts of climate change, or relining/sleeving the existing pipeline.

Key assumptions

- The existing rising main is expected to have capacity for dry weather flows out to 2050–2060.
- Access for repairs and maintenance alongside the state highway will continue to be available although will be increasingly more difficult and costly.
- Periodic failures are expected to occur. Good contingency planning is required to manage these events.
- The NWWTP will remain in its current location or within the Nelson North area for the medium to long term.

Infrastructure Objective 3: Provide infrastructure to enable growth and development

Council is progressing implementation of the Future Development Strategy (FDS) which was adopted in August 2022. The FDS identifies intensification as a significant means to achieve its growth and development objectives. Wastewater services will be required to be responsive to new urban expansion and intensification areas.

Reducing inflow and infiltration and freeing up network capacity is supportive of growth and development (see Issue WW2). There are also some opportunities to increase the current pipe diameters when the network is renewed, the use of an up-to-date hydraulic model is critical to support these decisions.

Issue WW5: Nelson's wastewater network has capacity constraints that impact on the city's ability to accommodate growth and intensification.

Desired benefit/investment objective:

Accommodate growth and intensification.

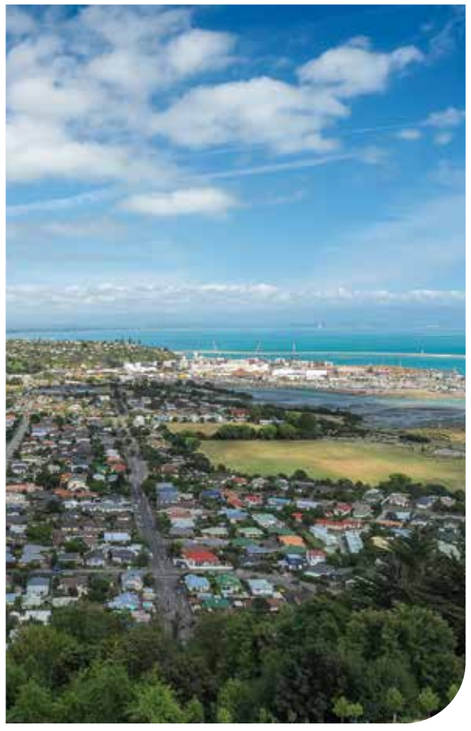


Table WW6: Principal options to accommodate growth and intensification acknowledging existing network constraints

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Upgrades to the wastewater network occur in time to convey additional wastewater flows generated by development.	This focuses on ensuring the network has adequate capacity to convey flows. The required network upgrades can occur ahead of growth/ intensification (lead) or can be undertaken in parallel (lag). The decision about whether upgrades would be lead or lag will depend on a number of factors including: • confidence in development availability of capital budget • severity of existing network constraints • need for pipe renewals in the relevant part of the network.	✓	Timing will be led by the FDS/ actual development. Costs will be dependent on several factors including length of network to be upgraded, depth of pipe and size of upgrade.
Alternative Option 2 Use on-site storage to detain flows to prevent overflows within the network.	This would involve providing storage either at an individual property or at development level to retain all wastewater flows (from the development) during a rainfall event. The downstream network would still need to be upgraded at some point in the future. This option could be implemented with the development and more quickly than most network upgrades.	✓ (future)	Timing will be led by the FDS/ actual development. The long-term cost of this option is expected to be greater than focusing on network upgrades (as there will be storage installed and over time network upgrades will take place as well).

Investigative work required/CAPEX decision

Use the wastewater hydraulic model to understand likely constraints within the network. Investigate potential options to deal with constraints within the network.

Key assumptions

- Development areas as identified in the FDS and IAP will be consistent and changes will not be too significant (i.e. number of properties may increase/decrease but the locations are consistent).
- Funding is available and flexible to accommodate the relatively reactive nature of development responsive projects.

Infrastructure Objective 4: Maintain or improve public health and safety, and environmental outcomes

Everyday operations and long-term asset planning is focused on improving public health and safety, and environmental outcomes as a norm. Continual improvement in operational process, long-term planning and staff development is a norm. The Council has a dedicated team of staff, consultants and contractors who strive to excel in this area.

As noted previously, more work will be carried out to limit wastewater overflows. This work will have positive impacts on cultural wellbeing, public health and safety and environmental outcomes.

Additionally work related to Issue WW1 (and generally across the Wastewater Activity) will have a significant focus on carbon neutrality and the Zero Carbon Bill requirements. Over time changes in legislation prompted by societal needs and expectations will lead to further improvements in this area.

Stormwater – Te Wai Āwhā

Asset description

Council's stormwater system consists of naturally formed channels, open drains, a piped network and secondary flow paths that capture and convey runoff within the serviced urban areas. During high rainfall events these may transport large volumes of water, debris, gravels, and sediment with levels of energy that can cause blockages and significant damage to property adjoining these drains and within the flood path.

The constructed stormwater network includes sumps, intakes, pipes, detention basins, stormwater treatment devices and constructed channels that convey stormwater to receiving watercourses or the sea. The stormwater system also incorporates 27 detention basins and two pumping stations. In many parts of the city a fully reticulated system is not provided and individual properties discharge stormwater to on-site soakage or to the road channel as part of the primary drainage system.

The inventory of stormwater assets owned by Nelson City Council and managed by the Infrastructure Group as of June 2023 is shown in Table SW1.

Table SW1: Summary of Stormwater assets

Asset category	Km	Units
Pipes ≤ 600mm dia.	206	–
Pipes > 600mm dia.	48	–
Constructed channels	3.4	–
Culverts	2.5	–
Rocks Road culvert	0.3	–
Intake structures	–	134
Manholes	–	5,209
Outfalls	–	111
Sumps	–	369
Pump stations	–	2
Tide gates	–	28
Stormwater detention basins	–	27
Stormwater treatment/low impact devices	–	9

Infrastructure Objective 1: Increase resilience to natural hazards and climate change

The capacity of open drains and piped networks is generally expressed in terms of a level of service, relating to the flood flow they are designed to contain. Under the Nelson Tasman Land Development Manual (Table 5-5, NTLDM 2020), new flood management assets (primary system such as pipes) should have sufficient capacity to carry a future 1 in 15-year (Q15 or 6.67% AEP event) stormwater flow, taking into account higher intensity rainfall predicted for 2090. The secondary system (including overland flow paths) should be capable of carrying a 1 in 100-year (Q100, or 1% AEP) flow without flooding habitable floors.

Some areas of the city have ongoing drainage issues which will be exacerbated by climate change, especially low-lying coastal areas, and hillslope gullies. Council is progressively working towards achieving a consistent basic standard of stormwater level of service across the city, with the final level of protection set through a risk-based approach. In some cases, a higher standard of stormwater design may be justified where stormwater overflows could contribute to land instability, wastewater infiltration, or damage to infrastructure and buildings.

In future, a warmer climate is expected to lead to more intense storm events, which would increase runoff and flows through the stormwater network, and over time this is likely to increase the frequency and volume of flows along secondary flow paths.

Secondary flow paths carry overland stormwater flow to streams and rivers where there is no stormwater network or when stormwater pipes are full. These flow paths are progressively being mapped as part of work to develop stormwater strategies for various areas of the city. Draft maps of secondary flow path routes were produced in 2018/19 based on topographical survey done in 2015. These are currently being updated with more recent 2021 topographical survey, but these maps do not represent the diversion of stormwater into the piped network or show the predicted extent of the overland flow paths. A new version of secondary flow path mapping is in progress which uses stormwater network models and represents the capacity of the stormwater system.

It is important to recognise the limitations of this type of mapping generally in relation to the level of landform and structure detail that can be represented in the modelling, and the dynamic nature of stormwater catchments as well as urban development. Mapping of secondary flow path routes show there are many flow paths on private property that will carry stormwater during significant storm events. These need to be identified and landowners made aware of the importance of keeping them clear so as not to cause damage to their property. The NTLDM 2020 provides guidance and standards for developers of new subdivisions on the best means of managing these flows. Generally, roads are the preferred secondary flow paths in the city.

Climate change is expected to result in sea level rise that would cause increasing volumes of tidal backflow into the stormwater network and result in ponding within lower lying areas of the city. Council is looking into ways to minimise these inflows using tidal gates, but in the long term, tidal inflows may increasingly travel overland as sea level rises. Sea level rise is expected to increase rates of sediment and gravel where grades are insufficient to flush out this material in storm events.

A higher sea level would likely reduce flow velocity, and sediment carrying capacity, within these parts of the network, and the manual removal of these accumulations will require an increasing level of operational expenditure in future years.

Issue SW1: 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.

Desired benefits/investment objectives:

- Properties in the city are protected from the effects of uncontrolled stormwater discharges in events up to a Q15 (6.67% AEP) event, as predicted to occur in the 2090s.
- No habitable floors flooded up to a present day Q20 (5% AEP) flood event.
- A resilient stormwater network that will continue to provide property protection during and after the action of natural hazards.
- For areas of existing development, stormwater investment is targeted at where flood impacts are highest, following a risk-based approach.
- New development does not increase exposure to flood risk up to a future Q100 (1% AEP) flood event.

Table SW2: Principal options for adapting to higher intensity rainfall events and sea level rise

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 The preferred approach is to progressively upgrade the public piped stormwater network to a 6.67% AEP (Q15) event based on predicted conditions in the 2090s. Events which exceed this threshold will utilise secondary flow paths (such as roads, open channels and natural gullies) to collect and convey stormwater to a safe discharge point.	Many parts of the existing stormwater network were installed prior to the recognition of climate change and will not cope with increasing flows into the future. For low lying areas, additional measures will be required to provide protection against tidal inundation as sea levels rise. Meeting the level of service may also be achieved through providing additional stormwater detention and increasing infiltration, including allowing for more on-site soakage, permeable surfaces, and other green infrastructure.	✓	Ongoing for 30 years. The extent of the network which does not meet the 6.67% AEP (Q15) level of service is being assessed. A very rough cost estimate is in the order of $200M over 30 years to meet the level of service for the public network across the entire city. The cost of installing new detention capacity for existing development or for intensification areas will be assessed following stormwater network modelling.

Table SW2: Principal options for adapting to higher intensity rainfall events and sea level rise (continued)

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 2 The preferred option is a risk-based approach to stormwater which means prioritising stormwater investment in areas where flood impacts are highest, and where a high level of benefit can be achieved through intervention at an affordable cost to the community.	Vulnerability to flooding is expected to increase due to climate change but raising sites and buildings in low-lying areas can also reduce risk over time. The risk profile can change annually as property valuations change and land use changes through redevelopment. Council expects the flood risk will need to be reviewed regularly to enable effective prioritisation of stormwater interventions.	✓	Ongoing for 30 years. The cost of implementing a risk-based approach will not be known until the analysis for the existing stormwater network capacity has been completed.
Alternative Option 3 An alternative approach is to progressively upgrade the public piped stormwater network to a 10% AEP (Q10) event, based on predicted conditions in the 2090s. Events which exceed this threshold will utilise secondary flow paths (such as roads, open channels, and natural gullies) to collect and convey stormwater to a safe discharge point.	Updates to NIWA's stormwater rainfall database (HIRDS) in 2018 resulted in increases to predicted future rainfall depths. The result is that a 10% AEP (Q10) event now exceeds the 6.67% (Q15) standard set under the previous LDM (2010). The most recent Water NZ survey for 2018/19 showed that most councils across New Zealand have adopted a 10% AEP level of service for urban stormwater design. Changing this level of service would require an amendment to the LDM 2020 which would align NCC's level of service with TDC.	x No action at this stage.	The cost of upgrading the public stormwater network to a Q10 (10% AEP) level of service has not been assessed but will be lower than for Option 1.

Key assumptions

- It is assumed that strategies for areas vulnerable to future tidal inundation will be progressed in line with Policy 27 of the NZCPS (2010), and that clear parameters and timeframes are set in relation to protecting these areas from future flooding.
- Construction costs have escalated in recent years, and this has significantly affected the cost of achieving the levels of service set out in the table above. This provides further justification for adopting a risk-based approach.
- Climate change will be monitored and both flood assessments and development controls will need to be updated on a regular basis to respond to the latest information.

Increase resilience to natural hazards

Council commissioned consultants to identify natural hazard risks for the three waters assets (the stormwater, wastewater, and water supply networks) and to assess how these could affect the critical assets within each network.

Earthquake damage because of ground shaking and liquefaction can cause significant and long-term disruption to the community, and loss of services to affected areas. Hillslope areas of Nelson are vulnerable to landslips that can be exacerbated by uncontrolled stormwater flows. Increases in rainfall intensity and sea level rise because of climate change will also impact on stormwater services, including increasing the likelihood of stormwater network blockages, silting up of pipes, or tidal inflows due to malfunctioning flood gates.

Assets are also increasingly being renewed as part of an upgrade to address inadequate capacity. The 2022 storm event highlighted issues with the size and debris control of many of the intake structures around the city. A programme of upgrading key intakes is underway and is expected to be completed by 2027/28.

Issue SW2: Damage to the stormwater network from natural hazards and climate change.

Desired benefit/investment objective:

A resilient stormwater network that will continue to provide property protection during and after the action of natural hazards and slow onset change that may not be considered as 'events' (e.g. sunny day flooding).

Table SW3: Principal options to manage risks to the stormwater network as a result of natural hazards

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Identify and assess network risk and develop a resilient network to withstand moderate earthquake, liquefaction, landslips and other natural hazard events with minimal damage. Have insurance to assist with recovery costs.	To date, the risk assessment has focused on defining the areas potentially subject to natural hazards, and the criticality of the stormwater assets. This will lead to prioritisation of 'resilience works' with construction of network upgrades to follow investigation. The Tāhunanui Hills Slump stormwater upgrade is an example of a stormwater resilience project, as it includes a higher level of service than required by the Land Development Manual as well as incorporation of flexible HDPE pipe across block boundaries.	✓	Accurate costs will not be known until the risk profile is better understood. Investigation cost of $400k over 30 years has been included in operational budgets. A rough order cost of $10M for works over 30 years has been included in capital budgets. Insurance costs are ongoing.
Preferred Option 2 Upgrade key stormwater intakes and culverts to reduce risks of debris blockage.	This work is currently in progress under the Flood Recovery Programme and is expected to be completed by 2027/28.	✓	Funded through the Flood Recovery programme for the August 2022 event.
Alternative Option 3 Identify and assess network risk (this investigation is underway) and rely on insurance to assist with recovery costs.	Significant damage to the network from major events, and slower recovery. This option includes an assessment of risks, but no remedial action to address them. Insurance withdrawal is increasingly likely in high-risk areas in the face of climate change.	x	Risk assessment of assets in years 1–5 and every 10 years thereafter. $400k over 30 years (as per option 1).

Investigative work required/CAPEX decisions

Complete investigation and risk analysis of key components of the network. Develop a response plan to inform priorities for network resilience upgrades.

Key assumptions

- Existing information held about liquefaction areas and fault hazard areas of land instability is reliable. Note recent liquefaction hazard mapping shows significant parts of the city to be at risk.
- Renewal and upgrade of assets will be designed to minimise vulnerability to known natural hazards.
- Climate change will be monitored, and design standards and growth controls adjusted to respond to latest information. Sea level rise and increased storm intensity/frequency are two key considerations, but effects on groundwater including increased liquefaction risk are also likely to be important.
- Earthquake risk will be reviewed as and when any future investigations provide additional information.
- A risk-based approach will underpin the prioritisation of stormwater asset resilience projects over the lifespan of this strategy.

Infrastructure Objective 2: Maintain, renew, and upgrade existing assets in a cost-effective way

Asset condition/data confidence

Effective management of stormwater assets relies on the availability of reliable asset data. Existing issues with asset data primarily relate to ownership, performance, condition, and structural attributes.

Ownership of the stormwater network is shared between several parties. According to data presented in the 2021 Asset Management Plan, the stormwater piped network is largely made up of concrete and PVC pipes with a smaller number of earthenware pipes collectively extending 510 km. Of this, approximately 48% are recorded as stormwater activity assets. The balance of the network is owned privately, or by Waka Kotahi, Nelson Airport, Port Nelson other Council departments including Roading and Parks as well as the Nelson Tasman Regional Landfill Business Unit. These other owners hold responsibility for the operation, maintenance, and renewal of pipes they own.

Stormwater pipe performance is generally measured in terms of the level of service provided, which relates to pipe capacity and reliability. It is useful to have a specific level of service (e.g., Q15 or Q10 flow capacity) to progressively work towards a consistent level of service across the city. As a result of a changing climate, and varying levels of service being provided when stormwater systems were constructed, Council doesn't have a good overview of the level of service being provided throughout the city, and how this will be affected in future by a warmer climate and rising sea levels.

Council is seeking to increase confidence in its data about stormwater levels of service through the creation of stormwater network models. These are hydraulic models into which Council can apply present day and predicted future storm rainfall and sea levels to assess what level of service the network delivers. These models also identify where there are constrictions in the system, restricting the flow of stormwater, and the secondary flow paths resulting from the network overflows. They are therefore a useful tool to optimise the performance of the overall network (or to identify areas where performance may be severely compromised due to climate change).

Stormwater pipe condition surveys have historically been undertaken to support the investigation of new capital projects, prior to the laying of new pipes, and as a tool for assessing any stormwater issues which have been reported through service requests. The proportion of the network which has been surveyed for condition is estimated to be low (<5%). A significant amount of condition assessment has been completed in the first 2 years of the 2021 Long Term Plan, targeting older and higher criticality pipes. Stormwater condition assessment is being incorporated into a renewal strategy for assets approaching the end of their design life.

Structure details for stormwater assets are recorded in Council's asset system. Generally, pipe diameter and length is well documented, although there are data gaps for attributes such as surveyed levels of pipes, which means that assumptions often need to be made in relation to pipe grade (slope), based on other survey information. These data gaps may affect capacity assessments for stormwater pipes.

Development of stormwater strategies

A more strategic, risk-based approach is being followed to identify and prioritise stormwater issues across the city and develop appropriate responses, which will primarily be level of service upgrades. Stormwater network models are being progressed to inform this assessment. Once the network models are developed, Council will be able to take a more strategic approach to managing and improving the performance of these assets.

Four stormwater strategies are proposed, as follows:

- Stoke Stormwater Strategy (draft completed)
- Central Nelson Stormwater Strategy (initiated)
- Tāhunanui / Port Hills Stormwater Strategy (initiated)
- Atawhai Stormwater Strategy.

These will guide all the following elements of stormwater management:

- primary stormwater system capacity (pipes)
- secondary flow paths (roads and open drains)
- receiving environments (freshwater and coastal environments)
- growth areas and assessment of additional stormwater flows
- prioritisation of stormwater upgrades.

Renewal of the stormwater network

Stormwater pipes are renewed when they fail to provide the required level of service, or where performance or reliability is compromised due to age and poor condition. Stormwater pipes are not subject to the same water pressures or continuous use as the wastewater and water supply networks, so do not have the same pipe integrity requirements.

Expenditure on stormwater renewals is expected to be high over the first three years of the strategy (due to the renewal of the St Vincent Street box culvert) and then increase gradually over the second and third decades of the strategy stormwater pipe renewals are expected to peak in the first 3 years of this strategy as shown in Figure SW1 below.

Council is working on a stormwater renewal strategy (see Option 1 in Table SW3) to address the increasing level of anticipated renewals required from the 2050s onwards, and to identify renewals required earlier due to poor condition. This will prioritise regular assessments of critical assets (including larger pipes and detention basins) and consideration of how to maintain low impact infrastructure.

Specific renewal budgets are in place for critical assets such as pump stations, tide gates and larger culverts. Other critical assets are being identified through the natural hazards' resilience assessment (discussed under Objective 1). A new funding line has been established for renewal of detention devices, as the number of these is increasing rapidly to service areas of urban growth. There are 23 existing facilities, and an additional 6 facilities have been planned or constructed but not yet vested in Council.

The other potentially vulnerable parts of the stormwater network are the remaining sections of brick culverts in the city. According to the 2018–28 Asset Management Plan, there are 2.2 km of brick culverts within the city. These are becoming difficult to repair due to an enhanced health and safety awareness of confined spaces. These are being inspected by CCTV to confirm their condition and included in the renewal strategy referred to above.

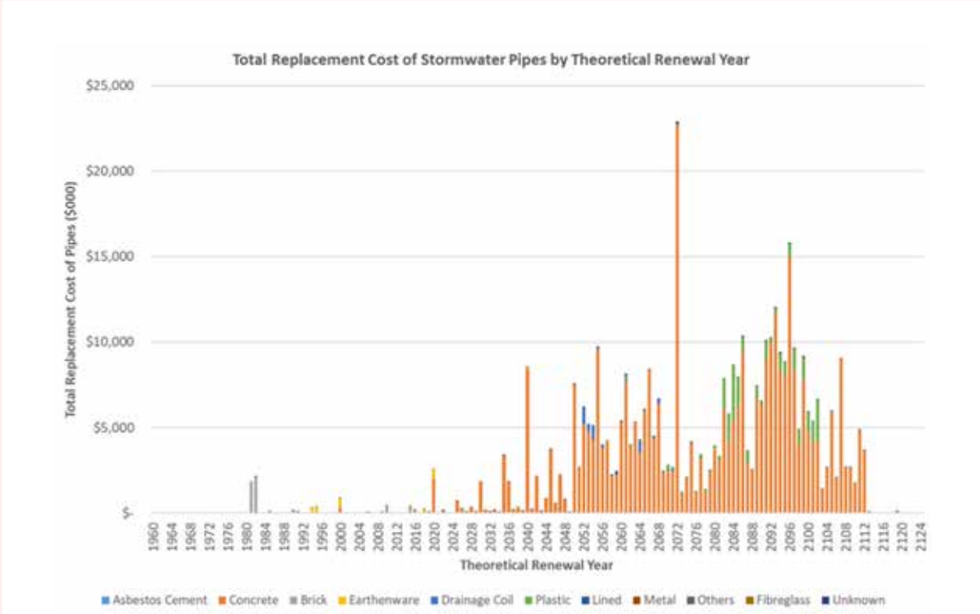


Figure SW1: Theoretical stormwater pipe renewal year and cost

Requests from property owners

Much of Nelson still uses a network of small open drains to channel stormwater from hillsides to public drains or streams. These channels are largely on private property but serve a wider public purpose. However, lack of maintenance of all the pipes and drains which are not owned or maintained by Council can result in ponding and flooding, causing property damage and land instability.

Council receives regular requests for assistance from property owners to maintain drains located on private land. Developers and Council officers need clarity on what Council can enforce and what it can maintain. The NTLDM 2020 provides guidance over what Council owns and what Council has responsibility to maintain. These define drain ownership for new drains as follows:

- Private drain – drain serving one property.
- Common private drain – drain serving two to five properties.
- Public drain – drain serving six properties or more and/or covered by easement in gross or is within road reserve.

This, together with legal advice, gives some direction that could be applied to update the asset ownership information for existing drains contained in Council records. Applying NTLDM 2020 standards to existing assets would be expected to increase the stormwater assets for Nelson under the Council's control and increase the percentage of pipe length managed by the stormwater activity. This would also increase operation, depreciation and maintenance costs, as well as long term renewal costs, but would have the benefits of clarifying responsibilities and delivering a higher level of service for the community. The implications of these changes would need to be carefully considered, but in light of existing funding constraints and uncertainty over future management arrangements, it is not anticipated that these changes will be implemented in the short-term.

Issue SW4: Planned levels of service for stormwater will not be met unless assets are maintained, renewed, and upgraded.

Desired benefits/investment objectives:

- Drainage ownership/maintenance policy to reduce risks of property damage because of stormwater pipes being in poor condition, and from non-maintained stormwater networks.
- Stormwater strategies that support a risk-based approach, informed by stormwater network modelling and watercourse assessments, and which include prioritisation of upgrade projects.
- Network renewal strategy which prioritises assets based on criticality, remaining design life, current condition, and level of service assessments.

Table SW4: Principal options for improving the maintenance, renewal and upgrade of stormwater assets

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Proactive focus on gaining a better understanding of stormwater asset condition and developing a renewal strategy.	Increase the proportion of the network that has been assessed for condition, prioritising critical assets. This information is required to inform a renewal strategy. Condition assessment is generally an operational cost where this applies to regular assessment of critical assets.	✓	Condition assessment of the stormwater network, prioritising critical pipes and culverts, at a cost of $1.0M over 30 years.
Preferred Option 2 Develop stormwater strategies that provide a consistent basis for prioritising upgrades of the stormwater network.	A better evidence base is required for improved prioritisation of stormwater projects. This includes an assessment of existing levels of service across the stormwater network and assessing the implications of growth areas on stormwater flows and receiving environments.	✓	Development of four separate strategies, supported by stormwater network modelling, to cover the city in the first 10 years. Implementation will follow each strategy. Strategies: $800k Network modelling: $800k
Preferred Option 3 Develop a drainage ownership/ maintenance policy that will provide more clarity related to the responsibilities of operational staff and owners of private and common private drains.	Some risk of not being able to define every possible scenario, affecting Council's ability to provide timely responses to queries. Stormwater asset ownership can be complex and includes considerations such as whether there is a history of Council having installed or maintained a drain.	✓	Policy to be developed in-house over the duration of this Plan.
Alternative Option 4 Status quo – reactive response to service requests for stormwater improvements.	Upgrades occur in the areas where the most complaints are made, which may not be the areas in most need of improvement.	X	Piecemeal expenditure does not represent value for money.

Investigative work required/CAPEX decisions

- Stormwater strategies are required for the whole city. These strategies will assess current disposal provisions and set out appropriate disposal options for each area, taking into consideration growth areas identified in the Future Development Strategy and the impacts on receiving environments. The development of four Stormwater strategies for different areas of the city was provided for in the LTP 2021–31, but Central Nelson has now been included in the programme.

Key assumptions

- Current levels of service focus on the reliability of the network as measured by blockages and the response to issues as measured by contractor response times. There is a focus on maintaining the serviceability of the existing infrastructure and ensuring appropriate disposal options are available across the city.
- Future demand for stormwater services is primarily considered through subdivision consents and city growth planning. Renewal planning aims to match renewals to the rate at which assets reach the end of their service lives.
- Council only assumes full responsibility for public stormwater drains as defined under the NTLDM 2020 (a drain serving six or more properties, within road reserve, or covered by easement), where these drains are located on public land and not owned by a third party. Private drains (serving an individual lot) or common private drains (serving two to five properties) are generally the responsibility of the landowners, although Council may subsidise works on a prioritised basis.

Infrastructure Objective 3: Provide infrastructure to enable growth and development

Council is progressing implementation of the Future Development Strategy (FDS) in line with the requirements of the NPS on Urban Development, which requires councils to plan for growth over the next 30 years. The FDS was originally adopted in June 2019 and an updated version of the FDS was produced to respond to national direction in the NPS: Urban Development 2020. The FDS 2022 was adopted by Joint Committee of Tasman District and Nelson City Councils in August 2022. The FDS identifies intensification as a key means to achieving its growth and development objectives for Nelson.

Providing for more housing and the infrastructure to support these new houses in intensification areas will require high levels of collaboration across Council. For example, low impact stormwater solutions will rely on use of road reserves, supportive planning rules which enable and encourage intensification (such as sharing driveways between different houses), and monitoring from the Science and Environment team to measure Council's progress towards meeting freshwater objectives.

Whilst the FDS encourages the intensification of existing urban areas, it also provides for urban expansion areas on greenfield sites. Increases in hard surfaces are inevitable as part of new greenfield development, due to the establishment of more roofs and driveways, which creates more stormwater run-off. The stormwater network generally lacks sufficient capacity to accommodate additional peak flows associated with additional hard surfaces. On-site ways to manage this additional stormwater include detention tanks, permeable constructed surfaces which enable water to be absorbed into the ground and rain gardens. This may be easier to achieve in greenfield development (as part of urban expansion) than in intensification projects. Innovative solutions will be needed in areas of intensification to mitigate the potential increase in run-off, which are likely to rely on more use of public land (such as road reserves and parks).

Issue SW5: Management of increased stormwater flows associated with urban intensification and growth.

Desired benefits/investment objectives:

- The stormwater network has sufficient capacity for areas of urban intensification and expansion.
- Stormwater levels of service can be achieved for new growth areas.
- Stormwater quality from growth and intensification areas is maintained, or improved where necessary, to achieve freshwater quality targets.

Table SW5: Principal options for managing increased stormwater flows associated with urban intensification and growth

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 New growth/intensification areas shall provide stormwater detention capacity to mitigate downstream effects where downstream stormwater network capacity is not sufficient to accommodate increased peak flows.	This is provided for in the NTLDM 2020, but there may be insufficient land area to provide for detention in some areas where intensification is planned. Treatment of stormwater quality may also be required to enable Council to achieve water quality targets set under the NPS-FM 2020.	✓	Ongoing for 30 years. The FDS identifies eight separate greenfield sites and 27 intensification areas for Nelson. Stormwater servicing of greenfield sites is generally developer led.
Alternative Option 2 Increased stormwater run-off from new growth and intensification areas to be provided for by upgrading the capacity of the downstream network.	This involves increasing pipe size to accommodate greater stormwater flow associated with urban development. Treatment of stormwater quality may also be required to enable Council to achieve targets set under the NPS-FM.	For some sites	The cost of upgrading the stormwater network downstream of all growth areas will be assessed following completion of stormwater network models.

Investigative work required/CAPEX decision

- Assessment of additional storm run-off associated with growth and intensification areas to be assessed through stormwater network modelling.
- Stormwater quality objectives need to be established to achieve receiving environment freshwater targets.

Key assumptions

- All new developments within the Nelson Urban Area are required to provide appropriate stormwater disposal through connection to public services (where they have sufficient capacity) and disposal to ground or detention, as appropriate.
- Costs to Council for new growth areas will generally be up to the limit of development contributions.

Infrastructure Objective 4: Maintain or improve public health and safety, and environmental outcomes

As outlined in Part One of the strategy, the Action for Healthy Waterways package includes several new initiatives, and the Nelson Plan will need to be updated to specify higher receiving environment water quality targets to meet, including sediment limits. Stricter controls over stormwater discharges are an expected outcome, as stormwater flows account for a significant proportion of overall flow in many urban streams.

Council will need to develop a clear picture of the extent of rivers, streams, and man-made stormwater channels affected by these policy changes as this may affect Council's range of options to deal with tidal inflows to the stormwater system. It is not expected that these will apply to all man-made drains, as not all of these are likely to support freshwater habitats.

As discussed under Objective 2, Council receives requests from landowners to pipe or cover over drains and open channels that run through their property. Landowners may view these as a safety hazard, a source of flooding, or consider that the amenity of their property could be improved by covering the drain. Council will need to develop a clear picture of the extent of channels affected by these policy changes and make this information available to the public.

The NTLDM 2020 includes specific standards for stormwater quality and treatment. Treatment is required for greenfield, infill and brownfield developments that exceed specific threshold criteria for high contaminant-generating surfaces. It is anticipated that measures to improve stormwater quality will also be required for existing development in future versions of the NTLDM. Implementation of these measures will need to be prioritised based on the risks that existing stormwater discharges present to receiving environment freshwater quality, and the targets set under the Nelson Plan.

Further investigation and monitoring will be required to establish the quality of existing stormwater discharges relative to receiving environment water quality, and the targets set. This will need to be done alongside ongoing investigations into wastewater overflows, and wastewater inflow to the stormwater network.

As discussed under Objective 2 above, the stormwater network has multiple owners, and currently the stormwater activity (under Utilities) directly manages only 48% of the network. This raises a question over responsibility for stormwater discharge quality from outlets owned by other parties, and where contaminants enter and pass through a network where multiple owners are involved.

Issue SW5: Meeting new freshwater quality objectives and standards set under future freshwater plans drafted to meet the National Policy Statement for Freshwater Management (NPS-FM), and the upcoming National Environmental Standard for Freshwater Management (NES-FM).

Desired benefits/investment objectives:

- Stormwater discharges enable Council to achieve the freshwater quality objectives for receiving environments established under the NPS-FM 2020, as well as the quality targets set for specific watercourses in the Nelson Plan.
- A clear overview of the quality of stormwater discharges across the network so that high priority catchments for intervention can be identified, and ongoing monitoring of these catchments is undertaken to assess the effectiveness of interventions.
- Stormwater connections are available to landowners in areas where the wastewater network is subject to significant inflow/infiltration during storm events.

Table SW6: Principal options for improving stormwater quality

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Develop a stormwater quality improvement strategy prioritising high risk catchments and establish a monitoring network. This will also include a review of the existing Low Impact Devices identified in the Activity Management Plan to identify issues and develop best practice.	Existing information has provided a first pass assessment of high and medium priority catchments for intervention. Monitoring is required to understand stormwater quality variation spatially and temporally, the relationship between stormwater discharge and receiving environment water quality, and the gap between existing stormwater quality and that needed to achieve freshwater quality targets.	✓	Funded through the LTP 2021–31. Operational costs estimated for the first 10 years of this strategy are $600k for strategy development and monitoring costs.
Preferred Option 2 Provide or require a combination of stormwater treatment at source, and stormwater treatment at neighbourhood level, to deliver improved stormwater quality.	Treatment devices at neighbourhood level will require land to be allocated for green infrastructure in road reserves or public parks. Treatment devices on private property rely on maintenance by property owners.	✓	The level of treatment required to meet new targets for wastewater overflows under the NES-FM has yet to be established. Capital costs estimated at $2.5M over the first 10 years for monitoring instrumentation and implementing high priority catchment upgrades.

Table SW6: Principal options for improving stormwater quality (continued)

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 3 Provide stormwater connections to properties located within high-risk catchments for inflow and infiltration to the wastewater network.	Responsibility for meeting freshwater targets primarily lies with Council. Reducing the volume of stormwater that enters the wastewater network is expected to reduce wastewater overflows.	✓	This cost will be built into network extensions and new stormwater projects servicing high risk catchments.
Alternative Option 4 Require stormwater treatment at source in all cases.	Treatment devices on private properties rely on maintenance by property owners. Policy and rules around stormwater discharges from private property to be consulted on through the Draft Nelson Plan.		May be required in some instances especially where permitted activity standards are not met. Costs lie with property owners.
Alternative Option 5 Implement treatment solutions within the stormwater network or at stormwater outlets to intercept stormwater prior to entering the receiving environment.	Public responsibility for meeting freshwater targets, primarily lies with Council. This approach may be required for treatment of stormwater from high contaminant generating surfaces such as busy roads and large car parks, where no land is available for green infrastructure.		Likely high CAPEX and OPEX costs. This will be estimated following development of the strategy referred to in Option 1.

Investigative work required/CAPEX decision

- Investigation required to verify priority areas and freshwater quality attributes requiring treatment, most appropriate treatment methods, and business case development to assess costs and benefits.
- Establish a stormwater quality monitoring network to track a range of attributes over time and ultimately trace the source of contaminants.

Key assumptions

- The recent national direction on freshwater management will be reflected in the Nelson Plan.
- The Nelson Plan will include provisions relating to contaminants being released into, and from, the stormwater network.
- Wastewater activity will be able to identify priority wastewater overflow sites and catchments where concerted action is required to remedy overflows.
- Stormwater and wastewater upgrades will reduce potential for inflow and infiltration from the wastewater network, thereby reducing the frequency and severity of wastewater overflows. Inflow of wastewater to the stormwater network via leaks or cross connections should also be reduced.

Flood Protection – Te Ārai Waipuke

Asset description

Council's flood protection system can be categorized into two parts – natural and constructed components. Natural consists of river and stream channels that play an important role in the support of aquatic ecosystems, recreation, and the conveyance of flood flows in storm events. During high rainfall events the rivers and streams transport large volumes of water, debris, gravels, and sediment with levels of energy that can cause significant damage to property adjoining these areas and within the flood path.

The constructed flood protection network includes the larger stream culverts and constructed channels through which steams flow, grade control structures, flood gates, weirs, energy dissipators, channel bank retaining structures, fish passage assets and gravel traps. The inventory of public flood protection assets owned by Nelson City Council and managed by the Infrastructure Group as at June 2023 is shown in Table FP1.

Table FP1: Summary of Flood Protection assets

Asset category	Km	Units
Urban streams/rivers	42.0	–
Stream culverts	2.7	–
Retaining walls: concrete	5.5	–
Retaining walls: timber	3.0	–
Retaining walls: gabions	1.2	–
Rock armouring	19	–
Stopbanks (earth)	4.5	–
Flood walls	0.4	–
Intakes	–	14
Manholes	–	12
Outfalls	–	9
Flood gates	–	5
Stream detention basins	–	4

Infrastructure Objective 1: Increase resilience to natural hazards and climate change

Definitions

% AEP: As with other natural hazard events, the likelihood of a flood event is often referred to in terms of its Annual Exceedance Probability (AEP).

e.g., a 1% AEP flood event has a 1% chance of occurring in any one year. This is sometimes referred to as a 1 in 100 year, or a 100-year ARI event. Climate change is expected to increase the flows associated with such events.

Urban streams and rivers are Todd Valley Stream, Oldham Creek, York Stream, Brook Stream, Maitai River, Jenkins Creek, Poorman Valley Stream, Orchard Creek, Orphanage Stream and Saxton Creek.

Q15, Q20, Q50 and Q100: Open channel and stream culvert capacities are generally expressed in terms of the flood event they are designed to contain. Under the Nelson Tasman Land Development Manual (Table 5-5, NTLDM 2020), new flood management assets (streams and rivers) should have sufficient capacity to carry a future 1 in 100-year (Q100 or 1% AEP) flood flow, taking into account higher intensity rainfall predicted for 2090.

Adapting to climate change – increased rainfall and sea level rise

Nelson City's location on several flood plains, and close to the coast, means the community is vulnerable to the impacts of climate change that is expected to cause more intense storms, increased catchment flood flows, and coastal inundation resulting from sea level rise.

Some areas of the city already have ongoing drainage issues which will be exacerbated by climate change, especially low-lying coastal areas. Council is progressively working towards achieving a consistent basic standard of flood protection across the city, with the final level of protection set through a risk-based approach. In some cases, a higher standard of flood protection design may be justified where stream and river overflows could contribute to land instability, or damage lifelines infrastructure and buildings.

Detailed computer catchment flood models have been developed for 10 of the 11 urban streams in the city (Saxton Creek has not yet been modelled). These models show that significant areas of the city will be more regularly and severely impacted by stream and river flooding in future, particularly low-lying areas exposed to tidal inundation and sea level rise.

Coastal flood models show that higher sea levels will lead to more regular and extensive tidal inundation of low-lying coastal land during high tides and storm events and reduce the capacity of stream culverts and open channels to drain flood waters away to the sea.

The current levels of service in the 2024 –2034 Flood Protection Asset Management Plan focus on maintaining major flood protection and control works, with a view to protecting habitable floors from present day flood events. Council has historically committed to a programme of works for urban rivers and streams for a primary capacity of present day Q50 (2% AEP flow), which is the peak flow arising from a rainfall event with a probability of happening once in 50 years. Ongoing concerns about climate change has led to a reappraisal of this approach. Where new land development and subdivision is proposed, the NTLDM 2020 has adopted a design standard of Q100 (1% AEP flow) in 2090 for streams and rivers, assuming an RCP 8.5 climate warming scenario.

Achieving a similarly high level of service for existing development is not straightforward for several reasons. The costs of channel widening or bunding to achieve a Q100 level of service is expected to be very high due to the proximity of existing properties, structures, and land of high natural, economic, and recreational value on the margins of these rivers and streams. For the tidally affected sections of these channels, additional challenges apply, as sea level rise would require extensive bunding to contain both coastal storm surges as well as catchment flood flows. Even if it were feasible to prevent future stream overflows and tidal inflows, low lying coastal areas could still be vulnerable to local stormwater flooding due to impeded drainage, and elevated groundwater levels. Additional measures such as stormwater pumping would be required to prevent regular inundation of these areas in future.

Council recognises that the costs of meeting a 1% AEP design standard for the 2090 climate for all urban streams, rivers and the coast is likely to be unaffordable for the community within the term of this Infrastructure Strategy. In addition to this, the scale of works required within and along these watercourses as well as along the coast may not be acceptable to the community for amenity, environmental or cultural reasons.

A risk-based approach for existing development is expected to enable Council and the community to prioritise where and how interventions to manage river, stream and coastal flooding should be made. It is intended to enable the effective targeting of resources to higher risk areas where a high level of benefit can be achieved through intervention. This implies that some areas facing significant flood risk may not be prioritised due to other considerations outweighing the flood risk, until the flood risk increases to threshold levels. This approach is compatible with broader adaptive pathways planning which will consider a broad range of options including flood works, flood preparedness, urban design, and land use planning, including managed retreat.

A range of criteria such as environmental, economic, social, legislative, reputational, and cultural implications may be adopted when weighing up options to address flooding.
The new flood models allow Council to better understand the probability (return periods) and the consequences (location, extent, and severity of flooding) to the community of flood events now, and in the future, under a range of response options. The consequences of flooding should guide the prioritisation of future actions.

Community perceptions of acceptable risk may evolve over time, particularly if climate change results in more regular and damaging flooding.

Issue FP1: Unless additional capacity is allowed for, the level of service provided by existing flood protection assets will progressively reduce over time due to more intense storms and sea level rise projected with climate change.

Desired benefits/investment objectives:

- Flood Protection investment is considered as part of an adaptive pathways planning process, where long term protection is considered alongside other strategic response options.
- For areas of existing development, flood management interventions are targeted at where flood impacts are highest, following a risk-based approach.
- New development involving subdivision and intensification does not increase exposure to flood risk up to a future Q100 (1% AEP) flood event (as predicted to occur in the year 2130).

Table FP2: Principal options for adapting to more intense storms, increased rainfall, and sea level rise

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 The preferred option is a risk-based approach to flood protection which means focusing flood protection interventions on areas where flood impacts are highest, and where a high level of benefit can be achieved through intervention at an affordable cost to the community.	Vulnerability to flooding is expected to increase due to climate change but raising sites and buildings in low-lying areas can also reduce risk over time. The risk profiles can change annually as property valuations change and land use changes through redevelopment. Council expects the flood risk will need to be reviewed regularly to enable effective prioritisation of interventions.	✓	Ongoing for 30 years. The cost of implementing a risk-based approach will not be known until the analysis for low lying coastal areas, as well as each stream and river has been completed. A very rough estimate is likely to be in the order of $100M over 30 years. Climate change will be monitored and both flood assessments and development controls will need to be updated on a regular basis to respond to the latest information.
Preferred Option 2 Adopt nature-based approaches to flood risk management where possible, such as 'making room for the river'.	This performance target supplements the risk-based approach and includes providing for additional climate change flows by setting back stop banks in preference to raising them. This allows for a wider floodway and riparian corridor buffer area. Another example is off-line flood storage to reduce downstream peak flow.	✓	Ongoing for 30 years. The cost of implementing a nature-based approaches will not be known until the analysis for low lying coastal areas, as well as each stream and river has been completed. It is likely that setting back stop banks will involve land purchase, which may combine flood protection with managed retreat.
Alternative Option 3 An alternative option is to upgrade all streams and rivers to provide a specific level of flood protection, for instance to ensure flows from a future 1% AEP event (in the 2090s) are contained within the channel.	The cost of upgrading channels to meet a 1% AEP event at 2090 would be expensive and in some areas the cost of upgrades may be found to outweigh the risks of damage from flood events. The environmental effects of achieving such a high level of protection may be unacceptable for the community.	X	Ongoing for 30 years. A very rough estimate of costs for the work would be in the order of $250M over 30 years. This level of service may not be possible to achieve or sustain in the long term if the high-end climate change projections eventuate.
Alternative Option 4 – Sea Inundation Flood Protection Zone An alternative option is to put in place coastal defenses to provide a specific level of sea inundation and flood protection in the at risk coastal zones, for example to ensure tidal inundation from a future 1% AEP coastal storm event (in the 2090's) does not result in habitable floor damage within urban areas coastal sea surges.	The cost of installing coastal defenses to protect against a 1% AEP event at 2090 would be expensive and in some areas the cost of upgrades may be found to outweigh the risks of damage from tidal flooding events. The environmental effects of achieving such a high level of protection may be unacceptable for the community. It is possible that short-medium term protection could be provided for specific areas, especially if supported by an adaptive pathways plan.	X	Ongoing for 30 years. A very rough estimate of costs for the work would be in the order of $200M over 30 years. This level of service may not be possible to achieve or sustain in the long term if the high-end climate change projections eventuate.

Table FP2: Principal options for adapting to more intense storms, increased rainfall, and sea level rise (continued)

Principal options	Explanation and implications	✓ or x	Cost estimate and timing

Investigative work required/CAPEX decisions

- Complete assessment of flood impacts for the largest 11 urban streams.
- Complete development of a risk-based framework for flood protection.
- Complete risk exposure and vulnerability assessment for low lying coastal areas.
- Investigations for the Maitai River, Brook Stream, York Stream, Jenkins Creek, and Poorman Valley Stream. Any subsequent construction works will be identified in future LTPs.

Key assumptions

- The flood protection activity is not implemented to address flooding from groundwater seepage. It is anticipated that stormwater pumping stations could provide some protection against elevated groundwater levels within their local catchments, however this would need to be part of future stormwater works.
- It is assumed that strategies for areas vulnerable to future tidal inundation will be progressed in line with Policy 27 of the NZCPS (2010), and the proposed Climate Adaptation Act. Following on from that, clear parameters and timeframes are expected to be set in relation to protecting these areas from future flooding.
- New legislation in the proposed Climate Adaptation Act is anticipated to be released by the end of 2023. Depending on the timing of release, this may inform the 2024 – 2034 Activity Management Plan.
- A risk-based response to flood protection will underpin the flood protection activity for the life of this strategy.
- Construction costs have escalated in recent years, and this has significantly affected the cost of achieving the levels of service set out in the table above. This provides further justification for adopting a risk-based approach.
- Development in flood prone areas of the city will continue to be controlled by the Nelson Resource Management Plan, under the Resource Management Act, with design informed by the Inundation Practice Note.
- Coastal inundation mapping and river and stream flood models are expected to support future controls for subdivision and land development that respond to new legislative requirements.

Increase resilience of flood protection assets to natural hazards

The principal natural hazards that can impact on flood protection assets are:

- High flood flow events that cause scour to the channel banks or bed that may undermine structures along the stream corridor, result in the deposition of large amounts of gravel and silt within the channel and the debris carried may cause blockages at stream culverts.
- Earthquakes and any associated liquefaction may result in subsidence of structures such as stop banks and floodwalls.
- Landslips can inject a large amount of material to a single point within a channel which may cause the formation of a debris dam or result in debris blockages at downstream structures.

Increases in rainfall intensity and sea level rise because of climate change will impact on flood protection assets, including increasing the likelihood of stream culvert blockages, silting up tidal streams, undermining of in-stream structures due to channel bed scour, and tidal inflows due to blockages at flood gates.

The August 2022 flood extended over a three-day period and was characterized by three flood peaks which impacted catchments across the district in different ways. In a number of these catchments flood peaks approached or exceeded the 1% AEP event. Emergency works were initiated in the aftermath of the flood to reinstate channels.

The August 2022 flood event highlighted issues with the size and debris control of several stream culverts and intakes around the city, as well as gravel and channel bed level management generally. A programme of reinstating and upgrading flood protection assets is underway and is expected to be completed by 2027/28.

Post flood stream and river channel inspections for all urban catchments detected a high number of channel bank scour issues, which have been ranked as high, medium, or low priority, based on proximity to assets at risk and channel bank height. There are approximately 500 sites identified, of which approximately a third are high or medium priority to address.

An additional outcome of the August 2022 flood was the deposition of material along the beds of stream and river channels, particularly within estuarine reaches of these channels. In extreme cases such as Todd Valley Stream and Oldham Creek, the lower section of channel was completely infilled and needed to be re-instated.

The Hillwood Streams were similarly affected, reflecting the high intensity rainfall that fell within these catchments which resulted in hillslope slips and stream bank scour.

Aside from the August 2022 event, the past ten years has included four other significant flood events:

- The December 2011 flood was a long duration event that generated higher stream flows than August 2022 in the Stoke catchments. As with August 2022, the duration of the event resulted in numerous slips on hillslope terrain.
- The April 2013 flash flood that affected the South Stoke catchments of the Orphanage Stream and Saxton Creek. High intensity rainfall over a 1 hour + period resulted in stream flows well in excess of a 1% AEP event.
- The June 2014 flash flood event affecting a localised area of the York Stream catchment including the Bishopdale, Victory and Toi Toi neighbourhoods.
- The February 2018 storm surge event (Ex-Tropical Cyclone Fehi) resulted in tidal inundation to low lying areas across the city, including the CBD, parts of Tāhunanui and Monaco being particularly impacted.

Earthquake damage because of ground shaking and liquefaction can cause significant and long-term disruption to the community, and loss of services to affected areas. Flood protection assets along rivers and streams may be significantly damaged during an earthquake, and unless detected, this damage may result in subsequent structural failure during a flood event. The risks of this occurring can be mitigated through appropriate design and monitoring of structural condition.

Issue FP3: Damage to flood protection assets from natural hazards.

Desired benefits/investment objectives:

- A resilient network that will continue to provide property protection during and after the action of natural hazards, now and in the future.
- Recovery from the August 2022 flood event will extend over the first several years of this Infrastructure Strategy and will include a significant programme of works to repair, reinstate and upgrade assets.

Table FP3: Principal options to manage risks of damage to flood protection assets as a result of natural hazards

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Identify and assess network risk and develop a resilient network to withstand moderate earthquakes and other natural hazard events with minimal damage. Have insurance to assist with recovery costs.	A risk assessment of flood protection assets will be carried out between 2027–2030 and will be repeated every 10 years thereafter. To date, the assessment has focused on defining the areas potentially subject to natural hazards. Further work is required to assess the condition and criticality of flood protection assets. This will lead to prioritisation of 'resilience works' with construction of network upgrades to follow investigation.	✓	Accurate costs will not be known until this investigation is completed and the risk profile is better understood. Investigation cost of $300K over 30 years has been included in operational budgets. A rough order cost of $10M for resilience works over 30 years has been included in capital budgets. Insurance costs are ongoing.
Preferred Option 2 Upgrade key stream intakes and culverts to increase capacity and reduce risks of debris blockage.	This work is currently in progress under the Flood Recovery Programme and is expected to be completed by 2027/28.	✓	Scoping work in progress as part of the flood recovery.
Preferred Option 3 Install gravel traps in the upper catchments to enable better management of gravel loads, including during flood events.	This work is currently in progress under the Flood Recovery Programme and is expected to be completed by 2027/28.	✓	Scoping work in progress as part of the flood recovery.
Alternative Option 4 Identify and assess network risk and rely on insurance as a means to assist with recovery costs.	Significant damage to the network from major events, and slower recovery. This option includes an assessment of risks, but no remedial action to address them. Insurance withdrawal is increasingly likely in high-risk areas in the face of climate change.	XX	Risk assessment of assets in years 4–7 and every 10 years thereafter. $300k over 30 years (as per Option 1).

Investigative work required/CAPEX decisions

Complete investigation and risk analysis of key components of the network. Develop a response plan to inform priorities for network upgrades.

Key assumptions

- Existing information held about fault hazard, areas of land instability, and liquefaction risk are reliable.
- Renewal and upgrade of flood protection assets will be designed to minimise vulnerability to known natural hazards.
- The actual life expectancy of assets is on average not significantly less than the design life. Condition assessment is required to ascertain this.
- A risk-based approach will underpin the prioritisation of flood protection resilience projects over the lifespan of this strategy.

Infrastructure Objective 2: Maintain, renew, and upgrade existing assets in a cost-effective way

Reducing the risk of flood protection asset failures

Asset condition/data confidence

Effective management of flood protection assets relies on the availability of reliable asset data. Existing issues with asset data primarily relate to structural attributes, performance, condition, replacement value and expected remaining useful life.

In stream structure condition surveys have historically been undertaken to support the investigation of new capital projects, prior to establishing new weirs, grade control structures, channel lining, stop banks, or the laying of new stream culverts. The proportion of the flood protection network which has been surveyed for condition is estimated to be low for detailed condition assessments (<5%). However annual stream walks undertaken by the contractor identify issues which are visually evident. More comprehensive condition surveys should be undertaken on a more regular basis for critical flood protection assets, and this also needs to be incorporated in a renewal strategy for assets approaching the end of their design life.

Structure details for flood protection assets are recorded in Council's asset system. Generally, stream culvert diameter and length is well documented, although there are data gaps for attributes such as surveyed levels of pipes, which means that assumptions often need to be made in relation to pipe grade (slope), based on other survey information. These data gaps may affect capacity assessments for some stream culverts. Council relies on LIDAR and UAV (drone) surveys to identify areas and volumes of gravel build up. Reporting on Lower Maitai channel capacity is undertaken on a routine basis as this is a key performance indicator (KPI) under the Long Term Plan.

The separation of the stormwater and flood protection assets recently undertaken has led to the identification of several data gaps for flood protection assets which will need to be addressed. For instance, it has been revealed that not all channel bed grade control structures, or bank retaining structures are adequately recorded. In addition, whilst checks are made through stream and river inspections, there is limited data about the condition of these structures.

Development of Flood Management Plans

A more strategic, risk-based approach is required to identify and prioritise flood protection issues across the city and develop appropriate responses, which will primarily be asset renewal and level of service upgrades. Catchment flood models have been developed to inform this assessment, which enables Council to take a more strategic approach to investigating, managing, and improving the performance of these assets. Flood Management planning will also need to consider flood mitigation through nature-based solutions that reduce flow in the lower catchment, including the implementation of measures that increase flood storage and detention further up the catchment.

Five Flood Management Plans are proposed, as follows:

- Maitai Flood Management Plan
- Brook Flood Management Plan
- York Stream Flood Management Plan
- Jenkins Creek Flood Management Plan
- Poorman Valley Stream Flood Management Plan.

These will guide the following elements of flood management:

- Primary system capacity (open channels and stream culverts)
- Secondary flow paths and flood hazards
- Receiving environments (coastal environments)
- Nature-based solutions
- Flood protection structures and channel bank stability
- Gravel management
- River / stream bed grade control
- River and stream channel habitat
- Prioritisation of flood protection upgrades.

Requests from property owners

Council has collected a combined stormwater/ flood protection rate to fund this activity in the 11 urban catchments South of the Gentle Annie Saddle. Areas North of this, and inland of the urban areas have been generally excluded from this rate. In the wake of large flood events, such as the August 2022, and December 2011 floods, Council receives multiple requests from landowners in these rural catchments for assistance.

Rural catchments and properties exceeding 15 ha have previously been excluded from the stormwater/flood protection rate on the basis that owners of large properties maintain sections of channel that run through their land. However, such maintenance has become increasingly difficult in recent years due to the evolution of freshwater policy and the requirement to obtain and comply with consents to undertake in-stream works. A decision is required on whether to extend the flood protection rate to rural catchments, and include larger properties within the rate.

Council has decided to extend the flood protection rate across the region to include the Nelson North communities and has changed the rating arrangements for the flood protection activities from a uniform charge to a general rate based on land value.

Issue FP3: The risk of flood protection asset failures will increase over time unless assets are maintained, renewed, and upgraded.

Desired benefits/investment objectives:

- Flood Management Plans are informed by a risk-based approach, consider risk exposure for existing development and constraints in relation to protection options.
- Flood Protection Network renewal strategy which prioritises asset renewal based on criticality, remaining design life, current condition, and level of service assessments.
- Data gaps regarding the function, condition and effectiveness of the existing flood protection assets are addressed.

Table FP4: Principal options for improving the maintenance and renewal of flood protection assets

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Develop flood management Plans that provide a consistent basis for prioritising upgrades of the stream and river networks.	A better evidence base is required for improved prioritisation of flood protection projects. This includes an assessment of existing levels of service across the river and stream network and assessing the implications of flood protection works on the aquatic environment.	✓	Development of five separate flood management plans, supported by catchment flood modelling, to cover the city in the first 15 years. Implementation will follow each plan. Flood Management Plans: $750K Modelling: $500K
Preferred Option 2 Proactive focus on gaining a better understanding of flood protection asset condition and developing a renewal strategy.	Increase the proportion of the network that has been assessed for condition, prioritising critical assets. This information is required to inform a renewal strategy. Condition assessment is generally an operational cost where this applies to regular assessment of critical assets.	✓	Condition assessment of the flood protection network, prioritising critical pipes and culverts, at a cost of $500K over 30 years.
Preferred Option 3 Extend the flood protection activity to rural catchments and include these properties in a new flood protection rate, including properties exceeding 15ha.	Rural catchments and properties exceeding 15 ha have previously been excluded from the stormwater rate on the basis that owners of large properties maintain sections of channel that run through their land. However, such maintenance has become increasingly difficult in recent years due to the evolution of freshwater policy and the requirement to obtain and comply with consents to undertake in-stream works. In addition, in the wake of large flood events, such as the August 2022, and December 2011 floods, Council receives multiple requests from landowners in these rural catchments for assistance.	✓	It is anticipated that over time the cost of extending the flood protection activity into these areas would be off set by the rates collected. Additional operations staff would be required to implement the operation and maintenance of the network across the district.
Alternative Option 4 Reactive response to service requests for flood protection improvements.	Upgrades occur in the areas where the most complaints are made, which may not be the areas in most need of improvement.	XX	Piecemeal expenditure does not represent best value for money.

Investigative work required/CAPEX decisions

- Progress flood management plans for the urban streams on a prioritised basis. These will need to be supported by investigations into management options, including hydraulic modelling to assess the efficacy of a range of protect options to inform consultation with the community on adaptive planning.
- Condition and performance assessments will be required for instream structures where these have not been recently assessed. Replacement values for these assets will also need to be determined.
- Financial analysis is required to establish a new flood protection rate to cover rural areas as well as the existing urban drainage area.

Key assumptions

- Current levels of service focus on the reliability of the network as measured by blockages and the response to issues such as property flooding. There is a focus on maintaining the serviceability of the existing infrastructure and ensuring that structural failure of instream assets is avoided.
- Renewal planning aims to match renewals to the rate at which assets reach the end of their service lives.
- Responsibility for the overall management of rivers and streams will remain with Council for the foreseeable future.

Improving freshwater quality and the health of waterways

As outlined in Part One of the strategy, the Action for Healthy Waterways package includes several new initiatives, and the future changes to the Nelson Resource Management Plan may specify higher receiving environment water quality targets to meet, including sediment limits.

This is part of new national direction to protect and improve our rivers, streams, lakes, and wetlands. The package of measures aims to:

- stop further degradation of our freshwater
- start making immediate improvements so water quality improves within five years
- reverse past damage to bring our waterways and ecosystems to a healthy state within a generation.

The National Policy Statement for Freshwater Management 2020 (NPS-FM 2020) includes policies to avoid the loss of river extent and values, including limiting the reclamation of riverbeds.

There will be stricter controls over maintaining open waterways and ensuring fish passage is not obstructed by structures in the beds of rivers. New regulations are also proposed to avoid the impact of structures such as culverts, tide gates and tide flaps on freshwater species which need to swim between coastal and freshwater habitats to complete their life cycle. There are likely to be more regulations related to structures affecting fish passage such as culverts, dams, and tide gates. Piping, diversion or infilling of streams is not likely to be permitted.

Council will need to develop a clear picture of the extent of rivers, streams and culverted stream channels affected by these policy changes as this will affect Council's range of options to deal with tidal inflows from river and stream estuaries.

Actions to improve environmental outcomes

Collaborative action by Council and the community is being taken to improve freshwater quality through the Nelson Nature and Healthy Streams programmes.

Freshwater environments are being maintained or enhanced through best practice associated with:

- natural gravel management in beds where practicable
- protection of natural riverbanks
- forest restoration to reduce peak flood flows and sediment yields
- riverbank shade through vegetation and protection of fish spawning areas
- protection of natural 'pool and riffle' stream bed forms
- maintaining or reinstating natural meanders where practicable
- moving away from using rock armouring for stream bank protection to using geotextile soil-filled bags which grow vegetation, and look like green walls.

Issue FP5: Meeting new freshwater objectives and standards set under future freshwater plans drafted to meet the National Policy Statement for Freshwater Management (NPS-FM), and the National Environmental Standard for Freshwater Management (NES-FM).

Desired benefits/investment objectives:

- Council's instream works positively contribute to achieving standards and policies under the NES-FM, and NPS-FM as well as the water quality targets set for specific watercourses in the Nelson Plan.
- The short-term effects of implementing works within stream and rivers are appropriately mitigated.
- Implementation of gravel management, where required, to reduce the frequency of gravel and flood debris removal and associated disruption to aquatic habitat.
- Promotion and implementation of fish passage, where required, along stream and river channels, including at structures.

Table FP5: Principal options for improving freshwater quality in relation to the flood protection activity

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Preferred Option 1 Implementation of gravel management, including construction and operation of new gravel traps to reduce downstream effects associated with frequent gravel removal.	Gravel build within the bed of channels can compromise flood carrying capacity particularly in the estuarine reaches of channels. Installation of gravel traps is expected to reduce the frequency of Silt and gravel removal and the associated disruption to stream and river habitat.	✓	Planned to be undertaken as part of the flood recovery programme, with a focus on catchments affected in the August 2022 flood. Timing – First 3 years of this strategy. Cost will depend on the final number of sites agreed with landowners.
Preferred Option 2 Improved management of river and stream channels to promote shading, optimise hydraulic performance and incorporate riffles, runs and pools for improved habitat.	Improvement of river and stream channels will be considered to address existing issues. This may include stream re-alignment in some cases and reflect best practice standards in the NTLDM. NPS-FM policies and NES-FM standards will be reflected in future resource management plans which will frame this work.	✓	This is intended to be integrated in project methodology generally, and costs will be site specific.
Preferred Option 3 Extend fish passage along all stream and river channels, including along stream culverts and instream structures.	This relates to specific standards in the NES-FM to provide for fish passage and remove existing barriers.	✓	Long term costs and estimates will be on-going, as there is also a need to reinstate fish passage following large flood events. Fish passage works are planned under the recovery programme.
Alternative Option 4 Reactive response to service requests for stream channel modifications that provide flood protection.	There is often a strong demand for reactive works within watercourses to increase flood carrying capacity. This is particularly the case following a large flood event. This is not a preferred response as it does not generally allow for the same level of environmental improvements as a fully planned project.	x	Timing and costs would generally be in response to large flood events.

Investigative work required/CAPEX decision

- Investigation required to identify priority areas for improved gravel management and catchment gravel yields.
- Identification of channel reaches where additional shading is required to promote habitat.
- Identification of barriers to fish passage across all catchments.

Key assumptions

- Proposed freshwater changes will be adopted in legislation and reflected in future freshwater plans that will include provisions relating to contaminants being released into the stormwater network.
- Responsibility for stormwater management, including stormwater discharges, will remain with Council.

Solid Waste – Ngā Para Totoka

The Joint Waste Management and Minimisation Plan 2019 (JWMMP), currently under review, has a goal of reducing waste to landfill per capita by 10% by 2030. It includes the goals of avoiding the creation of waste, improving the efficiency of resource use, and reducing the harmful effects of waste. Through the draft Waste Assessment 2023, Council continues to have a strong focus on moving actions on waste further up the waste hierarchy. This is in alignment with Council's commitment to action on climate change.

Total waste volumes are expected to increase in direct proportion to population growth, however there is expected to be an increased demand for waste diversion services. These will increase in order both to reduce carbon emissions and to limit the pressure on landfill and other waste handling facilities.

Equally the government is introducing a significant work programme with an updated New Zealand Waste Strategy and supporting legislation with the intention of reducing and avoiding waste while promoting a circular economy. Council will need to align its plans and strategies with the legislative changes. The legislative changes will also require extra reporting and potentially council monitoring of other waste providers.

The strategy of solid waste is twofold, to provide services which manage contemporary and historical waste in a manner that reflects the environmental, social, cultural, and economic values of Nelson council and to reduce the production of waste, and to maximise their reuse before providing options for low emission processing or disposal. This includes assisting individuals to manage their waste at a household level.

Solid waste activities are funded through a combination of gate fees at the Nelson Waste Recovery Centre, a share of the Local Disposal Levy from the joint Nelson City Council and Tasman District Council owned landfill, and the Nelson share of the central government Waste Disposal Levy.

The Waste Disposal Levy is funded from a per tonne charge for waste, at the time it is disposed to landfill. This fund is managed by central government to develop nationally important waste minimisation infrastructure. Approximately 50% of the amount collected is returned to the region to be used in waste minimisation activities. This in effect makes Solid Waste a 'closed account' and its activities do not burden residential rates.

In 2023 the waste disposal levy is $ 50 per tonne and will increase to $60 per tonne in 2024. This will provide a significant increase in locally available waste minimisation funds. This will assist in funding activities, such as a kerbside kitchen waste collection which is mandated to be started by 2030.

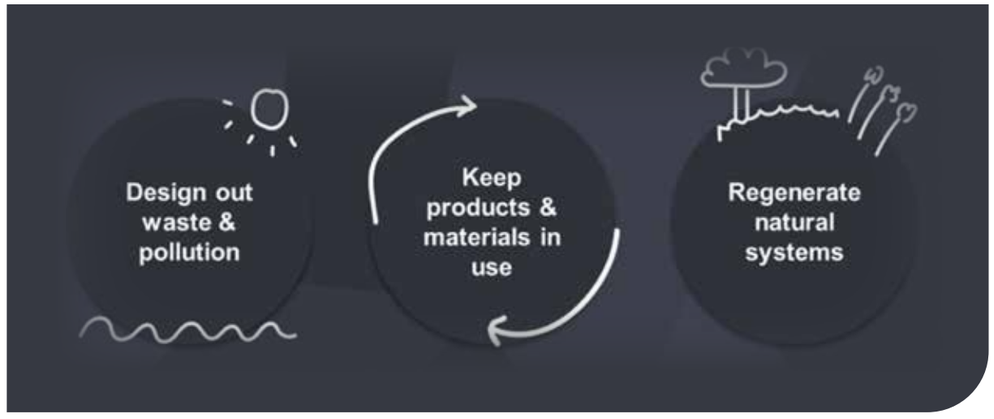
Solid waste supports rather than directs the York Valley Landfill which will be reported separately through the Nelson Tasman Regional landfill Business Unit (NTRLBU) strategy.

Figure SWA1: The Waste Hierarchy

Table SWA1: Summary of NCC assets (excluding land)

Asset category	Units
Hoppers	2
Compacting mechanism and gantry crane	1
30 cubic metre haulage bins	7
Hopper building at Nelson Waste Recovery Centre	1
Barn building at Nelson Waste Recovery Centre (and attached sorting shed)	1
Kiosk building at Nelson Waste Recovery Centre	1
Residential recycling bins	21,460
Unused residential recycling bins	800
CBD street litter bins	203
Atawhai closed landfill	1
Wells at Atawhai closed landfill	10
Bins in school recycling service	14

Asset category	Location	Replacement cost
Hoppers and hopper building	Nelson Waste Recovery Centre	$950k–$1.2M
Barn in recycle yard	Nelson Waste Recovery Centre	TBD
Residential recycling bins		$800k
CBD street litter bins	CBD dairies and bus stops	$400k
Atawhai closed landfill	Incurs cost without revenue so is considered a negative value asset	–



The activities of Solid Waste

It is anticipated that government legislation for activities such as product stewardship, standardising recycling, diversion of organic waste, etc, will have an impact on activity delivery, which will be considered through the JWMMP and AMPs.

Residential and commercial refuse services in Nelson are supplied by private companies, independent of council. The Solid waste Strategy is one of cooperation and inclusion, it does not include competing with private companies or using the council position to disadvantage any company already actively reducing waste to landfill.

In the future, government legislation may require councils to also provide a domestic kerbside refuse collection service.

Most other waste services are provided or managed by council. These include:

Nelson Waste Recovery Centre (NWRC), includes a free public drop off for recyclables, a user-pays transfer station operation (including green waste) and an NGO operated but leased from NCC re-use shop. This format has been proven effective and the NGO has expanded to include e-waste recycling. The strategy of the NWRC is to increase diversion, improve the disposal of hazardous waste, and to reduce the tonnes from the NWRC to landfill each year.

There is potential that following the introduction of a container return scheme that the NWRC could earn revenue from container return recycling.

The site, the Hoppers, most of the buildings, and the associated plant are NCC assets. Operation of the hoppers and the cartage of green waste to 'Green waste to zero' (composter) and refuse to York valley (landfill) are contracted to Fulton Hogan until 2029.

The NWRC also provides a disposal point for hazardous materials ensuring safe handling and disposal, protecting Nelson's stormwater and waterways. This includes the free disposal of batteries with the aim of limiting battery fires at landfill.

An area for the diversion of construction and deconstruction materials is being established in 2023 which will provide ongoing further NWRC diversion from landfill.

Residential kerbside recyclables collection: NCC have provided over 21,000 households with a yellow lidded wheelie bin and households can purchase a blue glass bin for the glass collection service. The service for both is contracted to Nelmac until July 2025. Sorting and sale of commodities on behalf of Nelmac is by Smart Environmental Limited through the Regional Materials Recycling Facility (MRF) situated in Richmond, Tasman. Post 2025 recycling will be a collection contract with the collector and a separate sorting contract directly with NCC. The wheelie bins are an NCC asset, so replacement bins are provided by Council.

Street litter: There are 54 leased solar compacting bins in the CBD, and 84 tilt bins at dairies and bus stops. The tilt bins are an NCC asset maintained at an average cost of $40k per year. The collection contract for infrastructure street litter was awarded to Envirowaste until 2029.

Waste minimisation: Solid waste activities also include programmes to support our community to avoid or reduce waste, under the umbrella of Rethink Waste Whakaarohia – these are delivered both by NCC and collaboratively with Tasman District Council through the Joint Waste Management and Minimisation Plan and Activity Management Plans.

Infrastructure Objective 1: Increase resilience to natural hazards and climate change

The Infrastructure Strategy includes the closed landfill at Atawhai. This area primarily encompasses Miyazu Park, Whakatū Marae, the Nelmac nursery, Founders Heritage Park, Neale Park, and some surrounding residential properties.

There is an ongoing management plan for this landfill which includes annual testing for gas, leachate, and contaminants. The area is a HAIL site and as such has restrictions on excavations and constructions. While this management plan will continue, consideration will also be given to the potential effects of sea level rise and climate change.

Present NCC-utilised models for sea level rise place Atawhai landfill at risk of inundation during storms or weather events in the mid-2050s. Through the term of this strategy closer monitoring and discussion relating to mitigation options will be instigated to increase preparedness.

The annual closed landfill reports have identified increasing amounts of maintenance that will be required during the term of the plan which will take into consideration the initial climate change amelioration for the site.

The contracted collection services, and Solid Waste services which require vehicles, will be reviewed prior to the start of each new contractual term. Since 2022 low or zero emission vehicles were the preferred in all vehicular contracts. Since 2023 the street litter collection is being performed by an electric collection vehicle.

An assessment of residential kitchen waste kerbside collection services and collection systems is underway. This includes geographical operational considerations, and processing options to ensure the process aligns with the council emissions policy. Consideration is also being given to processing systems which may utilise a wider range of materials than the kitchen waste.

Green waste costs less to process than landfilling so will continue to be offered at a lower gate rate at the NWRC. In 2025 at the end of the contract term alternative processing options will be considered to ensure the efficacy of the process and to ensure that the process aligns with council policies.

A review will be conducted to ensure that the recyclables that produce emissions are processed and recycled in a manner consistent with councils' climate change and emissions policies.

The waste minimisation activities of Solid waste will receive annual internal reviews to establish a baseline for diversion activities, from which mitigation and benefits of diversion can be calculated.

The review of the JWMMP 2019 will consider the need for infrastructure planning relating to the management of disaster waste, in line with the requirement under the Waste Management Act 2008 to protect public health, as well as managing the financial, social and cultural risks.

Infrastructure Objective 2: Maintain, renew, and upgrade existing assets in a cost-effective way

If solid waste 'owns' the waste stream they can control its methodology and manage its outcomes (this does not necessarily require assets). While ownership of the landfill is essential, (under the NTRLBU) control of a kerbside recycling service requires no more assets than the kerbside bins, and an economic basis for paying for the collection. This eliminates potential competition. The primary risk of competition is that the division of any waste stream from such a geographically constrained area as Nelson, would lead to multiple but inefficient or uneconomical options for the same service.

The asset strategy is to maintain assets which will ensure council control of the waste stream or the facility, and to phase out unnecessary assets at the end of their effective life.

Kerbside recycling bins are replaced as required with the present bins expected to be in use until 2028 and progressively replaced from that time as required.

Hoppers at Pascoe St are depreciated and replaced or maintained as required. By maintaining the hoppers NCC controls transfer station operations and sets the conditions of the contract.

Street litter tilt bins require regular replacement, (average $40k/yr.). Solar bins are on a 5 year lease expiring in 2027. At that time the lease bins may be purchased or a new lease established.

The construction and deconstruction diversion at the NWRC includes a forklift and structural assets such as shipping containers, dome shelters, racking etc. NCC ownership of these assets maintains NCC control of the diversion process.

Many solid waste activities, particularly waste minimisation or reduction activities are developed in coordination with Tasman District Council (TDC) through the JWMMP.

Construction and demolition waste

In 2023 the establishment of the NWRC C&D site will increase diversion of construction and demolition waste.

The diversion of building construction materials from landfill to secondary markets such as NGOs will be supplemented by the encouragement of 'deconstruction' of buildings rather than demolition. NGOs will recover and retail the deconstructed materials.

Volumes of diverted construction and demolition waste are likely to increase as landfill fees increase and new government legislation is enacted to introduce mandatory site waste diversion plans.

Improving resource recovery

Following the introduction of product stewardship (for example container return schemes), the format of the recyclable collection service will need to be reviewed. Depending on the structure of the payment schedule there may be opportunities to reduce collection costs or provide a further revenue stream to the NWRC through the increased value of the commodities. Other product stewardship schemes (scheduled to start later in 2025) will also immediately divert most tyres waste in Nelson from landfill (600–700 tonnes per year).

Kitchen (putrescible) waste

Nelson City Council and Tasman District Council are exploring potential options to deliver a residential kitchenwaste collection service. This will also provide opportunities to encourage development of regional organic processing facilities.

Hazardous waste

There is an increased availability of recycling services for hazardous items such as chemicals and batteries with options to keep more residential hazardous materials from landfill being assessed. The NWRC management of hazardous waste is an environmentally required service and is not assessed by economic parameters.

Building waste diversion

Modifications to the NWRC will result in establishing an area for the diversion of building waste from late 2023. This will be staffed by NEC and be cost neutral to NCC. The aim of the service is to divert tonnes from landfill and maximise the reuse of materials.

Council will continue to focus on enabling community-led change to address our 'make, take, waste' culture and its associated greenhouses gas emissions through the Rethink Waste Whakaarohia programme. Activities include grants, education, behaviour change programmes, support for schools, event waste minimisation, Council walking the talk. These activities are sometimes delivered collaboratively with TDC under the Rethink Waste umbrella.

Following the introduction of product stewardship, the format of the recyclable collection service will need to be reviewed.

Issue SWA2: Solid waste will contribute to Council's obligations under the Climate Change Response (Zero Carbon) Bill by directing contractors to change to zero carbon vehicles, and through the diversion of materials which would otherwise be producing carbon emissions.

Table SWA2: Principal options to divert waste from landfill

Principal options	Explanation and implications	✓ or x	Cost estimate and timing
Option 1 Product stewardship	Government is proposing to regulate product stewardship for these priority products: tyres, electrical and electronic, containers, farm plastics, and packaging. Adjustment to services, particularly tyres and containers, in line with the legislation this may provide economic benefit.	✓	Central government implementation by 2024–26
Option 2 Residential kitchen waste collection service	Nelson-wide residential service for collection and processing in line with climate declarations and NCC policies.	✓	Post 2027 costs estimated $1M/yr
Option 3 Carbon neutral collection vehicles	Preference given to contractors with carbon neutral vehicles. (Started Dec 22).	✓	$200k/yr. Post 2023
Option 4 Bio digester or in-vessel composting	Contracted service only. Not an NCC asset. Built and managed by contracted party.	✓	$700k/yr. Post 2023
Option 5 Joint waste Minimisation with Tasman District Council	The two councils will develop, implement, and promote activities that engage the community in waste reduction.	✓	Funded through the waste levy Present plan to 2028
Option 6 Green waste	Contracted to open windrow composter review alternate options as contract ends. Potential inclusion in food waste processing.	✓	Post 2025
Option 7 Polystyrene	Few options for the diversion of polystyrene emphasis is on supporting government strategy to phase out its use.	?	Not estimated 2022
Option 8 Waste to incineration	Waste to Energy is not a preferred option as it does not align with council waste strategy. This is also a NTRLBU decision as it replaces landfilling but has minimal operational impact on collections.	XX	Not estimated
Option 9 Small incinerator for non-recyclables plastics	A small incinerator will save landfill airspace (revenue) and unlike a waste to energy can be turned on and off.	?	Not estimated 2025
Option 10 Atawhai closed landfill	Potential for extraction of waste from Atawhai landfill to place in alternate landfill.	<	Not estimated 2040
Option 11 Deconstruction diversion to NGOs	NCC diverting deconstructed building materials to NGOs for re-sale.	<	$100k/ yr post 2023

Part Three: Financials

This section shows the estimated financial implications of the most likely scenario resulting from addressing the key issues and maintaining planned service provision over the next 30 years. This includes the estimated costs for the projects and initiatives identified in the previous section.

More detail about individual projects over the next 10 years is available in the various 2024 Activity Management Plans.

As described throughout this strategy the objective of core network infrastructure is to support achievement of the desired outcomes for the community. Each specific infrastructure objective aligns with the outcomes and will contribute to the city's success.

The anticipated impacts from climate change, recovery from severe weather events and central government direction will bring a degree of uncertainty in many areas but Council has shown the ability to remain flexible and adapt to change. While this strategy has identified the significant infrastructure issues over the next 30 years, it is based on existing information and thinking. It is understood that as new opportunities and challenges arise, future strategies will need to consider those changes.

The three waters flood protection and transport networks will continue to grow and be upgraded to meet user demand and the existing network will be upgraded/ renewed to provide the expected service levels.

Levels of service will likely change over time but the extent and direction is not always clear so ongoing monitoring of customer preferences and asset utilisation will continue. Regardless of what transpires, the focus remains on meeting the required levels of service in the most cost-effective manner.

Council is continually improving mechanisms to collect and analyse data on performance and condition. As this continues to improve, it will help ensure whole of life costs are fully understood, assets life is maximised, and funding requirements are based on sound evidence.

Key to success is not only maintaining and understanding current community needs and how our assets meet those corresponding service levels but to also keep an eye on the horizon for changes that may require a response, particularly with regards to the impacts from climate change.

The decision process needs to remain robust, so trade-off implications are understood when future changes require a re-allocation of funding.

The proceeding sections have shown our approach is to ensure that over the next 30 years Nelson's infrastructure assets are managed to continue to deliver expected levels of service. The networks will become more resilient from both natural hazards and climate change and more environmentally friendly.

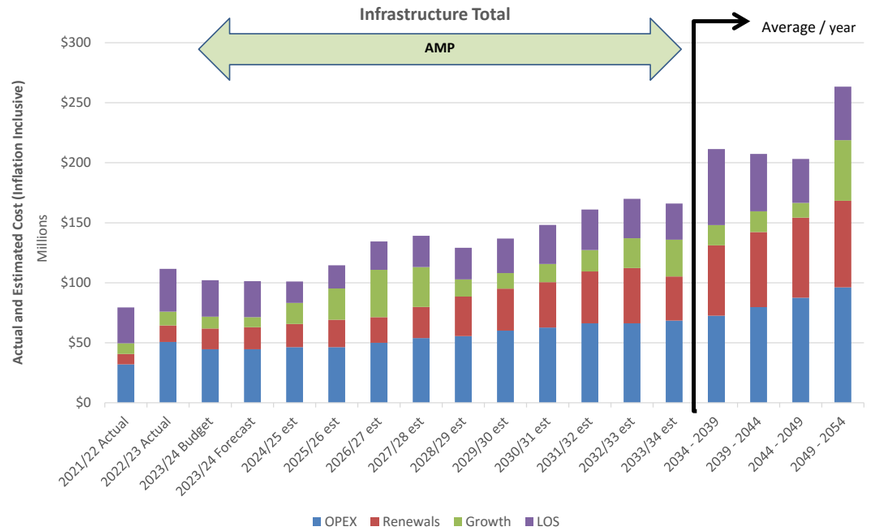
They seek to provide accessible and safe transport options which allow efficient travel around the city and quality drinking water supply to households and businesses, wastewater disposal that remains in the network until treatment, and stormwater disposal options that are right sized to improve freshwater quality and protect properties from flooding.

These graphs show the financial estimates (each year is shown for the first 10 years, then spending in years 11–30 is shown in five-year increments as the average per year) for all infrastructure and by activity.

Depreciation graphs are also shown and compared against the total capital spend per year. Total capital spend has been presented as a significant amount of growth and level of service projects include a component of renewals, such as the intensification growth projects within the water, wastewater, and stormwater activities.

Furthermore, in the case of the stormwater activity, due to the impacts of climate change (increased rainfall intensity), the primary driver for replacing assets will typically be level of service, due to a reduction in pipe flow capacity. Therefore, resulting in a need to upsize the pipe, rather than a like for like renewal.

Estimates are adjusted for inflation using BERL forecasts.



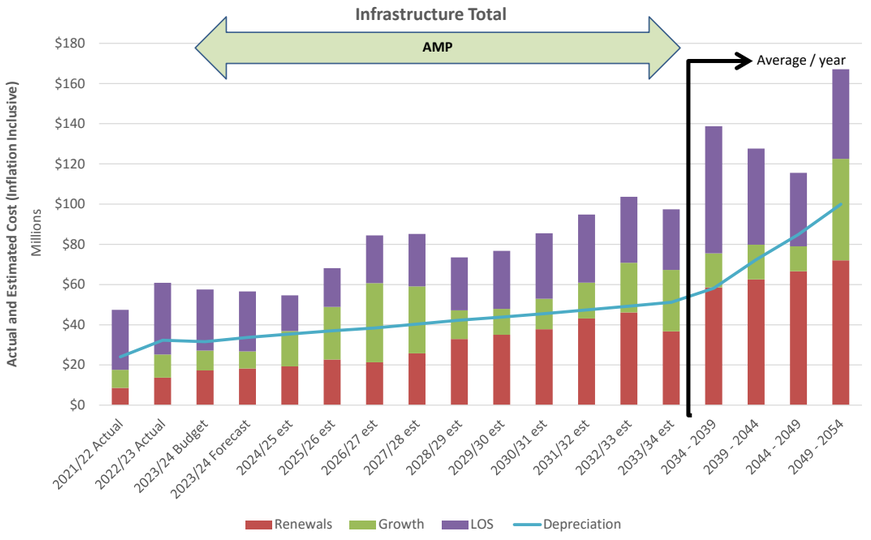


Figure F1: Infrastructure Total Estimates

Table F1: Summary table of significant projects and programmes

Activity	Project or programme	Capex cost estimate*	Estimated timeframe	Issue table ref
Transport	Integration of the local network with transport solutions flowing from the Nelson Southern Link Investigation	$164M	2023–53	T5
	Footpath Renewals Programme	$47.6M	2023–54	T2
	Sealed Road Resurfacing	$47.5M	2023–55	T2
	Pavement Rehabilitation	$41.1M	2023–56	T2
	Retaining Wall replacement	$27M	2023–57	T2
Wastewater	Atawhai Rising Main Renewal	$57M	2024–33	WW4
	Wastewater pipe renewals	$300M	2024–54	WW2/3
	Natural Hazards Risk Assessment	$23.5M	2027–54	WW1
	NWWTP Upgrade	$149M	2025–54	WW1
	Wet weather overflow mitigation programme	**	2024–54	WW3
	Quarantine Rd Sewer PS/Catchment Upgrades	$27.2M	2024–39	WW1/2/5
	Emano/Murphy St Wastewater pipe Renewal and Upgrades	$16.6M	2030–35	WW2/5
	Awatea/Quarantine/Airport RM network – Renewal and Upgrade	$19.6M	2033–38	WW1/2/5
	City Centre RM network – renewal and upgrade	$28M	2036–43	WW1/2/5
	Vangaurd PS (Upgrade/renewal)	$23M	2032–37	WW1/2/5
Water	Primary Clarifier	$22M	2035–40	WS5
	Water Pipe Renewal Programme	$155M	2024–54	WS2/3/4
	WTP Membrane Renewals	$23.7M	2030–54	WS3
	WTP Headworks Renewals/Upgrades	$36.6M	2024–54	WS3
	WTP Renewals	$18.3M	2024–54	WS3
	Maitai Raw Water Pipeline Renewal	$38M	2027–41	WS1/2/3/4
Stormwater	Stormwater Renewals	$56.7M	2024–54	SW3
	Haven Road/St Vincent Culvert renewal and upgrade	$10.1M	2024–27	SW1/4
	Rutherford Stage 2 – Box Culvert Examiner to Hardy	$12.0M	2033–40	SW1/2
	Rutherford Stage 3 – Box Culvert Hardy to Saltwater Creek	$14.3M	2040–47	SW1/2
	Stoke STW Strategy Implementation	$11.5M	2036–44	SW1/2
	Port Hills STW Strategy Implementation	$10.9M	2035–44	SW1/2
	Atawhai SW Strategy Implementation	$10.1M	2038–48	SW1/2
	Freshwater Improvements Programme	$7.5M	2024–54	SW5
	Washington Valley Stormwater	$10.1M	2024–37	SW1/2/3
	Murphy/Emano Street Upgrade	$10.5M	2024–34	SW1/2/3
	The Wood Stormwater Upgrade	$7.0M	2031–40	SW1/2
	Tāhunanui Catchment 9 – Moana Ave to Rocks Rd	$8.1M	2024–31	SW1/2/3
Flood Protection	Maitai Flood Management	$57.9M	2024–54	FP1/2
	York Stream Upgrade	$9.5M	2031–41	FP1/2
	Jenkins Creek Upgrade	$14.3M	2026–54	FP1/2
	Poormans Stream Upgrade	$19.2M	2030–52	FP1/2
	Rural Rivers	$9.8M	2027–52	FP1/2
	Coastal Response Strategy Implementation	$9.6M	2028–49	FP1/2

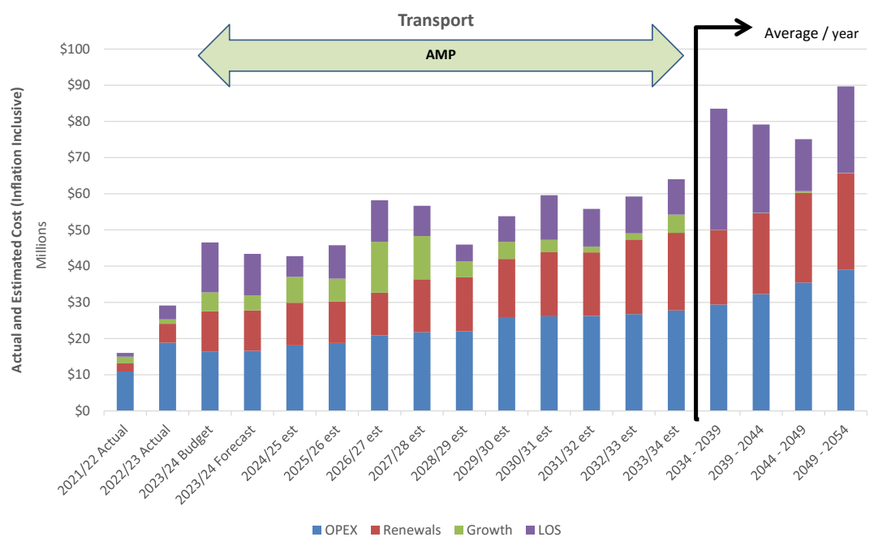
*All capex costs inflated **No direct capex programme – links to other programmes

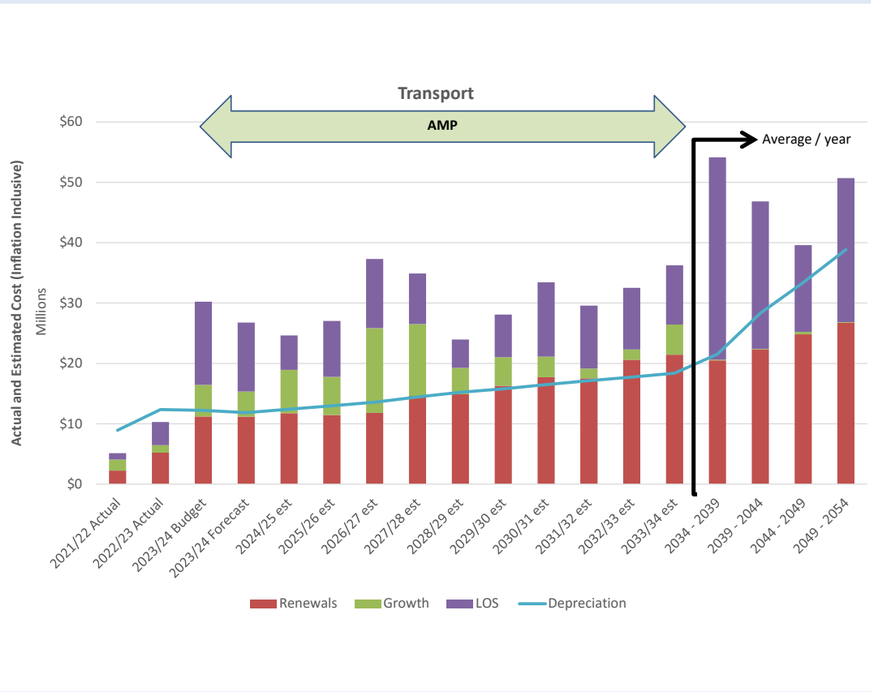
Table F2: Summary table of key growth projects

Activity	Project or programme	Capex cost estimate*	Estimated timeframe
Transport	Marsden Valley Ridgeway Upgrade	$3.77M	2024–28
	Main Road Stoke/Marsden Road	$1.3M	2029–36
	Montreal Princes Drive Intersection Upgrade	$1.13M	2027–31
	Polstead Suffolk Intersection Upgrade	$2.75M	2031–46
	Polstead Main Road Stoke Intersection Upgrade	$1.12M	2024–27
	Ngawhatu Suffolk Intersection Upgrade	$3.17K	2028–31
	Market Road Bishopdale Ave Intersection Improvements	$483K	2046–51
	Public Transport Facilities new and renewed	$288K	2030–51
	Integrated ticketing	$111K	2025/26
	CBD Interchange	3.6M	2021–27
Wastewater	Saxton Road Sewer Upgrade	$7.69M	2031–34
	Ngawhatu Valley Trunkmain – Stage 2	$7.18M	2028–32
	Central City Intensification Capacity Increases	$4.56M	2032–42
	Pump Station Upgrades	$46M	2024–54
	2034+ Growth projects	$98M	2034–54
	Mahitahi and Bayview development	$12.48M	2024–32
	IAF upgrades	$26.81M	2024–28
Water	Mahitahi Development Growth project	$5.5M	2024–31
	IAF upgrades	$10M	2024–28
	NCC–TDC Link	$3.3M	2029–33
	Ngawhatu Valley High Level Reservoir	$2.6M	2027–31
	Bayview Storage	$2.2M	2024–30
	Future growth and intensification	$40M	2024–44
	Future growth Additional Storage	$9.83M	2032–47
Stormwater	Intensification City Centre	$8.65M	2028–38
	Intensification City Wide	$8.8M	2028–38
	York Terrace	$2.25M	2024–26
	IAF Stormwater Pipeline Upgrade	$5.34M	2024–29

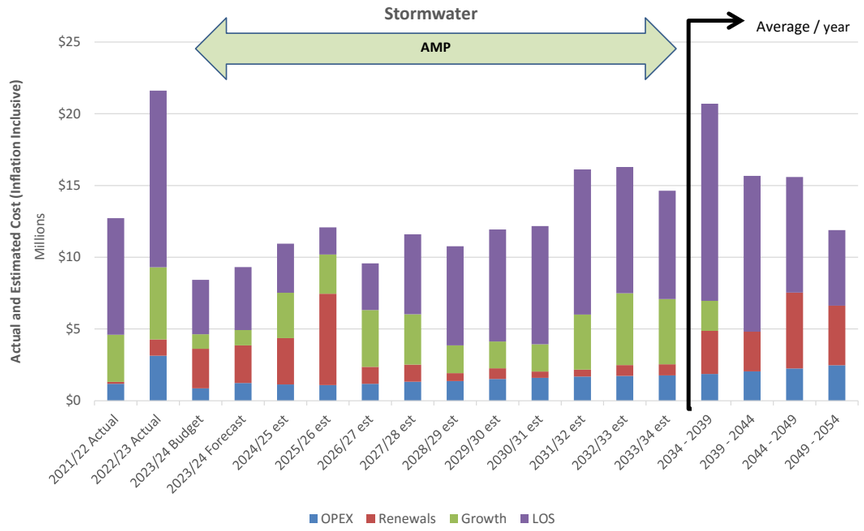
*All capex costs Inflated

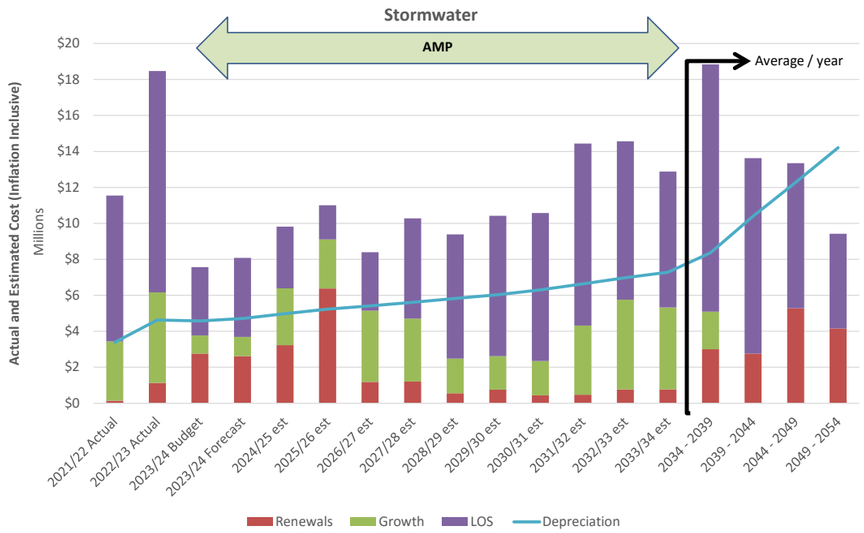
Activity estimates



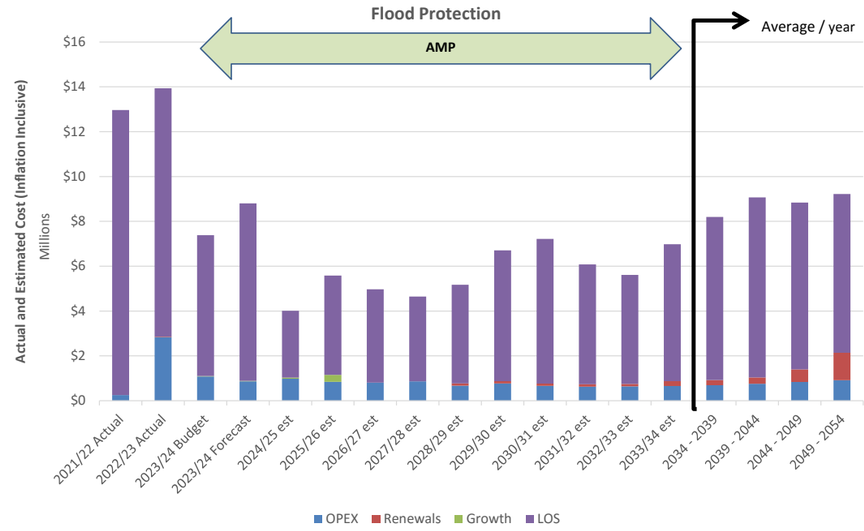


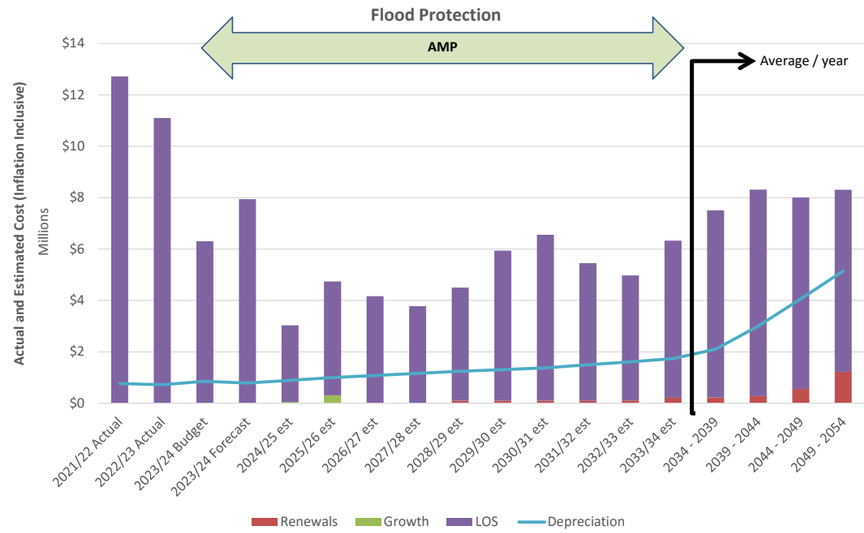
Stormwater – Te Wai Āwhā



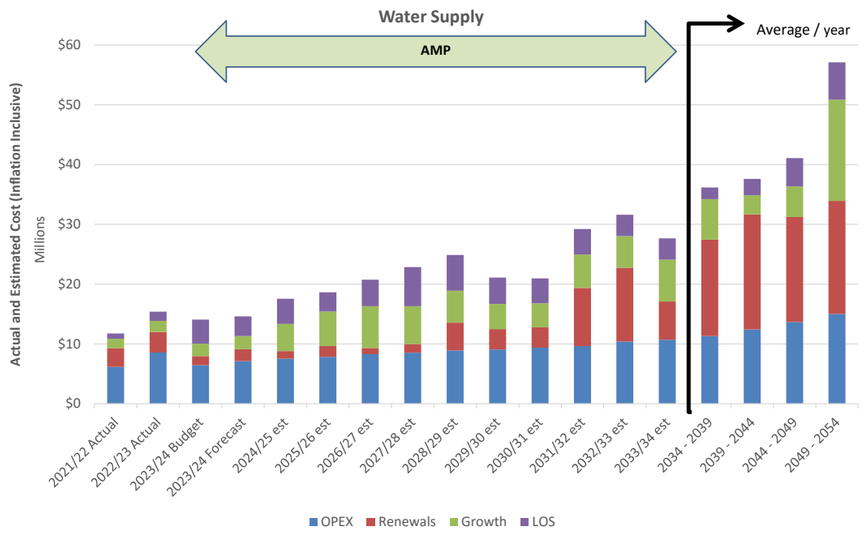


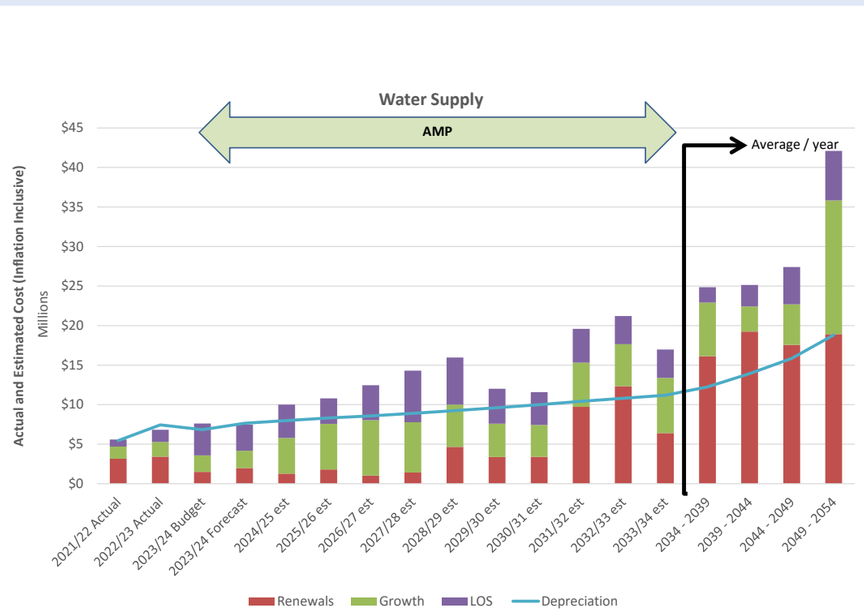
Flood Protection – Te Ārai Waipuke



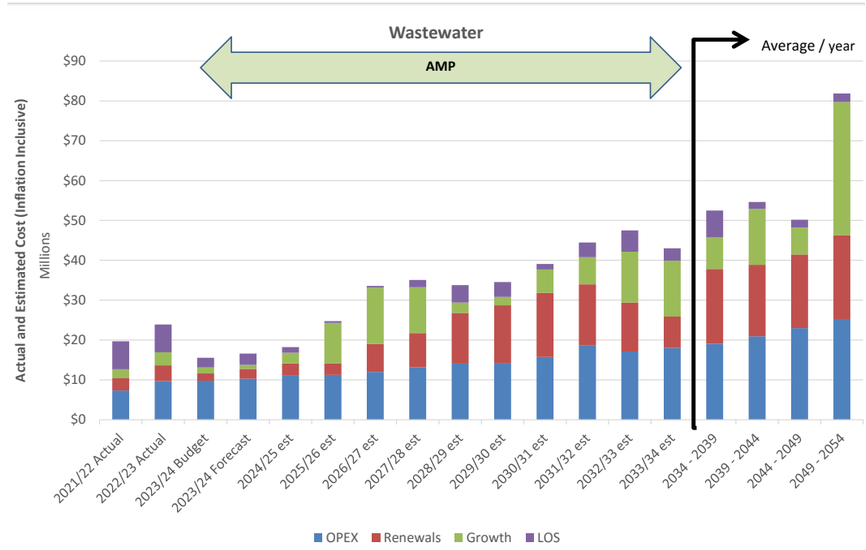


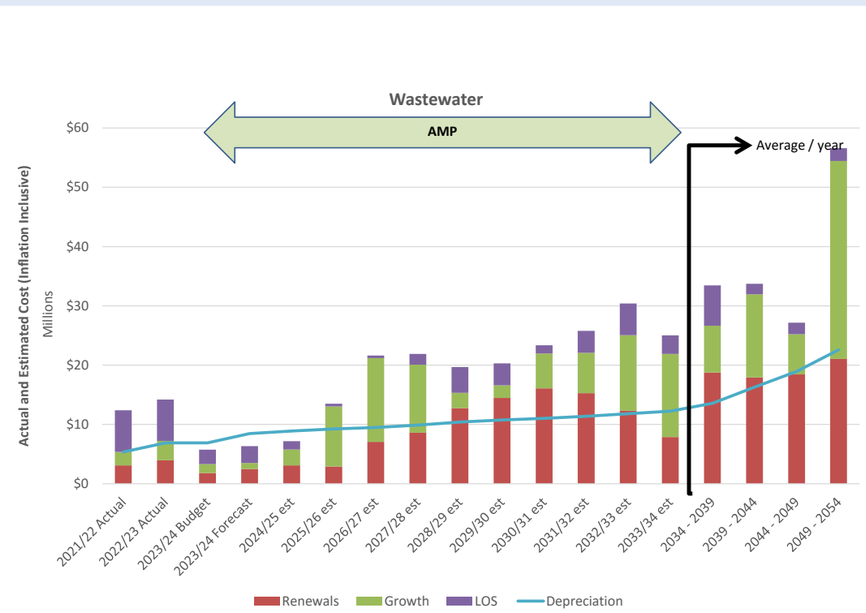
Water Supply – Te Ratonga Wai



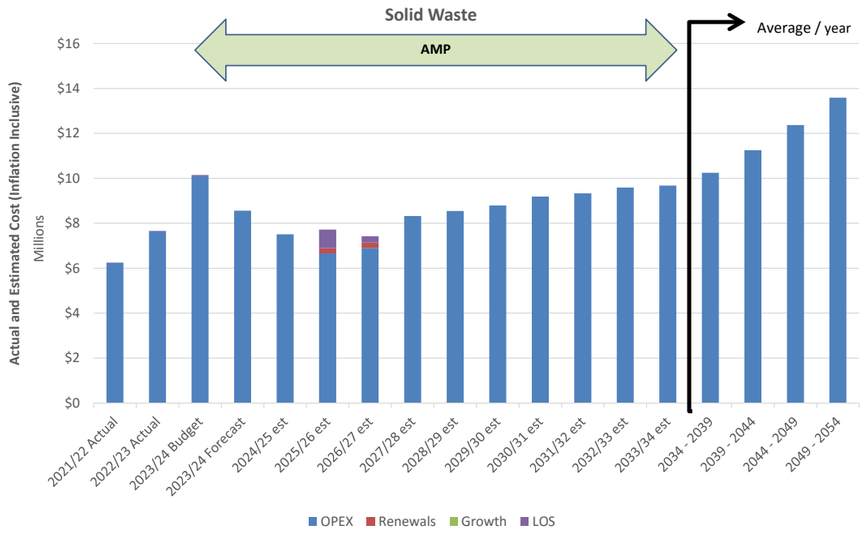


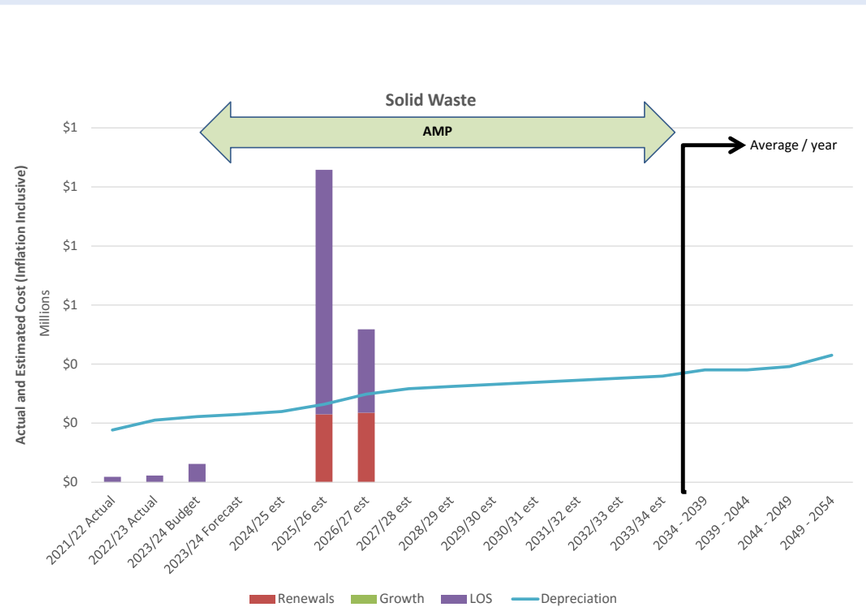
Wastewater – Te Para Wai





Solid Waste – Ngā Para Totoka





Glossary

AMP

Activity Management Plan.

LoS

Level of service.

RAMM

Road assessment and maintenance management database – It is an asset management database to manage and maintain the networks assets.

ONF

One Network Framework – a tool to help establish transport network function, performance measures, operating gaps and potential interventions for each road and street type.

NGO

Non-government organisation.

Renew

Replace it with exactly the same type of asset.

Saturn

A software programme that calculates transport assignment on road networks. Saturn accurately reflects the effects of congestion on urban road networks by explicitly modelling the impact of queues that form at a particular junction on the capacity of those upstream ('blocking back') and the reducing flows able to travel downstream ('flow metering').

Te Ara ō Whakatū

The Nelson City Centre spatial plan.

Tracks

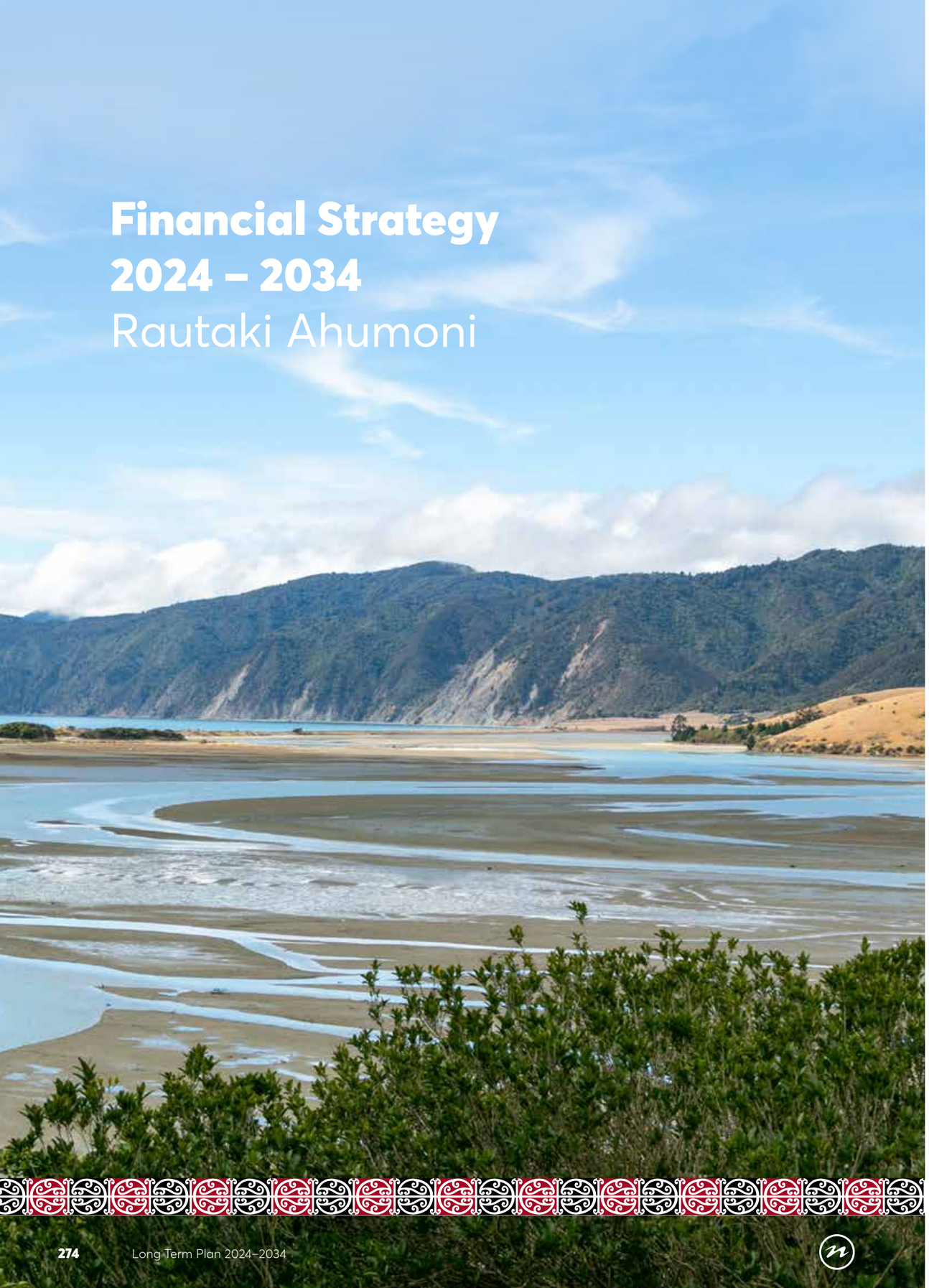
A suite of some sixty programmes which have been developed by Gabites Porter Consultants to assist the analysis and interpretation of land use and transport planning problems.

Upgrade

Replace it with a bigger pipe, larger channel, or additional capacity.

JWMMP

Joint Council Waste Management and Minimisation Plan shared with Tasman District Council.



Financial Strategy 2024 – 2034

Rautaki Ahumoni

Summary

This section summarises Nelson City Council's Financial Strategy (the Strategy) for the Long Term Plan 2024–2034 (LTP).

We have had our fair share of challenges lately, including cost of living pressures, natural disasters and the pandemic. This Financial Strategy includes projects to help us weather these storms, so we can adapt to the challenges and thrive over the next 10 years.

During this time, we will support our community's wellbeing through transforming our city centre, fostering a healthy environment and climate resilience, and continuing recovery from the August 2022 severe weather event. We are also expecting an extra 5,000 people to be living in Nelson in 10 years' time, bringing the population up to about 60,400. Having 5,000 more people in town will boost our economy, but Council needs to make sure enough infrastructure, including housing, is in place to support the increased population.

Over recent years we have maintained relatively modest rates increases (including a 0% rise in 2020/2021) and kept our debt level to $168.9 million as at June 2023. That approach is unsustainable going forward. Council is facing a perfect storm, brought about by increasing interest rates, higher insurance costs, higher inflation costs, increases in the cost of depreciation after a revaluation of Council assets, the earthquake prone status of the current civic building, and costs associated with recovery from the August 2022 severe weather event.

Council's goal is to set affordable and predictable rates over the long term. To do this Council has had to strike a balance between providing levels of service that meet customer and legislative requirements, and the public's ability to pay for these services.

Council is budgeting carefully during this time of increasing costs. That has meant finding savings where we can while continuing to pay for the essentials, including our roads, pipes, parks and buildings.

We are continuing to invest in the services that make a real difference to you and our environment.

Some specific benefits of this investment include:

- Recovery from the August 2022 severe weather event that has not only repaired damaged infrastructure but has included betterment (ie building back better) to provide resilience for future weather events that will offer some security with assets being less likely to fail in future severe weather events
- The Bridge to Better infrastructure project in the inner city provides infrastructure capacity and resilience for increased city centre intensification and to revitalise Bridge Street. This project is also supported by central government funding
- The availability of land serviced, with infrastructure to support more intensive living in existing urban areas and some greenfields development, will enable housing development to keep pace with our increasing population
- Better management of all Council's forested land by transitioning away from commercial forestry over time, which will benefit recreational users and the environment
- Forming an asset-owning Council controlled organisation for the Nelson Marina, this will take the marina debt off Council's books and enable implementation of the Marina Masterplan
- Constructing a new building for the Nelson Surf Lifesaving Club and improving other facilities at Tāhunanui Beach Reserve, estimated cost $3.3 million, subject to a 50% contribution from the Nelson Surf Life Saving Club
- Establishing an arts hub in the city centre to support the arts sector and wider community, estimated cost $1.6 million for the purchase of a building
- Extending the east-west cycle way link, estimated costs $4.9 million
- Developing and implementing a Council Climate Change Strategy
- Detailed design, consenting and construction of the Atawhai rising main between 2024-2033, estimated cost $58.8 million.

For a greater understanding of the maintenance and renewal of our infrastructure and new infrastructure projects, please refer to our Infrastructure Strategy available on Council's website nelson.govt.nz.

To fund Council's work, our annual rates revenue rises cap will remain at Local Government Cost Index (LGCI) plus 2.5% and an allowance for growth[27]. The rates rises are 8.2% in 2024/25 plus $300 including GST per separately used or inhabited part of a rating unit (SUIP) for the Recovery targeted rate, and projected to be 6.5% in 2025/26, 4.7% in 2026/27 and average 3.7% for the remaining 7 years. Our debt cap has increased from a 175% debt to revenue ratio to a 200% debt to revenue ratio. The net debt level at 30 June 2025 is projected to be $252 million and to be $504 million by 30 June 2034.

The ten year forecast capital expenditure was $645 million (including inflation, excluding vested assets and the joint business units) in the LTP 2021–2031. This is increasing to $1.062 billion in the LTP 2024–2034, of which $448 million is for renewals. Overall capital expenditure is increasing by $417 million. This significant capital expenditure programme reflects the need to undertake renewals, meet growth needs and it reflects the greatly increased costs of doing the work.

The forecast operational expenditure is increasing from $169.9 million in 2023/24 to $185.6 million in 2024/25, and is forecast to rise to $252.6 million at the end of the 10 year period in 2033/34.

Council has seen very large infrastructure valuation increases during the last four years. At 30 June 2023, our assets were worth $2.4 billion, compared with $1.6 billion in 2019. It is not affordable for current ratepayers to fully fund the increased depreciation on the revaluations in one step, as it would add a further 9.3% onto rates in the 2024/25 year. Therefore, Council has chosen to phase in the depreciation funding over the 10 years of the LTP. Council plans to fully fund depreciation by 2034. This ensures that current users of infrastructure pay their fair share of the costs of wear and tear on our assets.

Our debt will still be well controlled, serviceable through our income streams and will keep interest payments manageable. Debt headroom will be available earlier in the LTP to respond to emergencies caused by natural disasters. Council has decided to increase rates by an average additional 1% rates increase in the last four years of the LTP to repay the deficit in the General Emergency Fund and start to build up the Fund for future emergency events.

The Strategy and context

Vision and priorities

This Financial Strategy supports our work to make our vision a reality:

Whakatū Nelson is a creative, prosperous, and innovative city. Our community is inclusive, resilient, and connected – we care for each other and our environment.

The Strategy also supports Council's strategic priorities for the Long Term Plan 2024–2034:

- *Support our communities to be prosperous, connected, and inclusive.*
- *Transform our city and commercial centres to be thriving, accessible and people-focused.*
- *Foster a healthy environment and a climate resilient, low-emissions community.*

Council must, under the Local Government Act 2002, manage its revenues, expenses and assets, liabilities, investments and general financial dealings prudently. We must manage these in a manner that sustainably promotes the community's current and future interests.

The Financial Strategy demonstrates how Council will:

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

The overall direction of this Strategy is to:

- Keep the overall rates increases to the Local Government Cost Index (LGCI) + 2.5% and an allowance for growth across the LTP
- Manage our work programme to remain within a debt to revenue ratio of 200% (previously 175%).

27. For information on the growth and inflation assumptions Council has used to prepare the LTP and Financial Strategy, please refer to the Significant Forecasting Assumptions available on Council's website: **nelson.govt.nz**

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

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

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

Providing for levels of service and meeting additional demand

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

Council continues work to reduce greenhouse gas emissions and achieve its emissions targets, and to adapt to climate change hazards. Climate change is embedded across all our activities, it is now a critical part of business as usual.

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

- Transport
- Water supply
- Wastewater
- Stormwater
- Flood protection, including adaptation to climate change
- Parks and Active Recreation, including new and improved Tāhunanui Beach facilities
- Social – including an Arts Hub.

We are also using operating expenditure to maintain our existing assets and respond to legislative requirements.

The graph (Figure 1) outlines the infrastructure capital spend by year, including what expenditure is primarily driven by level of service (LOS) improvements, by growth and by renewals.

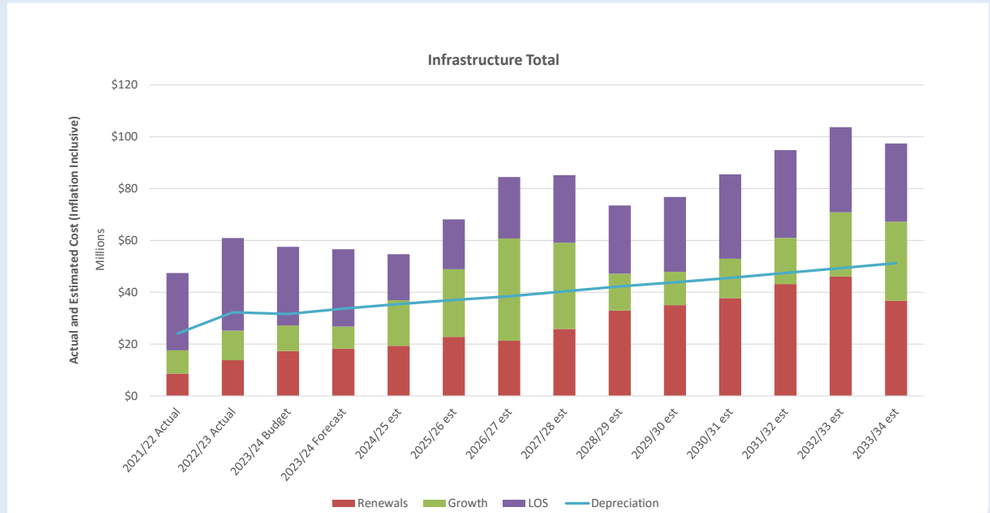


Figure 1: Infrastructure spend by primary driver

Supporting our growing population

The assumptions section of the LTP describes Council's population estimates. We are expecting an extra 5,000 people to be living in Nelson in 10 years' time, bringing the population up to about 60,400. The rate of increase for the LTP is expected to be medium, slowing over time due to structural population ageing.

Based on these figures, we expect there will be a need for approximately another 2,800–2,900 homes in our city, along with associated new commercial and industrial buildings. This growth in housing and business development creates demand for additional capacity in our infrastructure. Housing affordability is a concern for residents trying to buy homes in our city. If we don't provide the infrastructure needed to service land for housing development, housing affordability will decline further.

Growth underpins land use planning, infrastructure developments, where and when new services or facilities are required, and how much things will cost. We plan to invest in the infrastructure needed to provide for growth, including planned intensification within the existing urban area. Our Infrastructure Strategy 2024-2054 outlines our infrastructure maintenance, renewal and development proposals.

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

We will borrow to fund the growth related infrastructure work and repay the debt primarily through levying development contributions[28] on subdivision developments. The graph above (Figure 1) outlines the infrastructure capital spend by year, including what expenditure is primarily driven by growth.

More information is set out in the Development Contributions Policy, which is available on Council's website. Information on projects with a growth component is included in the schedules attached to the Development Contributions Policy.

The costs of meeting demand for services as a consequence of growth have been included in the LTP.

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

Table 1: Summary by activity of growth component of capital projects and development contributions payable

Activity greenfield	$ per HUD (excl. GST)	Brownfield $ per HUD (excl. GST)
Stormwater[29]	$7,630	$7,630
Wastewater	$8,050	$8,050
Water supply	$4,300	$4,300
Transportation	$3,350	$3,350
Community infrastructure	$2,030	$2,030
Infrastructure development contribution totals	**$25,360**	**$25,360**
General reserves[30]	$1,550	$1,550
Neighbourhood reserves (greenfield) – Sites outside the urban boundary	$15,106	NA
Neighbourhood reserves (intensification) – Sites inside the urban boundary	NA	$280
Reserves development contribution totals	**$16,656**	**$1,830**
Total development contribution	**$42,016**	**$27,190**

28. Development contributions are a fee charged on for new developments to contribute to the costs of building the infrastructure needed to support them.

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

30. General Reserves includes the land and the improvements to that land.

Land use changes

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

Council has notified Plan Change 29 which introduces more flexibility around housing policies and rules, while ensuring that natural hazard risks are appropriately managed and historic heritage is protected. The changes are proposed in response to population growth and demand for housing in the region. Proposed Plan Change 29 assists in implementing intensification of residential areas within Nelson City. We received over 800 submissions on the Plan Change. Council staff are currently writing their recommendations to the Hearing Panel, prior to final decisions being made.

Council was part way through a full review of the Draft Nelson Plan (Whakamahere Whakatū Nelson Plan). However, we paused the review due to the uncertainty created by Government legislative and policy changes.

Other factors

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

Urban area

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

External factors

- These are factors outside our control that have an impact on how we fund our activities. For example, changes in road and transport funding provided by central government affect what projects we carry out.

Affordability

- Many residents have low incomes and rates affordability is an important focus for many households. The cost of living crisis has exacerbated the affordability issue. Council looks for every opportunity to reduce costs while not setting back Nelson's progress.

Goods and services

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

Private/public split

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

The consequences of these factors are:

- It is not financially sustainable to provide all the services and activities wanted by the community at the same time. Therefore, we have had to prioritise our work programme
- We have spent the last 12 months reviewing our work programme and services to prioritise the needs of the community
- Costs to maintain and deliver our services to you will continue to increase in the foreseeable future, mainly due to inflation, managing infrastructure for growth and environmental improvement, phasing in funding depreciation, interest cost increases, and other operating cost increases associated with capital expenditure.

Financial Prudence

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

In assessing a financially prudent position, we have considered:

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

During the development of the information to support the LTP, Council considered how to balance its existing asset renewal programme, levels of service, providing for growth and the recovery from the August 2022 severe weather event, and the effects of climate change.

Depreciation and renewals

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

Following the revaluation of infrastructure assets over the last four years, Council's assets have increased in value significantly. As noted above, we are phasing in the depreciation impact of the increased values over the ten year period, with the aim of fully funding depreciation by 2034.

Council's Infrastructure Strategy considers how we will provide and pay for infrastructure to enable growth. This includes network developments for wastewater, stormwater, drinking water, flood protection, solid waste and transport. Planned operational and capital expenditure shown in the Infrastructure Strategy for years 2034–2054 is outside the time period of this Financial Strategy.

Debt and rates limits

Debt

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

We are increasing our debt limit to a Debt to Revenue ratio of 200% from 175% to fund this infrastructure investment. This significant capital expenditure programme reflects the need to undertake renewals, meet growth needs and it reflects the greatly increased costs of doing the work.

Please refer to Figure 5 on page 284 for a graph of the forecast debt by year.

Table 2: Net debt, debt/revenue ratio, rates and rates cap

	Annual Plan 2023/24 $000	LTP Year 1 2024/25 $000	LTP Year 2 2025/26 $000	LTP Year 3 2026/27 $000	LTP Year 4 2027/28 $000	LTP Year 5 2028/29 $000	LTP Year 6 2029/30 $000	LTP Year 7 2030/31 $000	LTP Year 8 2031/32 $000	LTP Year 9 2032/33 $000	LTP Year 10 2033/34 $000
Net debt	207,862	252,328	259,393	287,927	319,913	385,117	418,045	442,126	469,368	491,208	504,292
Debt to revenue ratio	123%	130%	136%	135%	148%	179%	182%	181%	185%	185%	182%
Total rates increase*	**7.2%**	**8.2%****	**6.5%**	**4.7%**	**4.0%**	**4.2%**	**4.0%**	**3.8%**	**3.6%**	**3.4%**	**3.0%**
Rates cap	6.8%	5.4%	4.7%	4.8%	4.8%	4.7%	4.6%	4.5%	4.5%	4.4%	4.4%

*Total rates increase for 2024/25 excludes the $300 (incl GST) special rate for August 2022 severe weather event recovery.

**Plus $300 Recovery Rate per SUIP.

Rates

We have had to weigh up requests for more and improved services with keeping rates and charges affordable. To fund Council's work programme, our annual rates revenue rises cap remains at Local Government Cost Index (LGCI) plus 2.5% and an allowance for growth. Using the LGCI rather than CPI is considered more realistic as LGCI reflects the higher local government costs realities – the cost of doing Council business.

The rates rises are 8.2% in 2024/25 plus $300 including GST per SUIP for the Recovery targeted rate, and proposed to be 6.5% in 2025/26, 4.7% in 2026/27 and average 3.7% for the remaining 7 years. The rates limit will be breached in Year 1 and Year 2 due to the ongoing impact of inflation and the need to repay the August 2022 severe weather event.

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

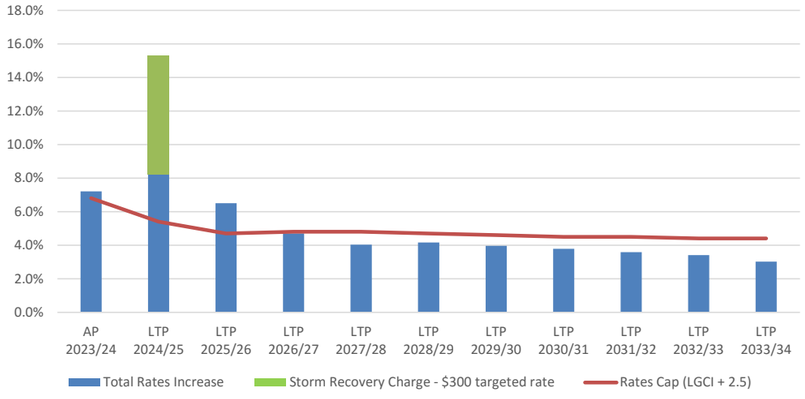
- Cost increases faced by Council, particularly for insurance and construction, which are projected to increase at a higher rate than the Consumer Price Index
- Depreciation and interest payments – the increased value of Council's assets and higher capital expenditure programme will mean that there will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

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

Table 3: General rates, targeted rates, total rates and total net debt

	Annual Plan 2023/24 $000	LTP Year 1 2024/25 $000	LTP Year 2 2025/26 $000	LTP Year 3 2026/27 $000	LTP Year 4 2027/28 $000	LTP Year 5 2028/29 $000	LTP Year 6 2029/30 $000	LTP Year 7 2030/31 $000	LTP Year 8 2031/32 $000	LTP Year 9 2032/33 $000	LTP Year 10 2033/34 $000
General rates	57,867	63,865	69,356	72,142	75,438	78,484	83,774	87,143	91,861	94,159	98,536
Targeted rates	36,942	46,345	49,052	52,935	55,851	60,512	63,080	67,715	72,082	77,964	79,962
Total rates	**94,809**	**110,210**	**118,408**	**125,077**	**131,289**	**138,995**	**146,854**	**154,858**	**163,943**	**172,122**	**178,499**
Total net debt	207,862	252,328	259,393	287,927	319,913	385,117	418,045	442,126	469,368	491,208	504,292

Figure 2: Annual rates increase versus rates cap

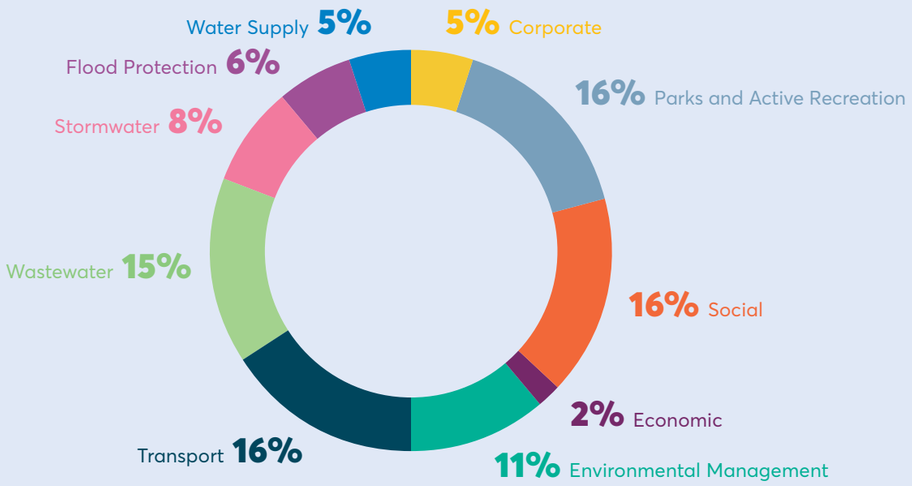


Where the money will go

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

Figure 3: Rates other than metered water, net of remissions by Council services

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



Total operating expenditure is budgeted to increase from $186 million in 2024/25 to $253 million in 2033/34, a 36% increase including inflation over the 10 years of the Long Term Plan. This is shown in the following graph.

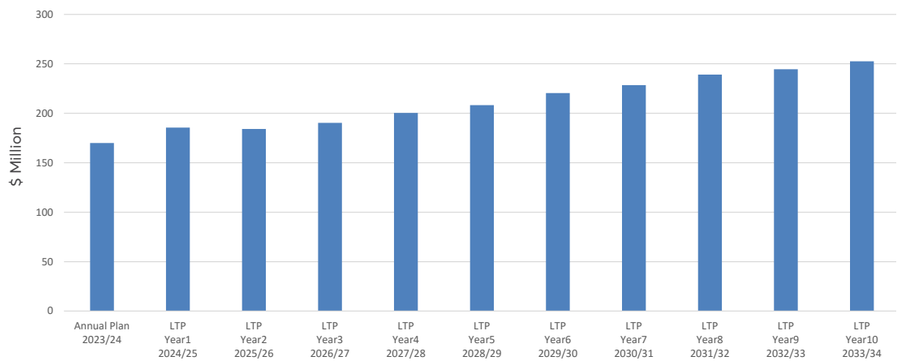


Figure 4: Annual Operating Expenditure

Funding expenditure

Council funds operating expenditure from the following sources:

- We levy fees and charges and targeted rates as a proxy to reflect the benefit received
- We will claim for government grants or subsidies where we are providing services that are part of national programmes or where the government provides subsidies to us to provide certain services. We will also seek grants from other agencies when appropriate
- Other sources of funding include interest and dividends received and other operating revenue such as rent received
- A general rate where there is a deemed general benefit across the city.

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

Managing risks from natural hazards

August 2022 severe weather event

In August 2022, a severe weather event caused significant damage to both public and private property in Nelson. Flooding and numerous slips impacted Council's roading and piped infrastructure network, and gravel build-up in rivers and streams was significant. The total estimated cost of the recovery is $87.2 million, with some of this to be paid for by insurance and central government. That leaves about $60 million for us to pay.

Council is having to borrow to fund the recovery costs. To repay the loans, we have created a uniform targeted rate of $300 (incl GST) which will apply to all SUIPs in Nelson. We think this is the most transparent way to pay for the recovery. We need to pay this off over a relatively short period of ten years because we expect more natural disasters and intense storm events to come our way in the future. But paying off this debt faster means higher costs in the short term.

Some contingency is included within the annual charge of $300 (including GST), in case of variations. In the event we pay the recovery costs off earlier, it would result in the charge being reduced in later years or ended earlier than the 10 years. A further option, if there is a surplus, would be to transfer it to the General Emergency Fund. If there are any overruns in the recovery costs it is not intended to increase the charge but to meet this from the General Emergency Fund or general rates.

General Emergency Fund

Due to the ongoing impacts of COVID over the last 4 years including the 0% rates increase in 2020/21, the General Emergency Fund has a projected overdrawn balance at 30 June 2024 of $13.5 million. Following feedback received during the LTP consultation process, Council has decided to increase rates by an average additional 1% rates increase in the last four years of the LTP to repay the deficit in the General Emergency Fund and start to build up the Fund for future emergency events.

Extreme weather events are unpredictable but expected to increase as a result of climate change. Therefore, there is a reasonably high probability of another weather event happening during the term of this Long Term Plan. However, the probability of such a severe event again is much lower. Should an event occur while the Emergency Fund has insufficient funds, Council will need to borrow to cover the shortfall, seek funding from central government and insurance claims, or reprioritise the work programme. Further borrowing would increase Council's debt levels and rates to service the additional loans. If Council reprioritises the work programme, this could impact services experienced by the community. Council may also reconsider, from time to time, the amount transferred to this Fund from rates, particularly if a significant event should occur.

Borrowing

Capital expenditure is funded in the following priority order:

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

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

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

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

Borrowing limits

Our borrowing limits are set as:

- Net external debt[31] not to exceed 200% of total revenue[32] % (see graph below)
- Net interest expense on external debt as a % of total revenue to be less than 15%
- Net interest expense on external debt as a % of total rates income to be less than 20%.

The following graph shows that our net external debt is not expected to exceed 200% of total revenue for the ten years of the LTP.

31. Net external debt is defined as total debt less cash, term deposits and borrower notes.

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

Forecast debt levels

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

To fund the LTP capital works programme, net borrowings would peak at $504 million during 2033/34. The borrowing programme is within the three limits imposed under the Liability Management Policy which is available on Council's website.

Council has budgeted for average interest rates paid on loans to increase over LTP within a range between 4.63% and 5.21%.

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

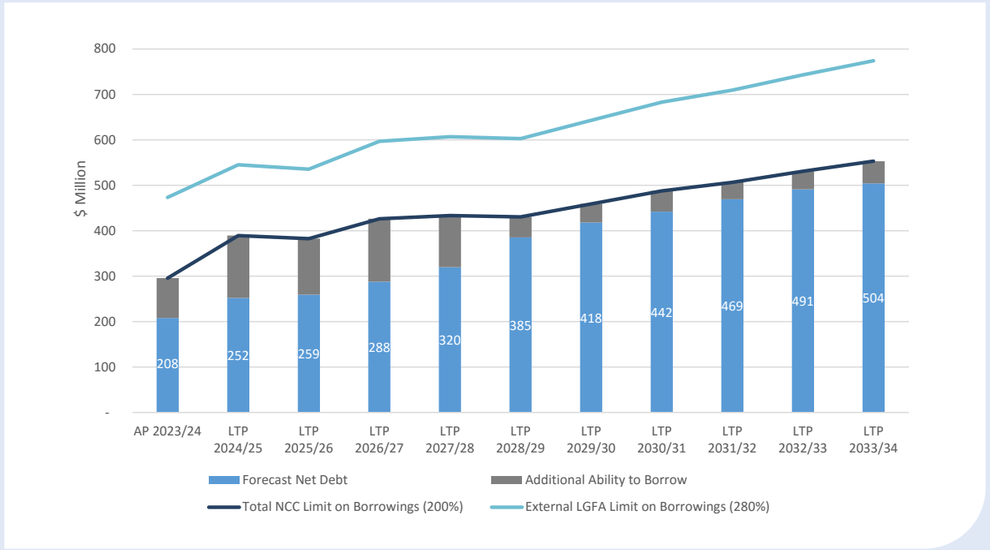


Figure 5: Forecast Debt Levels by Year

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

Table 4: Net debt, net external debt, and net interest expense as a percentage of total rates income

	Annual Plan 2023/24 $000	LTP Year 1 2024/25 $000	LTP Year 2 2025/26 $000	LTP Year 3 2026/27 $000	LTP Year 4 2027/28 $000	LTP Year 5 2028/29 $000	LTP Year 6 2029/30 $000	LTP Year 7 2030/31 $000	LTP Year 8 2031/32 $000	LTP Year 9 2032/33 $000	LTP Year 10 2033/34 $000
Net debt	207,862	252,328	259,393	287,927	319,913	385,117	418,045	442,126	469,368	491,208	504,292
Net external debt not to exceed 200% of total revenue	123%	130%	136%	135%	148%	179%	182%	181%	185%	185%	182%
Net interest expense on external debt as a % of total revenue to be less than 15%	4.4%	5.8%	6.0%	5.9%	6.6%	7.7%	8.7%	9.0%	9.1%	9.2%	9.2%
Net interest expense on external debt as a % of total rates income to be less than 20%	7.8%	10.2%	9.7%	10.1%	11.0%	12.0%	13.6%	14.1%	14.1%	14.1%	14.2%

Investments

Nelson City Council has a portfolio of investments comprising:

- Equity investments
- Asset investments
- Associated organisations.

Our Investment Policy is published separately and available on our website. It contains information on the reasons for holding these investments.

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

We also have approximately 600 hectares of commercial forestry which generate a return, while providing recreational opportunities. Following consultation, Council has agreed to change our approach to forestry management in this LTP. A change in approach may impact on the return generated over the next 30 year period.

Target return on investments

Investment	Return
Infrastructure Holdings Ltd	Infrastructure Holdings Ltd has prepared its draft statement of intent for 2024/25. The dividend stream to the Councils in the first three years are lower than projected in previous SOIs. However, Infrastructure Holdings is in the process of developing its dividend policy for consideration by the shareholders. It notes in its draft SOI that the matter of a Group dividend policy is expected to be resolved by the time of printing the final SOI.
Nelmac	Either 50% of taxable profit by way of subvention payment and dividends or 50% of tax paid profit by way of dividends.
Civic Financial Services Ltd	No return on shareholders' funds.

Securities for borrowing

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

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

Physical assets will be charged only where:

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

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

Contingency funding

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

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

Based on historical trends of project over and underspends, a larger contingency has been built into capital projects for the LTP 2024-2034. We have made an overall downward adjustment to the total capital programme of approximately 10% per year.

This adjustment acknowledges that we are unlikely to deliver the full work programme and to use the full amount of contingency in the programme for every project. This enables us to avoid overfunding the activities.

Variation between the Long Term Plan and actual results

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

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

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

Effective Date: 1 July 2024

Legal compliance: In accordance with sections 101A of the Local Government Act 2002

Approved by: Council on 27 June 2024

Revenue and Financing Policy

Moniwhiwhi, Ahumoni hoki

This Revenue and Financing Policy contains Council's preferred options for funding operating expenses and capital expenditure.

1. Purpose

This Revenue and Financing Policy contains Council's funding mechanisms for its key activities.

A Revenue and Financing Policy outlines what funding sources, such as rates, fees and charges, or borrowing, are used to pay for Council's activities, such as transport and water supply. It also outlines Council's consideration of the impact of those funding sources on community wellbeing, along with any changes Council is proposing to the allocation of the rates, fees and charges and borrowing following that consideration.

The Local Government Act 2002 (sections 102(2) and 103) requires Council to adopt a Revenue and Financing Policy. Section 102(3A) states that the policy must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. This policy supports the principles in the Preamble and helps enable the rating mechanisms provided for in the various rates remission and postponement policies which directly support the principles.

The policy is based on an assessment of the matters in section 101(3)(a) and (b) of the Local Government Act 2002, who benefits, and the timeframe over which the benefit occurs. The tables on pages 300-325 provide Council's assessment for each activity.

Council's goal is to set affordable and predictable rates over the long term. To do this Council has to strike a balance between providing levels of service that meet customer and legislative requirements, and the public's ability to pay for these services.

Council has a number of funding options as prescribed in section 103(2). The main ones are: general rates, targeted rates, fees and charges, borrowing, development contributions and subsidies. Council's approach to these funding options is summarised on pages 294-296.

An aspect of this policy is Council's approach to funding operating expenses and capital expenditure. Operating expenditure funds the work Council does on an annual basis. An example of this type of spending is maintenance and running costs for existing infrastructure. Capital expenditure funds new items, such as new buildings, pipes, playgrounds, roads and replacement or renewal of existing assets.

2. Legislative requirements

What Council can and can't do to fund activities is complex, involving many matters of regulation and legislation. The following matters are concerned with the process of developing this policy.

Under section 102(1) and (2)(a) of the Local Government Act 2002 (LGA), Council must adopt a Revenue and Financing Policy. Section 103 sets out what the policy must contain for funding operating expenses and capital expenditure. It must do this in relation to the following sources of funding:

a. general rates, including –
   i. choice of valuation system
   ii. differential rating
   iii. uniform annual general charges.

b. targeted rates

ba. lump sum contributions

c. fees and charges

d. interest and dividends from investments

e. borrowing

f. proceeds from asset sales

g. development contributions

h. financial contributions under the Resource Management Act 1991

i. grants and subsidies

ia. regional fuel taxes under the Land Transport Management Act 2003

j. any other source.

Section 101(3) says that:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

a. in relation to each activity to be funded
   i. the community outcomes to which the activity primarily contributes; and
   ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
   iii. the period in or over which those benefits are expected to occur; and

iv. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and

v. the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

b. the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

3. Related policies and documents

A number of Council policies have relationships with the Revenue and Financing Policy:

- Financial Strategy – this Strategy facilitates prudent financial management by Council by providing a guide for it to consider proposals for funding and expenditure against, and it makes transparent the overall effects of those proposals on the Council's services, rates, debt, and investments
- Liability Management Policy – this policy outlines Council's policies in respect of the management of both borrowing and other liabilities. It is contained in Council's Treasury Management Policy
- Investment Policy – this policy outlines Council's policies in respect of investments. It is contained in Council's Treasury Management Policy
- Development Contributions Policy – the Local Government Act 2002 and the Resource Management Act 1991 each permit Council to require developers to provide or make financial contributions for the provision of community infrastructure and facilities. This is a source of funding for Council
- Rates Remission and Postponement Policies and Policy on Rates Remissions and Postponements on Māori freehold land – these policies detail those circumstances under which Council will give consideration to the remission or postponement of rates on properties
- Schedule of Fees and Charges – The Schedule outlines the fees and charges Council sets to recover the costs or partial costs of Council's services, usually where there is some private benefit received.

4. Operating expenditure funding

Council funds operating expenditure from the following sources:

- General – Council has determined that it is appropriate to use general rates where there is, in Council's opinion, a general community benefit across all ratepayers or where the collection of rates by another means is impractical
- Targeted rates – Targeted rates may be used to fund activities which identifiable categories of ratepayers in identifiable locations, receive benefits from the activity to be funded, in a different way from other ratepayers. Council sets targeted rates to fund specific activities where it determines it is appropriate that groups of ratepayers fund the activity, however in some cases targeted rates are set as a proxy for direct user pays
- Fees and charges – Fees and charges are generally set to recover the costs where Council considers it appropriate to fund all or part of an activity on a user pays basis. In some cases, the fees or charges Council can recover are limited by legislation, collection costs or the impact on the community. Therefore, fees and charges are set at a lower level than the assessment of private benefits/user pays would indicate. The legislation also provides for Council to charge at a higher level than costs for example to discourage adverse community outcomes
- Grants and subsidies – Where the Council is providing services that are part of national programmes or the Government or other organisations provide subsidies to the Council to provide certain services, then Council will claim for these grants/subsidies
- Other income – Other sources of funding include interest and dividends received, and other operating revenue, such as rent received.

Operating expenditure is generally funded on an annual basis from money received in that year. However, exceptions can be made to this approach when it is necessary to avoid significant fluctuations in rates on a year to year basis or when an operating expenditure item has multiple year benefits. An example of this approach is loan funding the School of Music (not Council's asset) refurbishment grant. Repayment of these loans is funded from income over the life of the underlying assets.

The Council has divided its business into 11 groups of activities. Some of these groups of activities have a number of activities within them, each with their own funding policies, as shown on pages 300-325.

5. Depreciation

Managing depreciation ensures we have funds in the future to replace assets when they reach the end of their life. Depreciation is based on an estimate of the average wearing out, consumption, or other loss of value of an asset.

Spreading the replacement cost of a long-life asset over the expected life of that asset means that its current and future users contribute towards its eventual replacement, rather than just those paying rates at the time the asset needs replacing or major renewal.

Council raises cash through rates and charges to pay for current operating expenses which include depreciation. The cash raised for depreciation is used to purchase replacement assets or repay loans within that activity.

In the Funding Impact Statement depreciation does not appear as an expense line, but is included in the Statement of Comprehensive Income. These funds raised will, over time, fund the renewals that are required to maintain the assets at their required operational level. Each year's renewals are funded from this depreciation, but in most activities there is currently excess depreciation. This is because a majority of Council assets are in good condition and the required renewals in the period under review are less than the level of depreciation being funded. Renewals are normally low in the first few years of an asset's life, and then increase later in their life, for example when pipes need replacing after 60 years.

The excess depreciation raised could be put aside in an investment reserve until the funds are required to fund a major renewal. This could result in having to manage a large investment portfolio, while at the same time managing a large borrowing portfolio. This would be an inefficient way of managing the funds because the return on investments is likely to be 1% to 2% less than the interest rate on borrowings.

Nelson City Council, like many other councils, uses the depreciation fund to repay debt. This has resulted in more efficient management of funds.

Internal loans are used to ensure that depreciation for individual activities is correctly accounted for.

A surplus can arise if an asset costs less to renew than expected. If this happens, any excess is used to fund new capital expenditure within that activity, and if there is still a surplus it is used to repay loans in that activity. In some activities there may still be money left over. In these cases, the excess money is held in reserve for future years.

5.1 Depreciation not funded

These are assets where Council does not intend to fund or is not responsible for funding their replacement in the future. It therefore does not fund depreciation for these assets:

- Founders heritage assets
- Wakapuaka Hall
- Natureland Wildlife Trust
- Camp grounds
- NZ Transport Agency Waka Kotahi share of subsidised assets
- Non-Council funded Saxton Field assets.

Full depreciation may not be required on Saxton Field assets that are on Council land because it is likely that when the assets come to be renewed, they will be part funded by non-Council sources (e.g. partly by Tasman District Council and/or clubs using the assets).

6. Capital expenditure funding

Capital expenditure is spending on assets such as new buildings, pipes and roads. The Council must outline in the Long Term Plan what capital expenditure is prudent, and within the guidelines it has set itself in the Financial Strategy.

Council funds capital expenditure in the following priority order from:

1. Financial contributions and development contributions, if funding is required for a growth project
2. Grants and subsidies, for example NZ Transport Agency Waka Kotahi, Tasman District Council, or charitable trusts
3. Cash surpluses after meeting the costs of renewals expenditure, which arise from Council's funding of depreciation
4. Loans.

Council has a 30 year Infrastructure Strategy which identifies significant infrastructure capital expenditure requirements and related issues expected to occur during the period of the Strategy. It also outlines the principal options for managing those issues and the implications and costs of those options. The Strategy discusses the specific issues Council needs to address related to water supply, wastewater, stormwater, flood protection, transport, and solid waste management to achieve its objectives.

Activity management plans are prepared and maintained for all infrastructural services and these provide information about asset condition and asset renewals required to maintain desired service levels. Capital expenditure is used to fund three key areas of work:

- Renewals – A renewal is where an existing asset has worn out and needs replacing with another asset to do the same job. For example, a stormwater pipe being replaced by a similar sized pipe, although it may be made of a different material. Renewals are funded from subsidies and grants (when available), depreciation, asset sales and lastly from borrowing if necessary.
- Growth – A growth asset is where a new development or subdivision requires existing Council infrastructure to be upgraded to service it. For example, a new subdivision may require an existing stormwater pipe to receive more water, which means the pipe will need to be replaced with a larger pipe able to cope with the extra water from the subdivision. Through the application of its Development Contributions Policy the Council receives contributions to fund infrastructure that is required due to growth. Growth assets may also be funded from subsidies and grants (when available), and where necessary from borrowing.
- Level of service improvements – A level of service asset change is one where the service the asset delivers is improved by an upgrade. For example, an existing stormwater pipe may cope with water from a one in ten year flood but Council wants to enlarge the pipe to enable it to cope with a one in one hundred year flood. Asset upgrades to improve the level of service may be funded from subsidies and grants (when available), financial reserves, asset sales, and where necessary from borrowing.

Borrowing is an appropriate funding mechanism to smooth the peaks in capital expenditure. It also enables the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community over the period during which benefits from that expenditure accrue. It is not prudent or sustainable for all capital expenditure to be funded from borrowings and Council must balance prudence against equity. The overriding limits on borrowing are set out in the Financial Strategy.

7. Rating options

The following section explains the different options available to Council for setting rates, followed by an explanation of the situations when each method is most appropriately applied.

7.1 General rates

The general rate is in two parts – the general rate and the Uniform Annual General Charge (UAGC). All ratepayers pay the general rates.

- The general rate is set and assessed on the land value of all rateable properties
- The UAGC is a fixed rate and is set and assessed on all separately used or inhabited parts of a rating unit (SUIP).

Council has determined that it is appropriate to use general rates where there is, in Council's opinion, a general community benefit across all ratepayers or where the collection of rates by another means is impractical.

As shown in the tables on pages 300-325, the Council has compared the public and private benefit of each activity in order to decide what percentage of the costs should be recovered through user charges. Fees and charges are an important revenue source for Council and helps off-set the amount of rates payable.

7.2 Differentials

Differentials are a percentage adjustment to the rates to reflect differences in levels of services received. For example, rural property owners pay lower general rates, reflecting the lower level of services, such as fewer or no streetlights.

7.2.1 Council has the following differentials:

The base for the general rate is a single residential dwelling (all rating units that are primarily for residential purposes, including an empty section). General rate differentials include:

- Multi-residential (all rating units that contain more than one residential dwelling that are capable of being used primarily for residential purposes)
- Rural (any rating unit having an area greater than 15 hectares which is used primarily for dairy, fattening and grazing, quarries or horticulture use)
- Small holdings (any rating unit which is primarily used as a small holding and having an area greater than 0.5 hectares but is less than 15 hectares)
- Commercial and Industrial – excluding Inner City and Stoke (any rating unit which is used primarily for commercial or industrial use)
- Inner City Commercial (any rating unit which is used primarily for commercial use that is located within the Inner City Zone, as defined in the Nelson Resource Management Plan)
- Stoke Commercial (any rating unit which is used primarily for commercial use that is located within the Stoke commercial zone, as defined in the Nelson Resource Management Plan).

7.2.2 Changes to differentials:

Forestry and rural category land

Council has split Forestry from the Rural category, and decided not to apply the negative 35% differential to the Forestry category land. This means that any rating unit which is primarily used for commercial forestry no longer receives a 35% discount on general rates, while we are continuing to make the differential available to other rural ratepayers. This better reflects the downstream costs and impacts of commercial forestry, including on Council's infrastructure, like roads.

Commercial

The Council has set differentials to collect higher rates from commercial properties, and where there are two or more residential units on one assessment.

Council has adopted a policy that commercial rates are set to collect a specific percentage of the total rates collected, excluding water and voluntary targeted rates. In the Annual Plan 2023/24 the commercial differential was set at 22.6%. Each year Council will consider whether to retain or reduce the proportion of rates collected from commercial properties. Any annual reduction would not exceed 0.5% per year.

7.3 Targeted rates

The Council charges targeted rates as fixed charges, demand related charges or based on land value. These are for the recovery of the cost of providing water, wastewater, stormwater, flood protection and recovery from the August 2022 severe weather event.

7.4 Changes to targeted rates

7.4.1 Splitting and changes to the stormwater and flood protection targeted rates

Council is now charging separate stormwater and flood protection targeted rates. Previously, we charged a combined targeted rate for stormwater and flood protection as a uniform general charge fixed charge for all ratepayers (excluding rural rating units used primarily for dairy, fattening and grazing, quarries, forestry or horticultural use; rating units east of the Gentle Annie Saddle; Saxton's Island; and Council's stormwater utility valuation assessment). Multiple weather events over the last decade have resulted in an increase in flood protection costs, so as we invest in resilience works it is fairer and more transparent to have split the rate into two.

We have extended the flood protection targeted rate to cover the whole Nelson city area (excluding Saxton's Island ratepayers and Council's stormwater utility assessments) to better reflect the areas benefiting from our flood protection work. This new rate is based on land value. This means that higher land value properties pay a greater share of the rate.

The stormwater targeted rate continues to be set as a uniform charge per rating unit but excluding rating units in the rural zone.

7.4.2 Recovery targeted rate

Council has created a targeted rate for the next ten years to pay off the cost of the recovery from the August 2022 severe weather event. This work is undertaken within a range of Council's current groups of activities, including Transport, Water Supply, Wastewater, Stormwater, Flood Protection and Parks and Active Recreation.

The total estimated cost of the recovery is $87.2 million, with some of this to be paid for by insurance and central government. That leaves about $60 million for us to pay.

We have created a uniform targeted rate of $300 (including GST) per separately used or inhabited parts of a rating unit (SUIP) for the ten year period from 2024/25. Council considers that all ratepayers equally benefit from the recovery work and that a uniform targeted rate is more appropriate than a rate on capital or land value. Charging the rate on each SUIP is consistent with our charging approach for the Uniform Annual General Charge and wastewater charges, and it spreads the cost over a wide range of ratepayers. This is the most transparent way to pay for the recovery. We need to repay the recovery costs quickly because we expect more intense storm events to come our way within that time. But paying off this debt faster means higher costs in the short term.

Revenue and Financing Policy

Source of funding	Policy for funding operating expenditure	Policy for funding capital expenditure
General rates		
General rates are currently set at rates of cents in the dollar of land value, calculated differentially based on the following classifications of property: • Single Unit Residential • Multi-unit Residential • Commercial Inner City and Stoke • Commercial general • Rural • Forestry • Small Holdings.	General rates will be primarily used to fund those activities, or parts of activities, that benefit the community in general and where no identifiable individuals or groups benefit in a significantly different way to the rest of the community. General rates may be used for ongoing operating costs, including maintenance of assets, associated with these activities. General rates may also be used where the use of direct charging would discourage use, where it is impractical, or too administratively expensive, to fund the activity from other funding sources. General rates are set and assessed on the land value of each rateable property.	Generally not used for capital expenditure directly. General rates can be used to fund asset renewal and loan servicing costs resulting from capital expenditure.
Uniform annual general charge (UAGC).	The UAGC is a general rate set and assessed as a fixed amount per rating unit. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high value properties.	Generally not used for capital expenditure directly. General rates can be used to fund asset renewal and loan servicing costs resulting from capital expenditure.

Source of funding	Policy for funding operating expenditure	Policy for funding capital expenditure
Targeted rates		
Targeted rates are set to cover the net cost of Water, Wastewater, Stormwater and Flood Protection for those groups of ratepayers that receive the services. A targeted rate is also in place for the costs associated with the recovery from the August 2022 severe weather event.	Targeted rates may be used to fund activities which identifiable categories of ratepayer, or ratepayers in identifiable locations, receive benefits from the activity to be funded in a significantly different way from other ratepayers. Targeted rates may also be used for ongoing operating costs, including maintenance of assets, associated with these activities. Targeted rates may be set as a fixed amount or based on some other legally permissible basis such as land or capital value. They may be set differentially depending on the location or classification of ratepayer or the nature of the service being provided.	Generally not used for capital expenditure directly. Targeted rates can be used to fund depreciation and loan servicing costs resulting from capital expenditure.
Fees and charges		
Various fees and charges are set to cover all or parts of the cost of delivering activities and services.	Fees and charges will generally be used for those activities and services where the benefit is entirely, or in part, to the direct user of the service and where the use of the service is at the discretion of the user. This includes fees for various regulatory and waste services, facilities operations or administrative services. Where Council uses charges to ration the use of an activity (e.g. for waste management), it may charge at a level above that which would be necessary to recover the costs of the activity. Fees and charges may be in the form of fines, penalties or similar and used where Council wishes to modify the behaviours that impose cost, or inconvenience, on other members of the community.	Fees and charges may be used to reduce debt levels in the activity related to the fees and charges. User charges may be used to purchase physical assets used in that activity where prudent to do so.
Interest and dividends from investments		
Council receives interest and dividends from cash and its investments, such as Nelmac, and Infrastructure Holdings Ltd.	Ordinary interest and dividends, along with any other investment income, is treated as general revenue and helps off-set rates requirements.	Special dividends are used to reduce debt.
Borrowing		
Borrowing is generally used to help fund long life infrastructure assets and other assets (e.g. software).	The Council will not normally borrow to fund operating costs, except for: • Larger emergency events • Large operating expenses which have multiple year benefits i.e. de-sludging of wastewater treatment ponds • Some capital grants to external organisations which are classified as operating expenditure under Accounting Standards e.g. the School of Music refurbishment grant • Other matters Council considers appropriate.	Borrowing is used to fund long life infrastructure assets and other physical assets after available funds from development / financial contributions, grants and depreciation reserves have been utilised.

Source of funding	Policy for funding operating expenditure	Policy for funding capital expenditure
Proceeds from asset sales		
Income received from selling surplus assets after paying for selling costs.	Operating costs are not funded from asset sales.	Proceeds from asset sales are an appropriate source for investing in assets or retiring debt. Council will aim to ensure that the ratepayers who benefit from the use of funds match the group of ratepayers who paid for the asset.
Development contributions and vested assets		
Development contributions are sums payable, or assets transferred, to Council by developers or new service users. They are contributions to pay for Council infrastructure that result from growth.	Operating costs are not generally funded from development contributions. However, costs such as interest payments on development contribution debt are funded from operating costs.	Development contributions are a first choice for the funding of capital expenditure costs that result from development growth. The expenditure must be consistent with the purpose for which the development contributions were levied. Contributions will be calculated in accordance with Council's Development Contributions Policy.
Financial contributions under the Resource Management Act 1991		
Financial contributions are sums payable, or assets transferred to Council, by developers or new service users to enable mitigation, avoidance or remedying of adverse effects arising from subdivision or development. (Note: Financial contributions are collected on developments operating under older consents. Council uses development contributions for new developments now, rather than financial contributions.)	Operating costs are generally not funded from financial contributions. However, operating costs may be used in some circumstance e.g. landscaping and planting.	Financial contributions may be used to fund that proportion of new asset expenditure that is made necessary by the effects of subdivision and development. The contribution may be required as a condition of consent, in accordance with any relevant rule in the Nelson Resource Management Plan.
Grants and subsidies		
These are payments from external agencies and are usually for an agreed, specified purpose. The main source of these is NZ Transport Agency Waka Kotahi subsidies for road maintenance, renewals and improvements.	Grants and subsidies will be used for operating expenses when this is consistent with the purpose for which they were given.	Grants and subsidies will be used for capital expenditure when this is consistent with the purpose for which they were given.

8. Funding targets

This part of the policy is the detailed analysis on an activity-by-activity basis of the matters in Local Government Act 2002 section 101(3).

This ensures that Council has considered the funding options available to it and the matters required by law (see 9 below). Having done this Council determines policies for funding its activities.

9. Process for determining funding source

The Council has adopted a two-stage process to determine the appropriate funding sources, as required by section 101(3) of the Local Government Act 2002.

Step 1: The first step is to determine the most appropriate source of funding for each activity by considering the following:

- Community outcomes to which the activity primarily contributes
- Distribution of benefits between the community as a whole, any identifiable part of the community and individuals (public versus private benefits)
- The period in, or over which, the benefits are expected to occur. Generally, benefits derived from operating costs are received in the year the expenditure is incurred. In contrast, capital expenditure relates to investments in assets that generate benefits over their useful lives that extend beyond the current year
- The extent of the actions or inaction of individuals or a group that contribute to the need to undertake the activity (exacerbators)
- The costs and benefits, including consequences of transparency and accountability, of funding the activity distinctly from other activities.

Step 2: Once the most appropriate funding method(s) for each activity is identified, the Council needs to consider the overall impact of its funding mix on the wellbeing of the community. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability and the practicalities of collecting the user charges.

Activity level → Council level		
Identifying activities	**Funding sources for each activity**	**Funding required**
What services should be provided?	Consideration of: • Community outcomes • Beneficiary pays • Exacerbator pays • Intergenerational equity • Cost/benefits of separate funding of this activity	• Rates • Fees and charges • Borrowing • Reserves • Grants • Other

10. Selecting the appropriate funding source

The general principles used assist Council in applying the Step 1 and 2 requirements and to thereby determine what is appropriate for the Nelson community in funding activities:

Public good theory

- The distribution of benefits within the community as a whole 'public benefit' = rates.
- An activity would be collectively funded if those who benefit directly cannot be identified and/or if those who benefit directly cannot be excluded from using the service.

User/beneficiary pays principle

- An activity would be funded on a user pays basis if an individual or group of individuals directly receive benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or group of individuals.
- An activity would be funded on a user pays basis if other users can be excluded from taking advantage of the service (if use of the service by one person reduces the availability for someone else).

Merit goods theory

- The use of private goods and services can also result in benefits to third parties – people who don't directly use them. In these cases, Council considers that the service should be provided on the basis of community need rather than willingness to pay, or identifiable benefits received (e.g. regional sporting facilities).

Intergenerational equity principle

- This principle relates to the concept of fairness among generations. In this context it means that the cost of the asset should be paid for over the period which it is used and therefore the benefits are available for users. Therefore, for assets which have long term benefit, borrowing would typically be undertaken.

Exacerbator/polluter pays principle

- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity, and
- Consideration of the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

This considers the efficiency or ability to separate and identify costs and then collect revenue, and the impact on demand for services.

Differentiation of private and public goods is not easy because very few goods and services can be treated as purely private or public; most goods and services have characteristics of both private and public goods.

The following policy positions have been set by Council and are generally used with the principles above:

- Where the benefit accrues to the whole city, general rates will be used
- Where benefits accrue to certain groups within the city, user charges, differentials or targeted rates will be used if it is efficient to do so
- User pays is also recognised as a tool to achieve Council's goals e.g. charging for refuse collection to encourage waste minimisation
- In some cases, e.g. wastewater, targeted rates are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges
- Rates are a tax. While effort is made to link payment of rates to benefits received or costs generated it is not possible to do this on an individual ratepayer basis
- Subsidies from central government recognise that some services, e.g. roading, form part of a national infrastructure and only central government can levy user charges
- The Uniform Annual General Charge recognises that most services are available to all properties regardless of value and that all properties should contribute a reasonable amount to the running of the city.

The process for funding the operating costs of these activities is as follows:

- Any operating grants or subsidies for a particular activity are used to reduce the gross cost
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this, provided there are no legislative constraints on doing this
- Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating policies
- Any net income from investments or petrol taxes may then be applied and any residual requirement will be funded through general rates and/or uniform annual general charges (UAGC) – the latter rates and charges will be set on a differential basis in accordance with Council's rating policies. For the purposes of this policy any reference to general rates as a funding source is considered to include UAGCs
- Rating policies including the details of targeted rates, the level of the UAGC, the choice of valuation base for the general rate and the details of the differential system will be outlined in the Funding Impact Statement in the Long Term Plan or Annual Plan as appropriate.

In this document we use the words "public" or "private" to reflect who benefits from the services Council provides. When the word "public" is used it means the community at large will receive benefits and generally it is more efficient to charge for those through a rate. When the word "private" is used it means that either an individual or an identifiable group of individuals will receive benefits and generally this group can be charged either directly through user charges because it is efficient to do so or by using a targeted rate.

The tables which follow show this analysis for each activity within the groups of activities. A summary is provided on pages 324-325 of the policy.

Funding bands

Council has determined it appropriate to consider the outcomes of the Step 1 analyses in ranges which summarise the result of the analysis on operating expenditure. The specified funding source proportions are indicative only. In any given year there may be justification for variation from these proportions. This could be due to changes in market conditions, government policy or in the demand for a Council service. Most of the targets consist of a range rather than a precise number to reflect this uncertainty.

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Transport							
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our region is supported by an innovative and sustainable economy. Our communities have access to a range of social, cultural, educational and recreational facilities and activities.							
Road and footpath network	All road and footpath users benefit from Council providing these services (motorists, pedestrians, cyclists, transport operators and all those who have goods shifted by road transport). Utility service providers also use the road reserve for their services. While the users of the network receive the majority of benefits from this activity, the network is non-excludable and all properties have access. Other personal and public safety aspects are the provision of streetlights which help to prevent crime and prevent injury, and the road safety education initiatives.	High. Road network maintenance provides both short and long term benefits. Assets such as bridges provide benefits to be enjoyed by future generations of ratepayers as well.	Heavy vehicles place a higher cost on maintenance of the roading network. This is recognised through Road User Charges. All individuals who have high usage of the network also pay more through excise fuel taxes. These users pay more towards the funds that NZ Transport Agency Waka Kotahi provides through grants to the Council.	A Long Term Plan must have a separate group of activities covering roads and footpaths under the LGA 2002. Costs have to be identified and reported separately in order to meet the requirements of the Waka Kotahi.	• General rates • Fees and charges • Grants and subsidies • Borrowings • Development contributions	All residents and businesses benefit from Council funding a road network. People from outside the city also benefit. The roading network is a vital service that underpins the movement of people, goods and services. People who do not drive still derive an indirect benefit, for example, roads are used for street parades and fairs, festivals and other activities. Council collects the local share of costs through general rates. The Council has no practicable method of charging for usage. It is impractical (and illegal) to charge for road use by any direct mechanism such as tolls. The Waka Kotahi grant, funded by fuel taxes and road user charges, is a proxy for user charges. The residual cost should be borne by the whole city through the general rate with a differential applied to business to reflect the additional costs heavy vehicles place on the roading network.	Public 70–90% Private 10–30%
Inner City Enhancement	Inner city properties receive benefits from extensive carparks for customers. Inner city businesses also benefit from a higher standard of surface, regular cleaning, amenity plantings and street furniture. The majority of benefits from carparking are attributable to the individual user therefore it is seen as a private benefit. There are wider benefits from parking enforcement from ensuring people have access to carparks.	Medium – high. Carparks are mostly provided as part of the road reserve or as specific carparking areas.	People who park for longer than allowed reduce the availability of carparks for others. This is managed through fines.	Carparks, street furniture and footpaths deliver particular benefits to the commercial sector. Footpaths receive some Waka Kotahi funding, with the balance being rate funded. It is not feasible to identify and charge all individual users of Council city centre services.	• Fees and charges • General rates • Borrowings	Council provides these services to support a vibrant and successful commercial centre. The higher levels of service for commercial properties are recognised by a higher commercial general rate differential. The balance of funding comes from carparking fees, which are set at levels which are appropriate to manage demand, rentals and fines. Any court costs are paid by the person who received the fines.	Public 30–50% Private 50–70%
Public transport and total mobility	A number of individuals and groups benefit from this activity: • All users of public transport • Members of our community with disabilities • Total mobility and Super Gold cardholders • Those users without access to motor vehicles • School students who don't comply with Ministry of Education passenger transport criteria	Mostly short term.	People without disabilities using the mobility carpark spaces generate the need for enforcement. Costs are partly recovered through fines. The costs and income associated with enforcement activities are contained within the parking regulation budget.	Separate funding from Waka Kotahi and Tasman District Council requires identification of costs within the Transport Activity.	• General rates • Grants and subsidies • Fees and charges • Borrowings	The Council delivers total mobility and public transport services as part of a national service. Council receives a Waka Kotahi subsidy. The balance of funding comes from general rates and a grant from Tasman District Council for its share of the Total Mobility service and a share of public transport costs.	Public 20–40% Private 60–80%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Water Supply							
Community Outcomes – Our unique natural environment is healthy and protected. Our communities are healthy, safe, inclusive and resilient. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our region is supported by an innovative and sustainable economy.							
Water Supply Source – Maitai and Roding rivers Treatment Reticulation network	The benefits from expenditure on water supply services are mainly private. However, there are some public health advantages from the community having a supply of safe drinking water and the assured availability of water for firefighting purposes. Water is also required by business and manufacturing for the production and processing of food and goods.	High. The water supply network has components that last for 80 years or more therefore the benefits are spread over multiple generations.	Excessive use of water by some could reduce the amount available for others. Water is metered so it is used efficiently and supply costs are shared fairly. Those who use more water are charged more. There are administrative costs in a user-pays approach from the transaction cost of collecting water charges, but this cost is small in relation to the benefits of applying this system.	Long Term Plan must have a separate group of activities covering water supply under the LGA 2002. Funding this activity on a user-pays basis provides an incentive for water conservation, which is a significant benefit. Maintaining separate funding for this activity enables a better public accountability and transparency.	• Fees and charges (meters) as a targeted rate • Development contributions • Borrowings	While there is wide public benefit in the provision of clean water, this needs to be practically managed and funded. The benefit of clean water is directly to individuals and businesses. Benefits vary dependent on the volume of water used. Demand management is important to manage the available water resource during dry periods, and to minimise the water network costs. For this reason, the cost is recovered through an annual fixed charge and a metered charge for each property that is connected or can be connected to the water supply based on usage. All consumers of water are metered and charged for the actual amount used. In areas of new subdivision development, levies (development contributions) are also used.	Public 0% Private 100%
Group – Wastewater							
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our communities are healthy, safe, inclusive and resilient. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our region is supported by an innovative and sustainable economy.							
Wastewater, including Council's 50% of joint venture Nelson Regional Sewage Business Unit	The benefits from wastewater are largely equally spread across all households within the wastewater network area. Other commercial and industrial users also benefit proportional to the volume and composition of wastewater they generate. Their usage results in commercial benefits not associated with basic human health. There are recreational and environmental benefits associated with protecting inland and marine waters, and land from the effects of wastewater seepage.	High. The timeframes of benefit are both short (e.g. each time the system is used) and ongoing. Intergenerational benefits occur through the protection of public and environmental health. The network has components that last for 80 years or more, therefore the benefits are spread over multiple generations.	Commercial volumes of waste can result in higher costs to run the network, as can industrial waste discharges to the network. Trade waste charges based on volume, and in some instances biological loadings and chemical composition are set to reflect the costs of reticulation and treatment of commercial / industrial waste. Non-complying discharges require monitoring and enforcement. Stormwater infiltration through a variety of sources requires investigation and action by and on behalf of Council and, in some instances, remedy by private property owners.	Long Term Plan must have a separate group of activities covering sewerage and the treatment and disposal of sewage (wastewater) under the LGA 2002. Maintaining separate funding for this activity enables a better public accountability and transparency.	• Fees and charges (trade waste) • Targeted rates • Development contributions • Borrowings	While there is wide public benefit in the management of wastewater, this needs to be practically managed and funded. The cost is generally recovered through a targeted rate for each property that is connected or can be connected to the wastewater network. Trade waste charges make up 20–30% of operational costs to reflect the additional loading these discharges have on the network. Costs of running the joint venture (Nelson Regional Sewerage Business Unit (NRSBU)) trunk mains, pumping stations and treatment plant are shared between Nelson City Council and Tasman District Council in proportion to their respective use of the infrastructure.	Public 60–80% Private 20–40%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Stormwater							
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our communities are healthy, safe, inclusive and resilient. Our region is supported by an innovative and sustainable economy.							
Stormwater Pipes, channels, natural waterways, pumps	All properties within the serviced areas benefit from management of stormwater. Stormwater management helps protect private property from flooding and erosion. There is also a public benefit with regard to health, safety and reducing inconvenience by maintaining access to properties during periods of high rainfall and flooding.	High. Stormwater includes assets that have very long lives servicing multiple generations.	Property developments that fail to provide appropriate stormwater collection and discharge to the stormwater network (if in the area serviced) could result in adverse impacts on neighbouring or downstream properties. These issues are managed through the Environment and Infrastructure Groups of Council.	Long Term Plan must have a separate group of activities covering stormwater under the LGA 2002. Maintaining separate funding for this activity enables a better public accountability and transparency, particularly as not all properties receive this service.	• Targeted rates • Development contributions • Borrowings	Stormwater management is largely a public benefit but applies only to those properties in the serviced areas. Therefore, a targeted rate is the most appropriate funding source. The main objectives are the protection of public health and to protect private property.	Public 100% Private 0%
Group – Flood Protection							
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our communities are healthy, safe, inclusive and resilient.							
Flood Protection	This activity helps prevent harm to people and property where this is feasible and affordable, and contributes to community wellbeing and protecting the environment from harm related to in-stream flood protection works. This contributes to public health and safety, supports the economy, maintains quality of life and enhances amenity and property values. All landowners protected from flood waters receive a private benefit. However, these benefits vary considerably and are very hard to quantify at the individual property level.	High. Flood protection works are long life assets.	Property developments that fail to account and design for potential flood risk could result in adverse impacts on those properties and neighbouring or downstream properties.	Long Term Plan must have a separate group of activities covering flood protection and control works under the LGA 2002. Maintaining separate funding for this activity enables a better public accountability and transparency.	• Targeted rates • Borrowings	The benefits of funding Council's flood protection activity are received by those who live in the areas where Council provides flood protection works. The benefit is split between public benefit, where it protects public assets/ land, and protection of private property, where this is in the public interest based on assessment of risk and benefit. Therefore, a targeted rate based on land value is the most appropriate funding source.	Public 100% Private 0%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Solid Waste							
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our region is supported by an innovative and sustainable economy. Our communities are healthy, safe, inclusive and resilient. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective and encourages community engagement.							
Solid Waste – Recycling collection and disposal	Every Nelson household benefits from access to a recycling collection service. The service promotes appropriate disposal of recyclables and reduces pollution. A free public drop off for recycling is maintained at the Nelson Waste Recovery Centre (NWRC) for amounts larger than the kerbside service. The NWRC provides affordable refuse disposal. Through the acceptance of refuse, greenwaste and hazardous materials the NWRC contributes to a healthy and safe environment.	Benefits of waste minimisation and recycling are long term as this activity reduces the impact on the environment.	Exacerbators include: • Manufacturers who use excessive packaging • Those who dispose of hazardous waste inappropriately • Those who avoid user pays refuse disposal by illegal dumping.	NWRC refuse and greenwaste is funded on a user pays basis and that requires separate identification for public accountability and transparency reasons.	• Fees and charges • Commodity recovery in recycling and from the NWRC • Local Disposal Levy • Waste Disposal Levy • NWRC rent • Reserves	The cost of operating the NWRC is shared between gate fees and funding from the Local Disposal Levy. The recycling service is funded by the Waste Disposal Levy and the Local Disposal Levy. The solid waste activity is managed as a closed account with any surplus transferred to a financial reserve and any deficit funded from the financial reserve.	Public 0% Private 100%
Refuse and Landfill	The entire community benefits from waste management. Safe and efficient waste disposal supports economic activity, protects the environment and provides a public health benefit. York Valley landfill is managed by the Nelson Tasman Regional Landfill Business Unit. Council's 50% share of the joint venture is included in the Long Term Plan. **Note:** Refuse services are provided by private companies on a user-pays basis so are not a cost to Council. This economically penalises those who produce the most waste.	Benefits are short to long term, as this activity reduces the impact of waste on the environment. The current landfill is expected to last to around 2031.	Exacerbators include individuals, households and businesses that generate waste.	This activity is funded on a user pays basis and that requires separate identification for public accountability and transparency reasons.	• Fees and charges • Methane gas sales from landfill • Borrowing • Reserves	York Valley Landfill (jointly owned with Tasman District Council) and associated infrastructure are funded from user charges collected at the landfill and transfer station. Methane gas from the landfill is sold.	Public 0% Private 100%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Environment							
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our region is supported by an innovative and sustainable economy. Our communities are healthy, safe, inclusive and resilient. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our communities have opportunities to celebrate and explore their heritage, identity and creativity. Our communities have access to a range of social, cultural, educational and recreational facilities and activities. Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.							
Animal / dog control	The benefits from animal control are mainly private through providing administration and licensing services for dog owners. Dog owners benefit as work volume is directly proportional to the number of dog owners. There is also a degree of public benefit in increased public safety. There are also benefits for the SPCA and dog owner associations (animal welfare, education of dogs' needs). Neighbouring landowners' stock is protected from the effects of wandering dogs. Some costs are the result of animals wandering from their home locations that are not directly caused by their owners. A dog education service is provided to schools and community groups. In these cases, the costs are carried by the general public.	Benefits are short term, often requiring rapid responses to wandering dogs and stock.	Dog owners who do not control their dogs or do not register them create enforcement costs and endanger public health. These costs are partly recovered through fines, but some of these costs cannot be recovered.	Council is legally required to operate a dogs database and a register of dangerous dogs. The dog license fee also acts as a demand management tool to promote good dog ownership. Maintaining separate funding for this activity enables a better public accountability and transparency.	• General rates • Fees and charges • Reserves • Borrowing	The large majority of benefits are private and this is reflected in almost all costs being funded through the dog license fee, with some funding from fines and impounding fees. A small amount is funded through the general rate to reflect those costs that are a public good. These are usually associated with rural stock control.	Public 0–10% Private 90–100%
Building consents	The community benefits from safe buildings. Individuals benefit from certainty of the quality of building (minimum standards), and occupiers gain the protection of consistent standards. People seeking advice about building and related requirements receive a private benefit. The benefits from building consents can be directly related to the individuals or organisations that apply for the building consent. Full cost recovery is not always possible because some fees are set by law or regulation and the fee needs to be weighed against the cost of fee avoidance.	Short to long term.	Those who fail to obtain building consents, and those who do not build in accordance with a consent. Additional inspection costs from poor project design and/or management are passed on to the building owner.	User charges recover the majority of costs for this activity, therefore it helps to have the costs separately identified for this activity for public accountability and transparency reasons. The activity is delivered in accordance with the Building Act 2004.	• General rates • Fees and charges • Borrowings	The majority of costs benefit private users, so user charges reflect this. Some costs associated with accreditation and general advice to residents is more of a public good and is charged through the general rate. Council has to balance the affordability of consent costs and public advice to residents against the impact on the general rate.	Public 20–40% Private 60–80%
Environmental Policy	Environmental policy is about safeguarding and protecting the environment and encouraging sustainable resource use over time. The activity provides the District Plan and the strategies and policies that guide and regulate development in the city, based on the principles of the Resource Management Act. The benefits are attributable to the whole community and are therefore mainly a public benefit.	Medium to long term. Each District Plan has to be reviewed every 10 years. Development decisions made can result in very long term benefits to individuals and businesses.	Those seeking changes to the District Plan can initiate private plan changes. These costs can be charged to the initiator. Individuals and/or businesses who create the need for additional rules in the District Plan cannot be charged – the costs become a public good cost.	It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Fees and charges	The benefits apply to the community in general and as such general rates are used to fund most of these costs. User charges are set for private plan changes, and for service requests that generate significant administration time.	Public 70–100% Private 0–30%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Environment (continued)							
Resource Consents	The focus of this activity is to allocate the use of natural resources to consent holders and to protect the quality of Nelson's natural and physical environment, now and into the future. The resource consent holders benefit by obtaining approval for the use of resources. Benefits for the wider community are prevention of inappropriate development, informing people on resource consent processes, the monitoring of permitted activities and the avoidance of adverse environmental effects. In cases where there is non-compliance with the District Plan the exacerbator pays.	Short to long term. Some resources can only be used once and decisions can have a long term impact. Benefits are usually medium term.	Resource consent applicants who do not properly research proposed changes create additional costs. Submitters to plans whose submissions are on vexatious grounds. Consent holders who do not meet the consent conditions create the need for monitoring and enforcement.	User charges recover the majority of costs for this activity. Maintaining separate funding for this activity enables a better public accountability and transparency.	• General rates • Fees and charges	Direct benefits are charged through user charges to the people applying for resource consents. Some of these consents include regular monitoring, the costs of which are recovered through user charges. Council has to balance the affordability of consent costs and the provision of information to the public against the impact on the general rate.	Public 40–60% Private 40–60%
Food and Public Health	Residents are assured minimum health standards apply in a range of businesses controlled by regulations. There is a private benefit arising from individual licences that certify individuals or owners of premises are meeting specified standards. These businesses create the need for the inspection and enforcement activity.	Short term. There are some longer term public benefits from a healthy resident population, and the attractiveness of the city to visitors.	Businesses that do not meet the legal minimum standards create the need for enforcement actions.	Council's policy is to charge these activities on a user pays basis where possible. Maintaining separate funding for this activity enables a better public accountability and transparency.	• General rates • Fees and charges	Council sets fees for the registrations, licences and inspections within the limits set by legislation and bylaws. In some cases, these fees are at levels that do not cover the costs of the service. The public good benefits of health and safety result in the general rate being the choice for the remainder of the costs.	Public 40–60% Private 40–60%
Pollution Response	Public benefits arise from the response to any pollution events to minimise harm to the environment, ensuring safety of users of the coastal marine area, as well as the enforcement of statutory requirements.	Short term. There are some longer term public benefits from ensuring the safe and healthy environment for visitors and residents of the city.	Polluters and those not complying with regulations create the need for enforcement actions.	Council's policy is to charge the polluter where this is known. Maintaining separate funding for this activity enables a better public accountability and transparency.	• General rates • Grants and Subsidies • Enforcement income	There is recovery of the cost where the polluter has been identified. The public good benefits of providing a healthy and safe environment result in the general rate being the choice for the majority of the costs.	Public 70–90% Private 10–30%
Enforcing Bylaws and Navigation Safety	Public benefit to provide a quality urban amenity and safety on our waters. Those breaching bylaws can be fined.	Short term. There are some longer term public benefits from ensuring the safe and healthy environment for visitors and residents of the city.	Individuals breaching bylaws can be fined.	Council's policy is to charge the offender where they can be identified. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Grants • Enforcement income	There is recovery of the cost where the offender has been identified. The public good benefits of providing a healthy and safe environment result in the general rate being the choice for the majority of the costs.	Public 40–60% Private 40–60%
Alcohol Licensing	There is a significant private benefit arising from individual licences that certify individuals or owners of premises. These businesses create the need for the inspection and enforcement activity.	Short term. There are some longer term public benefits from ensuring the safe and healthy environment for visitors and residents of the city.	Businesses that do not meet the legal minimum standards create the need for enforcement actions.	Fees and charges are set by central government on a user pays basis and are administered by Council. Maintaining separate funding for this activity enables a better public accountability and transparency.	• General rates • Fees and charges	Central government sets fees for the licences, certificates and inspections. In some cases, these fees are at levels that do not cover the costs of the service administered by Council. The public good benefits of health and safety result in the general rate being the choice for the remainder of the costs.	Public 0–40% Private 60–100%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Environment (continued)							
Environmental Pest Management Non-regulatory activities	There is a public benefit from having public land free from pest infestations. Rural landowners (pastoral farmers and foresters) gain increased productivity, economies of scale and efficiency from a joint effort. Such initiatives also reduce encroachment and re-infestation from neighbouring land. While there are private benefits pests and weeds are not constrained by property boundaries.	Short to medium term.	Landowners who do not undertake adequate pest control. Those who pollute the environment.	The cost of administering a separate rate outweighs the benefits. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Fees and charges	Pest management requires concerted joint actions across property boundaries – otherwise re-infestation occurs. It is not feasible to allow individual property owners within an affected area to opt in or out.	Public 80–100% Private 0–20%
Group – Social							
Community Outcomes – Our communities have access to a range of social, cultural, educational and recreational facilities and activities. Our communities have opportunities to celebrate and explore their heritage, identity and creativity. Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement. Our communities are healthy, safe, inclusive and resilient.							
Libraries	Users of the library gain a private benefit in that, with membership, they are able to access reading and educational materials. Other private benefits come from access to computers and the internet, audio-visual items and holiday programmes. There is a wider community benefit in the provision of reading and educational material, the availability of reference material and protection of heritage documents. Increasing the reading abilities of children and adults increases the overall knowledge and skills of the entire community, including the availability of skilled employees for local businesses. However, the majority of benefits are seen as private.	Facilities provide both short and long term benefits. Facilities such as library buildings accrue benefits to be enjoyed by future ratepayers as well. The benefits to residents from knowledge are long term.	Books and other items not returned mean others are disadvantaged. Fines are the tool used to reduce this behaviour.	Charging for usage is only feasible through item charges as usage varies substantially between individuals and properties. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Fees and charges • Grants and subsidies • Borrowing	The rationale is to encourage life-long learning, therefore membership fees and item rental costs could create a barrier to that goal. Charging for general book issues at a level that would generate substantial income would result in significant declines in usage and book issues. Internet and digital books may change funding options in the future but for the medium term general rates and a small proportion of user charges are the preferred options.	Public 90–100% Private 0–10%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Social (continued)							
Art and Culture, Museums, Theatres and Art Galleries Suter Art Gallery	Providing arts and heritage activities fosters community pride and identity. The entire community benefits from the educational opportunities and cultural awareness that the provision of activities and facilities brings. The whole community (including particular sector groups e.g. schools) benefit from the Museum through the provision of cultural services, information and education, exhibition and management of the museum collection, including heritage assets. The business community benefits from spending by visitors attending facilities and events. Individual benefits accrue to those who use facilities and attend activities. Grants and heritage activities are provided to community groups and Council Controlled Organisations to deliver arts and heritage activities. Council applies criteria to grant funds that moves the benefits towards the whole community. Council also supports community events which enhance community wellbeing and contribute to the local economy by bringing visitors to the city. Overall, there is a mix of public and private benefits.	Short to long term. Facilities tend to be civic buildings that last multiple generations. Some art works and museum items last a very long time. Grant benefits are short term although they do build community capability for the longer term.	The need is created by the whole community. Sector artistic and events groups and private users also create a demand for facilities. The community creates the need by requiring a facility to store and display museum collections as well as have access to cultural services, information and education. Groups of individuals with specific interests in heritage, arts and community events. Nelson is an arts destination attracting visitors to the region, which has economic spin-offs.	Charging for usage is only feasible through entrance charges. Most art and heritage activities funded involve partnerships with community groups and volunteers, and some involve partnerships with Tasman District Council. Charging for these activities would significantly reduce community involvement. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Fees and charges • Grants and subsidies • Borrowing • Lease income from tenants • Gifts	The need and spread of benefits for Museums, Theatres and Art Galleries is largely a political decision. These activities help reflect Council's commitment to biculturalism through the telling of stories, increasing the visibility of Toi Māori art and increasing the cultural diversity of arts and heritage activities. The significant public good aspect of these activities supports the funding through the general rate. Some of these costs are attributed to the business sector to recognise the number of residents and visitors who are attracted to the city centre. The private benefit component is funded through sponsorship (as a proxy for community support) and user charges for special exhibitions. Entrance charges for the general facilities would significantly reduce usage and past investments in this activity would be poorly utilised. These facilities also provide activities for visitors. Grant funding and heritage activities benefit the whole community. Private and group benefits funded through external grants and sponsorships that are often required by Council.	*Overall* Public 90–100% Private 0–10% *Founders Heritage Park* Public 60–80% Private 20–40%
Cemeteries and Crematorium	These services provide appropriate and safe cemetery and crematorium services. The cemeteries also provide public open space, often with heritage value. Beneficiaries include families of the deceased. The entire community benefits adequate provision for interring the deceased in an appropriate manner and from cemeteries being maintained as a place of remembrance. Council has a legal obligation to provide cemeteries for public health benefits.	Long term.	Burials and families of the deceased.	New users of the services are charged on a user pays basis. Historical burials and cremations create ongoing costs that cannot be charged for in retrospect. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Fees and charges • Borrowing	Council is faced with maintaining these facilities in perpetuity to a high standard. New users pay for the burial / cremation costs and contribute towards the ongoing costs of maintaining the plot. This is the private benefit funding proportion. The costs of maintaining historical burial areas, and some of the costs of public spaces, are a public good and are therefore funded through general rates. Crematorium fees have to meet market competition.	*Cemeteries* Public 40–60% Private 40–60% *Crematorium* Public 0% Private 100%
Motor Camps	Visitors to the city benefit from affordable camping facilities and other accommodation options. The motor camps also offer permanent and semi-permanent low cost residential options. Businesses benefit from the attraction of visitors who can stay overnight due to the availability of a range of accommodation options for residents and visitors. The whole community benefits from providing serviced camping spaces and not having visitors camping illegally and generating litter and pollution issues.	Short to long term.	Users of motor camps.	A significant portion of this activity is funded by user charges. Maintaining separate funding for this activity enables a better public accountability and transparency.	• General rates • Fees and charges • Borrowing	Motor camps are provided to allow campers and other visitors to stay in the city. While the whole community, and businesses in particular, benefit from this, the users of the motor camps gain the most benefit. These facilities are on Council land but are operated to generate income although, as a whole, they do not fully recover their costs. Funding is largely from user charges and the balance is from general rates.	Public 10–20% Private 80–90%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Social (continued)							
Social Development	Council has a role in supporting community groups which promote community development. There is community benefit from the existence of a strong, co-ordinated community sector. Council's focus for this activity is on communities of greatest need, relating to social isolation, housing vulnerability, access to work and learning, and poverty reduction. Community groups gain funding to proceed with their projects to make a tangible difference within communities of greatest need. The beneficiaries of those projects receive a range of benefits. Some individual benefits are excludable but many of the programmes aim to support groups or the community as a whole. Migrants and intending migrants to the region gain support via the Welcoming Communities Programme. Members of the Youth Council gain civic engagement experience and it provides an opportunity for the youth voice to be heard.	There is a mix of short to long term benefits from these activities.	Community groups helping vulnerable and disadvantaged members of the community.	It is not possible to charge the costs to individuals who benefit, as they often have limited incomes. Community groups are stronger but individuals within those groups are not personally receiving the benefits of the funding. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Grants and subsidies	The purpose of the funding is to help communities of greatest need in Whakatū/Nelson. In many cases the net cost to the community from these grants and partnership projects is positive. As the entire community benefits from improved social outcomes the general rate is used to fund grants and programmes. Council encourages community groups to maximise government funding and other grants. Council funding (general rates) is mainly used where these other sources are not sufficient to fund these approved grants / activities. Council limits the funds available. Demand is always more than what Council deems is affordable through rates.	Public 80–100% Private 0–20%
Community Properties – public toilets, halls etc	Benefits flow to the whole of the community through the provision of community buildings for leisure, arts, and cultural and community events. The whole community benefits from clean public toilets. There are economic benefits to businesses by providing facilities for visitors and residents, and community buildings that attract people to events and for recreational purposes. Private benefits arise from the enjoyment received from attending community events and other activities, and from using public toilets.	Short term for events and activities. Long term from the provision of buildings.	People and groups who want community spaces to meet or carry out an activity. People (visitors and residents) away from their home or workplaces needing toilets.	Council funds this activity through a mixture of user charges, rents and general rates. A specific rate could be used but the amount is not significant for the Council. The general rate is seen as appropriate to fund the public good aspects of the activity. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• Fees and charges • General rates • Borrowing • Financial contributions	Council provides a range of community buildings and public toilets to support community groups, activities and a more community orientated city. Many of these facilities are historical and some reflect the different community needs of previous generations. Council is now faced with maintaining these facilities as the general community is very supportive of retaining these facilities. Council sets charges at a level that balances income against usage. While these charges are lower than the private benefits would suggest there is little scope to significantly increase them. Public toilets are generally free in New Zealand and there is considerable resistance to setting charges for them. There is a high transaction cost through additional capital or operating costs to make charges possible. On balance Council has decided to encourage their use by making them free. Overall, Council funds this activity through a variety of user charges, rents and general rates.	Public 80–100% Private 0–20%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Parks and Active Recreation							
Community Outcomes – Our unique natural environment is healthy and protected. Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed. Our communities have access to a range of social, cultural, educational and recreational facilities and activities. Our communities are healthy, safe, inclusive and resilient. Our region is supported by an innovative and sustainable economy. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. Our communities have opportunities to celebrate and explore their heritage, identity and creativity. Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.						
Premier Parks and facilities (Trafalgar Park, Trafalgar Centre and Saxton Field)	This activity includes indoor stadiums, the premier sports park and grandstands, and the shared regional facility at Saxton Field. The benefits from expenditure on event venues are mainly private. The premier grounds and facilities for use by sporting groups, teams, clubs and associations is a significant private benefit to their members. The public also derive wellbeing from having access to sports grounds for recreational activities. Benefits are shared with Tasman District and funding is jointly managed for some of these regional facilities. The community benefits from regional and national sports tournaments, commercial shows and events that occur due to the availability of these facilities. Businesses benefit from the attraction of visitors to these events.	Premier recreation facilities provide long term benefits to residents through improved health, social involvement and provision of visitor attractions.	Demand for commercial event space reduces their availability for community use. Regional level sports teams require higher quality sports facilities than are normally required. This provides benefits to a small number of residents.	Sporting and commercial events set entry fees and Council sets fees based on commercial private use. Many regular sports activities are funded through pay per play arrangements. The balance are public goods funded through general rates. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• Fees and charges • General rates • Grants (including from Tasman District Council) and subsidies • Borrowing • Financial contributions	Council operates these facilities with a mix of commercial and community users. There is considerable 'merit goods' in this activity and it is not feasible to set charges to match private benefits. Commercial use of the stadium and associated spaces is charged at market rates. Charges are limited by alternative costs both within and outside the region. Top level sporting events are charged entry fees but these often go to event organisers, rather than Council. Regular local sporting use charges are set more in line with the Sports Parks activity. Some clubs have provided additional facilities through partnerships with Council. These clubs may charge on a 'pay per play' basis to fund those facilities. The balance of funds required to maintain the facilities after fees and charges income is from the general rate as all people and businesses benefit. All significant capital renewal and new developments require a funding contribution by the relevant code. These codes have access to grants, which are not available to Council.	Public 60–80-% Private 20–40%
Sports Parks	Two main groups gain private benefits from sports parks – sporting groups and businesses involved in event organisation, hospitality and tourism. In terms of organised active sport and commercial events, the benefits are private. Access to the sports fields for informal sports and recreation is not excludable. The public/whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support individual and community health. The public derive benefit from having access to sports grounds for recreation other than sport, as well as the option of having access to organised club sport. The extensive open spaces created by sports parks enhances the overall attractiveness of the city.	Long term. Good recreation facilities provide long term benefits to residents through improved health and social involvement.	Vandals and litterers create additional work to maintain the grounds. Sports teams and club demands for more services create pressure on Council budgets.	Recreation benefits the whole community, so this activity is funded through general rates. The cost of administering a separate rate outweighs the benefits. Individual benefits are partly funded through user fees and charges. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• Fees and charges • General rates • Grants and subsidies • Borrowing • Financial contributions	While there are significant private and group benefits there are adverse impacts from imposing substantial fees and charges. Sports clubs are struggling to remain viable as adult participation in organised sport declines. Increasing charges is likely to further reduce numbers joining sports clubs. Council must balance participation numbers against rates impacts. It is possible that revenue would not increase much if charges are increased as some clubs may fold. The majority of sports parks were set aside by previous generations for recreation use. All significant capital renewal and new developments require a funding contribution by the relevant code. These codes have access to grants, which are not available to Council.	Public 80–100% Private 0–20%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Parks and Active Recreation (continued)							
Neighbourhood reserves and playgrounds Includes Natureland, walkways, and cycleways planning	Individual users of the parks gain benefits from the enjoyment of the facilities and open spaces, exercise facilities and interaction with other members of the community. Adjoining landowners gain amenity value from living next to a reserve. Those who live in areas with significant densities of landscape trees gain amenity value. These benefits are often reflected in higher land values that result in higher general rates. The parks and reserves provide a venue for special events such as weddings, music events, organised picnics and promotions. These benefits can be commercial in nature and are not solely public goods. The majority of benefit is public good. The exception is commercial benefits from private functions that restrict the access of the general public.	The benefits from this activity range from immediate, such as walking through the parks, to the long term benefits to individuals and the city, by having a good quality environment and heritage trees.	Vandals and litterers create additional work to maintain the grounds. Inconsiderate users create the need to increase signage and improvements (e.g. cyclist vs. walkers). Users create demands for more services create pressure on Council budgets.	This activity includes activities which are totally for the public good. It would be costly to identify individual users and any direct charges would reduce the sense of community. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Fees and charges • Reserves • Borrowings • Financial contributions	It is impractical to charge users of these reserves for access. All residents and visitors have the opportunity to use the services and Council encourages their use to build a sense of community as well as improve health and fitness. These benefits are public good in nature and should be funded through general rates. Business benefits from the attraction of visitors and increased population for lifestyle reasons. These benefits are reflected in the general rate commercial differential. The exception is when the reserves are used for a commercial basis such as formal private events or business promotions. In these cases, fees and charges should be set to recognise the private use of public land that has an impact on the general public access. The Natureland Zoo is leased to the private sector and any additional funds Council allocates to the facility supports the public good elements of the Zoo.	Public 90–100% Private 0–10%
Marina (Note: Council is consulting on a proposal for an asset owning CCO which would move the marina activity and finances off Council's books from year 2)	The main benefits are private to boat owners because it enables exclusive occupation of publicly owned space, which offers greater security than single moorings. Businesses benefit as the marina provides economic benefits from attracting visitors to Nelson. Residents benefit from passive recreation opportunities. The community as a whole benefits by managing an efficient use of scarce water space and protects marine environments, by concentrating boat moorings and marine contaminants in one area.	Medium term. Marina assets need to be renewed on a regular basis.	Mooring users need to comply with rules around contaminants and fees. The Marina needs to be managed to ensure this occurs.	This activity is operated as a business and funding is separate from core Council operations.	• Fees and charges • Borrowings	The marina is a stand-alone business that provides services to boat owners wishing to moor close to Nelson. While there are some benefits to the whole community, businesses and local individuals these are seen as being covered by the city providing the service. The large majority of benefits are private to the Marina users, so this activity is fully funded from user charges.	Public 0% Private 100%
Recreation – including swimming pools and golf course	This activity includes recreation programmes and planning, as well as a range of assets such as a golf course and swimming pools. The community gains benefits from health and fitness, community participation, as well as some additional open space. Private benefits are received by recreational users, recreation programme participants, pool users and golf club users.	Medium to longer term.	Vandals create additional work to maintain the assets. Users create demands for more services create pressure on Council budgets.	This activity is mainly a public good activity. It would be costly or impractical to identify individual users and any direct charges would reduce the sense of community. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Fees and charges • Lease / rents • Borrowing	Council charges where feasible for entry to recreation assets and programmes. Charging more than a small proportion of costs would severely reduce the affordability of these services for large portions of the community. Council leases land to the Waahi Taakaro Golf Club. This lease is set at levels to support the Club and encourage public use.	Public 80–100% Private 0–20%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Economic							
Community Outcomes – Our region is supported by an innovative and sustainable economy. Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective and encourages community engagement.							
Economic	The whole community benefits through the spin-off impacts of economic development and major events support, and through having a coordinated approach to economic development. The business community primarily benefits from economic development of a region (e.g. increased income and people, are likely to increase business wealth). Sectors within the business community benefit through targeted economic development programmes. Possible new businesses gain support, information, and contact with other businesses or investors who can help them become established. The not-for-profit sector benefits through indirect effects of economic development, such as increased sponsorship and grant availability. This activity is jointly funded with Tasman District and delivers regional strategies and programmes (Nelson Regional Development Agency and the Regional Economic Development Strategy). The benefits are a public good.	The benefits of economic, events and tourism growth range from immediate, such as business profits and salaries and wages to long term economic benefits to Nelson.	Users create demands for more services which create pressure on Council budgets.	Council's support for the Nelson economy benefits the community as a whole and therefore Council funds this activity through the general rate. As the business sector is the primary beneficiary this is reflected in the commercial general rate differential. It is not possible to identify individual residents, properties or businesses that benefit from this activity. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Grants and subsidies	This activity is a classic public good and as such is funded through general rates with an emphasis on the commercial general rate differential (and a contribution from Tasman District Council towards regional economic development). While it is difficult to attribute outcomes from this expenditure there is general agreement that Council not providing a coordinated investment in this activity can result in a decline in the economic activity of the region and the city.	Public 80–100% Private 0–20%
Group – Corporate							
Community Outcomes – Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective and encourages community engagement. Our communities are healthy, safe, inclusive and resilient.							
Civic and Democracy Services (Including Emergency Response Fund)	The community benefits by having a democratic system of local government as required by law. Consultation has the benefit of producing decisions and outcomes that comply with the LGA 2002 and deliver the best outcomes for Nelson. Individuals and lobbyists requesting official information receive a degree of private benefit but this is a public good process.	Good governance resulting in high quality decisions which are supported by the public delivers long term benefits.	Those making unreasonable or excessive official information requests or vexatious or frivolous appeals.	Democratic processes benefit all residents and businesses; therefore this activity is funded through the general rate. It is not practical, legal or feasible to set individual charges or targeted rates based on specific issues and processes. It is useful for Council to be able to separately identify the costs of this activity for public accountability and transparency reasons.	• General rates • Targeted rates • Fees and charges • Borrowings • Grants and subsidies	This is public good where the processes are set in legislation. This activity is primarily funded through the general rate. A portion of the Storm Recovery Charge targeted rate is received into Civic and Democracy Services in order to pay down recovery-related debt.	Public 80–100% Private 0–20%
Emergency Management	The benefits of this activity are attributable to the whole community. Recovery from disasters will benefit some individuals or groups more than others. These benefits are seen as averaging out over time as the impacts and location of natural disasters cannot be accurately predicted.	Short to long term.	People who do not or are unable to provide for themselves in the event of an emergency. Those lighting fires without permits, or who do not prepare their Civil Defence three day kits.	Given the size and political importance of the expenditure, separate funding is considered important for transparency.	• Grants and subsidies • General rates • Borrowing	As the benefits are entirely for the public good it is not appropriate to apply separate charges or a targeted rate. The general rates are the appropriate funding tool (with a contribution from Tasman District Council towards regional emergency management).	Public 60–80% Private 20–40%

Activity	Who benefits (user / beneficiary pays principle, public good theory)	Period of benefits (intergenerational equity principle)	Whose actions or inactions contribute (exacerbator – polluter pays principle)	Costs and benefits of separate funding	Funding sources	Funding rationale	Funding targets adjusted for community affordability
Group – Corporate (continued)							
Investment Management	Benefits are largely attributable to the whole community and are a public benefit. There are individual benefits for those who lease or buy land from Council, or are paid by Council for associated services. Some other beneficiaries are those who use the airport and port, and forestry consultants who manage the forests.	Short to long term.	None.	The returns from these investments reduce the general rates, unless particular assets produce income that goes into associated reserve accounts.	• Dividends and interest • Fuel tax • Rent • Borrowing • Sale of trees	This activity manages the financial investments of Council. It produces revenue that offsets the costs of running the Council. Some of the assets are jointly owned with Tasman District Council and the revenue is split accordingly.	Public 0% Private 100%

11. Summary of funding targets

11.1. Funding source proportions for operating costs

The funding proportions outlined in this table represent the Council's desired intentions – i.e. the share of the gross operating costs borne by each group of ratepayers / users.

Note: Council has varying levels of control over the actual revenue obtained from users of facilities that are not owned by Council. Management and operations that are carried out by other entities generally retain revenue from entry fees.

	General rates	Targeted rates	Fees and charges and other revenue
Transport			
• Roads and Path Network	70–90%	–	10–30%
• Inner City Enhancement	30–50%	–	50–70%
• Public Transport and Mobility	20–40%	–	60–80%
Water Supply	–	100%	–
Wastewater	–	60–80%	20–40%
Stormwater	–	100%	–
Flood Protection	–	100%	–
Solid Waste Collection, Disposal and Recycling	–	–	100%
Refuse and Landfill	–	–	100%
Environment			
• Animal / Dog Control	0–10%	–	90–100%
• Building Consents	20–40%	–	60–80%
• Environmental Policy	70–100%	–	0–30%
• Resource Consents	40–60%	–	40–60%
• Food and Public Health	40–60%	–	40–60%
• Pollution Response	70–90%	–	10–30%
• Enforcing Bylaws and Navigation Safety	40–60%	–	40–60%
• Alcohol Licensing	0–40%	–	60–100%
• Pest Management and Non Regulatory Activities	80–100%	–	0–20%
Social			
• Libraries	90–100%	–	0–10%
• Art and Culture	90–100%	–	0–10%
» Founders Heritage Park	60–80%	–	20–40%
• Cemeteries	40–60%	–	40–60%
• Crematoriums	–	–	100%
• Motor Camps	10–20%	–	80–90%
• Social Development	80–100%	–	0–20%
• Community Projects	80–100%	–	0–20%
Parks and Active Recreation			
• Premier Parks and Facilities (Trafalgar Centre, Trafalgar Park, Saxton Field)	60–80%	–	20–40%
• Sports Parks	80–100%	–	0–20%
• Neighbourhood Parks and Reserves	90–100%	–	0–10%
• Marina	–	–	100%
• Recreation	80–100%	–	0–20%
Economic	80–100%	–	0–20%
Corporate			
• Civic and Democracy Services (Including Emergency Response Fund)	50–65%	30–35%	0–20%
• Emergency Management	60–80%	–	20–40%
• Investment Management	–	–	100%

Effective Date: 1 July 2024

Legal compliance: In accordance with sections 102 and 103 of the Local Government Act 2002

Approved by: Council on 27 June 2024

Policy on Remission and Postponement of Rates on Māori Freehold Land

Whakahekenga, reiti mō ngā Whenua Māori Herekore

General provisions for the remission of rates

The policy shall apply Māori freehold land, which meets the relevant criteria as approved by Council. Council may delegate the power to approve rates remission to Council Officers under section 132 of the Local Government (Rating) Act 2002.

Any ratepayer granted rates remission is required to meet all remaining and applicable rates in full that are owed in addition to the amount eligible for the rates remission.

Introduction

The Local Government Act 2002 (section 102(1)) requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. Section 102(3A) states that the policy must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. This policy supports the principles by recognising the special circumstances and constraints pertaining to Māori freehold land, the risk to retention of the land in the hands of its Māori owners from unpaid rates, and the difficulties of occupation, development and utilisation of that land for the benefit of its owners and their whānau and hapū.

This policy follows the principle of ensuring the fair and equitable collection of rates from all sectors of the community, recognising that certain Māori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates. The policy allows for remissions where the land is unoccupied and non-income producing and where a temporary remission would assist in the economic development of the land.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. This policy explains the conditions and criteria under which the Council might consider it appropriate to provide rates relief in respect of Māori freehold land.

In determining this policy, the Council has taken account of those matters set out in Schedule 11 of the Local Government Act 2002 – matters relating to rates relief on Māori Freehold Land.

This includes the recognition that there are particular cultural, historical and legal factors that distinguish Māori Freehold Land from General Land. These factors include:

a. The land is generally multiply owned; and/or

b. There are legislative and cultural constraints on the ability to alienate Māori Freehold Land (and in many cases, the owners do not want to alienate the land) and therefore it is not freely tradeable; and/or

c. The land is undeveloped and/or unoccupied for cultural, spiritual or practical reasons.

The reason why Māori Freehold Land remains unoccupied is due to a number of factors which may include:

a. The nature of land ownership (for example, the land is owned by multiple owners, many of whom do not live near the land); and/or

b. The land has some special significance which makes it undesirable to develop or reside on; and/or

c. The land is isolated, difficult to access and marginal in quality.

In compliance with the Local Government Act 2002 and in recognition that the nature of Māori Freehold Land is different from General Land, the Council has formulated this Policy on the Remission and Postponement of Rates on Māori Freehold Land.

The Council only remits rates on Māori freehold land, it does not allow postponements.

As at the time of adopting this policy (24 May 2024) there are a small number of applicable properties within the Nelson City Council boundaries. It is anticipated that several more might meet the criteria in the future. This assessment is based on the Māori Land Court register, Council rating information and Council's GIS (Geographic Information System) records.

Policy on Remission and Postponement of Rates on Māori Freehold Land

Objectives

To recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances that make it appropriate to remit rates for defined periods of time.

To recognise situations where there is no occupier or no economic or financial benefit being derived from the land.

To recognise situations where land has been set aside for cultural or natural heritage reason and no income is derived from the land.

To avoid further alienation of Māori Freehold Land as result of pressures that may be brought by the imposition of rates on unoccupied land.

To recognise matters relating to the physical inaccessibility of land.

To provide the ability to grant remission for portions of land that is not occupied.

To support the traditional relationship of kaitiakitanga (guardianship) to the land including the use of the land by the owners for traditional purposes.

To support any wish of the owners to develop the land for economic or other purposes by removing the rates burden while they plan for this development.

Conditions and criteria

Council will maintain a 'Māori Freehold Land Rates Relief Register' for the purpose of recording properties on which it has agreed to remit rates pursuant to this Policy. The Register will comprise the following list, being:

a. The 'Māori Land General Remissions List', used to achieve the above objectives.

Council may at its own discretion add properties to the register. Rating relief, and the extent thereof, is at the sole discretion of Council and may be cancelled or reduced at any time.

Council will review the Register annually and may:

a. Add properties that comply, and

b. Remove properties where the circumstances have changed and they no longer comply.

The Council will consider remitting rates on Māori Freehold Land if the following criteria are met:

a. The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002.

b. The land is multiply-owned and unoccupied Māori freehold land that does not produce any income and there is no economic or financial benefit derived from the land, or only a small portion of the land is occupied.

c. An application for a remission of rates has been made in writing annually, except where a remission has been granted for a longer period or when staff recognise that a property is unoccupied or uneconomic to use. Staff may initiate the application for remission of rates so that arrears are not overstated in the Council's records.

The remission for land recorded in the Māori Land General Remissions List will be 100% of any rates except targeted rates made for water supply, sewage disposal or refuse collection.

Any approved remission will generally be for a period of one year, but may be considered for up to three consecutive rating years. Where the Council is considering a remission of rates for past rating years, the three year maximum period of remission may be exceeded at the Council's discretion.

Applications for the remission of rates for Māori Freehold Land will be approved by Council officers according to the Council's delegations register.

Procedure

A request for rates remission by the owners, their agent or the person(s) proposing to use the land must include:

a. Details of the land

b. Documentation that shows the ownership of the land, and

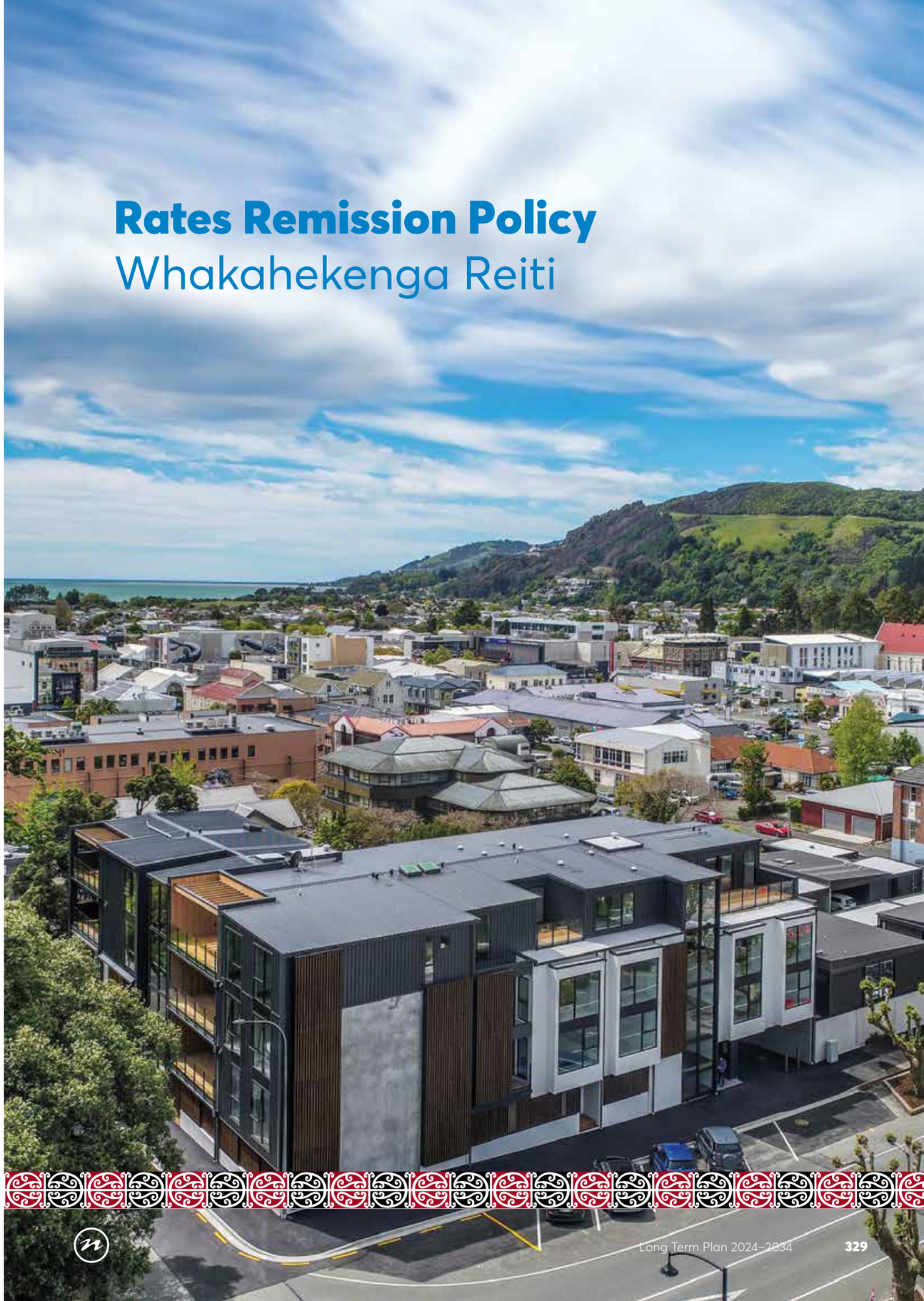
c. Reasons why remission is sought.

Effective Date: 1 July 2024

Legal compliance: In accordance with sections 102 and 108, and Schedule 11 of the Local Government Act 2002

Approved by: Council on 24 May 2024

Rates Remission Policy
Whakahekenga Reiti



Rates Remission Policy

Introduction

The Local Government Act 2002 (sections 102(3) and 109) enables Council to adopt a rates remission policy. Section 102(3A) states that the policy must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

This policy generally supports the principles, as it enables the remission of rates:

- On land owned by Māori where the criteria are met
- For Kaumātua housing where the criteria are met
- For rating units that have some feature of cultural, natural or historical heritage that is voluntarily protected.

It does not, however, apply to Māori freehold land, as such land is considered and dealt with under Council's Policy on the remission and postponement of rates on Māori freehold land.

The Nelson City Council has decided to remit all or part of the rates on properties covered by this Remission Policy.

General provisions for the remission of rates

The policy shall apply to such ratepayers and organisations as approved by Council who meet the relevant criteria. Council may delegate the power to approve rates remission to Council Officers under section 132 of the Local Government (Rating) Act 2002.

Any ratepayer granted rates remission is required to meet all remaining and applicable rates in full that are owed in addition to the amount eligible for the rates remission.

Rates remission will be provided for the following categories of rating units or under the following circumstances:

Rates remission for community, sporting and other organisations

Objective

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities.

The purpose of granting rates remission to an organisation is to achieve following general social wellbeing objectives:

- Recognise the public good contribution to community wellbeing made by such organisations
- Assist the organisation's survival
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, aged people and economically disadvantaged people.

Conditions and criteria

Council supports applications for financial assistance by any organisation not conducted for private profit. The principal objective of the organisation should be to promote the development of Nelson City and provide for at least one of the following: the public, recreation, health, enjoyment, instruction, sport or any form of culture, or for the improving or developing of amenities, where the provisions of any one of these areas is to the benefit of the city. A remission under this policy must be in the organisation's name and the rating unit must be fully occupied by the ratepayer.

The following information should be included in support of an application:

- Evidence that other areas of assistance have been investigated if available
- That there is a need for assistance
- That there has been a reasonable effort made to meet the need by the organisation itself
- The organisation's most recent financial accounts.

Procedure

The organisation must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

An application for remission will apply for a maximum of three years and all applications will expire on 30 June following the revaluation of all properties in the city. A new application must be made if continued assistance is required.

Each application will be considered by Council on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.

Remission is granted only in respect of those parts of the rates that are based on the general rate. The remission is 50% of the general rate.

Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rate remission under this part of the Policy will be available to an organisation that is in receipt of a mandatory rate remission.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

Rates remission for provision of social and kaumātua housing

Objective

To facilitate the ongoing provision of social and kaumātua[1] housing.

The purpose of granting rates remission to an organisation is to achieve the following general social wellbeing objectives:

- Recognise the public good contribution to community wellbeing made by such organisations
- Assist the organisation's survival
- Facilitate the ongoing provision of social housing in Nelson by registered Community Housing Providers
- Facilitate provision of Kaumātua housing e.g. at Whakatū Marae.

Conditions and criteria

Council supports applications for financial assistance by any organisation not conducted for private profit. The principal objective of the organisation should be to promote the development of Nelson City and provide social housing to the benefit of the city. A remission under this policy must be in the organisations name.

For social housing providers the following information is required:

- Evidence that the organisation is a registered Community Housing Provider with the Community Housing Regulatory Authority
- Evidence that the property for which rates remission is sought is used for social housing and/or affordable rental housing, and is neither vacant nor commercial property
- A copy of the organisation's current Rules or Constitution that sets out the purpose of the organisation
- The Social Housing Provider's most recent financial accounts.

For kaumātua housing providers the following information is required:

- A copy of the most recent financial accounts for the Kaumātua housing.

Procedure

The organisation must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

An application for remission will apply for a maximum of three years and all applications will expire on 30 June following the revaluation of all properties in the city. A new application must be made if continued assistance is required.

Each application will be considered by Council on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.

Remission is granted only in respect of those parts of the rates that are based on the general rate and the Storm Recovery Charge. The remission is 50% of the general rate and 50% of the Storm Recovery Charge.

Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rates remission under this part of the Policy will be available to an organisation that is in receipt of a mandatory rate remission.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

Remission of penalties

Objective

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the Council by the penalty date, due to circumstances outside the ratepayer's control. Remission will be made when any of the following criteria applies:

Conditions and criteria

- Where there exists a history of regular punctual payment over the previous 12 months and payment is made within a reasonable time of the ratepayer being made aware of the non-payment
- When the rates instalment was issued in the name of a previous property owner

1. Kaumātua housing means the use and occupancy of multiple-owned land for residential units and other buildings and uses necessary to assist kaumātua and their support whānau to live on land holdings such as papakāinga or marae communities

- On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type and has been unable to attend to payment
- Where it can be proved that the rate account was not received and a genuine cause exists
- Where full payment of arrears of rates is made in accordance with an agreed repayment programme
- Where an error has been made on the part of the Council staff or arising through error in the general processing which has subsequently resulted in a penalty charge being imposed.

Procedure

The ratepayer must apply to the Council for a remission within 6 months of the penalty being applied.

In implementing this policy, the circumstances of each case will be taken into consideration on their individual merits and will be conditional upon the full amount of such rates due having being paid.

Decisions on remission of penalties are delegated to officers as set out in Council's delegations register.

Rates remission for residential properties in commercial/industrial areas subject to Council-initiated zone changes[1]

Objective

To ensure that owners of residential rating units situated in non-residential areas are not unduly penalised by the zoning decisions of the Council.

Conditions and criteria

To qualify for remission under this part of the policy the rating unit must be:

- Situated within an area of land that has been zoned for commercial or industrial use through a Council-initiated zone change
- The effect of the zone change is that the land value of the rating unit increases and as a consequence the rates payable in respect of the rating unit also increase
- Listed as a 'residential' property for differential rating purposes
- Is not being used for commercial or industrial purposes and was not being used for such purposes immediately prior to the zone change being initiated by the Council
- The amount of remitted rates on a rating unit will not exceed the amount by which the rates on the rating unit have increased as a result of the zone change.

The remission of rates on a rating unit will cease, as from the next rating year commencing 1 July, upon any of the following events happening:

- The death of the ratepayer
- The ratepayer ceasing to be the owner of the rating unit.

Procedure

The ratepayer must apply to Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. Remission is granted only in respect of those parts of the rates that are based on land value. The extent and duration of any remission shall be determined by the Council.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

Rates remission on land protected for natural, historical or cultural conservation purposes

Objective

Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land held for natural, historical or cultural purposes.

Conditions and criteria

Ratepayers who own rating units that have some feature of cultural, natural or historical heritage that is voluntarily protected may qualify for remission of rates under this policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act, and is liable only for rates for water supply or sewage disposal will not qualify for remission under this part of the policy.

Procedure

Applications must be made in writing and be supported by documented evidence of the protected status of the rating unit, for example a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, Council will consider the following criteria:

- The extent to which the preservation of natural heritage will be promoted by granting remission on rates on the rating unit
- The degree to which features of natural heritage are present on the land
- The degree to which features of natural heritage inhibit the economic use of the land
- The use of the property.

In granting remissions under this policy, the Council may specify certain conditions before a remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated. Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

The remission is 50% of the general rate.

Remission of charges for excess water arising from leaks

Credits for excess water charges arising from the following will always be processed:

- Misreading of the meter or faulty meter
- Errors in data processing
- The meter was assigned to the wrong account
- Leak on a Council fitting adversely impacting on the metered usage.

Other conditions and criteria include:

- Leaks from pipes or fittings on farms[1], public service, educational, social service properties and unoccupied[2] properties (regardless of temporary or long term) or reserves, or from irrigation, stock water, swimming pools, ponds, landscaping or similar systems on occupied properties. No credit.
- Leaks from pipes that are, or should be, visible, such as header tanks, overflows from toilets, above ground pipes or fittings and those attached to raised flooring or in walls or ceilings. No credit.
- Where the leak is a previously unknown underground leak on the main lateral between the water meter and a building or under the concrete floor. The lost water is credited where the leak has been repaired with due diligence. Only one leak per property, and maximum two consecutive water supply invoices covering the leak, per five year rolling timeframe, will be credited
- Due diligence is defined as within two weeks of the earliest of the following:
  - the date of the first invoice to identify a higher than usual[3] usage; or
  - the date of discovery or when it could have reasonably been discovered
- The leak must be repaired by a Licensed or Certifying plumber who provides a brief report on the leak, where on the line the leak was found, dates and an opinion, as to how long the leak had been occurring.

Procedure

The ratepayer must apply to the Council for a remission within a year of the first reading which is the subject of the application.

Residential water leak credits will be based on Council's assessment of the property owner's usual usage for the period. Council may grant a water leak credit remission of up to 100% of the extra water used above Council's assessment of the usual water usage.

Commercial/industrial water leak credits will be based on Council's assessment of the property owner's usual usage for the period. Council may grant a water leak credit remission of up to 50% of the extra water used above Council's assessment of the usual water usage. If the water has not entered the wastewater network, Trade Waste will also be credited.

In extraordinary circumstances which fall outside the criteria above, a remission may be granted at the sole discretion of the Council's Group Manager Corporate Services. This may apply where a water credit remission application has been declined, and where this could lead to cases of genuine financial hardship for the ratepayer (owner/occupier), or where timely detection of a leak could not have reasonably occurred.

1. Note: this remission will not apply to land subject to private plan changes.

1. For the purpose of assessing credits for excess water arising from leaks "farm" is defined as any property that is or can be used for the growing of crops, including trees or rearing of livestock, with a land area greater than 5000 square metres.
2. Unoccupied is taken to mean where there is no permanent building on the property or where the building is not occupied for more than seven days.
3. Usual being the amount used in the same period as last year. These amounts are shown on every water account.

Remission of rates on golf practice greens

Objective

To provide a measure of relief, by way of remission of rates, to enable the Council to act fairly and reasonably in its consideration of rates charged on golf practice greens.

Conditions and criteria

- Land that is leased and used as a golf 'practice green'.

Procedure

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register. The remission is 50% of the general rate.

Remission of rates on low valued properties

The Local Government (Rating) Act 2002 requires each separate property title to have a separate valuation and rating assessment. This has resulted in many low land value assessments being created for small parcels of land.

Objective

To minimise Council's administration costs of collecting rates on properties that are low-valued.

Conditions and criteria

a. Assessments with common ownership, used jointly as a single unit and for which only one uniform annual general charge is payable

b. The low land value will be reviewed annually and set by Council resolution.

Procedure

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register. The remission is 100% of all rates.

Rates remission for land affected by natural calamity

Objective

To permit the Council, at its discretion, to remit part or whole of the rates charged on any land that has been detrimentally affected by natural calamity, such as erosion, subsidence, submersion or earthquake, and is aimed at aiding those ratepayers most adversely affected.

Conditions and criteria

The Council may remit wholly, or in part, any rate or charge made and levied in respect of the land, if:

- Land is detrimentally affected by natural calamity such as erosion, subsidence, submersion or earthquake and:

  a. as a result dwellings or buildings previously habitable were made uninhabitable; or

  b. the activity for which the land and/or buildings were used prior to the calamity is unable to be undertaken or continued

- The remission may be for such period of time as the Council determines, acting reasonably. Without limiting the Council's discretion, the timeframe for remission will typically commence from the date upon which the Council determines that the dwelling, buildings or land were made uninhabitable or unable to be used for the activity for which they were used prior to the calamity, and end on the earlier of, the date that is 5 years after the commencement date, or the date that the land and/or buildings are deemed by the Council, acting reasonably, to be able to become habitable or available for use.

- In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply, Council may take into account:

  a. whether essential services such as water, sewerage or refuse collection to any dwelling or building are able to be provided; and

  b. whether any part of the building or land remains habitable or available for use

- Rates remission will not apply to any part of a rate that is levied as a user pays charge

- Rates remissions will only be considered following the receipt of an application by the ratepayer and the application must be received within six months of the event, or within such further time as Council in its sole discretion might allow.

Procedure

The ratepayer must apply to the Council for a remission within 6 months from the date of the event.

Each natural calamity event will be considered for rates remission on a case by case basis by Council.

The extent of any remission shall be determined by the Council or its delegated officer(s).

Remission of rates for households with dependent relatives housed in an additional unit

Objective

To provide financial relief for households where a dependent adult relative is housed in an additional unit, so they are not unfairly burdened by the payment of rates on the second unit.

Conditions and criteria

To qualify for remission under this part of the policy, the second unit must be continuously occupied by the dependent relative, and:

- The ratepayer must apply to the Council for remission of rates on the second unit

- The applicant must confirm that the relative is dependent on the ratepayer

- If the unit is no longer occupied by the dependent relative, the householder must inform the Council within three months. Any change would apply from 1 July for the next rating year

- The rates remission is for one year, at which time the ratepayer must reapply for the remission of rates on the second unit.

Providing these conditions and criteria are met by the applicant, the uniform charges for wastewater and the uniform annual general charge will not be charged against the second unit.

Procedure

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

Remission of rates on separately used or inhabited parts of commercial rating units less than 20m²

Objective

To provide relief from uniform annual general charges and wastewater charges for very small separately used or inhabited parts of commercial rating units (i.e. those less than 20m² floor area) where the effect of multiple uniform annual general charges and wastewater charges creates a significant financial impediment to economic use of the separately used or inhabited parts and where the Council considers that it is equitable to do so.

Conditions and criteria

The uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of a commercial rating unit that has a floor area of less than 20m² may be remitted where the following criteria are met:

- The separately used or inhabited part of the commercial rating unit must have a floor area of less than 20m²

- The circumstances of the commercial rating unit must be such that the uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of the rating unit that has a floor area of less than 20m² will render the property uneconomic or are otherwise inequitable.

Procedure

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

- Applications must be made on the prescribed form which can be found via our Customer Service Centre or on our website **nelson.govt.nz**

- Applications must include detailed information explaining how the property meets the conditions and criteria under this policy

- Application will not be accepted for prior years

- Any rates remission will be granted for one year only following which the ratepayer may make a new application for the remission of rates for any following year so long as the conditions and criteria are still met

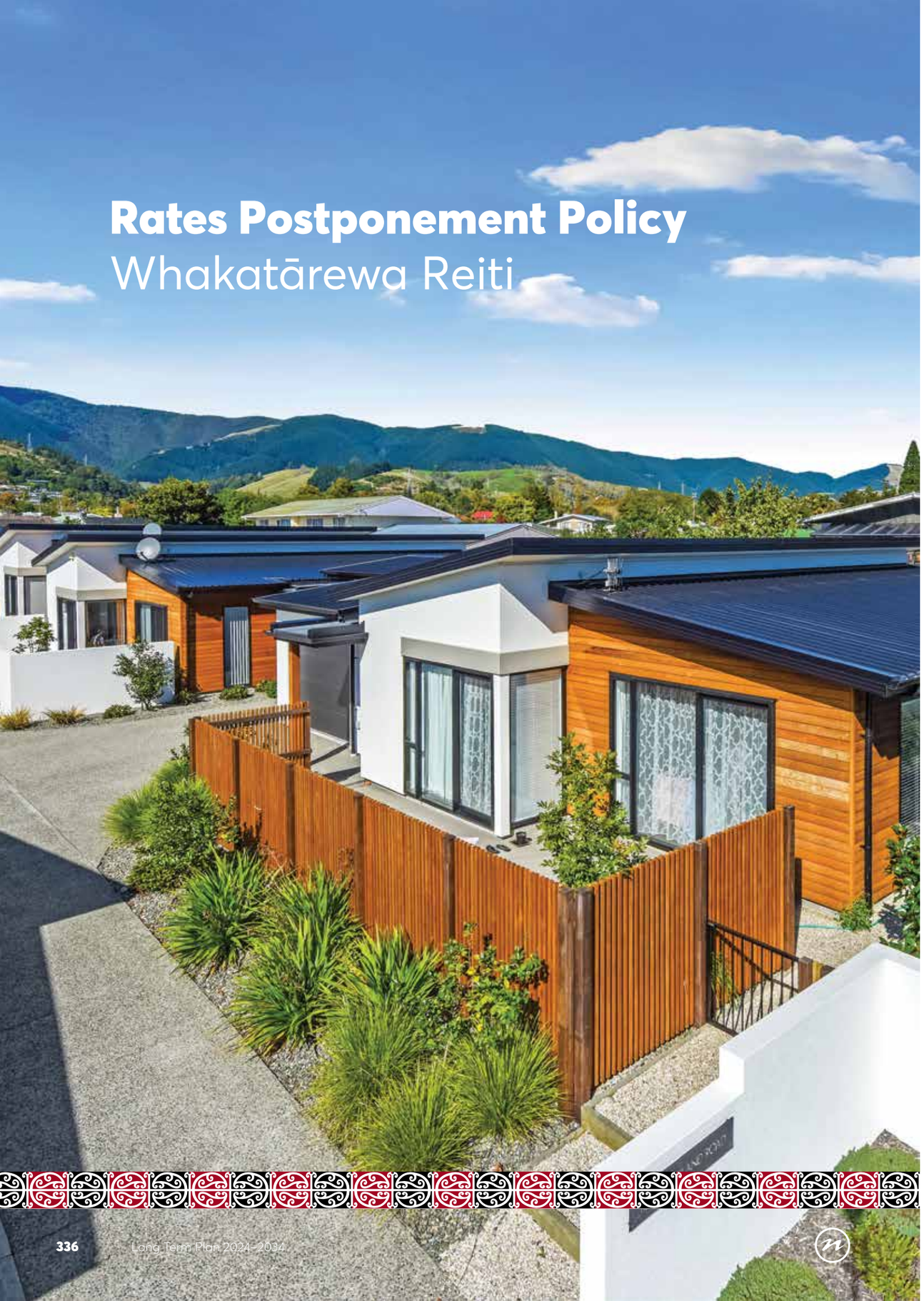
- Decisions on applications for this remission will be made by Council officers in accordance with Council's Delegations Register.

Effective Date: 1 July 2024

Legal compliance: In accordance with sections 102 and 109 of the Local Government Act 2002, and section 85 of the Local Government (Rating) Act 2002

Approved by: Council 27 June 2024

Rates Postponement Policy
Whakatārewa Reiti



Introduction

The Local Government Act 2002 (sections 102(3) and 110) enables Council to adopt a rates postponement policy. Section 102(3A) states that the policy must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. This policy generally supports the principles and enables the postponement of rates on land owned by Māori and other ratepayers where the criteria are met. It does not, however, apply to Māori freehold land, as such land is considered and dealt with under Council's Policy on the remission and postponement of rates on Māori freehold land.

Objective

The objective of the postponement policy is to enable Council to provide older ratepayers with more options and flexibility. It lets older ratepayers decide how best to manage their finances and also gives older ratepayers the opportunity to stay in their houses for longer.

Conditions and criteria

- The ratepayer must be over the age of 65 (or over the age of 60 if on a benefit)
- The property must be insured
- The postponed rates must not exceed 80 per cent of the available equity in the property. The available equity is the difference between the Council's valuation of the property (the capital value at the most recent revaluation) and the value of any encumbrances against the property, including mortgages or loans
- The property must be the prime residence of the ratepayer and owner occupied.

Procedure

Applications must be made on the prescribed form which can be found via Council's Customer Service Centre or on the website **nelson.govt.nz**

Applications must include detailed information explaining how they meet the conditions and criteria under this policy. This must include a statutory declaration for the first year of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

Note that, for the rates to continue to be postponed, the Council will require evidence each year thereafter, by way of statutory declaration, of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

Decisions on applications under this policy will be made by the Group Manager, Corporate Services.

Charges

- There is an initial one-off application fee of $300.00, which includes the cost of Council registering the Statutory Land Charge on the property title
- Interest will be charged on the postponed rates six monthly at Council's marginal rate (to cover the current cost to Council of borrowing the required funds)
- A $100.00 yearly administration charge is payable by the property owner
- 0.25% annual reserve fund levy on the total rates that are postponed is payable by the property owner.

Other matters

The applicant may choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy. There is no income testing.

Repayment of the postponed rates will be required at the earlier of:

- Sale of the property, or
- Death of the ratepayer (or surviving ratepayer where there is a couple).

Council recommends that ratepayers considering postponing their rates seek independent advice from a financial adviser on the financial impacts and appropriateness of postponing their rates.

Effective Date: 1 July 2024

Legal compliance: In accordance with sections 102 and 110 of the Local Government Act 2002, and section 87 of the Local Government (Rating) Act 2002

Approved by: Council on 24 May 2024

Policy on Development Contributions 2024
Tāpaetanga Whakawhanake 2024

Glossary and definitions

Accommodation units

The same meaning as defined in the Local Government Act 2002 section 197(2):

Means "…units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation."

Allotment

The same meaning as defined in section 218 of the Resource Management Act 1991 section 218(2):

a. any parcel of land under the Land Transfer Act 2017 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not: (i) the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted, under another Act; or (ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this Act; or

b. any parcel of land or building or part of a building that is shown or identified separately; (i) on a survey plan; or (ii) on a licence within the meaning of subpart 6 of Part 3 of the Land Transfer Act 2017; or

c. any unit on a unit plan; or

d. any parcel of land not subject to the Land Transfer Act 2017.

Allotment value

The value of the allotment including GST.

Applicant

The person(s) applying for a resource consent, building consent, or service connection.

Asset Management Plan

A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost effective manner to provide a specified level of service. A significant component of the Plan is a long term cashflow projection for the activities.

Bedroom

For the purpose of assessing 1 and 2 bedroom residential units, a bedroom is any room in a residential unit that is greater than 4.5m^2 in floor area and capable to be used for sleeping purposes.

Building work

Work for, or in connection with, the construction, alteration, or demolition of a building.

Capital expenditure

The cost Council expects to incur to acquire new assets, or to upgrade or renew existing assets.

City Centre

The area shown in the NRMP maps as Inner City – Centre and Inner City – Fringe.

Community facilities

The same meaning as in the Local Government Act 2002 section 197(2):

Reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 119 of the Local Government Act 2002.

Community infrastructure

The same meaning as in the Local Government Act 2002 section 197(2):

a. means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and

b. includes land that the territorial authority will acquire for that purpose.

Community outcomes

The outcomes that Council aims to achieve to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Consent holder

The person(s) to whom the resource consent, building consent, or service connection was granted.

Crown entity

The same meaning as crown entity in the Crown Entities Act 2004 section 7.

Development

The same meaning as the Local Government Act 2002 section 197(1):

a. any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but

b. does not include the pipes or lines of a network utility operator.

Development agreement

The same meaning as the Local Government Act 2002 section 197(2):

A voluntary contractual agreement made under Sections 207A to 207F between 1 or more developers and 1 or more territorial authorities, for the provision, supply or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or part of a district.

Development contribution

The same meaning as the Local Government Act 2002 section 197(2): A contribution that is:

a. provided for in a development contributions policy of a territorial authority; and

b. calculated in accordance with the methodology; and

c. comprising (i) money; or (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993, unless that Act provides otherwise; or (iii) both.

District

The district of a territorial authority, in this case, the Nelson City area.

Estimated building value

The estimated aggregate of the values determined in accordance with Section 10 of the Goods and Services Tax Act 1985 of all goods and services to be supplied for that building work.

Gross development area

1. The total floor area of any building measured from the outer faces of the exterior walls, or the centre line of walls separating two abutting buildings.

Plus

2. The area of any part of the allotment used solely or principally for the storage, sale, display, movement or servicing of goods or the provision of services on the allotment.

The gross development area does not include:

- vehicular parking ancillary to the primary development, manoeuvring, loading and landscaping areas, and areas used only for primary production purposes (such as quarry workings, farmlands and orchards) the conversion of which to another use would require resource consent or building consent; and
- the area of plant equipment servicing the site and network infrastructure including pipes, lines installations, roads, water supply, wastewater and stormwater collection and management systems.

Household unit of demand (HUD)

One residential unit (see definition below).

ISA

Impermeable surface area.

Land Development Manual

The Nelson Tasman Land Development Manual 2018 (or subsequent revision) that forms the basis for design and construction of all Nelson City's roads, drains, water supply and reserve areas.

LGA

The Local Government Act 2002.

Methodology

The method by which development contributions are calculated.

NRMP

The Nelson Resource Management Plan.

Network infrastructure

The same meaning as the Local Government Act 2002 section 197(2):

The provision of roads and other transport, water supply, wastewater, and stormwater collection and management.

Non-residential development

Any development that is not for a residential activity.

Residential unit

Means a building or part of a building that is a single self-contained household unit, used principally for residential activities, whether by one or more persons, including accessory buildings. Where more than one kitchen facility is provided on the site, there shall be deemed to be more than one residential unit. For the purposes of the policy, retirement villages are covered by this definition.

RMA

The Resource Management Act 1991.

Service connection

The same meaning as the Local Government Act 2002 section 197(2): A physical connection to a service provided by, or on behalf of, Council.

Social housing

Housing developments undertaken by a Community Housing Provider that is registered with the Community Housing Regulatory Authority.

Subdivision (of land)

The same meaning as in the Resource Management Act 1991 section 218:

The division of an allotment by:

a. an application to the Registrar-General of Land for the issue of a separate record of title for any part of the allotment; or

b. the disposition by way of sale or offer for sale of the fee simple to part of the allotment; or

c. a lease of part of the allotment which, including renewals, is or could be for a term of more than 35 years; or

d. the grant of a company lease or cross lease in respect of any part of the allotment; or

e. the deposit of a unit plan, or an application to a Registrar General of Land for the issue of a separate certificate of title for any part of a unit on a unit plan; or

f. an application to Registrar-General of Land for the issue of a separate record of title in circumstances where the issue of that record of title is prohibited by section 226 (of the Resource Management Act 1991).

Introduction

Overview

Population growth and development such as subdivision and new buildings place increasing demands on Council's infrastructure, reserves and facilities. As a result of that growth new or upgraded and extended infrastructure, reserves and/or facilities are required to meet those demands.

Council has two main funding mechanisms: rates and development contributions. Council seeks to recover a fair, equitable and proportionate portion of the capital costs of infrastructure, reserves and some facilities needed to support growth through Development Contributions (DCs) under the Local Government Act 2002 (LGA).

Each new household unit of demand (HUD) or the equivalent for commercial development is required to pay a DC. Nelson City Council has a one catchment approach for DCs because of the single urban environment nature of all network services.

Councils Development Contributions Policy 2024 takes effect for all resource and building consent applications, and all new service connections from the 1 July 2024. This policy has three main sections:

Section 1: Summary – this section sets out key information on when DCs apply to a development, how much the charges are, and when they are required to be paid.

Section 2: Policy details – this section provides the technical detail and information needed to comply with the requirements of the LGA for a policy on DCs.

Section 3: Schedules of capital works – this section contains the schedule of assets as required by the LGA section 201A. The schedule contains list of all projects along with the growth portion which will be paid for by DCs.

This policy applies to applications for resource consent, building consent or service connections on or after 1 July 2024.

Prior to 1 July 2024 contributions for growth were sought under previous policies, which can be found on Council's website at **nelson.govt.nz/building-and- property/property-land-use/development-and-financial-contributions/**.

Updating the policy

It is anticipated that this Policy will be reviewed, and if necessary amended, at least every three years as part of the LTP process. For the financial years in between LTPs, DCs will be inflated based on the rate of increase (if any) in the Producers Price Index Outputs for Construction (PPI) provided by Statistics New Zealand since the DC was last set.

Before any increases take effect, Council will make publicly available information setting out the amount of the newly adjusted DC and show how any increase was calculated.

The greenfield neighbourhood reserves land contribution is calculated using the median per square metre section sales price from a representative sample of bare residential sections located outside the built urban area and sold in the previous calendar year (01 January to 31 December). Before any annual update of the contributions (above the level of PPI adjustment allowed for in the LGA) in this policy is made a consultation process will be undertaken. This may occur as part of the Annual Plan.

Section 1: Summary of policy

This section provides a summary of key information on when DCs apply to a development, how much the charges are, and when they are required to be paid. For further information, see section 2.

1. What development is assessed?

A development that creates additional demand will be assessed for DCs. A development can be any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure or community infrastructure.

A DC may be required to be made to Council when:

i. a resource consent is granted under the RMA, or

ii. a building consent is granted under the Building Act 2004, or

iii. an authorisation for a service connection is granted.

2. What contributions are payable?

Council may require DCs for developments where the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence, Council incurs capital expenditure to provide appropriately for:[1]

i. Reserve land and improvements.

ii. Network infrastructure.

iii. Community infrastructure.

For the purpose of this Policy, the transportation activity is considered as an integrated activity that includes all modes of transport.

3. How is demand quantified?

Council applies a standard DC for all development within the city wide catchment. In order to have a consistent method of assessing demand and charges for DCs for different activities, a charge per Household Unit of Demand (HUD) or HUD equivalent is used.

Each development that creates an additional, or part of, a HUD pays a DC.

Council will calculate DCs on a development's first application for a resource consent, building consent or connection authorisation and will re-calculate a DC on any subsequent application after the first in relation to the same development.

The following conversion factors are used to quantify the demand created by different types of development.

3.1 Residential

New residential development, building and subdivision pay 1 HUD of contribution per infrastructure service for each new household unit. Smaller household units on the same title as an existing household unit pay a portion of a HUD depending on size determined by bedroom numbers.

Table A: Residential HUD calculation

Infrastructure service	Household unit of demand (HUD)	Comments
Water **Wastewater** **Stormwater** **Transport** **General Reserves**	New titles: Each additional residential title created shall pay 1 HUD; and Additional residential units on an existing title shall pay the following portion of a HUD[2] a. 0.5 HUD for a one bedroom residential unit, b. 0.75 HUD for a two bedroom residential unit, c. 1 HUD for a residential unit of three or more bedrooms.	Applies everywhere
Neighbourhood Reserves (Greenfield) – Sites outside the urban boundary		Only applies to development located outside the urban boundary area, see (defined in Maps A1, B1–B3, and C1–C3 in the appendix or online at **nelson.govt.nz/built-urban-area**)
Neighbourhood Reserves (Intensification) – Sites inside the urban boundary		Only applies to development located within the urban boundary area, see (defined in Maps A1, B1–B3, and C1–C3 in the appendix or online at **nelson.govt.nz/built-urban-area**)

1. Definitions of the assets for which DCs may be payable can be found in the Glossary and Definitions section of this Policy.

2. Council considers this the fairest and simplest way to acknowledge that a smaller residential unit places a lower demand on council's infrastructure, compared to a typical dwelling. This also achieves Councils strategic outcome of promoting intensification for residential development throughout the city, encourages greater housing choice, and may also promote housing affordability.

3.1.1 General reserves

The general reserves contribution is calculated from the reserves development and improvement programmes contained in the Reserves Asset Management Plan. The programme of works contained in the Asset Management Plan is summarised in the appendix. All new residential development shall pay a general reserves DC in addition to either the greenfield or intensification reserves DC.

3.1.2 Sites outside the urban boundary – greenfield

The neighbourhood reserves (greenfield) contribution is targeted at development outside the urban area (defined in Maps A1, B1–B3, and C1–C3 in the appendix or online at **nelson.govt.nz/built-urban-area**) on the basis that Council will continue to purchase land for neighbourhood reserves and develop them in greenfield development areas.

The neighbourhood reserves (greenfield) contribution is calculated using the median per square metre section sales price from a representative sample of bare greenfield residential sections sold in the previous complete calendar year (1 January and 31 December). An annual update of the neighbourhood reserves (greenfield) DC in this Policy is proposed in order to ensure the value of the DC adequately reflects market increases. The median per square metre land price calculated for the 2023 calendar year is $581.

Any change to the neighbourhood reserves (greenfield) contribution above the level of PPI (as allowed for in the LGA) will be consulted on along with the Annual Plan. If for any reason the Annual Plan is not consulted on in any year, a separate consultation process will be undertaken.

The neighbourhood reserve (greenfield) contribution is linked to the Level of Service in the LTP that states that neighbourhood reserves will be provided at a rate of 1.1Ha per 1,000 residents. With a current average occupancy rate of 2.4 people per household, this corresponds to 26sqm of land needed per new household or HUD.

Any new lot that is located partially inside the urban boundary and partially outside the urban boundary shall pay a contribution as if it is located outside the urban boundary.

3.1.3 Sites inside the urban boundary – intensification

For sites inside the urban boundary, defined in Maps A1, B1–B3, and C1–C3 in the appendix or online at **nelson.govt.nz/built-urban-area**, the general reserves contribution (intensification) applies.

Further land purchase within the built urban area for the provision of neighbourhood parks is unlikely to occur due to the absence of available land in these areas. In lieu of providing additional neighbourhood parks in the built urban area, a programme of work has been developed in the Reserves Asset Management Plan for improving existing neighbourhood reserves, to provide a higher level of service suitable for more users expected as a result of the expected intensification.

The programme of works contained in the Asset Management Plan is summarised in the appendix.

3.2 Non-residential

Non-residential subdivisions, land uses, or building developments are more complicated as they don't usually conform with typical residential household demand for each service. In these cases, Council makes a HUD equivalent assessment based on the characteristics of the development and its demand loading on different infrastructure services.

i. New titles: Each additional non-residential title created shall pay 1 HUD.

ii. In addition, at building consent stage a non-residential development will also be subject to, and assessed for, DCs based on the factors listed in Table B below. Credits will be given to any existing activity also based on the factors in Table B.

Neighbourhood reserves development contributions are not payable by developments that are not residential.

Table B: RHUD conversion rates for non-residential activities

	Base unit	Household unit of demand (HUD)	Comments
Water	Internal pipe size into development	Water pipe size (see Table C below)	Internal pipe size into development dictates the HUD amount. Refer to table C below.
Wastewater	Number pans or urinals	Two pans or urinals	One urinal is considered equivalent to one pan.
Stormwater	Impervious surface area	316m^2 and multiples thereof for roof and paved areas	A typical residential dwelling covers approximately 316m^2.
Transport	Number of HUDs	HUDs	Table D below sets out the number of HUDs by activity type.
General reserves	Number of accommodation units	0.5 HUD per accommodation unit	Accommodation developments that do not meet the definition of "residential unit".

Table C: Water and wastewater HUD conversion

Internal diameter of water connection (mm)	20	25	32	40	50	100	150
HUDs	1	1.56	2.56	4	6.25	25	56.25

Table D: HUD conversion table for transport DC

Activity	HUDs/100sqm GDA
Cool stores including controlled atmosphere storage	0.01
Outdoor storage yards	0.05
Storage ancillary to the principal activity	0.13
Warehouses including storage as the principal activity	0.13
Service stations	0.17
Home occupations	0.25
Hospitals, and homes for the aged	0.25
Port operational area	0.43
Industrial activity	0.50
Schedule N area in NRMP	0.75
Education facilities (pre-school and primary)	0.75
Health facilities (excluding hospitals), and veterinary clinics	0.83
Offices	0.83
Education facilities (secondary)	0.88
Large format retail/bulk retail (other than within Schedule N – Quarantine Road)	0.88
Restaurants, cafés and taverns	1.00
Retail activities, and retail services (other than supermarkets and large format retail/bulk retail) (for illustrative purposes, retail services include personal or household services such as hairdressers, dry cleaners, servicing or repair of appliances or equipment. Retail activity includes things such as vehicle sales).	1.00
Vehicle parking facilities	1.00
Commercial garages and service stations	1.00
Tertiary education facilities	1.25
Places of entertainment, buildings private or public assembly, buildings for community use, clubs and places of worship (includes funeral chapels, and crematoriums).	1.25
Short term living accommodation	1.25
Supermarket	1.25
Recreation areas	1.00
Activities other than listed above (outdoors)	0.05
Activities other than listed above (indoors)	0.50

4. Other assessment matters

Where a building is located on two or more allotments and is subject to the Building Act 2004 sections 75 and 77, then the development contributions will be assessed as for one allotment.

The number of HUDs payable reflects the additional demand on Council infrastructure created by the development. Only the additional demand created will be considered when assessing DCs.

5. How much is payable?

The city-wide DC per household unit of demand (HUD) for each of the network infrastructure activities is shown below in Table E. All values shown in the Policy are excluding GST.

Table E: Development contributions by activity per HUD

Activity	Greenfield $ per HUD (excl GST)	Brownfield $ per HUD (excl GST)
Stormwater[1]	$7,630	$7,630
Wastewater	$8,050	$8,050
Water supply	$4,300	$4,300
Transportation	$3,350	$3,350
Community infrastructure	$2,030	$2,030
Infrastructure development contribution totals	$25,360	$25,360
General reserves[2]	$1,550	$1,550
Neighbourhood reserves (greenfield) – sites outside the urban boundary	$15,106	NA
Neighbourhood reserves (intensification) – sites inside the urban boundary	NA	$280
Reserves development contribution totals	$16,656	$1,830
Total development contribution	$42,016	$27,190

6. Timing of payment

An invoice will be issued for DC charges to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of developments (see Table F).

Table F: DC invoice timing

Consent type	Invoices issued
Building consent	At granting the building consent.
Certificate of acceptance	Prior to issuing a certificate of acceptance.
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the Resource Management Act 1991. An invoice will be issued for each stage of a development for which 224 (c) certificates are sought, even where separate stages are part of the same consent.
Resource consent (other)	At granting of the resource consent.
Service connection	At granting of the service connection for water, wastewater or stormwater services.

DC payable will be assessed based on the date the application for consent was submitted and will continue to be invoiced at each stage of the development for which a separate certificate under section 224(c) of the RMA is applied for.

Where a staged subdivision development is undertaken via multiple consent applications, each DC requirement will be assessed according to the policy applying at the time that each separate application for consent is submitted.

Invoices become due for payment by the due dates in Table G:

Table G: DC payment due date

Consent type	Payment due date
Building consent	20th of the month following the issue of the invoice.
Certificate of acceptance	Prior to issuing the certificate of acceptance.
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the Resource Management Act 1991 (the 224(c) certificate).
Resource consent (other)	20th of the month following the issue of the invoice.
Service connection	Prior to issuing the connection approval.

If invoices are not paid in full on time, Council may:

- prevent the commencement of a resource consent.
- withhold a certificate under section 224(c) of the RMA.
- withhold a code compliance certificate under section 95 of the Building Act 2004.
- withhold a service connection to the development.

Where invoices remain unpaid beyond the payment terms set out in this Policy, Council will start debt collection proceedings, which may involve the use of a Credit Recovery agent. Council may also register the DC under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development.

7. Exemptions

The following exemptions apply under this Policy:

7.1 Social housing developments

Council will not require DCs to be paid in respect of social housing developments undertaken by, or for:

- a Community Housing Provider that is registered with the Community Housing Regulatory Authority, or
- Iwi Trusts, or
- any other partnership where Council has entered into an agreement to provide social housing.

7.2 Developments undertaken by the Crown

The Crown is not required to pay DCs where it is the landowner. However, the Crown is invited to pay DCs as appropriate on any activities that consume infrastructural capacity and may choose to accept or decline that invitation. The invitation to pay will not be a condition of the issue of a property information memorandum (PIM) or consent, section 224(c) certificate, code compliance certificate or service connection.

In accordance with section 8(4) of the LGA, people or entities that have an interest in any property of the Crown or who manage public reserves vested in the Crown will be subject to DCs and are not covered by this exemption.

7.3 Development undertaken at Whakatū Marae

Council will not require DCs to be paid in respect of development undertaken in the sites labelled WM1 in the NRMP planning maps (Map 7) and detailed further in Chapter 11 (Oss.7) of the NRMP.

7.4 State Integrated Schools

State Integrated Schools are identified in this Policy as providing the same service to the community as a state school in that they are required to provide education in accordance with the same curriculum. Therefore, Council will not require DCs to be paid in respect of State Integrated Schools under this Policy.

7.5 City Centre residential developments

Council seeks to encourage residential growth in the central city in order to intensify development within networks of existing infrastructure. Council will not require DCs to be paid in respect of the development of:

a. additional residential units, or a mixed development of residential and commercial units (provided that the exemption shall only apply in respect of the residential portion of the development), in the City Centre; and

b. additional residential units in the City Centre as defined in the NRMP (refer Map 2 in the appendix).

In respect of the City Centre residential exemption, the following conditions apply:

i. The allocation of the exemption is based on the date the application for resource or building consent is approved; and

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

2. General reserves includes the land and the improvements to the land.

ii. The exemption is granted on the condition that construction commences within 12 months after the exemption is granted. If this condition is not met the exemption will no longer apply and the DC will be required at the time of section 224 certificate or code of compliance. Where an applicant can demonstrate that substantial progress has been made, the exemption may be extended up to 24 months from the date it was granted.

7.6 Low impact stormwater developments

Council recognises that some developments control the additional stormwater they produce and consequently, have a reduced impact on Council's network. Where this impact is permanent and won't become redundant as a result of Council works in the future, Council may reduce the DC for stormwater. In exercising this discretion, Council will be guided by:

i. Where, following an event equal to or greater than a one in 15 year storm event, stormwater will not discharge into a Council managed system, stormwater DCs may be reduced by up to 50%;

ii. Where, following events equal to or greater than a one in 15 years storm event, the stormwater will discharge into a Council managed system, the stormwater DC may be reduced by up to:

   1. 25% – where primary stormwater flows are managed to pre-development levels;
   2. 50% – where both primary and secondary stormwater flows are managed to pre-development levels

The maximum 50% discount reflects the fact that all developed properties receive benefit from associated stormwater mitigation capital expenditure work by Council in the catchment area. For example, the catchment will either be directly protected or the ability to move around the area unencumbered during storm events will be improved.

7.7 Water supply and wastewater

If a development is unable to connect to the water supply or wastewater network then a contribution for these activities will not be required.

7.8 Tasman District water supply

Where water for a development is to be supplied by Tasman District Council, the DC for water will be levied in accordance with the current Tasman District Council's Development Contributions Policy at that time, and not under this Policy. Applicants will be advised when consent applications are processed.

7.9 Other exemptions

Council does not accept any other exemptions to this Policy, other than where there is a relevant legislative exemption.

In exceptional circumstances, Council may grant an exemption from the requirement to pay DCs (including remission, reduction or postponement) at its absolute discretion and subject to the following:

An application for an exemption should be made to Group Manager Environmental Management prior to an invoice being issued.

a. Each application will be considered on its own merits but the Group Manager Environmental Management may have regard to:

   i. whether the development is part of a not-for-profit entity; and

   ii. any unique contribution that the development is making towards Nelson City Community Outcomes; and

   iii. consistency with the general application of this Policy.

b. A decision by the Group Manager Environmental Management to decline the application will not be subject to further review or reconsideration within the Council.

c. If the Council officer recommends the application be granted, the exemption may only be granted by a resolution of the Council (or a Committee or Subcommittee acting under delegated authority).

8. Development agreements

The Council may enter into development agreements or other agreements in circumstances where there is a need to allocate responsibility between developers and the Council for the construction and funding of public works associated with a development in order to support outcomes in the Nelson Resource Management Plan.

Development agreements will not be used to reduce the amount of any contribution calculated under this Policy. It is expected that any agreement will include provisions that will underline the expectation for payment of DCs by developers and a works contract for the purchase of infrastructure constructed by the developer.

Where an applicant undertakes work on behalf of the Council, this will be done within normal procurement procedures and paid for under the terms of that engagement. DCs will still be payable by the applicant where they are required under this policy.

For activities covered by a development agreement, the agreement overrides the development contribution normally assessed as payable under the Policy.

Sections 207A to 207F of the LGA 2002 sets out criteria to be applying to development agreements.

Section 2: Policy details

This section provides further policy details, including those needed to fully comply with the requirements of the LGA.

9. Purpose and objectives

Section 197AA of the LGA states that the purpose of development contributions is:

"…to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term."

Under this Policy, Council intends to entirely fund the portion of capital expenditure ("capex") that is attributable to growth through DCs wherever it can be done so lawfully, fairly, reasonably, and practically.

Council considers that DCs are the best mechanism available to ensure the cost of growth is apportioned to those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of growth.

The objectives of this Policy are:

a. Fairness: to ensure that those who create a need for new or additional assets, or assets of increased capacity, contribute their fair share to the cost of providing that asset, and to ensure that the cost of providing new or additional assets, or assets of increased capacity, is allocated proportionately between those who benefit from those assets as well as those who create a need for those assets.

b. Simplicity: ensure that the Policy is easy to understand and administratively simple to apply.

c. Certainty and transparency: provide developers with a clear understanding of what will be funded from DCs, what they will have to pay towards those costs, and when.

d. Consistency: ensure that developments are treated consistently in the assessment of DCs.

e. Contribution to Nelson goals: support and facilitate the wider outcomes sought by Nelson City Council.

In developing this Policy, the principles of section 197AB of the LGA have also been taken into account, including that:

a. DCs are only required where the effects or cumulative effects of developments will create or have created a requirement for the Council to provide or to have provided new or additional assets or assets of increased capacity; and

b. DCs are determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding; and

c. cost allocations used to establish DCs are determined according to, and proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets; and

d. DCs are used:

   i. for, or towards, the purpose of the activity or the group of activities for which the contributions were required; and

   ii. for the benefit of the district or the part of the district that is identified in the DCs policy in which the DCs were required;

e. DCs are not used to fund operational costs to maintain or to improve levels of service for existing users;

f. sufficient information is made available to demonstrate what DCs are being used for and why they are being used;

g. DCs should be predictable and consistent with the methodology and schedules of this Policy;

h. in calculating and requiring DCs, the Council may group together certain developments by geographic area or categories of land use, provided that:

   i. the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and

   ii. the grouping by geographic area avoids grouping across an entire district wherever practical.

Section 102(3a) of the LGA states that Councils must support the principles in the preamble to Te Ture Whenua Māori Act 1993. This Policy supports the principles within the exemptions in subheadings 7.1 and 7.3.

Other considerations which form part of the development of this Policy include DCs are not required if:

a. Council has imposed a condition on a resource consent in relation to the same development for the same purpose; or

b. the developer will fund or otherwise provide for the same network infrastructure; or

c. Council has already required a DC for the same purpose in respect of the same building work; or

d. Council has received or will receive funding from a third party for the project or provision of the same network infrastructure.

10. Refunds

Where a development or subdivision does not proceed, any refund of money or return of land will be applied in accordance with section 209 of the LGA. Any refunds will be issued to, or any returns made to, the consent holder of the development of which they apply. Refunds will not be subject to any interest or inflationary adjustment.

11. Reconsiderations and objections

11.1 Reconsideration of a development contribution

An applicant may request the reconsideration of a DC within 10 working days of receiving notice to pay DCs. The request must be in writing, stating the grounds for a reconsideration, and the relief sought. As provided for in section 199A(1) of the LGA those grounds are that:

a. the development contribution was incorrectly calculated or assessed under the Policy; or

b. Council incorrectly applied its Policy; or

c. the information used to assess the development against the Policy, or the way council has recorded or used it when requiring a DC, was incomplete or contained errors.

If a reconsideration is applied for in relation to the first two grounds described above, no fee will be charged. In the case of the third ground (paragraph (c)) for reconsideration, if any error in recording of information or the manner in which it has been used is proven to be the fault of Council, no fee will be charged.

If the information used to assess the person's development against the Policy is incomplete or contains errors and these errors or omissions are attributable to the applicant, a fee of $255 + GST will be charged.

Requests for reconsideration can be lodged with Council in writing using the prescribed form (available on Council's website) together with payment of the applicable fee.

Applications with insufficient information or without payment of fee will be returned to the applicant with a request for additional information or payment.

Applications for reconsideration will be considered by a panel of up to three staff, including at least one person with delegated authority to determine the matter.

A decision in writing shall be given to the person who made the reconsideration request within 15 working days after the date on which Council receives all required information relating to a request.

11.2 Objection to a development contribution

In accordance with sections 199C and 199D of the LGA, a person may object to any DC requirement. The right to object does not apply to challenges to the content of the Policy, but can apply if the objector believes Council:

a. Failed to properly take into account features of the objector's development that on their own or cumulatively with other developments, would substantially reduce the impact of the development upon the requirement for Council to provide community facilities; or

b. Required a DC for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or

c. Required a DC in breach of Section 200 of the LGA; or

d. Incorrectly applied the Policy to the development.

Any objection must be lodged with the Council within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for reconsideration.

Objectors should use the objection form found on Council's website and supply any supporting information with the form.

Objectors must pay a deposit of $2,750 + GST and are liable for Council's actual and reasonable costs incurred in the objection process, including staff and commissioner time, and other costs incurred by Council associated with any hearings unless the Council is directed to remit costs by the Commissioner.

The other aspects of the objections process are in accordance with sections 199E to 199P and Schedule 13A of the LGA.

When considering a DC objection and any evidence provided in relation to that objection, commissioners must give due consideration to the following:

a. the grounds on which the DC objection was made;

b. the purpose and principles of DCs under Sections 197AA and 197AB of the LGA;

c. the provisions of the Policy under which the DC that is the subject of the objection was, or is, required;

d. the cumulative effects of the objector's development in combination with the other developments in a district or parts of a district, on the requirement to provide the community facilities that the DC is to be used for or toward; and

e. any other relevant factor associated with the relationship between the objector's development and the DC to which the objection relates.

12. Infrastructure investment assumptions

The provision of infrastructure to enable development will be prioritised through the LTP to ensure that:

i. growth projections are aligned with capital spending for growth to enable infrastructure to be provided at the optimal time – not too early and not too late; and

ii. optimal use is made of existing infrastructure; and

iii. growth areas identified in the Future Development Strategy are prioritised; and

iv. sufficient capacity is provided to meet the requirements of the National Policy Statement on Urban Development.

Under this approach, not all identified development areas will be serviced in the next ten years. Developers who intend to undertake a development on areas not programmed to be serviced have the following options:

i. construct and fund the work themselves; or

ii. make a submission to the Council's Long Term Plan process to get the required projects funded by the LTP; or

iii. propose to Council that a private developer agreement is entered into – refer section 8.

13. Calculation methodology

This section provides an introduction to the DC calculation methodology for DCs.

13.1 One-catchment approach

The Council assessed the effects of adopting a multiple catchment approach for planning and funding services in 2006, 2014 and 2018 when this Policy was reviewed in line with principles outlined in the LGA. The funding framework of Nelson City has been based on a one-catchment approach to reflect the compact nature of the city.

Council has adopted a one-catchment approach to calculating development contributions.

13.2 Calculation method

The key concept of the approach is to define the total capital expenditure (capex) for growth consumed by the growth population over a period of time. This consumption of capex for growth is then apportioned among the increased number of household units of demand (HUDs) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the dwelling equivalent contribution.

The calculation method can be summarised by the following steps:

Step 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.

Step 2: Apportion capital expenditure for growth by the growth population (HUDs) over the design life of the asset, to assess the $/unit of demand.

Step 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – $/unit of demand x the number units of demand.

Step 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in $.

Step 5: Sum each year in the ten-year analysis period and divide by the growth population (new dwelling equivalents) projected over the analysis period to determine the dwelling equivalent contribution.

13.3 Growth costs

Capital expenditure may be attributable to one or more factors: growth, changes to levels of service, statutory requirements, or asset renewal.

Under this Policy all projects have been assessed to calculate a fair, equitable and proportionate portion of council's infrastructure costs that can be attributed to growth.

The growth costs reflect the cost that Council has or will incur because of growth. The growth-related costs are solely those required to meet the additional demand created by the effects (including cumulative effects) of all development within the citywide catchment. This includes capacity in all up and downstream areas of the network, and not just the capacity in the locality of a given development. For example, the growth costs include the capacity in the headwork's assets such as treatment plants and storage asset.

Projects that were/are completed solely to address the demands of, and the benefits to, development, are considered to be 100% growth. Projects that were/are solely to replace existing assets or change levels of service are considered to be 0% growth.

Projects that benefit both the existing community and the future community are apportioned using the following formula:

Growth % = (Demand at capacity – Demand at Construction)/Demand at capacity

Where possible the demand has been quantified using first principles, e.g. traffic flow, litres used, impermeable surface area (ISA). In other cases the demand is quantified using the number of HUDs, and the increase over the capacity life of the asset. This ensures that only a fair, equitable and proportionate portion of the total costs is passed onto the future community via development contributions.

This approach can be used on projects where growth is not the main driver. For example, an upgrade to a wastewater treatment plant may be a combination of both level of service change for the existing community and provision of capacity for the future community.

13.4 Average cost of growth

DCs are based on the long-term average cost of growth across the city and reflect the average cost of infrastructure required to service new development for each activity. This includes those growth-related projects planned for in the 2021–2031 LTP and also those growth-related projects that have already been completed.

The calculation method uses the capacity life of each asset to fairly apportion the growth costs across the capacity life of the asset created. This ensures that all developments that benefit from the growth-related capital expenditure contribute an equitable portion. This also ensures that the rate the capacity is consumed is considered in the calculation so that early and late developers do not pay an unfairly high proportion of the growth costs. This also means that not all growth costs incurred in the LTP period will be funded over that period.

The standard contribution ($/HUD) is based on the average cost of growth for each activity over a 10-year analysis period.

$$\textbf{Standard development contribution} = \frac{\$}{\text{HUD}}$$

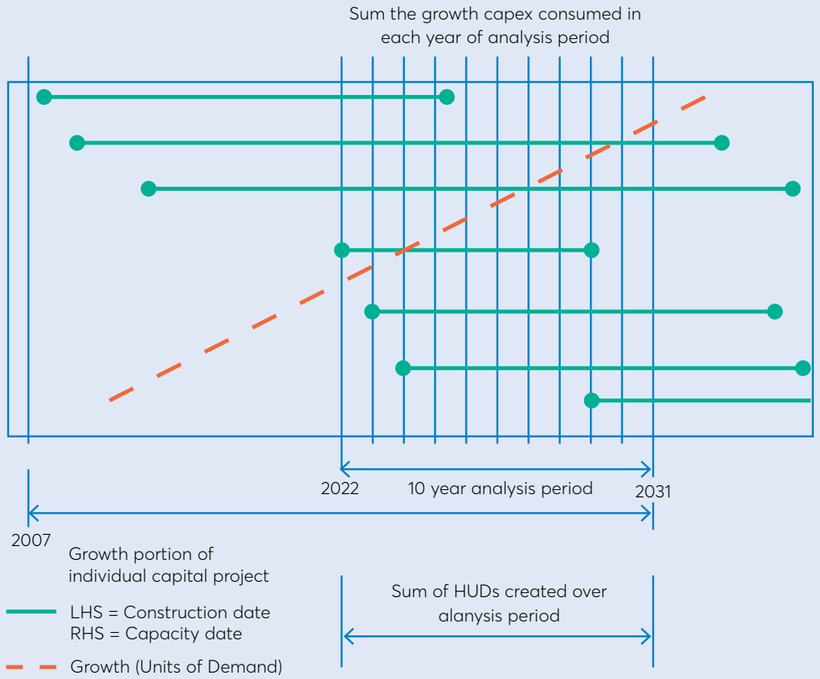
= Sum of growth costs consumed in analysis period / Sum of new HUSs in analysis period

This method is summarised in the diagram on the following page (see Figure 1).

Although the method uses a bottom up approach at the project level, the standard contribution reflects the average cost of growth for the overall activity. This is considered the fairest way to ensure all development in the city-wide catchment pays a fair and equitable contribution to fund each activity and service growth over the long term.

For the purpose of the calculations, the design life of the longer life assets has been capped at 30 years. This design life is used in both the calculation of the growth portion and the consumption of the growth costs. This ensures that the interest costs of funding long life assets are not disproportionally high. The 30 years was chosen as it is consistent with Council's 30 Year Infrastructure Strategy.

Figure 1: Long run average cost of growth



13.5 Interest considerations

Interest costs have been assessed based on an average 3% interest per annum, as adopted in the 2024 LTP. The interest component of the standard contribution is based on the average interest costs over the 10-year analysis window. This includes consideration of the existing growth-related debt which is based on the growth costs to date and the contribution income received to date.

14. Significant assumptions

The DC Policy is underpinned by a range of assumptions identified below.

14.1 Best available knowledge

All information used in the calculation of development contributions is the best available knowledge at the time of the calculation models being prepared.

Capital expenditure projections are those that have been forecast in the Long Term Plan. Actual expenditure for the years to and including 2013/14 to 2022/23, and estimates for 2023/24 have been used.

Amendments to the capital programme have been made to account for budgets carried forward and expenditure changes. The public scrutiny and the audit of these capital projections provides additional confidence as to the process.

14.2 Growth projections

Council commissioned growth projections in 2022 which show that Nelson's population is expected to grow by around 4,899 residents between 2024 and 2034 to a total population of 60,837. The number of households is expected to increase by around 3,145 in the life of this LTP.

The increase in residential HUDs in the development contribution model is based on the projected increase in households.

However, Council bases its financial forecasting for income from DCs based on the funds received in previous years. This is because developments, and the income from these, takes time to be realised, and Council needs to minimise the risk of income being lower than forecast. If development is faster or slower than forecast then Council can consider changing its capital work programme to match the rate of growth.

Section 3: Assessment of development contributions

15. Assessment method

When Council receives an application for a resource consent, building consent or service connection, it will:

1. test that the application represents a "development" (as defined under Section 197 of the LGA);
2. determine whether the development, alone or cumulatively with other developments, has the effect of requiring new or additional assets of increased capacity;
3. assess whether it has required or will require council, as a consequence, to incur capital expenditure to provide for this.

If Council is satisfied that the legal requirements have been met, as outlined above, and that a development contribution is required and provided for under this Policy, it will then assess the level of contribution payable as follows:

Step One: Assess demand currently on the development site.

In attributing units of demand to a particular development or type of development the Council will identify the number of units of demand that existed on the site prior to the development.

Step Two: Assess the post development demand.

The number of HUDs post development can be quantified based on the size of the development using the same method.

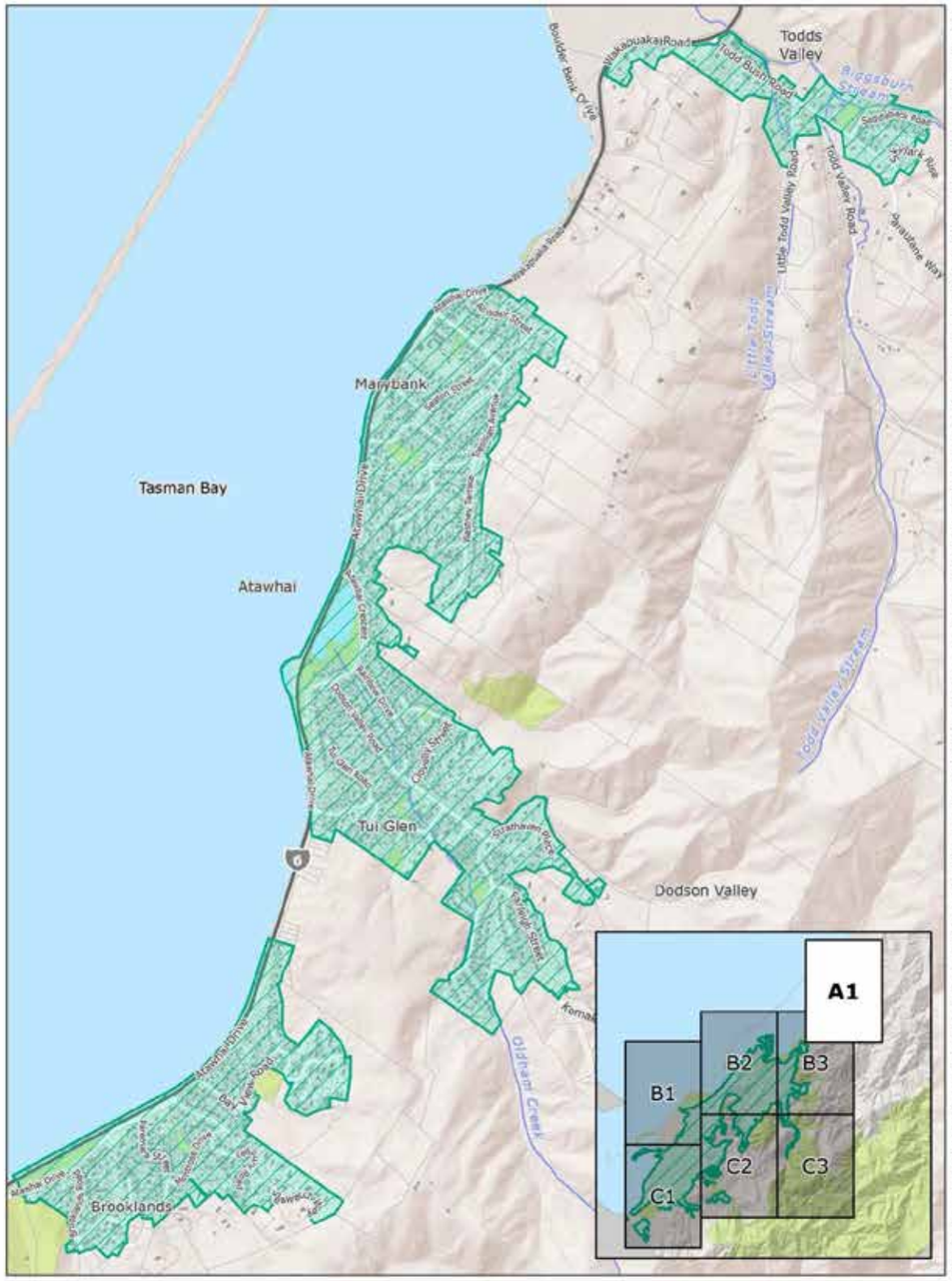
Step Three: Assess the additional demand.

The additional demand is simply the difference between pre-development and post development, quantified in HUDs for each activity.

Step Four: Calculating the development contribution to be charged.

To calculate the contribution the number of additional HUDs is multiplied by the standard contribution of each activity.

Appendix: Disclosure schedules and supporting information



Urban Built Area

Map A1

Urban Built Area

Nelson City Council | Te Kaunihera o Whakatū

0 250 500 750 1,000 m

Scale 1:20,000

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March 2021

File Ref: A2583597
Size: Original map size A4.

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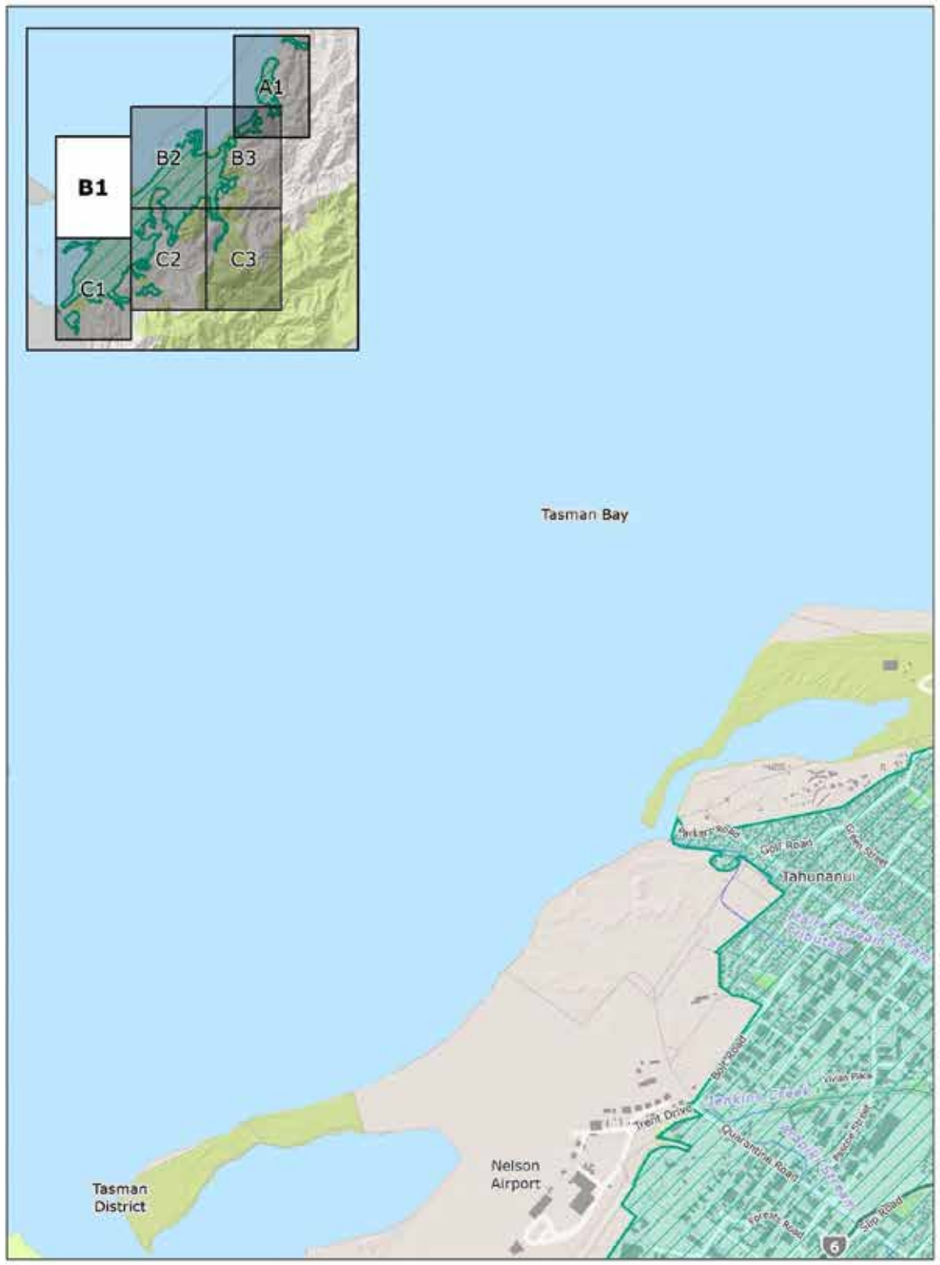

Urban Built Area

Map B1

Urban Built Area

Nelson City Council | Te Kaunihera o Whakatū

0 250 500 750 1,000 m

Scale 1:20,000

N

March 2021

File Ref: A2583597
Size: Original map size A4.

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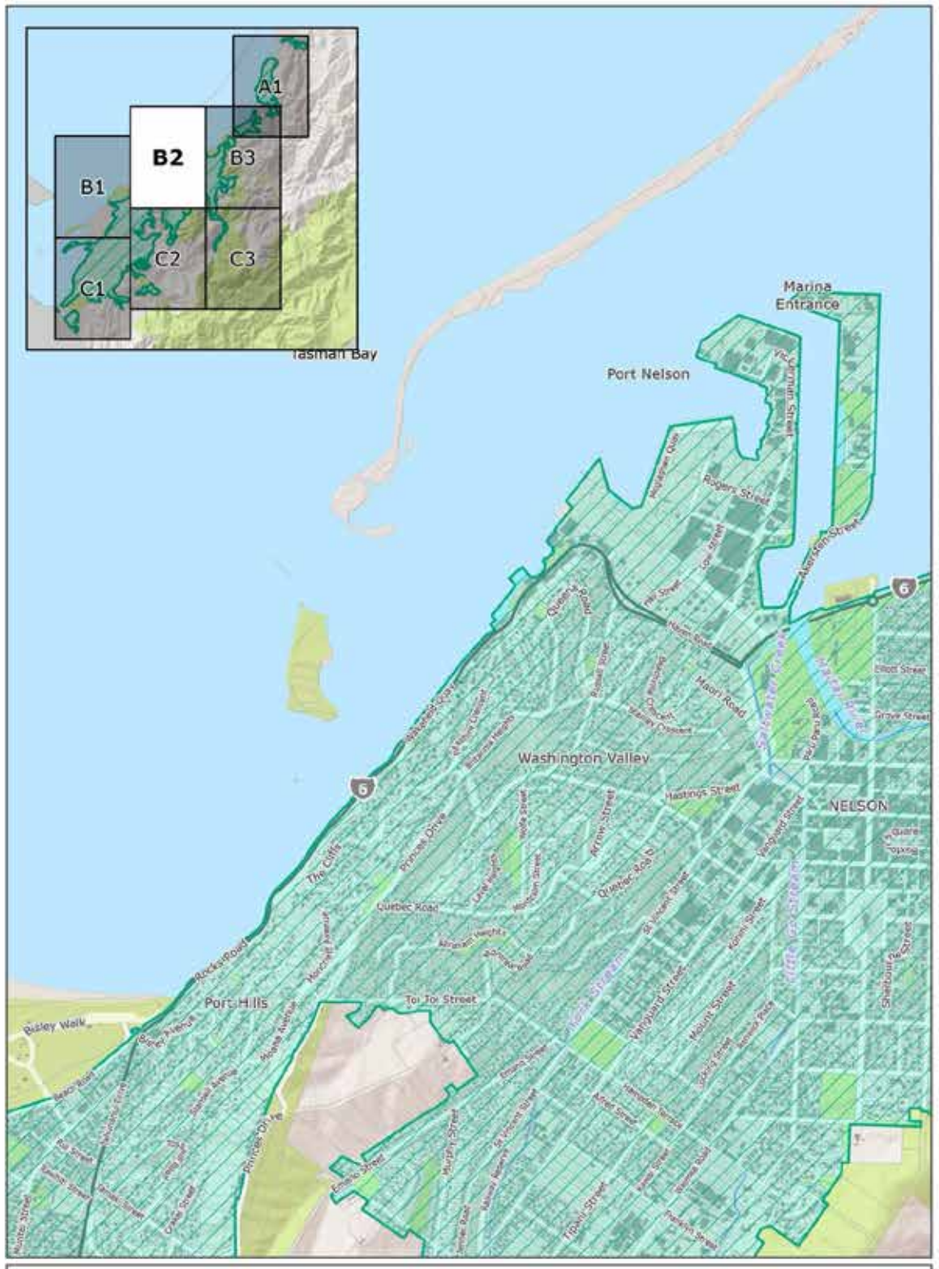

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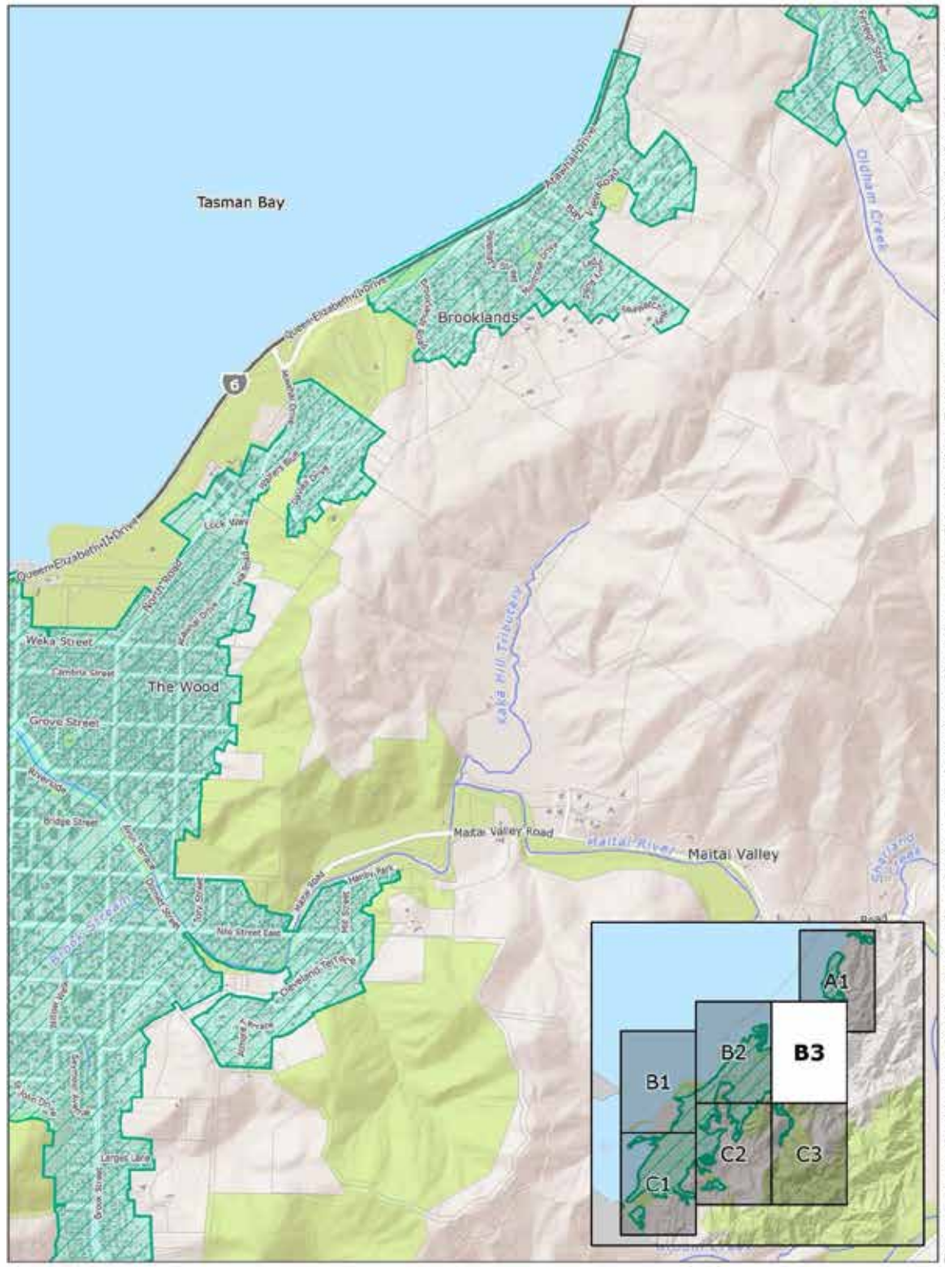

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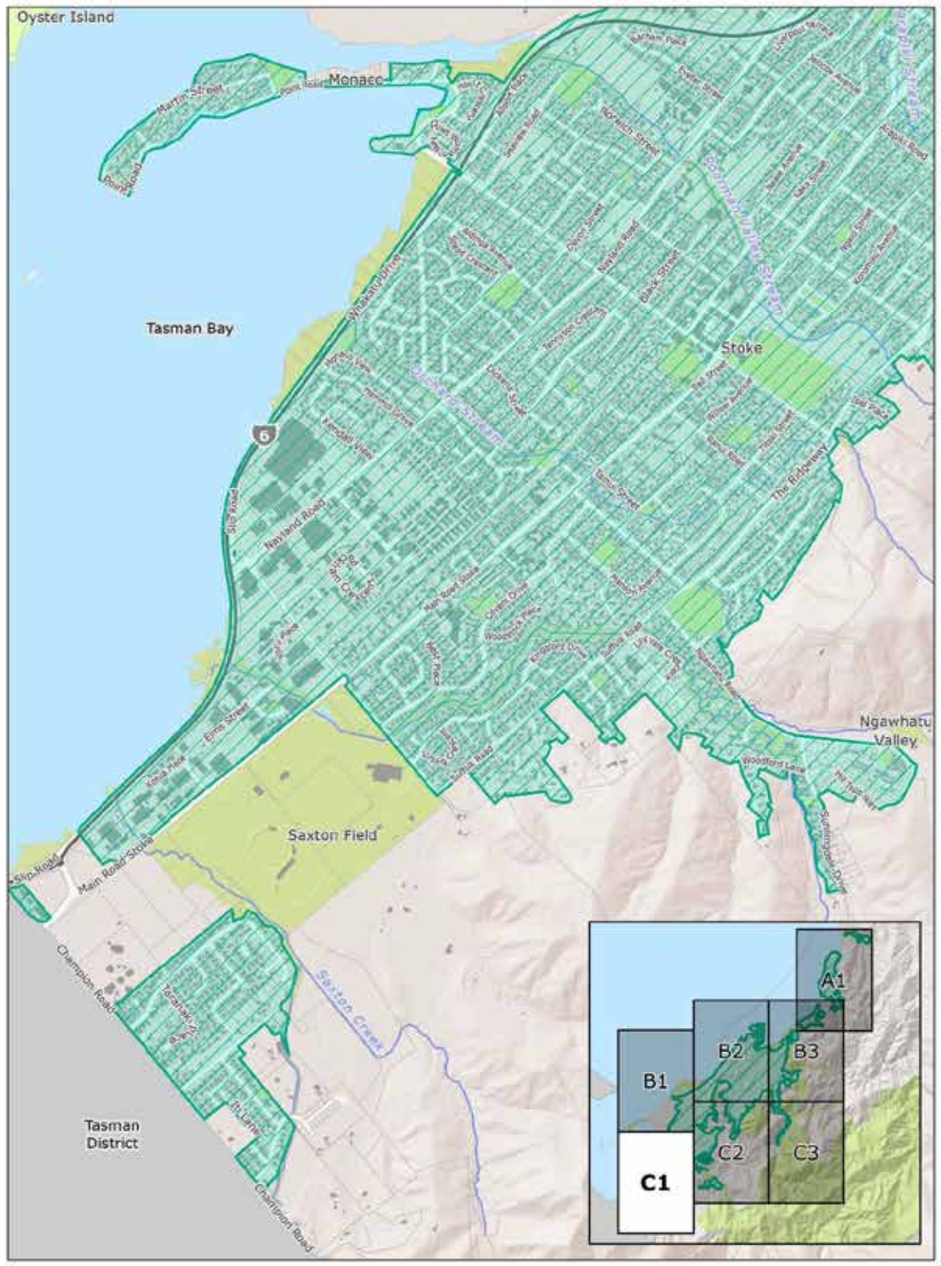

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File Ref: A2583597
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Urban Built Area

Map C1

Urban Built Area

0 250 500 750 1,000 m

Scale 1:20,000

N

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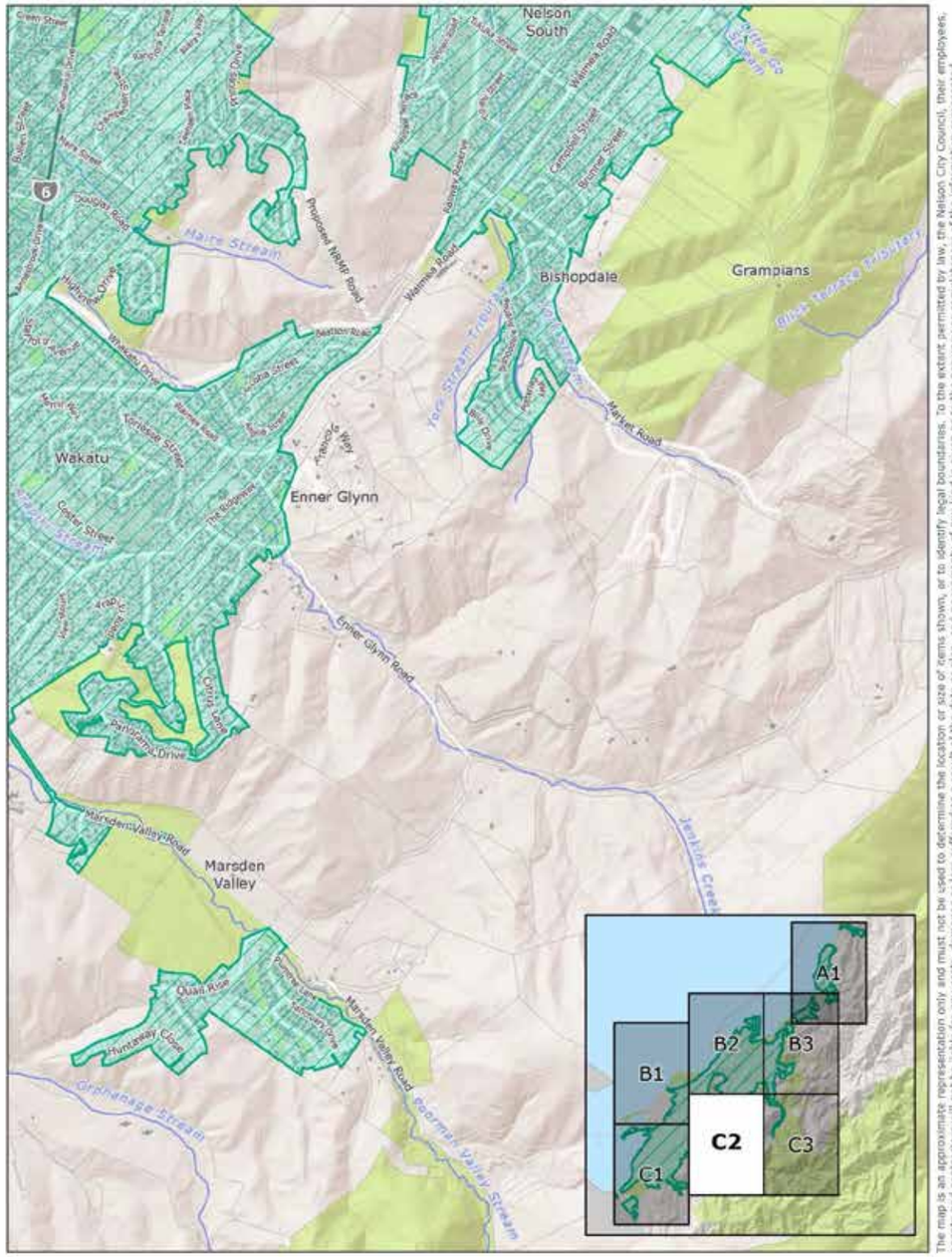

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Urban Built Area

Map C2

Urban Built Area

0 250 500 750 1,000 m

Scale 1:20,000

N

March 2021

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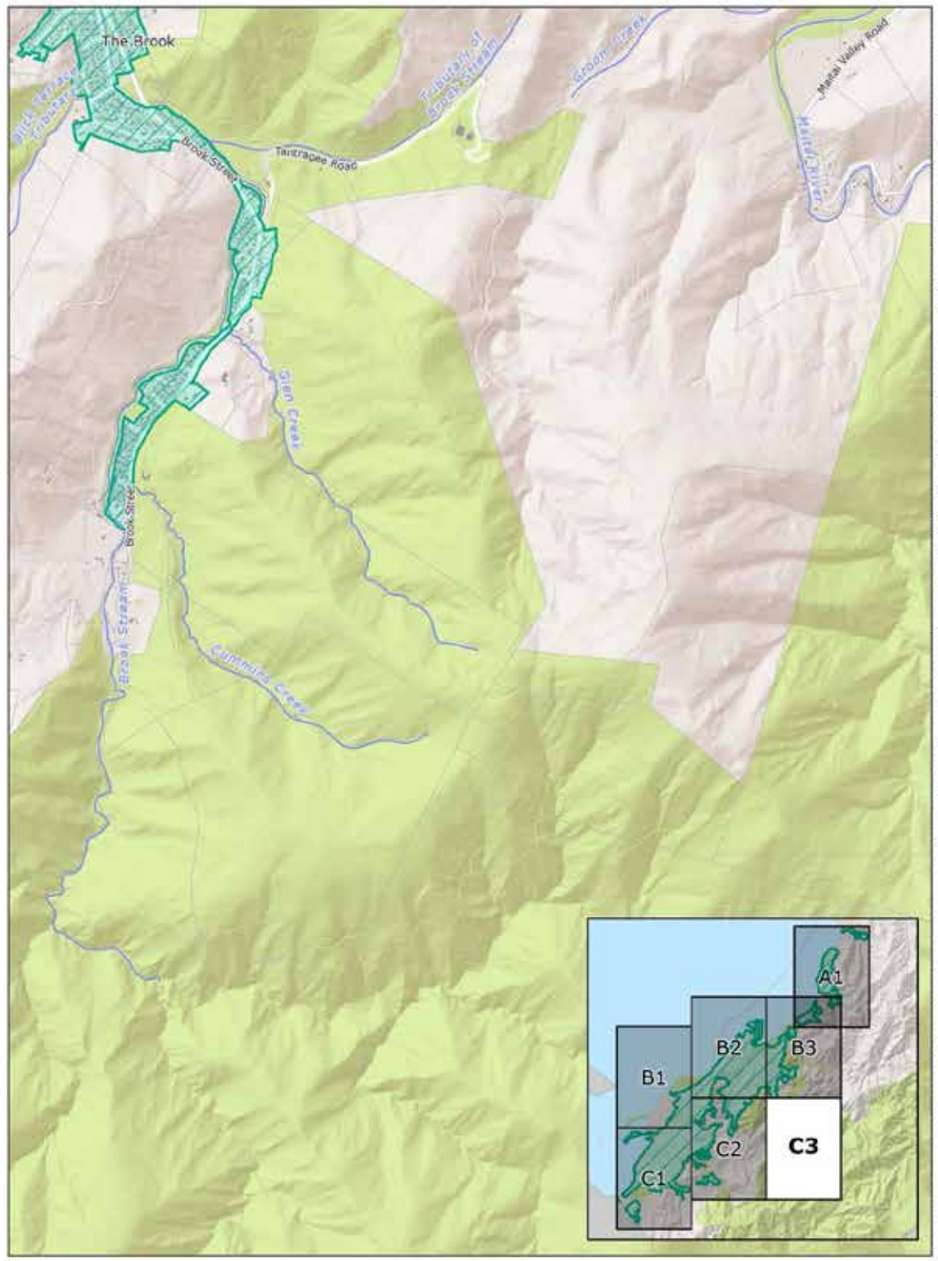

Urban Built Area
Map C3

Urban Built Area

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Scale 1:20,000

N

March 2021

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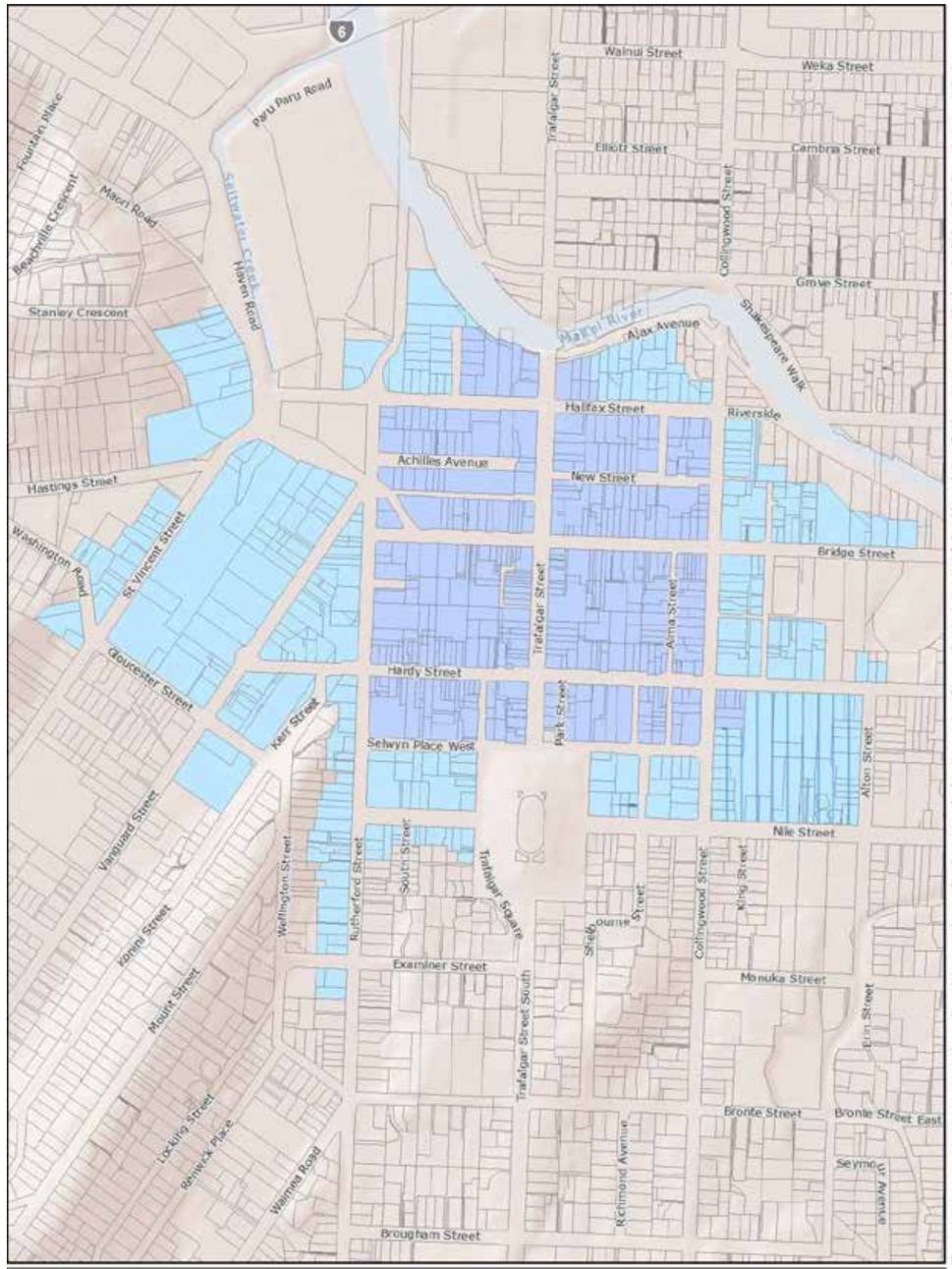

Inner City Zone
Policy on Development Contributions and Financial Contributions 2015

Zones
Inner City - Centre
Inner City - Fringe
Inner City - Intense Development

0 50 100 150 200 m

N

June 2015

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File Ref: A1332106
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16. Consideration of activity funding – Section 101(3)

Section 101(3)	Consideration of services
(a)(i) the community outcomes to which the activity primarily contributes	Network infrastructure, community infrastructure and reserves contribute to several of the Council's joint regional community outcomes: • Our unique natural environment is healthy and protected – Development contributions enable Council to provide network infrastructure that reduces the impact of people on the environment. • Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed - Development contributions enable provision of good quality, sustainable and effective infrastructure and facilities. • Our infrastructure is efficient, resilient, cost effective and meets current and future needs – the Policy provides a funding framework that helps enable integrated land use planning and development by providing efficient and effective infrastructure that meets current and future needs. • Our communities are healthy, safe, inclusive and resilient – Development contributions enable council to provide network infrastructure that enables a healthy, safe community. • Our region is supported by an innovative and sustainable economy – Development contributions ensure that the cost of growth is fairly and reasonably met by new developments.
(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	Due to the relatively small and compact nature of the city, Council considers that the benefits from capital works on community facilities will generally flow through to developers and the community as a whole. Accordingly, a one-catchment approach is the fairest and simplest for all. A more targeted, catchment by catchment approach is considered to be significantly more complex to develop and assess; more costly and inefficient to administer; and inconsistent with other funding streams. All developments benefit from the network infrastructure provided, accordingly it is considered appropriate that all pay the same equitable amount for the additional capacity built into Council's network.
(a)(iii) the period in or over which those benefits are expected to occur	The purpose of development contributions is to assist in providing infrastructure that will ensure intergenerational equity. The approach determines the capacity of each asset and the amount of capacity that will be utilised by the growth community. The length of time over which the asset created will provide a benefit to the future community has been considered. Many of the assets may provide capacity beyond the 10 year window of the LTP. If this benefit extends beyond the current LTP horizon, then growth costs shall be recovered in this LTP and the next, as the capacity is taken up. This approach ensures the developers today do not subsidise future development in an inequitable manner.
(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	Development contributions are a fair source of funding for each of the activities for which they are collected because they allow the capital costs of the activity to be allocated to those that create the need for capital expenditure.
(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and	Development contributions received for a specific activity will only be used for, or towards, the capital expenditure of that activity for which the contributions were required. Using development contributions to fund the cost of providing additional services for growth, provides greater transparency. The benefits of this approach include intergenerational equity, fairer apportionment of costs and a more targeted, user pays system. These benefits are considered to significantly exceed the costs of assessing development contributions.
(b) the overall impact of any allocation of liability for revenue needs on the community	Council believe that the level of contributions required do not place an overly burdensome requirement on developers. The use of contributions ensure that the existing community do not have to subside all growth-related costs through rates. Similarly, the city-wide catchment approach ensures that the liability for revenue does not unreasonably fall on a particular area of the development community.

17. Summary of capital expenditure for growth

The planned expenditure over the 10-year plan, the growth portion and the development contribution revenue projected to be recovered during the 10-year window is shown below. The historic total cost and growth costs considered in the calculations of development contributions are also shown.

Table H: 2024/25–2033/34 LTP – Summary of capital costs, growth costs and projected contribution revenue

	Historical		2024/25 to 2033/34 LTP			2024/25 to 2033/34 LTP	
Activity	NCC capital costs	Growth costs	NCC capital costs	Growth costs	Total growth costs considered	Total 10 year interest costs	Projected revenue from development contributions
Stormwater	121,003,000	26,245,000	154,018,000	21,746,000	47,992,000	6,611,000	24,160,000
Wastewater	94,506,000	25,738,000	224,192,000	38,094,000	63,832,000	5,093,000	25,496,000
Water supply	69,441,000	12,407,000	132,491,000	21,389,000	33,797,000	2,473,000	13,551,000
Transportation	58,532,000	7,792,000	176,215,000	18,621,000	26,413,000	1,952,000	11,137,000
Community infrastructure	22,486,000	3,682,000	72,388,000	10,156,000	13,837,000	1,296,000	6,389,000
General reserves	31,949,000	4,499,000	64,452,000	7,075,000	11,573,000	–	4,864,000
Neighbourhood reserves (intensification)	3,112,000	1,513,000	4,768,000	455,000	1,968,000	–	866,000
Grand total	**401,029,000**	**81,876,000**	**828,524,000**	**117,536,000**	**199,412,000**	**17,425,000**	**86,463,000**

1. Due to the transitional nature of the policy, a portion of the revenue may be financial contributions, depending on the location of the future development.
2. Council intends to fund all growth costs through development contributions. The projected revenue is based on the forecast number of new HUDs over the next 10 years. The revenue is subject to a number of factors such as the speed of development, the quantum of remissions and exemptions, the lag time between consent and certification (payment) and is therefore difficult to forecast.

The proposed growth costs for each year of the 2024 LTP are summarised in the below table for each activity.

Table I: 2024/25–2033/34 LTP growth costs by year ($000s)

Activity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Grand total
Stormwater	2,387	2,711	1,261	1,805	1,793	2,167	2,301	2,589	2,395	2,338	21,746
Wastewater	1,279	2,790	4,032	3,426	3,809	3,599	5,716	6,059	3,716	3,668	38,094
Water supply	1,600	1,933	2,203	2,369	2,715	1,827	1,493	2,757	2,522	1,971	21,389
Transportation	2,328	2,101	2,220	2,916	1,238	1,418	1,758	1,497	1,519	1,628	18,621
Community infrastructure	132	264	203	525	7,267	1,071	569	44	41	40	10,156
General reserves	2,042	1,013	991	860	630	544	596	125	137	138	7,075
Neighbourhood reserves (intensification)	80	37	78	21	74	19	63	16	52	15	455
Grand total	**9,848**	**10,849**	**10,988**	**11,921**	**17,525**	**10,644**	**12,496**	**13,087**	**10,382**	**9,798**	**117,536**

18. Schedule of assets

The following table shows the core component and the interest component of the development contribution for each activity.

Table J: Summary of development contributions component

Activity	Core component	Interest component	Total development contribution
Stormwater	5,540	2,090	7,630
Wastewater	6,450	1,600	8,050
Water supply	3,510	790	4,300
Transportation	2,770	580	3,350
Community infrastructure	1,620	410	2,030
General reserves	1,550	–	1,550
Neighbourhood reserves (greenfield) – sites outside the urban boundary	N/A	N/A	15,106
Neighbourhood reserves (intensification) – sites inside the urban boundary	280	–	280
Total greenfield			**42,016**
Total brownfield			**27,190**

The following tables show the schedule of assets as required by Section 201A of the LGA 2002.
This table includes both historical and planned capital projects, these have been split out for each activity. The component each project makes up of the total contribution for each activity is also shown. Projects in year 10 of the 2021 to 2031 LTP are not included in this table as the capacity does not start getting consumed until the year following construction, therefore the projects are not included in the contributions.

Table K: Schedule of assets

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
Stormwater	**246,283,333**	**19%**	**81%**	**47,945,880**	**$5,539**
Historic	**114,419,316**	**23%**	**77%**	**26,245,354**	**$3,725**
2964; Saxton Creek Stage 4 Upgrade	27,940,927	22%	78%	6,151,913	$938
2689; Saxton Creek upgrade	9,518,795	18%	82%	1,673,989	$243
SW7; Arapiki Stream (first stage)	6,320,007	30%	70%	1,864,678	$225
2850; Rutherford Stage 1 – Stormwater Upgrade	6,662,391	22%	78%	1,458,807	$223
SW2; Q15 reticulation upgrades (Q15 pipelines) – pre-2009	5,070,537	31%	69%	1,574,433	$184
SW3; Q15 reticulation upgrades (pump station catchment) – pre-2009	4,400,016	31%	69%	1,366,233	$159
2054; Washington Valley Stormwater Upgrade	4,138,419	22%	78%	916,678	$139
2865; Hampden St East Little Go Stream: Stage 2	3,748,818	26%	74%	956,214	$131
1917; Haven/St Vincent Culvert renewal & upgrade	3,780,589	21%	79%	812,385	$126
3461; Haven Road Fountain Place to Saltwater Creek	3,381,660	22%	78%	757,465	$114
SW8; Orchard Creek	2,361,308	30%	70%	696,689	$84
2473; Wastney Terrace stormwater (pvt drain prgm)	2,390,541	22%	78%	533,772	$80
3600; Flood Recovery Channel Bank protection	2,267,961	22%	78%	487,966	$76
2095; Airlie St	1,632,994	22%	78%	364,831	$55
1379; Centennial Park pump station outfall and stormwater treatment	1,307,633	22%	78%	289,132	$44
2079; Capital: Mount St / Konini St	1,216,304	23%	77%	278,746	$41
3289; Orphanage Stream – bunding Saxton Road East	1,029,019	23%	77%	236,793	$35
SW1; Other conditioned projects (prior to Jul 2006)	283,942	100%	–	283,942	$32
SW4; Nayland Road (to Saxton)	874,924	31%	69%	267,113	$32
1178; Maitai flood management	867,409	22%	78%	192,093	$29

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2624; LOS: Nile Street East	817,849	24%	76%	196,106	$28
2778; Tāhunanui Hills Stormwater Catchment 4 – Bisley Ave	813,502	22%	78%	175,047	$27
2866; Whakatu Drive (Storage World)	880,871	19%	81%	168,918	$25
3330; Tāhunanui SH6 Stormwater Culvert Upgrades	712,141	23%	77%	163,076	$24
2688; Orphanage Stream upgrade	649,995	26%	74%	172,152	$23
3602; Flood Recovery Minor Stormwater Improvements	634,853	22%	78%	136,702	$21
2089; Salt Water Creek/Haven Rd Culvert	601,913	27%	73%	162,963	$21
2958; Railway Reserve – Saxton Rd West – Dryden Street	599,495	25%	75%	152,724	$21
2818; Cawthron Crescent	622,212	22%	78%	136,617	$21
2688; Orphanage Stream upgrade (Saxton Road East Culvert)	594,582	24%	76%	145,510	$21
3615; Flood Recovery 2022 River Stream Improvements	608,287	21%	79%	130,338	$20
2054; Montcalm/Arrow/Wash Vly/ Hastings	558,481	27%	73%	148,886	$20
2086; Stormwater Pump Station Renewals & upgrades	535,743	23%	77%	121,945	$18
3380; Vanguard Street LOS	535,311	22%	78%	115,240	$18
1069; Tosswill to Tāhunanui Stormwater Upgrade	679,352	17%	83%	113,214	$17
2058; Tasman St upgrade (Nile to Bronte)	436,157	27%	73%	117,566	$15
1173; Capital: Freshwater Improvement Programme	440,017	22%	78%	94,965	$15
2689; Saxton Creek upgrade Land Purchase	597,351	16%	84%	96,536	$14
2690; Minor Flood improvement programme	386,605	23%	77%	88,938	$13
3083; Minor Stormwater Improvements Programme	389,756	22%	78%	85,467	$13
2861; Parere Street Stormwater upgrade	379,619	24%	76%	90,916	$13
2826; Hill St North ex Summerset	376,622	22%	78%	84,311	$13
2961; York Terrace	359,362	22%	78%	78,355	$12
SW5; Stanley Beachville (stage 1)	333,218	31%	69%	101,731	$12

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2855; Catchment 3 – Days Track & SH6 Culverts	320,828	24%	76%	75,678	$11
SW6; Iwa Road	299,405	30%	70%	89,865	$11
3311; Stormwater Network Models	308,680	22%	78%	69,036	$10
2815; Bisley Avenue	245,984	22%	78%	55,197	$8
1077; Stanley/Beachville stormwater	235,953	26%	74%	62,100	$8
3618; Flood Recovery 2022 Intakes Resilience Devenish Place	235,120	21%	79%	50,342	$8
3218; Emano Reserve Stormwater	214,672	23%	77%	49,421	$7
2964; Saxton Creek Culvert Upgrade	206,186	24%	76%	49,476	$7
2100; Hampton St East- Little Go Stream	189,561	27%	73%	50,766	$7
1182; Maire Stream: Stage 1	191,305	25%	75%	47,043	$7
SW9; New Pumps (part of Pump Station Catchment Wood Area)	178,000	26%	74%	46,741	$6
2968; Orphanage Stream / Sunningdale	183,354	24%	76%	44,617	$6
2145; Bellevue Heights Stormwater	186,394	22%	78%	41,732	$6
2590; Tāhunanui Slip Pvt/ Pub Drains	166,520	23%	77%	38,423	$6
1106; Athol Street Storm water	181,301	23%	77%	40,834	$6
3617; Flood Recovery 2022 Intakes Resilience Cleveland Terrace	182,484	21%	79%	39,101	$6
3444; Coastal Inundation Modelling	170,583	22%	78%	36,824	$6
2850; Rutherford Stage 1 – Girls College Detention	165,968	24%	76%	39,096	$6
2072; Neale/Kea/Kaka/Railway Reserve	160,119	29%	71%	46,434	$6
2830; Kauri Street	159,960	23%	77%	36,696	$5
2817; Brooklands	157,578	23%	77%	36,456	$5
1110; Nile St East Storm water	156,561	23%	77%	36,089	$5
1100; Capital: York Stream Channel Upgrade	2,930,277	1%	99%	38,047	$5
2855; Tāhunanui Slope Risk Area	145,285	26%	74%	37,745	$5

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3089; Strawbridge Sq Stormwater improvements	150,817	22%	78%	33,102	$5
2625; Jenkins & Arapiki (airport) – Flood Protection	150,477	22%	78%	33,178	$5
1085; Tasman (Cambria/Grove) (part of Pump Station Catchment Wood Area)	140,978	28%	72%	39,590	$5
2061; Main Road Stoke / Arapiki / Maitland Stormwater Upgrade	144,948	23%	77%	33,160	$5
3601; Flood Recovery Intakes Resilience	133,315	21%	79%	28,618	$4
3478; Willow Walk Brook Stream	121,689	23%	77%	27,644	$4
2090; St Vincent/Hastings St Culvert	117,758	24%	76%	28,140	$4
3585; Murphy / Emano Street upgrade	120,000	21%	79%	25,595	$4
1065; 147A to 149 Waimea Road Stormwater	114,309	25%	75%	29,005	$4
1095; LOS: York catchment evaluation	106,723	27%	73%	28,997	$4
3548; Koura Road Detention Dam LOS	109,883	22%	78%	24,115	$4
2087; Main Rd Stoke/Poormans St/ Culvert op. Fire Station	106,960	24%	76%	25,177	$4
2822; Examiner	105,851	23%	77%	24,332	$4
1485; Stormwater Renewals	188,627	12%	88%	23,186	$4
2966; Murphy Street	102,746	22%	78%	22,393	$3
2872; Rural Rivers	99,759	22%	78%	22,084	$3
1041; Nayland-Honey Tye Way	97,420	22%	78%	21,849	$3
1060; Pvt/Pub Drains programme	92,255	26%	74%	24,251	$3
2823; Fifeshire	79,869	25%	75%	20,228	$3
2850; Rutherford Stage 1: Girls College	79,251	26%	74%	20,458	$3
2624; LOS: Nile Street East SW & flood protection	78,671	27%	73%	21,003	$3
1060; Pvt/Public Drains	264,684	7%	93%	18,150	$3
2721; Wakapuaka Flats Stormwater Network Upgrade	73,654	27%	73%	20,013	$3

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3447; Coastal Erosion Modelling	76,134	22%	78%	16,625	$3
2091; North Esk/Beccles	71,773	27%	73%	19,360	$3
2874; Beach Road	72,871	23%	77%	16,836	$2
2861; Vanguard Street Stormwater	69,292	26%	74%	17,989	$2
2509; Trafalgar Park and Hathaway Tce	63,035	22%	78%	13,794	$2
2851; Rutherford Stage 2 – Box Culvert Examiner to Hardy	52,019	23%	77%	11,912	$2
1196; Piping Ditches programme	50,026	26%	74%	13,012	$2
3338; Maire Stream Upgrade Stage 2	46,958	21%	79%	10,016	$2
2863; Network Capacity Confirmation for Growth Areas	45,000	21%	79%	9,598	$2
2875; Ariesdale/Thompson Tce	43,772	22%	78%	9,822	$1
2052; Brook Stream Catchment Improvements	188,535	6%	94%	10,707	$1
1088; Capital: Todds Valley Stream upgrade	38,139	27%	73%	10,275	$1
2059; Capital: Arapiki Road stormwater	38,003	26%	74%	9,765	$1
2964; Saxton Creek, Main Rd Stoke Culvert to Sea	156,104	5%	95%	7,434	$1
3588; Tāhunanui Hills Stormwater Catchment 2 – Moncrieff Avenue	30,000	21%	79%	6,399	$1
2824; Golf/ Parkers	28,541	23%	77%	6,540	$1
3703; IAF Stormwater Pipeline Upgrade	28,336	21%	79%	6,044	$1
1107; Catchment Mgt Plans: Maitai	26,323	27%	73%	7,152	$1
2073; Oldham Creek upgrade	24,036	23%	77%	5,546	$1
3704; IAF Flood Gate Upgrade	24,996	21%	79%	5,331	$1
2589; Stansell Pvt/ Pub Drains	21,514	22%	78%	4,799	$1
2591; Suburban Club private drain subsidised (storm)	19,258	23%	77%	4,440	$1
2677; Chamberlain stormwater upgrade	16,527	27%	73%	4,491	$1
2095; Airlie St Stormwater	16,555	25%	75%	4,201	$1

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
1113; Atawhai Crescent Stormwater	15,694	24%	76%	3,760	$1
1447; Stormwater Detention Dam Renewals	15,968	22%	78%	3,494	$1
2848; Rotoiti	14,142	23%	77%	3,238	–
2075; Halifax St upgrade(Tasman to Milton)	9,179	26%	74%	2,411	–
2858; Totara/Hutcheson	7,718	22%	78%	1,689	–
3010; Toi Toi St Upgrade	5,600	23%	77%	1,282	–
2087; Main Rd Stoke/Poormans St/ Culvert op	5,050	27%	73%	1,356	–
2960; Seaton/Allisdair	4,962	23%	77%	1,162	–
2679; Ballard Dr stormwater upgrade	1,152	27%	73%	313	–
2842; Ngaio/Maitland	605	23%	77%	142	–
2062; Capital: Main Rd Stoke (Louisson – Marsd	550	23%	77%	129	–
2821; Dodson Valley	493	23%	77%	113	–
2835; Manson Ave	246	23%	77%	56	–
2024 LTP	**131,864,017**	**16%**	**84%**	**21,700,526**	**$1,814**
1917; Haven/St Vincent Culvert renewal & upgrade	10,149,700	20%	80%	2,067,314	$296
3615; Flood Recovery 2022 River Stream Improvements	6,752,560	19%	81%	1,304,467	$167
1178; Maitai flood management	14,319,000	16%	84%	2,236,966	$150
3585; Murphy / Emano Street upgrade	11,727,160	16%	84%	1,844,484	$128
3600; Flood Recovery Channel Bank protection	4,079,130	20%	80%	825,046	$116
2961; York Terrace	2,265,000	21%	79%	466,503	$68
2625; Jenkins & Arapiki (airport) – Flood Protection	1,963,655	20%	80%	394,856	$55
2079; Capital: Mount St / Konini St	2,509,230	19%	81%	466,384	$54
2054; Washington Valley Stormwater Upgrade	4,991,709	16%	84%	778,847	$52
3703; IAF Stormwater Pipeline Upgrade	1,589,807	19%	81%	306,145	$38

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2868; Jenkins Stream stormwater upgrade	2,301,020	17%	83%	389,563	$36
1088; Capital: Todds Valley Stream upgrade	2,601,175	16%	84%	425,781	$35
2086; Stormwater Pump Station Renewals & upgrades	1,863,868	18%	82%	329,291	$34
3602; Flood Recovery Minor Stormwater Improvements	1,235,550	20%	80%	246,512	$34
3601; Flood Recovery Intakes Resilience	1,135,550	20%	80%	225,732	$31
2858; Totara/Hutcheson	1,930,425	17%	83%	320,286	$27
2817; Brooklands	2,516,255	16%	84%	395,003	$27
2818; Cawthron Crescent	2,233,205	16%	84%	353,023	$25
1485; Stormwater Renewals	2,587,125	15%	85%	395,959	$24
2872; Rural Rivers	3,064,040	15%	85%	455,848	$23
3617; Flood Recovery 2022 Intakes Resilience Cleveland Terrace	750,000	21%	79%	155,853	$23
1173; Capital: Freshwater Improvement Programme	1,766,780	16%	84%	287,878	$23
3322; Intensification AP N270 City Centre	5,068,750	14%	86%	707,034	$21
3089; Strawbridge Sq Stormwater improvements	633,572	21%	79%	131,103	$19
3083; Minor Stormwater Improvements Programme	1,089,820	17%	83%	184,804	$17
3311; Stormwater Network Models	1,089,820	17%	83%	184,804	$17
2856; Tāhunanui SW Strategy Implementation	3,511,900	14%	86%	493,319	$16
3010; Toi Toi St Upgrade	751,535	18%	82%	136,850	$15
2852; Central Nelson SW Strategy Implementation	3,102,630	14%	86%	439,221	$15
3409; Orphanage Stream Flood Management Stage 2	1,109,660	16%	84%	179,860	$14
2833; Kowhai	2,047,530	15%	85%	298,960	$14
2509; Trafalgar Park and Hathaway Tce	819,720	17%	83%	140,841	$13
3450; Coastal Response Strategy Implementation	3,230,920	14%	86%	450,384	$13
3589; Stormwater Network Extensions	2,465,270	14%	86%	351,483	$13

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3588; Tāhunanui Hills Stormwater Catchment 2 – Moncrieff Avenue	412,000	21%	79%	85,616	$13
3618; Flood Recovery 2022 Intakes Resilience Devenish Place	404,000	21%	79%	82,840	$12
3326; Intensification City Wide	4,411,670	14%	86%	599,022	$12
3704; IAF Flood Gate Upgrade	397,210	20%	80%	80,675	$11
2815; Bisley Avenue	364,000	21%	79%	75,641	$11
1057; Capital: Poynters Cres	772,720	17%	83%	127,767	$11
2095; Airlie St	342,223	21%	79%	71,116	$11
3338; Tāhunanui Hills – Maire Stream Stage 2	891,680	16%	84%	141,927	$10
2074; Capital: Milton: Grove-Cambria	2,006,945	14%	86%	282,824	$10
2473; Wastney Terrace stormwater (pvt drain prgm)	603,865	17%	83%	102,103	$9
2061; Main Road Stoke / Arapiki / Maitland Stormwater Upgrade	3,255,610	14%	86%	442,425	$9
2690; Minor Flood improvement programme	447,739	17%	83%	75,450	$7
1447; Stormwater Detention Dam Renewals	483,722	17%	83%	80,024	$7
3444; Coastal Inundation Modelling	297,910	18%	82%	54,505	$6
2964; Saxton Creek Stage 4 Upgrade	200,000	21%	79%	41,561	$6
3447; Coastal Erosion Modelling	212,920	18%	82%	39,031	$4
2969; Poormans Stream	2,228,595	13%	87%	294,673	$3
2862; Natural Hazards Risk Remediation	752,180	14%	86%	103,241	$2
3380; Vanguard Street LOS	1,523,050	13%	87%	202,285	$2
2867; Orchard Stream	557,808	14%	86%	75,508	$1
3586; The Wood Stormwater Upgrade	523,175	13%	87%	70,344	$1
1100; Capital: York Stream Channel Upgrade	465,165	13%	87%	62,614	$1
1111; Annesbrook Drive Storm Water	1,056,760	13%	87%	138,932	$1

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
Wastewater	**281,678,286**	**23%**	**77%**	**63,785,751**	**$6,445**
Historic	**81,256,300**	**32%**	**68%**	**25,738,048**	**$3,416**
NRSBU1; WWTP Upgrade Primary Clarifier – NRSBU	4,182,704	100%	–	4,182,704	$492
1716; Awatea Place Pump station	14,516,635	22%	78%	3,232,973	$490
WW1; Nelson North Wastewater Treatment Plant (NNWWTP) – mechanical treatment	9,721,760	31%	69%	3,019,333	$353
1187; Neale Park PS	6,496,992	24%	76%	1,573,151	$225
1920; Corder Park Pump Station upgrade	6,248,784	27%	73%	1,656,946	$219
NRSBU2; Regional Pipeline – NRSBU	5,979,796	30%	70%	1,793,939	$215
1184; Marsden Valley Trunk / Express Sewer (Stage 1)	1,703,565	100%	–	1,703,565	$214
WW4; NNWWTP – wetland treatment	3,416,983	30%	70%	1,025,798	$123
1194; Marsden Valley Trunk / Express Sewer (Stage 2)	720,751	100%	–	720,751	$91
2054; Washington Valley Sewer Upgrade	2,418,441	22%	78%	532,868	$81
; NRSBU – Strategic review and seismic strengthening of pump stations	2,324,000	21%	79%	495,664	$78
1190; Ngawhatu Valley sewer trunk main	539,592	100%	–	539,592	$70
2884; Gracefield Sewer Diversion	1,913,733	23%	77%	440,079	$65
; Regional Pipeline duplication & Pumpstation Upgrades	1,799,383	22%	78%	402,033	$61
1502; Renewals Pump stations	1,962,986	17%	83%	340,081	$52
WW2; Previous contribution conditions	682,280	100%	–	682,280	$48
; Duplicate Pipeline – Saxton PS to Nayland rd	1,172,617	22%	78%	258,909	$39
1648; Wastewater model calibration	1,229,298	15%	85%	181,649	$39
2768; NWWTP renewals	1,613,771	8%	92%	136,818	$38
1061; Quarantine/Songer sewer trunk main	937,921	27%	73%	254,887	$33
3611; Flood Recovery 2022 – Wastewater Improvements	850,826	22%	78%	184,835	$28
2850; Rutherford St (Little Go Stream) Renewal	691,029	22%	78%	151,801	$23

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
; Relining Estuary pipeline – Nayland to M	682,931	22%	78%	152,881	$23
1564; Wastewater Pipe Renewals & upgrades	638,658	22%	78%	141,804	$22
; NRSBU – Sludge processing improvements at WWTP – Bell Island WWTP	600,000	21%	79%	127,968	$20
1187; Neale Park PS upgrade	559,177	26%	74%	146,726	$20
; NRSBU – Rabbit Island biosolids consent – Bell Island WWTP	500,000	21%	79%	106,640	$17
3161; Elm Street sewer upgrade	463,322	22%	78%	103,719	$16
1914; Pump station resilience improvement programme	483,423	17%	83%	83,926	$13
; NRSBU – Desludging ponds – Bell Island WWTP	376,500	21%	79%	80,300	$13
3230; System Performance Improvements (Overflow Reduction / I&I)	348,994	22%	78%	76,557	$12
; NRSBU – Flood protection and seismis resilience of pump stations	336,000	21%	79%	71,662	$11
1191; NWWTP Minor Upgrades	314,239	22%	78%	68,873	$11
3294; Vanguard St (Totara – Franklyn) sewer upgrade	299,650	24%	76%	71,768	$10
3355; Pump Station upgrades	302,991	22%	78%	66,657	$10
; Trade Waste Monitoring	300,000	21%	79%	63,984	$10
WW6; Vanguard and Paru Paru pump stations	316,903	24%	76%	77,091	$10
3610; Flood Recovery 2022 – Devenish Place	242,910	22%	78%	53,148	$8
1920; Corder Park Pump Station	228,447	24%	76%	54,866	$8
3496; Renewals & upgrades Swallow Rising Main Watercourse Crossings	206,015	22%	78%	45,107	$7
3230; System Performance Improvements	200,577	24%	76%	47,505	$7
2890; Natural Hazards Risk Remediation	203,958	22%	78%	44,584	$7
2879; Atawhai Rising Main renewal & upgrade – Stage 1	196,188	22%	78%	42,374	$7
1272; Nelson WWTP trickling filter cover	182,803	27%	73%	49,679	$6
3358; Data Gathering equipment	162,442	12%	88%	19,425	$6
3665; Overflow Reduction/I&I Capital Works	150,000	21%	79%	31,992	$5

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
1563; Rising/swallows renewals	152,159	21%	79%	31,567	$5
3701; IAF Wastewater Pipeline Upgrade	135,000	21%	79%	28,793	$5
; NRSBU – Abberational Discharge consent – Bell Island WWTP	125,000	21%	79%	26,660	$4
; Duplicate Pipeline – Nayland to Estuary	106,564	22%	78%	23,316	$4
3359; LoS network problem/issues upgrade/renewal appraisal	106,154	22%	78%	22,955	$4
3496; Renewals & upgrades Swallow Rising Main Watercourse Crossing	106,104	21%	79%	22,630	$4
; NRSBU – Best Island irrigation – Bell Island WWTP	100,000	21%	79%	21,328	$3
3361; Capital WW network Reactive	91,949	21%	79%	19,611	$3
2885; Atawhai Pump Stations (Brooklands & Marybank)	86,757	23%	77%	20,311	$3
; NRSBU – Duplication of discharge pump, improvement of metering – Bell Island WWTP	84,000	21%	79%	17,916	$3
3443; Washington/Hastings to Paru Paru PS Capacity Improvements	79,889	23%	77%	18,283	$3
; NRSBU – Hydraulic capacity upgrades at WWTP – Bell Island WWTP	75,000	21%	79%	15,996	$3
3368; Climate Change – Emissions Reduction Strategy Implementation	62,928	22%	78%	13,539	$2
; WWW – NWWTP Pond Management Improvements	60,850	22%	78%	13,622	$2
3328; Mahitahi Development	59,999	21%	79%	12,797	$2
1716; Awatea Place	49,336	25%	75%	12,520	$2
3591; The Glen PS improvements	50,004	21%	79%	10,665	$2
3361; Capital WW network small upgrades	41,335	22%	78%	9,075	$1
3702; IAF Paru Paru PS Upgrade	40,323	21%	79%	8,600	$1
3920; LoS- Lower Waimea Road Sewer Bottleneck Alleviation	40,000	21%	79%	8,531	$1
; NRSBU – Secondary treatment system upgrade (MBR?) – Bell Island WWTP	40,000	21%	79%	8,531	$1
; Duplicate Pipeline – Sections 5-7	31,257	22%	78%	6,839	$1

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
; NRSBU – Rabbit Island Irrigation – Bell Island WWTP	28,000	21%	79%	5,972	$1
; NRSBU – Purchase land and designate land for future pump stations	28,000	21%	79%	5,972	$1
; NRSBU – Storage at pumping stations	28,000	21%	79%	5,972	$1
; NRSBU – UV disinfection for re-use water – Bell Island WWTP	14,000	21%	79%	2,986	–
3010; Toi Toi St misc sewer renewals	7,014	23%	77%	1,643	–
2822; Examiner St – Rutherford to Trafalgar	5,514	23%	77%	1,269	–
; Duplicate Pipeline – Sections 11 Martins	885	22%	78%	194	–
3567; Impact Assessment of Pump Station Overflows	303	22%	78%	66	–
2024 LTP	**200,421,985**	**19%**	**81%**	**38,047,703**	**$3,029**
2879; Atawhai Rising Main renewal & upgrade – Stage 1	57,897,065	17%	83%	9,616,625	$828
2876; Ngawhatu Valley TM – Stage 2	6,766,900	100%	–	6,766,900	$387
3328; Mahitahi Development	9,570,412	20%	80%	1,890,321	$254
3701; IAF Wastewater Pipeline Upgrade	8,943,151	20%	80%	1,783,070	$244
3702; IAF Paru Paru PS Upgrade	7,992,791	20%	80%	1,562,417	$204
1564; Wastewater Pipe Renewals & upgrades	16,108,400	16%	84%	2,585,609	$195
; Secondary treatment system Upgrade	4,162,750	20%	80%	817,913	$108
2768; NWWTP renewals	3,779,101	9%	91%	348,823	$72
; Beach Rd PS replacement	4,025,245	17%	83%	703,300	$70
3443; Washington/Hastings to Paru Paru PS Capacity Improvements	3,798,200	18%	82%	669,464	$69
1502; Renewals Pump stations	3,529,350	17%	83%	605,024	$58
3357; NWWTP Replacement	16,009,200	14%	86%	2,203,006	$55
3598; Pump Station/Network Overflow Screening	3,180,500	17%	83%	538,277	$49
3496; Renewals & upgrades Swallow Rising Main Watercourse Crossing	1,229,700	20%	80%	247,072	$34
3147; Quarantine Rd Sewer PS/ Catchment Upgrades	1,118,110	20%	80%	223,062	$31
; Beach to Saxton pipeline duplication	865,000	21%	79%	179,739	$27

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3329; Bayview Development	2,942,517	15%	85%	446,538	$26
1648; Wastewater model calibration	1,866,433	8%	92%	150,762	$24
3667; NWWTP Inlet Work Bypass	1,185,210	18%	82%	214,238	$23
; Reconnection of secondary rising mains	844,590	20%	80%	166,973	$22
3665; Overflow Reduction/I&I Capital Works	1,653,763	16%	84%	270,669	$22
2054; Washington Valley Sewer Upgrade	4,761,960	14%	86%	666,738	$21
3664; Storage Facility – WW spares/pipes	1,195,460	18%	82%	209,634	$21
2890; Natural Hazards Risk Remediation	2,027,890	15%	85%	309,726	$19
1191; NWWTP Minor Upgrades	1,214,257	17%	83%	204,025	$18
3230; System Performance Improvements (Overflow Reduction / I&I)	1,089,820	17%	83%	184,748	$17
1914; Pump station resilience improvement programme	1,089,820	17%	83%	184,748	$17
3355; Pump Station upgrades	1,094,730	17%	83%	184,348	$17
3361; Capital WW network Reactive	1,013,335	17%	83%	169,278	$15
; Secure land for our future needs	9,172,595	13%	87%	1,223,253	$15
3358; Data Gathering equipment	802,068	9%	91%	70,969	$14
3369; Climate Change – Vulnerability Assessment Implementation	633,363	17%	83%	106,222	$9
3368; Climate Change – Emissions Reduction Strategy Implementation	1,873,470	14%	86%	262,853	$8
3163; Saxton Road sewer upgrade	7,015,620	13%	87%	924,058	$8
3663; City Centre (gravity and pressure) network risk mitigation p	5,079,485	13%	87%	673,143	$7
3370; Climate Change – Adaptation Strategy Implementation	1,115,378	15%	85%	162,853	$7
3359; LoS network problem/issues upgrade/renewal appraisal	435,928	17%	83%	73,899	$7
3596; FM installs (LoS)	157,440	19%	81%	30,008	$4
3666; Central City Intensification Capacity Increases	3,165,980	13%	87%	414,278	$2
1716; Awatea Place Pump station	15,000	21%	79%	3,117	–

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
Water supply	**166,901,234**	**20%**	**80%**	**33,796,645**	**$3,513**
Historic	**42,402,546**	**29%**	**71%**	**12,407,217**	**$1,650**
1179; Maitai Pipeline (Dam to Water Treatment Plant)	13,171,954	28%	72%	3,702,577	$468
WS5; Stoke #3 reservoir and trunkmain	1,575,828	100%	–	1,575,828	$189
2130; Maitai Pipeline (WTP Westbk Tce)	4,954,723	26%	74%	1,277,921	$174
2315; Obs. Hill Res & Pump	982,437	100%	–	982,437	$128
WS1; Cross city link return	2,500,000	33%	67%	823,364	$94
2555A; WTP Membranes	2,151,437	27%	73%	575,370	$76
2810; Dam Upgrades	1,770,792	22%	78%	384,354	$60
2850; Rutherford St (Little Go Stream) Renewal	1,306,677	22%	78%	286,582	$44
2803; Water Loss Reduction Programme	1,268,559	23%	77%	292,833	$44
1496; Headworks Upgrades	860,838	22%	78%	186,958	$29
WS2; Todds Valley upgrade	760,944	33%	67%	250,613	$29
2313; Capital: Atawhai Res & pump	174,996	100%	–	174,996	$28
2809; Water Treatment Plant Upgrades	810,832	22%	78%	177,939	$27
2951; Water Treatment Plant Renewals	1,703,327	7%	93%	113,363	$20
1461; Renewals & Upgrades: Water Pipes	583,353	23%	77%	131,390	$20
3576; WTP Fluoride Dosing	588,668	21%	79%	125,835	$20
WS4; Maitai Pipeline design	537,295	31%	69%	164,238	$19
3164; Suffolk Road (Saxton to Ngawhatu) water upgrade	568,156	23%	77%	130,552	$19
WS3; Wastney Tce pump station	520,191	32%	68%	166,757	$19
2807; Natural Hazards Risk Remediation	428,423	17%	83%	71,220	$11

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3612; Flood Recovery 2022 – WTP	299,998	21%	79%	64,345	$10
1496; Renewals: Headworks	765,386	8%	92%	61,770	$9
2132; Telemetry/Control Upgrade	217,765	17%	83%	37,396	$8
2314; Capital: Atawhai No.2 Reservoir	220,905	22%	78%	48,648	$7
1081; System Improvements	403,303	12%	88%	47,607	$7
2800; Pressure Enhancement	210,628	23%	77%	47,552	$7
2812; Reservoir Refurbishment Programme	296,951	13%	87%	38,814	$7
2811; Pump Stations – Renewals	387,266	9%	91%	34,494	$6
3613; Flood Recovery 2022 – Headworks	180,220	21%	79%	38,697	$6
3209; Bolt Road Roundabout	150,000	23%	77%	35,137	$5
3259; Water supply H&S risk mitigation programme	107,671	20%	80%	21,927	$4
3329; Bayview Development Growth project	105,684	21%	79%	22,536	$4
3388; Maitai Pump Station upgrade	99,996	19%	81%	18,741	$3
2140; Capital: Atawhai Trunkmain	101,496	21%	79%	21,643	$3
3594; Taumata Arowai – Contractor access to mains	99,996	21%	79%	21,323	$3
2129; Roding Pipeline	93,389	23%	77%	21,387	$3
3709; IAF Halifax St	94,385	21%	79%	20,126	$3
1179; Maitai Pipeline Duplication	88,071	27%	73%	23,860	$3
3165; water pump stations – upgrades	86,244	19%	81%	16,164	$3
2785; Chamboard Place new water ridermain	68,781	23%	77%	15,896	$3
3707; IAF Bridge St	75,508	21%	79%	16,101	$3
2801; NCC – TDC Link	70,448	23%	77%	16,136	$2
2999; Scada Renewal	144,440	6%	94%	7,972	$2
2054; Washington Valley Water Upgrade	62,000	23%	77%	14,199	$2

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3710; IAF Rutherford St	60,406	21%	79%	12,881	$2
3614; Flood Recovery 2022 – Reticulation	58,217	22%	78%	12,566	$2
3328; Maitahi Development Growth project	50,004	21%	79%	10,663	$2
2802; DMA establishment	342,441	3%	97%	11,246	$2
3708; IAF Collingwood St	45,305	21%	79%	9,661	$2
2130; Maitai Pipeline (WTP – Westbk Tce)	40,000	24%	76%	9,639	$1
1190; Ngawhatu Valley – Polstead/ Suffolk ridermain	32,630	27%	73%	8,874	$1
3060; Konini Street water renewal	41,530	14%	86%	5,974	$1
0; Plant and Equipment	25,458	23%	77%	5,963	$1
1498; Renewals: Misc Pipes & Fittings	24,613	22%	78%	5,329	$1
3010; Toi Toi St water ridermain	21,182	23%	77%	4,956	$1
1615; Water Model Calibration – Update	5,800	24%	76%	1,421	–
3307; Washington (Rentone to Watson) water renewal	5,000	9%	91%	448	–
2024 LTP	**124,498,688**	**17%**	**83%**	**21,389,428**	**$1,863**
2314; Capital: Atawhai No.2 Reservoir	7,722,060	19%	81%	1,503,134	$197
1461; Renewals & Upgrades: Water Pipes	17,270,142	16%	84%	2,691,082	$183
2140; Capital: Atawhai Trunkmain	10,246,280	17%	83%	1,768,502	$173
3707; IAF Bridge St	6,152,143	20%	80%	1,214,071	$163
3328; Maitahi Development Growth project	5,882,240	19%	81%	1,090,742	$128
3388; Maitai Pump Station upgrade	4,408,250	18%	82%	775,336	$101
2810; Dam Upgrades	3,203,423	21%	79%	656,953	$96
2313; Capital: Atawhai Res & pump Ma	1,876,735	100%	–	1,876,735	$80
3709; IAF Halifax St	2,032,746	20%	80%	415,702	$60
3329; Bayview Development Growth project	2,385,890	19%	81%	445,025	$53

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2809; Water Treatment Plant Upgrades	3,323,766	17%	83%	558,408	$51
3387; Future growth and Intensification Projects	8,050,668	14%	86%	1,163,356	$49
3231; Ngawhatu Valley high level reservoir	2,875,353	17%	83%	475,463	$41
2951; Water Treatment Plant Renewals	2,512,537	16%	84%	394,526	$40
1496; Headworks Upgrades	3,259,955	16%	84%	519,471	$39
2555; Renewal: Membranes WTP	8,751,960	6%	94%	547,603	$35
3710; IAF Rutherford St	900,866	20%	80%	182,276	$26
3839; WTP New Clear Water Reservoir	3,890,690	14%	86%	551,029	$20
2807; Natural Hazards Risk Remediation	2,683,755	15%	85%	397,360	$20
2803; Water Loss Reduction Programme	1,407,014	16%	84%	231,881	$20
3060; Konini Street water renewal	967,395	18%	82%	175,451	$20
2801; NCC – TDC Link	3,779,720	14%	86%	533,071	$19
3708; IAF Collingwood St	586,932	21%	79%	121,921	$18
2812; Reservoir Refurbishment Programme	949,575	16%	84%	149,892	$16
3612; Flood Recovery 2022 – WTP	564,820	20%	80%	113,050	$16
3614; Flood Recovery 2022 – Reticulation	567,760	20%	80%	112,803	$15
3165; water pump stations – upgrades	1,010,789	15%	85%	154,843	$15
2811; Pump Stations – Renewals	932,389	15%	85%	143,665	$14
3381; Maitai Raw water pipeline renewal & upgrade	5,118,580	14%	86%	692,282	$13
3613; Flood Recovery 2022 – Headworks	461,850	20%	80%	92,508	$13
1081; System Improvements	783,796	17%	83%	132,013	$12
1496; Renewals: Headworks	939,308	16%	84%	148,755	$11
3142; Maitai Pipeline Hazard mitigation	658,950	15%	85%	100,265	$9
2999; Scada Renewal	480,324	9%	91%	45,442	$9

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3835; PRV renewal Valves SCADA Electrical	613,013	17%	83%	102,361	$9
3576; WTP Fluoride Dosing	287,331	21%	79%	59,686	$9
2132; Telemetry/Control Upgrade	533,430	14%	86%	72,120	$9
3838; Water model upgrade	544,840	17%	83%	92,443	$9
; Water network upgrades	1,373,830	14%	86%	195,134	$7
3594; Taumata Arowai – Contractor access to mains	202,000	20%	80%	41,401	$6
2129; Roding Pipeline	360,577	17%	83%	61,945	$6
3367; Climate Change Adaptation Projects	548,716	16%	84%	85,839	$6
2131; Fire Flow Upgrades	677,970	15%	85%	102,361	$6
3842; Climate Change Emission Reduction Projects	1,035,395	14%	86%	147,264	$5
2800; Pressure Enhancement	270,865	18%	82%	47,956	$5
3259; Water supply H&S risk mitigation programme	239,532	16%	84%	37,403	$4
1498; Renewals: Misc Pipes & Fittings	247,158	17%	83%	40,951	$4
2802; DMA establishment	106,920	19%	81%	19,821	$2
3010; Toi Toi St water ridermain	527,335	13%	87%	69,282	$1
3164; Suffolk Road (Saxton to Ngawhatu) water upgrade	291,115	13%	87%	38,845	$1
Transportation	**145,796,579**	**18%**	**82%**	**26,328,784**	**$2,766**
Historic	**34,790,208**	**22%**	**78%**	**7,715,337**	**$1,078**
TR3; Ridgeway connection	1,466,266	32%	68%	466,845	$52
2736; Building Improvements	1,475,000	22%	78%	326,007	$46
3686; Slip 8 Atmore Terrace	1,284,278	21%	79%	274,595	$40
2335; WC532 PT Minor Improvements	1,181,389	22%	78%	255,005	$37
2946; Railway Reserve Lighting	1,070,000	21%	79%	228,825	$33
; Strategic Land Purchase	978,082	22%	78%	214,255	$31

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3182; WC 341 Tāhunanui Cycle Network – SH6 Tāhunanui Drive connect	935,790	24%	76%	220,856	$30
2172; WC 341 Railway Reserve/ Princes Dr cycle crossing upgrade	372,900	58%	42%	217,091	$30
2798; WC 341 New Footpaths	838,713	24%	76%	197,411	$27
3845; 41 Halifax Street Public Car Parking	800,000	21%	79%	171,036	$25
3861; TC – bus stop facilities	710,951	21%	79%	151,998	$22
3078; WC 222 Streetlight renewals	652,731	18%	82%	115,019	$22
3564; WC452 SFP Hospital Connection	686,002	21%	79%	146,664	$21
3291; WC 341 Seafield Terrace Road Re-instatement	612,874	23%	77%	140,696	$20
2193; Todd Bush Rd upgrade	590,473	26%	74%	151,188	$19
2058; Tasman St upgrade (Nile to Bronte)	574,252	26%	74%	150,907	$19
1526; Princes Drive	559,124	28%	72%	155,525	$19
1314; WC 452 UCP Saltwater Creek Crossing	558,185	24%	76%	132,270	$18
2173; Maitai Shared Path	563,939	23%	77%	129,113	$18
3151; WC 341 Maitai shared path to Anzac Park active transport fac	603,859	20%	80%	118,093	$16
3036; WC 341W Main Road Stoke cycleway Saxton Creek to Champion Road	496,424	23%	77%	113,528	$16
3518; WC341Z St Vincent Street Toi Toi Street raised roundabout	502,789	21%	79%	107,494	$16
TR2; Nayland Road	443,327	31%	69%	136,616	$15
TR5; Footpath: Walkway Connection	443,930	28%	72%	123,483	$15
1539; WC 214 Sealed Road Pavement Rehabilitation	752,351	13%	87%	95,562	$14
1080; WC 341L Streetlight Improvement	437,979	23%	77%	98,782	$14
TR6; Minor Improvements top up	408,080	28%	72%	113,511	$14
3778; WC 532 Bridge Street Bus interchange	431,855	21%	79%	92,328	$13
2946; WC341W Railway Reserve Lighting	424,885	22%	78%	92,110	$13
3508; Land Purchase	410,372	22%	78%	91,879	$13
3182; WC 452 Tāhunanui Cycle Network – SH6 Tāhunanui Drive connect	392,204	23%	77%	89,656	$12

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3940; WC 341L Highway Overbridge Barriers	392,000	21%	79%	83,808	$12
1313; Maitai Walkway (Akerston St to Traf St)	355,361	27%	73%	95,550	$12
3215; WC 341 Arapiki Road Upgrade- Retaining Wall	343,814	23%	77%	78,668	$11
1078; Street Garden Dev	326,340	11%	89%	35,789	$10
2826; Hill St North ex Summerset	317,069	22%	78%	70,991	$10
1227; Bishopdale to the Ridgeway shared path	284,358	22%	78%	63,190	$10
2335; Airport Bus Improvements	281,897	22%	78%	60,971	$9
2611; Stock Effluent Facility	256,698	27%	73%	69,182	$8
3515; WC 341W Railway Reserve Songer Street	246,313	22%	78%	53,648	$8
2471; Arapiki Rd retaining wall replacement	210,857	23%	77%	47,857	$7
3773; WC 452 Transport Choices	233,475	21%	79%	50,152	$7
2199; WC 341 Waimea Road Retaining Wall at Snows Hill	266,518	20%	80%	52,326	$7
TR7; School approaches/frontage treatments	201,553	23%	77%	47,207	$7
3105; WC 341 Oldham Bridge Replace	209,902	23%	77%	48,139	$7
3336; Wastney Terrace cul de sac	217,903	22%	78%	47,259	$7
3517; WC341L Traffic calming to support speed reduction	211,972	21%	79%	45,339	$7
3312; WC341W Quarantine Road Bridge Footpath (at Bolt Rd)	206,045	21%	79%	44,146	$6
3389; Beach Road Raised Table – PGF	180,000	23%	77%	41,189	$6
2189; 2189 WC341 Innovative Streets – Kawai St	177,759	23%	77%	40,657	$6
3332; WC341 Domett St Upgrade	177,347	22%	78%	38,131	$6
3226; WC 341Z Waimea Road / Hampden Street intersection upgrade	167,288	22%	78%	36,057	$5
3287; WC 215 Westbrook Convergence Bridge deck replacement	158,793	24%	76%	37,858	$5
3691; Slip 13 Cleveland Terrace	157,738	21%	79%	33,764	$5

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2997; WC 532 CBD interchange	149,711	22%	78%	32,263	$5
2945; WC 531 Integrated Ticketing GRETS	647,220	3%	97%	21,660	$5
2699; Railway Reserve to CBD (via St Vincent (Stage II Gloucester Street to Haven Rd))	132,948	22%	78%	28,590	$5
; Road Drainage Improvements	144,269	22%	78%	32,196	$5
1225; Manuka St minor improvements	130,458	22%	78%	29,126	$5
; WC 111: Pre Seal Programme	139,650	21%	79%	29,857	$4
1840; Bridge St enhancement	127,129	26%	74%	33,466	$4
1076; Road Frontage Planting Program	224,020	7%	93%	15,972	$4
1080; Streetlight upgrade Programme	116,838	23%	77%	26,523	$4
3286; WC 341 Athol St slip stabilisation	121,002	24%	76%	28,906	$4
3024; WC341 Maori Rd Retaining wall	111,967	22%	78%	24,584	$4
3039; Structures replacement	120,000	21%	79%	25,655	$4
1525; WC 341 Minor Improvements	114,264	22%	78%	25,501	$4
3100; Church Street Improvements	107,356	23%	77%	24,538	$4
3075; Songer St new footpath – Nayland to Durham	102,439	21%	79%	21,828	$4
3430; WC341 TDM Inner City – Bike Shelters	108,882	23%	77%	24,911	$3
1079; Street Tree Dev	148,650	12%	88%	17,620	$3
; WC341L Road Drainage Improvements	107,870	21%	79%	23,062	$3
3284; WC 341 Maitai footbridge cathodic protection	98,738	24%	76%	24,058	$3
TR1; Corder Park Cycleway	87,731	32%	68%	27,720	$3
3062; WC 341 Elm Street Intersection safety improvements	86,661	21%	79%	18,482	$3
2896; WC 341 Curtis Street footbridge (Link to Manu Kau reserve)	91,063	23%	77%	20,853	$3
3778; TC Bridge Street interchange	89,514	21%	79%	19,146	$3

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3313; WC 341 Ped facilities at Arapiki Road/ The Ridgeway	85,528	23%	77%	19,736	$3
3076; Ring Route Signage CBD	75,932	22%	78%	16,700	$3
2533; School frontage St Josephs and Central (Willow Walk)	73,230	23%	77%	16,629	$3
3215; WC 341 Arapki Road Upgrade – retaining Wall	78,241	24%	76%	18,401	$3
3921; TC: Bus Wayfinding Signage	80,000	21%	79%	17,104	$2
3139; Maitai Valley Road shared path modifications	77,342	24%	76%	18,436	$2
3046; WC 341 Bronte Street new footpath, Scotland to Collingwood	75,057	24%	76%	18,369	$2
2211; Capital: Halifax/Traf St landscape improvements	64,974	23%	77%	14,754	$2
2213; Rocks Rd cycling and walking project	61,119	27%	73%	16,434	$2
2529; School frontage Nelson Intermediate	55,454	23%	77%	12,592	$2
2054; WC222 Washington Valley Streetlight renewal	60,368	22%	78%	13,524	$2
3080; Nikau/Palm new footpaths	58,032	24%	76%	14,160	$2
2173; WC 341 Maitai shared path to Nelson east programme	59,317	22%	78%	13,117	$2
1484; Renewals: On and Off St Parking Meter	814,935	1%	99%	7,951	$2
3299; WC 341 Travel demand management improvements	55,189	23%	77%	12,903	$2
2932; Rocks Rd to Maitai shared path	52,866	24%	76%	12,485	$2
1375; WC 341 Marsden Valley Ridgeway Upgrade	13,053	100%	–	13,053	$2
0; Road Drainage Improvements	53,522	23%	77%	12,550	$2
3226; WC 341 Waimea Road / Hampden Street intersection upgrade	52,632	24%	76%	12,409	$2
3669; WC341Z – Gloucester St Vincent intersection safety	53,900	21%	79%	11,524	$2
3670; WC341Z – Hardy Vanguard intersection safety	53,900	21%	79%	11,524	$2
3672; WC341L – Nayland Songer Roundabout safety	53,900	21%	79%	11,524	$2
3668; WC 341Z – Gloucester Vanguard intersection safety	53,900	21%	79%	11,524	$2
1080; WC 341 Streetlight Improvement	52,325	23%	77%	12,233	$2

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
TR4; Gloucester / Kerr / Oxford St cyclelane & Hardy St crossing	79,995	23%	77%	18,710	$2
3032; WC 341 Airport Bridge Replacement	50,349	23%	77%	11,638	$2
3055; WC 341 Speed Feedback Signs	47,806	24%	76%	11,425	$2
3168; WC 341 Gloucester Street intersection improvements	48,998	21%	79%	10,476	$2
2530; School frontage Auckland Point School	41,924	23%	77%	9,520	$1
3036; WC 341 Main Road Stoke cycleway Saxton Creek to Champion Road	44,787	24%	76%	10,802	$1
1924; WC 341 Nayland Rd Ped crossing	44,973	23%	77%	10,395	$1
2697; Whakatu Drive / Beatson Road	43,376	27%	73%	11,589	$1
3926; TC: eReaders	44,768	21%	79%	9,571	$1
3291; WC140 Seafield Tce road reinstatement post Feb storm events	42,498	21%	79%	9,086	$1
1078; WC 341 Concrete berms	42,370	21%	79%	9,059	$1
2079; Mount Street and Konini Street upgrade	39,984	23%	77%	9,149	$1
3319; WC 341 Footpath Connection Bishopdale	39,200	23%	77%	8,969	$1
3557; WC 341W Bayview Cycle Refuge	39,200	21%	79%	8,392	$1
3526; WC341 School Speed Zone Haven Road	37,973	21%	79%	8,118	$1
3527; WC341 School Speed Zone NCA	37,973	21%	79%	8,118	$1
3583; WC341 L Van Diemen Street widening	34,721	22%	78%	7,606	$1
3179; WC 341 Nayland Road Pedestrian Refuge – Orchard Creek Crossi	33,442	23%	77%	7,846	$1
3954; WC 341 W Anzac Park Path	34,300	21%	79%	7,333	$1
3519; WC341Z Nile Tasman Roundabout raised platform	34,300	21%	79%	7,333	$1
3219; WC341 Seaview Underpass Weir	33,479	23%	77%	7,661	$1
3482; WC341W Seymour Ave Shared Path	33,478	23%	77%	7,660	$1
2698; Railway Reserve to CBD (via St Vincent (Stage I Railway Reserve to Gloucester Street))	30,469	23%	77%	6,919	$1

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
1525; WC341L Roading Minor Improvement Programme	31,970	22%	78%	6,922	$1
2054; WC452 NFAS Washington Road	31,549	22%	78%	7,055	$1
2079; WC 341: Mount Street and Konini Street upgrade	30,590	24%	76%	7,269	$1
2703; St Vincent to CBD cycle connection	28,498	22%	78%	6,147	$1
3030; WC341 Poleford Bridge seismic upgrade	28,082	22%	78%	6,040	$1
3924; TC: Time table holders	30,639	21%	79%	6,550	$1
2087; WC341 Main Rd Stoke/ Poormans St/Culvert op. Fire Station	29,400	23%	77%	6,874	$1
3510; WC341W Widen Main Road Stoke Shared Path	29,400	21%	79%	6,286	$1
3946; WC 341 L Bolt Road Apron	29,400	21%	79%	6,286	$1
3031; WC341 Gibbs Bridge Seismic upgrade	26,413	21%	79%	5,646	$1
1222; The Brook Area Cycling and Walking Improvements	26,037	22%	78%	5,708	$1
1525; Roading Minor Improvement Programme	25,766	22%	78%	5,729	$1
3483; WC341 Pioneer park Shared Path	27,496	23%	77%	6,291	$1
3925; TC: Airport Bus Shelter	27,400	21%	79%	5,858	$1
; Plant & Equipment	25,934	21%	79%	5,563	$1
3037; WC 341 Waimea Road Pedestrian Refuge	24,761	24%	76%	5,938	$1
2703; WC 341 St Vincent to CBD cycle connection	24,371	24%	76%	5,946	$1
3674; WC341L – Nile Collingwood	24,823	21%	79%	5,309	$1
3010; WC 341: Toi Toi St upgrade	23,114	24%	76%	5,521	$1
2947; Muritai SH6 intersection (incl Ped crossing across SH6)	19,902	22%	78%	4,365	$1
1062; Road: Queens Rd	20,885	24%	76%	4,989	$1
3299; WC 341W Travel demand management improvements	20,469	22%	78%	4,600	$1
1314; Maitai Walkway (Saltwater Creek Crossing)	19,564	25%	75%	4,938	$1
3687; Slip 9 Maire Street	20,000	21%	79%	4,276	$1

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3224; WC 341W Isel Park Cycle Connections	19,473	23%	77%	4,453	$1
3224; WC 341 Isel Park Cycle Connections	19,196	23%	77%	4,488	$1
3227; WC 341L Waimea Road Franklyn Street intersection improvement	19,085	22%	78%	4,174	$1
3104; WC 341 Anti Slip to Maitai Path deck	16,149	21%	79%	3,441	$1
3213; WC 341L CCTV at traffic signals	16,456	23%	77%	3,765	$1
0; Rocks Rd Bollards	15,785	23%	77%	3,690	$1
3507; WC341L Vanguard Rutherford intersection	14,960	22%	78%	3,348	–
3009; WC 341Z Toi Toi/Vanguard intersection upgrade	14,700	21%	79%	3,143	–
3945; WC 341L Blue Duck Culvert Cable Bay	14,700	21%	79%	3,143	–
1222; WC 341 Brook Cycle&Walk Imprvmnts	13,778	24%	76%	3,362	–
3037; WC341 Waimea Road Pedestrian Refuge	12,982	21%	79%	2,791	–
3026; WC 341 Sharedzone – Wigzell	13,476	24%	76%	3,253	–
2173; Maitai shared path (Collingwood St to Nile St)	13,100	26%	74%	3,444	–
1888; WC341 Home Zone Signs	13,189	23%	77%	3,018	–
3048; Joyce Place walkway new footpath	12,541	24%	76%	3,060	–
3491; Karaka St traffic calming	12,702	23%	77%	2,906	–
0; Sundry Land Purchases – Growth	3,000	100%	–	3,000	–
3476; WC341 Caltex Shared Path connections	12,346	23%	77%	2,825	–
3036; WC452 Main Road Stoke cycleway Saxton Creek to Champion Road	11,384	21%	79%	2,426	–
2189; WC341 Kawai Innovate Streets	12,188	23%	77%	2,850	–
3010; WC 341W: Toi Toi St upgrade	11,933	23%	77%	2,719	–
3219; WC341 4 Stansell Ave Footpath	11,665	23%	77%	2,709	–
3127; Atawhai Dr (near Founders)	11,071	24%	76%	2,701	–
3034; WC 341 Atawhai Crescent – Bus stop relocation	10,969	24%	76%	2,676	–

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3106; WC 341 Jenkins Creek shared path widening	10,709	23%	77%	2,509	–
3025; WC 341 Sharedzone – Beachville Cres	10,899	24%	76%	2,589	–
2194; WC341 Franklyn St Pedestrian Improvements	10,148	23%	77%	2,373	–
0; Land Purchase – LOS	32,128	7%	93%	2,376	–
3025; WC341 Sharedzone – Beachville Cres	8,702	22%	78%	1,915	–
1529; WC 341 Cable Bay catch fence	8,432	24%	76%	2,058	–
2997; WC 531 CBD interchange	8,012	24%	76%	1,914	–
3032; WC341 Airport Bridge Replacement	7,099	21%	79%	1,519	–
3220; WC341 Seaview Underpass Weir	7,378	23%	77%	1,725	–
2694; Wood to Intermediate via Colleges, part B (Brougham chgs)	7,153	26%	74%	1,886	–
2333; Tāhunanui to Annesbrook cycle connection	6,925	25%	75%	1,739	–
3211; WC 324 Nelson Future Access Study	7,025	22%	78%	1,539	–
3139; Maitai Valley Rd Shared Path Modifications	6,896	23%	77%	1,578	–
2335; WC 532 Bus Shelter Lighting	6,713	22%	78%	1,471	–
3581; WC341 W Stoke Youth Park ped refuge	6,630	21%	79%	1,417	–
3458; WC341L Selwyn Place Pedestrian Crossings	6,358	23%	77%	1,455	–
3090; WC 341 Maitai Path underpass flooding improvements	6,215	23%	77%	1,451	–
2613; 10 Halstead Rd building conversion (aka Bata, Hub)	5,813	27%	73%	1,567	–
3349; WC341W St Vincent St cycleway crash reduction	6,035	22%	78%	1,349	–
2695; Wood to Intermediate via Colleges, part C (Van Deiman St)	5,693	27%	73%	1,520	–
3224; WC 452 Isel Park Cycle Connections	5,771	23%	77%	1,320	–
1525; WC341 Roading Minor Improvement Programme	5,727	23%	77%	1,339	–
2176; School approach & Frontage treatments	5,220	23%	77%	1,185	–
3046; Bronte Street new footpath, Scotland to Collingwood	5,128	21%	79%	1,093	–

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
1175; Greenmeadows Centre	5,000	24%	76%	1,220	–
3320; WC151 Asset Management Capex	5,135	22%	78%	1,125	–
3778; WC531 Bridge Street Bus interchange	4,779	22%	78%	1,047	–
3047; Natalie Street new footpath	4,289	24%	76%	1,046	–
3301; WC 421 Travel Demand Management e-bikes	4,138	24%	76%	988	–
3212; WC 341 Cross Town Links Brook to Central Programme	3,415	24%	76%	816	–
3029; WC341 Ridgeway/Marsden Valley Rd, minor improvements	3,054	22%	78%	672	–
2624; WC 341 Nile St/Clouston Tce intersection improvement	2,847	24%	76%	680	–
2193; Todd Bush Rd	2,815	24%	76%	671	–
1313; Maitai shared path (Akerston St to Traf St)	2,634	24%	76%	634	–
3174; WC 341 Stoke East West Cycle Connection	1,400	24%	76%	334	–
2693; Wood to Intermediate via Colleges, part A (Sharrows to Tasman)	1,260	27%	73%	340	–
1810; Toi Toi: Vanguard St intersection	1,153	23%	77%	262	–
2079; WC 341L: Mount Street and Konini Street upgrade	1,272	22%	78%	285	–
3312; WC341 Quarantine Road Bridge Footpath (at Bolt Rd)	1,194	23%	77%	279	–
2934; WC 324 Quarantine/Nayland intersection upgrades	1,066	23%	77%	249	–
3107; WC 341 Cable Bay Road cycle safety signs	989	21%	79%	211	–
2172; Railway Res/Princes Dr ext overbridge	129	100%	–	129	–
2995; Putaitai St/Main Rd Stoke Right Turn	540	21%	79%	115	–
3310; WC 341 Washington Road Safety Improvements	547	23%	77%	128	–
3074; WC 341 Milton weka intersection safety	497	21%	79%	106	–
2174; Variable speed signs	464	27%	73%	125	–
1881; North Esk ToiToi Street intersections MS	292	27%	73%	79	–
3139; WC 341: Maitai Valley Road shared path modifications	176	24%	76%	42	–

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
1812; Collingwood St pedestrian refuge at New St	162	27%	73%	44	–
1531; Waimea/Motueka intersection upgrade	779	13%	87%	99	–
2218; WC 531 Stoke interchange	51	24%	76%	12	–
3705; IAF Active Linear Corridor	(133,438)	21%	79%	(28,528)	($4)
2024 LTP	**111,006,371**	**17%**	**83%**	**18,613,447**	**$1,688**
3705; IAF Active Linear Corridor	10,520,219	20%	80%	2,062,534	$245
1539; WC 214 Sealed Road Pavement Rehabilitation	10,951,655	18%	82%	1,992,077	$200
2997; WC 532 CBD interchange	3,618,000	21%	79%	749,804	$102
3211; WC 324 Nelson Future Access Study	11,994,025	15%	85%	1,806,457	$76
3078; WC 222 Streetlight renewals	5,974,639	13%	87%	785,949	$73
; New Car parks	2,628,000	20%	80%	538,020	$71
1375; WC 341 Marsden Valley Ridgeway Upgrade	2,666,413	18%	82%	472,061	$43
3039; Structures replacement	5,717,206	15%	85%	875,959	$41
3212; WC 341 Cross Town Links Brook to Central Programme	1,632,734	20%	80%	322,751	$39
; WC 111: Pre Seal Programme	2,378,553	17%	83%	409,225	$34
3959; Paru Paru Road Carpark	1,272,000	20%	80%	259,454	$34
3038; WC 215 Structures component replacement – Bridges	3,233,798	16%	84%	521,310	$33
2218; WC 531 Stoke interchange	1,711,032	18%	82%	311,130	$31
3691; Slip 13 Cleveland Terrace	975,000	21%	79%	203,349	$28
3227; WC 341L Waimea Road Franklyn Street intersection improvement	953,540	20%	80%	194,192	$25
1525; WC 341 Minor Improvements	2,435,463	13%	87%	312,439	$25
3009; WC 341Z Toi Toi/Vanguard intersection upgrade	1,011,532	20%	80%	201,668	$25
2054; Washington Valley Water Renewal & upgrade	5,911,710	14%	86%	853,976	$24
2189; 2189 WC341 Innovative Streets – Kawai St	1,063,386	19%	81%	205,673	$24
2184; Nile St/Maitai Rd interserction (Bayview/Maitai)	912,919	20%	80%	181,954	$23

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2994; Strawbridge Sq Layout & Access Improvement	947,202	15%	85%	143,360	$22
3869; WC 341W Cycleway and Cycle Lane Improvements	1,798,947	16%	84%	294,587	$20
3120; Stoke Centre Traffic Calming and Ped Safety Works	1,890,981	13%	87%	243,091	$20
3517; WC341L Traffic calming to support speed reduction	1,858,844	16%	84%	300,003	$19
2166; WC 341Z Haven/Halifax Intersection Improvements	767,026	20%	80%	152,549	$19
3225; WC 452 Nile Street cycle facilities	763,008	20%	80%	151,477	$19
3872; WC 341L Cable Bay Roading Improvements	1,067,759	18%	82%	188,344	$17
1484; Renewals: On and Off St Parking Meter	1,251,280	8%	92%	104,560	$16
1078; Street Garden Dev	495,410	11%	89%	55,652	$15
3335; WC341 Maitai Bayview Growth programme	548,800	20%	80%	111,859	$15
2335; WC532 PT Minor Improvements	1,009,820	17%	83%	171,222	$14
3705; WC 341L IAF Active Linear Corridor	499,310	20%	80%	101,667	$13
3508; Land Purchase	450,000	21%	79%	93,853	$13
3868; WC 341W Pedestrian and Cycle Crossing Improvements	770,425	18%	82%	138,019	$13
3514; WC341 Stoke School speed zone upgrade	503,098	20%	80%	101,379	$13
2945; WC 531 Integrated Ticketing GRETS	411,880	11%	89%	45,765	$12
3240; WC532 Bus stop improvements	2,296,630	15%	85%	339,037	$12
3172; WC 324 Polstead Main Road Stoke Intersection Upgrade	1,095,268	13%	87%	141,096	$12
3513; WC341 Central School speed zone upgrade	517,994	19%	81%	100,256	$12
3670; WC341Z – Hardy Vanguard intersection safety	392,000	21%	79%	81,757	$11
3672; WC341L – Nayland Songer Roundabout safety	392,000	21%	79%	81,757	$11
3669; WC341Z – Gloucester St Vincent intersection safety	399,840	20%	80%	81,311	$11
3668; WC 341Z – Gloucester Vanguard intersection safety	399,840	20%	80%	81,311	$11
3674; WC341L – Nile Collingwood	407,445	20%	80%	80,750	$10

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2335; WC 532 Bus Shelter Lighting	361,850	20%	80%	72,215	$9
3529; WC341 St Vincent Street sepataed cycle facility improvements	711,505	17%	83%	118,138	$9
3169; WC 341 Montreal Princes Drive Intersection	607,492	17%	83%	103,632	$8
3855; WC 554: PT Signals priority	305,940	20%	80%	62,199	$8
; WC341L Road Drainage Improvements	534,012	17%	83%	92,074	$8
1080; WC 341L Streetlight Improvement	490,606	18%	82%	86,235	$8
3512; WC341 Nayland Road school zone Upgrade	537,898	17%	83%	92,527	$8
3335; Maitai Bayview Growth programme	249,996	21%	79%	52,140	$7
3458; WC341L Selwyn Place Pedestrian Crossings	321,562	19%	81%	62,127	$7
3511; WC341Z Speed Limit changes speed signs	238,138	21%	79%	49,147	$7
3864; WC 341Z Victory School Speed Zone Upgrade	547,634	16%	84%	88,195	$6
2079; WC 341L: Mount Street and Konini Street upgrade	372,292	17%	83%	62,289	$5
1076; Road Frontage Planting Program	152,970	11%	89%	17,159	$5
3518; WC341Z St Vincent Street Toi Toi Street raised roundabout	147,000	21%	79%	30,659	$4
3675; WC341W – Maori Road raised crossing	152,792	20%	80%	30,281	$4
3873; WC 341L Little Todd Roading Improvements	155,495	19%	81%	30,069	$3
3865; WC 341W Walkway and Footpath Lighting Improvements	329,260	16%	84%	53,160	$3
3866; WC 341L Transport Temporary Works	329,260	16%	84%	53,160	$3
2054; WC452 NFAS Washington Road	147,399	19%	81%	28,678	$3
3871; WC 341L Driver Information Boards	155,712	19%	81%	29,735	$3
2984; Stoke Centre Enhancements	219,925	14%	86%	29,774	$3
3508; Hill Street Investigation	99,996	21%	79%	20,855	$3
1173; Freshwater Improvements programme	1,225,075	14%	86%	171,051	$3
3687; Slip 9 Maire Street	85,000	21%	79%	17,728	$2

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3874; WC341 Iwa Catch wall	105,771	18%	82%	19,246	$2
3526; WC341 School Speed Zone Haven Road	76,396	20%	80%	15,141	$2
; Plant & Equipment	92,135	17%	83%	15,886	$1
3863; WC 341L Quarantine/Pascoe Intersection Improvements	49,980	20%	80%	10,164	$1
2826; Hill St North ex Summerst	87,984	17%	83%	15,039	$1
2946; Railway Reserve Lighting	30,000	21%	79%	6,257	$1
2054; WC222 Washington Valley Streetlight renewal	225,390	14%	86%	32,365	$1
2537; WC 452 CBD Cycle parking facilities	24,500	11%	89%	2,802	$1
3527; WC341 School Speed Zone NCA	40,986	18%	82%	7,458	$1
; Capital: Plant & Equipment	43,509	17%	83%	7,520	$1
3349; WC341W St Vincent St cycleway crash reduction	18,463	21%	79%	3,851	$1
3173; WC 341 Ngawhatu Suffolk Intersection	1,155,430	11%	89%	127,599	–
3062; WC 341 Elm Street Intersection safety improvements	924,958	13%	87%	124,650	–
Community infrastructure	**71,533,610**	**19%**	**81%**	**13,837,444**	**$1,620**
Historic	**14,336,844**	**26%**	**74%**	**3,681,798**	**$539**
1175; Greenmeadows Centre	7,940,832	25%	75%	1,968,950	$279
3278; Bayview reserve playground	466,000	100%	–	466,000	$72
2226; Elma Turner Library Extension/ Relocation	1,573,627	22%	78%	353,243	$54
; Book Purchases	1,305,337	22%	78%	289,105	$44
3180; Tāhunanui Lions Toilet Upgrade	933,483	23%	77%	214,093	$32
2002; Growth: Millers Acre Toilet	606,646	23%	77%	138,982	$21
3238; Octopus Garden playground upgrade (Ngawhatu Reserve)	151,467	24%	76%	37,044	$5
; Book Purchases: Periodicals	146,686	22%	78%	32,424	$5

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3277; Mako St playground development	139,026	24%	76%	33,310	$5
1175; CP: Greenmeadows Centre	125,336	26%	74%	32,284	$4
; Capital: Audio/Digital	122,740	22%	78%	27,244	$4
3300; Marsden Park playground	86,458	30%	70%	26,048	$4
3560; BMX Track Upgrade (Tāhunanui)	67,001	21%	79%	14,290	$2
; Capital: Furniture & Equipment	64,091	23%	77%	14,422	$2
; Capital: Specialised Lib Equip	55,396	22%	78%	12,152	$2
3292; Pepper Tree Park playground	35,000	24%	76%	8,386	$1
; Books: Donated	26,328	21%	79%	5,613	$1
3558; Rutherford Play/Skate Development	20,000	22%	78%	4,487	$1
3097; Freedom Camping signage	11,033	21%	79%	2,296	–
2285; Renewal: Landscaping	3,142	23%	77%	719	–
1175; AM: Greenmeadows Centre	1,322	26%	74%	348	–
1175; Cafe facility	1,000	25%	75%	254	–
2909; Queens Garden Toilet	454,895	–	100%	103	–
2024 LTP	**57,196,765**	**18%**	**82%**	**10,155,646**	**$1,080**
2226; Elma Turner Library Extension/ Relocation	45,082,494	18%	82%	8,004,120	$850
; Capital – Nayland Pool upgrades	3,678,175	19%	81%	689,180	$84
; Capital – Riverside Pool upgrades	3,837,491	17%	83%	641,061	$58
; Book Purchases	2,566,555	18%	82%	470,459	$55
3887; Photovoltaic Solar Installation	427,988	18%	82%	78,206	$9
; Book Purchases: Periodicals	449,162	17%	83%	75,957	$7
; Capital: Audio/Digital	368,544	17%	83%	62,324	$6
; Books: Donated	290,699	17%	83%	49,284	$5

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
; Capital: Specialised Lib Equip	242,235	17%	83%	40,572	$4
2386; RFID circulation (Radio Frequency ID)	114,058	18%	82%	20,461	$2
; Capital: Furniture & Equipment	122,887	17%	83%	20,781	$2
1175; Greenmeadows Centre	16,477	20%	80%	3,241	–
General reserves	**58,616,525**	**20%**	**80%**	**11,573,242**	**$1,547**
Historic	**21,733,857**	**21%**	**79%**	**4,498,544**	**$668**
1049; Capital: General Development	958,562	68%	32%	652,715	$88
3152; Maitai MTB Hub	1,231,515	22%	78%	275,441	$42
3678; Slip 2 Brook Street	1,220,000	21%	79%	260,113	$41
2894; Poormans walkway (Main rd – Neale ave)	1,181,325	23%	77%	272,020	$41
2154; Relocate Overhead Power	868,538	28%	72%	244,279	$31
1044; New cycle/path development	638,407	23%	77%	147,523	$22
1052; Esplanade & Foreshore Planting Prgm	599,187	20%	80%	119,173	$21
3494; City to Maitai Hub track	625,055	22%	78%	134,782	$21
1051; Capital: Planting	490,469	20%	80%	99,403	$17
1101; Road Entrance Main Rd Stoke	474,566	29%	71%	137,862	$17
2899; Tāhunanui Beach to Great Taste Trail (airport)	1,121,846	9%	91%	96,145	$15
3192; Marsden Valley MTB Hub	429,085	21%	79%	91,484	$14
3111; Brook MTB Hub	396,262	24%	76%	95,223	$14
3683; Slip 6 Grove Street	382,000	21%	79%	81,445	$13
1257; Capital: Minor Development	364,057	22%	78%	81,173	$12
2345; Capital: Park Upgrades	282,576	23%	77%	65,502	$10
1832; Upgrade for multiuse	262,426	28%	72%	73,758	$9
2689; Saxton Creek recreation pond enhancements	256,525	25%	75%	65,146	$9

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2718; Cricket oval drainage remediation	243,025	28%	72%	68,352	$9
3690; Slip 12 Allan Street	250,000	21%	79%	53,302	$8
3682; Slip 5 Sowman Street	250,000	21%	79%	53,302	$8
3677; Slip 0: Brook Street	249,999	21%	79%	53,302	$8
1731; Growth: Furniture/Signs	64,600	80%	20%	51,489	$8
2893; Maitai revegetation	221,983	23%	77%	50,703	$8
1186; Capital: Mountainbike Tracks	312,850	10%	90%	31,730	$7
1165; Capital: Acessway / Carparks	201,994	21%	79%	42,868	$7
3697; Slip 18 Collingwood Street	200,000	21%	79%	42,641	$7
1379; Modellers Pond Solution	2,775,123	2%	98%	45,196	$7
3493; Grampians Brook acquisition: access & development	182,069	22%	78%	39,477	$6
2245; Fringed hill Revegetation	381,815	11%	89%	41,510	$6
1044; new Cycle / Path development	43,722	100%	–	43,722	$6
1731; Paremata Flats upgrade (growth)	64,576	58%	42%	37,577	$6
3694; Slip 16 Endeavour Street	170,000	21%	79%	36,245	$6
3195; Dog exercise park	158,965	23%	77%	36,407	$5
3268; Guppy Park Facility	147,948	21%	79%	31,544	$5
3489; Hockey Lighting	142,772	22%	78%	31,693	$5
3684; Slip 7 Miro Street	139,980	21%	79%	29,881	$5
1050; Capital: Planting	122,076	20%	80%	24,063	$4
2247; 2247 Landscape Reserves	122,931	23%	77%	27,804	$4
1049; CP: Saxton Field General Development	106,716	27%	73%	28,910	$4
3692; Slip 14 Tukuka Street	100,000	21%	79%	21,321	$3
1068; Capital: Security Gates/ Bollards	89,849	19%	81%	16,911	$3

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3397; Collection Store	94,329	22%	78%	20,628	$3
3404; Sand storage shed	92,700	21%	79%	19,764	$3
3194; Wakapuaka Sandflats Esplanade shared path	85,977	23%	77%	19,976	$3
2734; Capital: Stadium Surface Water Deflection	80,001	27%	73%	21,398	$3
2902; LOS: accessibility improvement items	81,358	23%	77%	18,818	$3
3067; Saxton Oval electrical improvements	77,856	26%	74%	20,475	$3
3680; Slip 3 Halifax Street	80,000	21%	79%	17,112	$3
3800; Glenduan Reserve wetland development	79,500	21%	79%	16,950	$3
1731; Capital: Fences / Walls	31,058	56%	44%	17,295	$3
1629; Isel park bridge upgrade	347,666	5%	95%	17,793	$3
3681; Slip 4 Milton Street	72,900	21%	79%	15,543	$2
3193; Eureka Park walkway development	70,500	23%	77%	16,252	$2
1044; CP: Saxton –Walkways/ cycleways	67,677	27%	73%	18,082	$2
; New Plant and Equipment	69,263	22%	78%	15,152	$2
1072; Capital: Signs	61,077	16%	84%	10,052	$2
2159; Capital: land purchase (Daelyn)	15,424	100%	–	15,424	$2
2901; Minor LOS improvements	60,455	24%	76%	14,489	$2
2433; Saxton Oval Util shed & Fire Alarm (CWC)	51,349	27%	73%	13,971	$2
2432; Cricket ODI	44,796	28%	72%	12,599	$2
1094; Capital: Upgrd Accessways/ Car	86,061	12%	88%	10,190	$2
2247; Landscape reserves	42,258	23%	77%	9,900	$1
1072; Upgrade: Structures	39,056	18%	82%	6,929	$1
3309; Maungatapu to Coppermine Trail	39,657	23%	77%	9,123	$1
3093; Hammer throw at Saxton Field	37,206	25%	75%	9,435	$1

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3781; Seafarers Memorial Jetty	37,000	21%	79%	7,892	$1
3399; Granary venue development	36,680	21%	79%	7,820	$1
3495; Saxton Field Pole Vault	36,000	22%	78%	8,059	$1
3140; Codgers new MTB tracks	33,748	25%	75%	8,268	$1
3417; Wayfinding	32,560	22%	78%	7,173	$1
; Website Development	31,066	22%	78%	6,877	$1
3247; Complete tree planting (Harekeke and Champion)	30,231	23%	77%	6,924	$1
3246; Accessibility Improvements	29,564	23%	77%	6,834	$1
2325; Capital: Trafalgar Park Stand Removal	28,002	18%	82%	4,944	$1
1053; Capital: Planting	51,429	13%	87%	6,507	$1
3244; Mountain Bike track development (P59)	28,639	24%	76%	6,862	$1
3273; Back Beach Car Parking Renewal	26,400	23%	77%	6,185	$1
3242; Alliance Green levelling, irrigation and drainage	25,550	23%	77%	5,986	$1
3135; Almond Tree flats to Maitai track connection	23,689	23%	77%	5,550	$1
1101; CP: Saxton Road Construction Main Road Stoke	22,071	29%	71%	6,412	$1
2150; CP: Grant: Road Entrance Champion Drive	22,105	26%	74%	5,704	$1
2433; Cricket World Cup Ltd	21,750	27%	73%	5,918	$1
2154; CP: Relocate Overhead Power	21,629	28%	72%	6,123	$1
3427; Accessibility improvements	20,600	22%	78%	4,506	$1
1808; Traf Centre minor improvements	90,117	5%	95%	4,305	$1
3274; Delaware Bay water access	19,096	24%	76%	4,575	$1
3693; Slip 15 Braemar Place	19,000	21%	79%	4,051	$1
3203; Saxton Oval renewals	19,920	20%	80%	3,930	$1
1029; Cricket/Athletics Pavilion	4,819	100%	–	4,819	$1

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3398; Energy centre venue development	17,398	22%	78%	3,806	$1
3696; Slip 17 Lauria Way	17,000	21%	79%	3,625	$1
1832; Internet Upgrade	13,370	28%	72%	3,760	–
3688; Slip 10 Brook Street	13,135	22%	78%	2,873	–
3157; Trafalgar Centre storage solution	49,632	6%	94%	2,768	–
0604; Athletics equipment shed	11,761	27%	73%	3,200	–
2887; Montebello Redwoods Reserve Walkway	289,212	1%	99%	2,631	–
3269; Courtside lighting and seating for outdoor netball courts	10,000	23%	77%	2,343	–
2433; CWC Legacy	8,826	27%	73%	2,401	–
3395; Coppermine trail marker posts	9,090	23%	77%	2,082	–
3110; Marsden Valley mountain bike tracks stage one 2016-17	8,638	25%	75%	2,116	–
; Chinese Gardens Tiling	8,186	22%	78%	1,833	–
1730; Capital: New Planting	7,411	25%	75%	1,816	–
1073; Capital: Signs/Furniture	27,850	4%	96%	1,000	–
2159; AM: Daelyn land purchase	5,846	27%	73%	1,594	–
1257; Minor Development	5,767	25%	75%	1,465	–
2345; Capital: Lighting / Signs	5,783	25%	75%	1,417	–
2142; Water sports building at Marina	50,736	2%	98%	1,141	–
3272; Walkway link from the Wood (Cambria St) to Stanley Whitehead	5,000	21%	79%	1,066	–
2901; Playground Development	4,945	22%	78%	1,107	–
2718; CP: Cricket oval drainage remediation	4,601	28%	72%	1,294	–
3677; Slip 1 Brook Street	4,825	22%	78%	1,055	–
1175; Greenmeadows Centre	4,319	25%	75%	1,058	–
1049; PP: Saxton Field General Development	3,614	29%	71%	1,050	–

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3689; Slip 11 Brook Street	3,737	22%	78%	818	–
3108; Codgers MTB track renewals	67,393	1%	99%	735	–
1938; PP: Saxton Cycle Track (Regional Velodrome)	2,711	29%	71%	787	–
2159; PP: Daelyn land purchase	758	28%	72%	216	–
1639; Upgrade: Fences & Walls	720	23%	77%	165	–
1548; Rutherford/ Trafalgar Park Development	592	25%	75%	145	–
1029; CP: Cricket/Athletics Pavilion	414	29%	71%	120	–
1049; PF: Saxton Field General Development	365	29%	71%	106	–
1044; PP: Saxton –Walkways/ cycleways	290	29%	71%	84	–
2924; CP: Grant: Champion carpark	162	25%	75%	41	–
1938; CP: Saxton Cycle Track (Regional Velodrome)	138	29%	71%	40	–
8221; Maitai ERP Planting	124	22%	78%	28	–
3403; Wastewater solution	110	23%	77%	25	–
1073; Capital: Fences	24,215	–	100%	23	–
2024 LTP	**36,882,668**	**19%**	**81%**	**7,074,698**	**$878**
3930; Planting – General RTRP Recommendation 16	8,107,000	19%	81%	1,500,989	$178
3776; Nelson Surf Lifesaving Club Facility	3,289,100	20%	80%	657,567	$92
3694; Slip 16 Endeavour Street	2,090,000	21%	79%	434,054	$65
3931; Planting – ETS RTRP Recommendation 16	1,134,500	20%	80%	231,408	$34
1731; Paremata Flats upgrade (growth)	282,851	100%	–	282,851	$30
3690; Slip 12 Allan Street	827,000	21%	79%	171,753	$26
3697; Slip 18 Collingwood Street	769,000	21%	79%	159,707	$24
3889; Capital: HVAC	831,520	20%	80%	163,569	$22
3909; Regional Skate Facility	859,400	19%	81%	166,966	$22

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3677; Slip 0: Brook Street	582,603	21%	79%	120,996	$18
3684; Slip 7 Miro Street	560,000	21%	79%	116,302	$18
3135; Almond Tree flats to Maitai track connection	617,669	19%	81%	119,658	$15
1051; Capital: Planting	910,588	14%	86%	123,463	$15
3192; Marsden Valley MTB Hub	480,000	21%	79%	99,687	$15
3250; Harekeke Green car park and paths	1,347,785	16%	84%	211,354	$15
3933; Planting – Marsden RTRP Recommendation 19	422,222	21%	79%	87,688	$13
2345; Capital: Park Upgrades	839,061	17%	83%	141,749	$13
1186; Capital: Mountainbike Tracks	731,958	9%	91%	63,515	$12
3681; Slip 4 Milton Street	374,100	21%	79%	77,694	$12
1052; Esplanade & Foreshore Planting Prgm	700,449	14%	86%	94,971	$12
3157; Trafalgar Centre storage solution	586,419	18%	82%	105,322	$12
3242; Harekeke Green levelling, irrigation and drainage	476,595	19%	81%	91,156	$11
3398; Energy centre venue development	611,229	17%	83%	106,105	$11
1044; New cycle/path development	476,835	19%	81%	88,963	$11
1257; Capital: Minor Development	482,417	18%	82%	86,295	$10
3680; Slip 3 Halifax Street	267,004	21%	79%	55,452	$8
1731; Capital: Fences / Walls	98,062	100%	–	98,062	$8
2895; Jenkins Stream (Pascoe to Airport)	737,133	16%	84%	115,998	$8
3932; Planting – Maitai RTRP Recommendation 17	258,500	21%	79%	53,686	$8
3800; Glenduan Reserve wetland development	247,989	21%	79%	51,503	$8
3071; Cultural space development	341,817	19%	81%	64,038	$8
3267; Rutherford Park Toilets	542,718	16%	84%	88,370	$7
2893; Maitai revegetation	420,267	17%	83%	71,071	$7

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
2247; 2247 Landscape Reserves	310,762	18%	82%	56,894	$7
1165; Capital: Acessway / Carparks	422,869	13%	87%	56,538	$7
3194; Wakapuaka Sandflats Esplanade shared path	331,872	18%	82%	59,659	$7
3402; Media towers	374,842	17%	83%	63,871	$6
2325; Capital: Trafalgar Park Stand Removal	184,695	16%	84%	29,351	$6
1731; Growth: Furniture/Signs	49,201	100%	–	49,201	$5
3416; Entrance development	161,342	20%	80%	32,303	$5
3890; Northern Extension Exterior Tiles	153,000	20%	80%	30,934	$4
1808; Traf Centre minor improvements	272,455	17%	83%	46,075	$4
3272; Walkway link from the Wood (Cambria St) to Stanley Whitehead	130,638	21%	79%	26,907	$4
3692; Slip 14 Tukuka Street	124,000	21%	79%	25,752	$4
1068; Capital: Security Gates/ Bollards	268,787	10%	90%	28,126	$4
3265; Glen – boulder bank pathway (P7)	135,220	20%	80%	26,709	$4
3696; Slip 17 Lauria Way	110,000	21%	79%	22,845	$3
3887; Trafalgar Pavilion Photovoltaic Solar Installation	224,502	17%	83%	37,619	$3
1050; Capital: Planting	211,078	13%	87%	28,332	$3
3886; Adaptive Mountain Bike Tracks (Accessibility)	213,164	17%	83%	35,995	$3
3493; Grampians Brook acquisition: access & development	100,000	21%	79%	20,768	$3
3198; Walkway to connect Poorman Stream to Greenmeadows	110,745	20%	80%	21,785	$3
1049; Capital: General Development	172,758	14%	86%	23,424	$3
3399; Granary venue development	113,750	19%	81%	21,645	$3
3781; Seafarers Memorial Jetty	160,200	16%	84%	26,386	$2
1053; Capital: Planting	136,293	17%	83%	23,048	$2
1094; Capital: Upgrd Accessways/ Car	148,443	16%	84%	24,404	$2

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
3427; Accessibility improvements	114,103	17%	83%	19,738	$2
2902; LOS: accessibility improvement items	122,877	17%	83%	20,780	$2
1073; Capital: Signs/Furniture	87,281	10%	90%	8,551	$2
3397; Collection Store	60,000	21%	79%	12,461	$2
2786; Temporary Seating	84,191	18%	82%	15,311	$2
3246; Accessibility Improvements	116,242	17%	83%	19,215	$2
3203; Saxton Oval renewals	118,188	16%	84%	19,282	$2
3253; Harekeke Green cricket wicket blocks (x2)	57,029	18%	82%	10,230	$1
1639; Capital: Furniture	34,696	17%	83%	6,002	$1
3400; Church venue development	30,245	17%	83%	5,068	–
3254; Harekeke Green toilets and changing rooms	133,409	13%	87%	17,531	–
Neighbourhood reserves	**6,221,695**	**32%**	**68%**	**1,968,221**	**$275**
Historic	**2,563,235**	**59%**	**41%**	**1,513,149**	**$209**
1063; Reserve Development Programme	880,000	86%	14%	753,677	$102
1422; Capital: Fences and Walls	231,816	62%	38%	143,334	$20
1728; Capital: Planting	192,701	77%	23%	148,499	$19
1422; Capital: Furniture	187,312	62%	38%	115,835	$16
1422; Upgrade: Structures	234,320	26%	74%	60,327	$11
3780; Grove Street Reserve Extension	121,976	50%	50%	60,988	$9
1093; Capital: Upgrd Accessways/ Carp	117,144	61%	39%	71,275	$9
3275; Paddys Knob reserve development	196,540	31%	69%	60,659	$9
3190; Atawhai Reserve Improvements	243,120	22%	78%	54,430	$8
1422; New entrance signs	47,002	30%	70%	13,906	$2
3241; Saxton Inclusive Playground	47,556	21%	79%	10,139	$2

Table K: Schedule of assets (continued)

Activity / asset	NCC capital cost	Portion funded through development contributions	Portion funded through other sources	Growth costs to be funded through development contributions	Core component $/HUD
1422; OPs: Neighbourhood Parks Upgrade Prgm	24,930	26%	74%	6,582	$1
1308; HoN: Bio & Eco Planting	3,031	100%	–	3,031	–
1728; OPs: New Planting Prgm	9,845	28%	72%	2,738	–
0; Cable Bay House	9,817	24%	76%	2,347	–
1422; PF: Neighbourhood Parks Upgrade Prgm	7,027	26%	74%	1,801	–
1318; HoN: Trees & Plants	1,344	100%	–	1,344	–
1093; CP: Neigh Parks: Capital Accessways carparks	3,396	29%	71%	986	–
1170; CP: Branford Park	1,811	29%	71%	522	–
1728; PF: Neighbourhood Parks Planting Prgm	1,450	29%	71%	421	–
1093; ET: Neigh Parks: Capital Accessways carparks	640	28%	72%	182	–
3112; CP: Victory Square – Skateboard half pipe	232	25%	75%	59	–
1170; PP: Branford Park cycleway	226	29%	71%	66	–
2024 LTP	**3,658,461**	**12%**	**88%**	**455,072**	**$66**
1063; Reserve Development Programme	2,824,056	11%	89%	319,803	$51
; Capital: Minor Assets	650,423	17%	83%	109,991	$10
3190; Atawhai Reserve Improvements	75,000	21%	79%	15,576	$2
1728; Capital: Planting	108,982	9%	91%	9,701	$2
Grand total	**977,031,261**	**20%**	**80%**	**199,235,968**	**–**

19. Previous development contributions

Table L: Historical development contributions and financial contribution exemption

Activity	2006/07	2009/10	2012/13	2015/16	2018/19	2021/22	2022/23	2023/24	2024/25
Stormwater	3,884	3,843	2,999	2,370	3,230	5,900	6,409	7,210	7,630
Wastewater	3,221	3,832	2,756	4,270	5,000	6,630	7,202	8,102	8,050
Water supply	1,871	2,436	3,054	2,950	2,050	3,610	3,921	4,411	4,300
Transport	2,196	2,414	882	980	1,370	1,720	1,868	2,102	3,350
Community infrastructure	–	–	–	–	280	2,430	2,640	2,970	2,030
General reserves	–	–	–	–	1,160	790	858	965	1,550
Neighbourhood reserves (intensification)	–	–	–	–	–	260	282	317	280
Total development contributions	**11,172**	**12,525**	**9,691**	**10,570**	**13,090**	**21,340**	**23,180**	**26,077**	**27,190**
Financial contribution exemption amount	71,031	81,777	88,371	91,974	N/A	N/A	N/A	N/A	N/A

Significance and Engagement Policy

Hiranga me te Whakapāpā

Introduction

The Local Government Act 2002 states that one role of a Council is to enable democratic local decision-making and action by, and on behalf of, communities. Council consults or engages on a wide range of specific matters which lead to decisions. This Policy explains how Council will decide the degree of significance of a matter, the types of matters on which the community will be engaged during the decision-making process and when the community can expect Council to make a decision on its behalf.

There are many informal ways that Council engages with the community during its everyday business which helps to inform it on community views. There are also decisions that Council makes which require a more structured form of engagement. This is partly because of the importance or significance of a matter to the wider community, or to groups within the community.

Section 3 of this policy explains how Council decides the degree of significance of a matter. Sections 4–8 explain how and when the community's views will be sought on a matter, given the degree of significance of the matter.

Purpose of this policy

Many decisions Council makes affect our community on a daily basis. The more significant the decision, the more important it is for Council to engage with the community to understand the community's views and preferences prior to making the decision.

This Significance and Engagement Policy lets both Council and the community know:

- The degree of significance attached to particular matters and the decisions Council makes on them
- How and when the community can expect to be engaged in Council's decision-making processes
- The form and extent of the engagement likely to take place before a particular decision is made
- Council's strategic assets, as a decision concerning transfer of ownership or control of a strategic asset to or from Council must be explicitly provided for in the Long Term Plan.

Determining significance

Every decision by Council has a degree or level of significance, as significance is assessed on a continuum – ranging from day-to-day matters where the decision is of low importance and low significance, through to critical decisions of high significance.

Determining the significance of a matter is an exercise of judgment based on criteria Council has identified as important to its community (refer to Schedule One).

An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision-making occurs.

Council will take into account the following criteria when assessing the degree of significance of proposals and decisions or whether they have significant consequences, and therefore the appropriate level of engagement to undertake:

- Whether the asset is a strategic asset as listed in Schedule Two of this policy, and whether the proposal or decision involves the transfer of ownership or control of the strategic asset
- The impact on levels of service provided by Council or the way in which services are delivered
- The degree of impact on Council's debt or the level of rates it charges and Council's financial capacity, including its debt and rates limits
- Whether the decision is reversible and the likely impact on future generations
- The impact on the community, how many people are affected and by how much
- Any past history of the issue generating wide public interest within the community or whether there is a reasonable expectation that it would generate this interest now
- Whether the decision or action flows from, or promotes, a decision or action that has already been taken by Council or furthers a community outcome, policy or strategy, and the degree to which the community's views are known.

It may be that only one of the criteria applies, but to such a high degree that the decision will be considered of high significance. Conversely, several criteria may be applicable, but to only a low degree, and therefore the decision will be considered to have a lower degree of significance. Each Council decision will be proceeded by a staff assessment of the degree of significance of the decision, for Council's consideration. Schedule One of this policy sets out how the criteria will be used to assess the degree of significance of a matter.

Once Council has decided what level of significance a matter has, it will consider how it should engage with its community.

Engagement with Māori and local Iwi

The Crown has made certain legislative requirements for local government to engage with Māori to facilitate their participation in council decision-making processes. The Local Government Act 2002 requires councils to:

- Establish and maintain processes to provide opportunities for Māori to contribute to council decision-making processes
- Consider ways to foster the development of Māori capacity to contribute to council decision-making processes
- Provide relevant information to Māori to enable them to contribute, in a timely manner.

Aside from the legislative context, there are compelling reasons for Council and iwi/Māori to work together, and not all engagement with iwi/Māori is driven by statute. Iwi constitute a unique and defining part of the Whakatū community and region, and hold a wealth of knowledge about the cultural, natural, physical and social landscape, and are also key contributors to the region's economic development.

Council's engagement with Māori and iwi aligns with Kia Kotahi Te Tauihu, Together Te Tauihu Partnership Agreement. Council will:

- Implement the intent of the Local Government Act 2002
- Work to improve Māori and iwi participation in Council's decision-making processes
- Implement the Statement on Fostering Māori Participation in Council Decision-Making
- Provide sufficient information to Māori and iwi to enable their effective and genuine participation in decision-making
- Engage Māori and iwi early in decision-making processes.

Council will take into account its obligations as outlined under legislation including, Te Tau Ihu Claims Settlements, Resource Management Act, and all other relevant Acts. Council will also consider National Policy Statements, and will honour all engagement and relationship agreements developed with Māori and iwi as they relate to its decision-making processes.

Community engagement

The ways engagement can take place are varied and will generally be in proportion to the significance of the matter being considered. So, a decision relating to a matter with a higher degree of significance is likely to result in a higher level of engagement with the community, compared with a decision of lower significance.

There may be situations where Council does not engage with the community on highly significant matters. For example, where:

- Council already has a good understanding of the community's views and preferences
- The matter is confidential
- If there is a legal or Government policy requirement for Council to do something e.g. the directive for Council to fluoridate its water supplies.

Special consultative procedure

There are times when Council will use a formal consultation process – the Special Consultative Procedure. This is a structured process outlined in legislation and supported by case-law.

Council must use the Special Consultative Procedure outlined in the Local Government Act 2002 for some plans and processes, such as adopting the Long Term Plan or bylaws.

Engagement on other matters

When engaging on other matters, which do not require the Special Consultative Procedure, there are no explicit statutory or legal rules regarding community engagement processes. The Local Government Act 2002 gives local authorities the ability to determine the engagement process on a case-by-case basis, as is considered appropriate for their communities.

Council may decide it will use the Special Consultative Procedure or similar process if the matter is of high significance, or it may choose a different form of consultation. In instances where significance is judged to be moderate, engagement with the community could involve consulting through an advisory committee or focus group, public meetings, or surveys.

When Council decides that a matter is of low to moderate significance, or in instances where it is considered that the views of the community are already known, it may make a decision on behalf of the community. Following making the decision Council may then inform the community of the outcome e.g. through publication on the Council website or social media channels, through the Council's own delivered newsletter (Our Nelson), by working with local media to publicise the announcement or through any other appropriate means.

Principles of engagement

Engagement with the community is always in proportion to the significance of the matter being considered. In situations where engagement takes place, other than simply providing information to the community, we will:

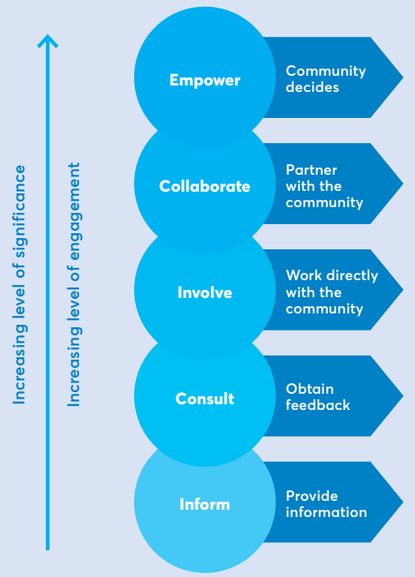
- Seek a range of views on the matter
- Ask for views early in the decision-making process so that there is enough time to engage, and for the range of views to be considered properly
- Listen to and consider views in an open and honest way
- Respect all points of view
- Provide information that is clear and easy to understand
- Consider different ways in which the community can share views with Council
- Ensure that the engagement process is efficient and cost effective.

Matching engagement to significance

Once Council has decided the degree of significance of an issue, it will consider how to engage with the community or interested groups. Different types of engagement occur along a continuum from simply providing information to the community for matters of low significance (e.g. advising a change to rubbish collection days) to a major consultation process for matters of high significance (e.g. when consulting on a Long Term Plan). The exact form and extent of consultation and engagement will be determined by Council on a case-by-case basis, considering the degree of significance of the matter and any statutory considerations.

Below is an illustration of how Council will approach its community engagement.

Level of significance helps determine the level of engagement and tools used.
The engagement and tools used may vary from one matter to another depending on a range of factors



Tools to include:

In person: Face to face communications – including drop in sessions, focus/working groups, information displays, public meetings, phone surveying/polling, co-design panels and stakeholder networks.

Print: Letters, Our Nelson publication, print advertising, media releases and public notices.

Online: Council website, Council online engagement platform, online surveying, social media channels, email newsletters and direct communication, Council reports, digital advertising and apps (Antenno).

Information provided to the community

When conducting any engagement or consultation process in relation to matter of medium or high significance, Council will provide:

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

Question about this policy

If you have any questions about this policy or concerns about the way Council has engaged on a matter, please contact us at enquiry@ncc.govt.nz.

Definitions used in this policy

Community

A group of people living in the same place or having a particular characteristic in common. Includes iwi, interested parties, affected people and key stakeholders.

Decisions

Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed to be significant).

Engagement

The process of seeking information from the community to inform and assist decision-making. There is a continuum of community engagement from informing through to involving and empowering the community to make decisions.

Matter

A matter, in the context of this policy, refers to a topic on which Council is seeking feedback about over a period of time, prior to making a decision.

Significance

As defined in section 5 of the LGA 2002 in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

a. The current and future social, economic, environmental or cultural wellbeing of the district or region;

b. Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;

c. The capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significant

As defined in section 5 of the LGA 2002, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision or other matter has a high degree of significance.

Strategic asset

As defined in section 5 of the LGA 2002 in relation to the assets held by the local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community, and includes:

a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and

b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and

c. any equity securities held by the local authority in:

   i. a port company within the meaning of the Port Companies Act 1988;

   ii. an airport company within the meaning of the Airport Authorities Act 1966.

Schedule One: Criteria used to assess the degree of significance of matters considered by Council

Criteria	Lower significance	Moderate significance	Higher significance
Whether the asset is a strategic asset as listed in Schedule Two of this policy, and whether the proposal or decision involves the transfer of ownership or control of the strategic asset.	The decision does not impact on Council's ownership or control of the asset.	N/A (the matter is either a strategic asset and of high significance, or it's not and is of low significance).	The decision involves the sale or transfer of a strategic asset or control of a strategic asset. This will also involve a LTP amendment if not already provided for in the LTP.
The impact on levels of service provided by Council or the way in which services are delivered.	There is a low level of change to services but no change to the levels of service stated in the Long Term Plan and no change to the way in which services are delivered.	There is a medium level of change to services but no change to the levels of service stated in the Long Term Plan and no change to the way in which services are delivered.	There is a major and/or long term change to levels of service for a significant activity or there is a change in the way in which a significant activity is delivered. This will also involve a LTP amendment to change the LTP Levels of Service.
The degree of impact on Council's debt or the level of rates it charges and Council's financial capacity, including its debt and rates limits.	The impact is of a medium to low level. There is a low impact on capital or operational expenditure. The financial transaction has a minor value compared to rates revenue.	The impact is of a high to medium level in the short or long term. There is a moderate impact on capital or operational expenditure. The financial transaction has a moderate value compared to rates revenue.	The impact is major and/or long term in terms of either debt levels or rates. There is a high impact on capital or operational expenditure. The financial transaction has a high value compared to rates revenue.
Whether the decision is reversible and the likely impact on future generations.	The decision applies for a short term or is reversible. If reversible, the impact on future generations would be low.	The decision applies for the medium term or is difficult to reverse, and/or, there is a moderate impact on future generations.	The decision applies for a longer term or is irreversible and would impact negatively on future generations to a high degree.
The impact on the community, including how many people are affected and by how much.	Low impact on sections or all the community.	Medium impact on sections or all the community.	Major impact on sections or all the community.
Any past history of the issue generating wide public interest within the community or whether there is a reasonable expectation that it would generate this interest now.	There is no history of the matter generating wide or intense interest, or there is no reasonable expectation of the matter generating wide or intense interest.	There is some history of the matter generating public interest in general or within particular sectors, or there is a low to moderate likelihood of the matter generating wide and intense public interest.	There is a history of the matter generating wide and intense public interest or there is a reasonable likelihood of the matter generating wide and intense public interest.
Whether the decision or action flows from, or promotes, a decision or action that has already been taken by Council or furthers a community outcome, policy or strategy, and the degree to which the community's view are known.	The decision or action is consequential to, or promotes, a decision or action already taken by Council, or the views of the community on the matter are known.	The decision or action relates to previous decisions. Community views are known or somewhat known through previous consultation.	The matter is considered significant according to other criteria in this list, and the community has not been previously consulted on the matter.

Schedule Two: List of strategic assets

The Local Government Act 2002 definition of a strategic asset is outlined in the definitions section of this Significance and Engagement Policy.

Council considers the list of assets outlined below are "strategic assets", however not all decisions made regarding them will be significant. For example, the road network is a strategic asset but the purchase or sale of small land parcels that make up the network may not amount to a significant decision.

- Water supply catchments and supply network as a whole for the duration of Council's control and responsibility for the water supply activity
- Wastewater network as a whole for the duration of Council's control and responsibility for the wastewater supply activity
- Stormwater network as a whole for the duration of Council's control and responsibility for the stormwater supply activity
- Flood protection network as a whole
- Council's Land transport network as a whole
- Shareholding in the Infrastructure Holdings Ltd
- Shareholding in Nelmac Ltd.

Effective Date: 1 July 2024

Legal compliance: In accordance with section 76AA of the Local Government Act 2002

Approved by: Council 24 May 2024

Accounting information
Mahi kaute

Significant Forecasting Assumptions
Matapae matua

Significant Forecasting Assumptions 2024-2034	Description of risk 2024-2034		Impact if assumption not correct 2024-2034	Mitigation 2024-2034
Demographics				
Population growth				
Nelson's population is expected to increase by 5,431 between 2024 and 2034 to 60,837. The projections suggest a relatively modest annual average growth rate for 2023-2033 of around 0.9%. Growth rates are likely to decline over time due to structural population ageing. The rates of growth are based on commissioned demographic analysis and reflect the medium scenario projections from the findings of this analysis. These projections are higher than those produced by Statistics New Zealand, primarily due to higher net migration assumptions used for this analysis.	If Nelson's population growth is higher than projected, it risks putting pressure on Council services and infrastructure. If it is lower than projected Council risks over investing in services.		Low	Council is careful when applying population growth estimates to its infrastructure planning, given the uncertainties, so there is generally a good margin for error should growth be higher than projected. Growth projections are reassessed for each Long Term Plan and adjustments made to Council's work programme. New infrastructure is usually built for the medium to long term so there is the ability to draw on that future capacity if population growth is higher than projected. This limits the risk exposure[42].
Ageing population				
The proportion of the population aged 65 years and over is projected to increase from 21% in 2023 to 26% in 2033. As the population ages, it is assumed the proportion of our population on fixed incomes will increase, with a corresponding pressure on Council to limit rates increases. An ageing population also requires a different balance of services/facilities/activities and changes in spending patterns across Council activities.	If the population age profile varies from what is forecast, particularly if there is accelerated growth in the ageing population, it risks putting pressure on Council to change the type of facilities and services that it provides.		Medium	Risks can be mitigated by Council working with the community to prepare for these changes, and appropriately modifying investments in assets and the provision of services.
Growth in rating units				
It is assumed that the growth in rating units across the next ten years of the Long Term Plan is as follows: Year / Growth / Number of rating units / Year on year increase 2024/2025 / 0.95% / 23538 / 2025/2026 / 0.94% / 23760 / 222 2026/2027 / 0.93% / 23981 / 221 2027/2028 / 0.93% / 24203 / 222 2028/2029 / 1.71% / 24618 / 415 2029/2030 / 1.69% / 25034 / 416 2030/2031 / 1.66% / 25449 / 415 2031/2032 / 1.63% / 25865 / 416 2032/2033 / 1.60% / 26280 / 415 2033/2034 / 0.69% / 26462 / 182	Economic conditions, demographic factors, and landowner/developer decisions can cause variations in rating unit growth meaning growth could be higher or lower than projected.		Low	Council has used current property information from its valuation service provider (Quotable Value) to assess the level of growth in rating units, along with an assessment of year on year increases from recent years. This information is as accurate as possible, so the risk of variation is limited.

42. The 2023 Census figures released in May 2024 indicate that Council's population estimate for June 2024 may be slightly high.

Significant Forecasting Assumptions 2024-2034	Description of risk 2024-2034		Impact if assumption not correct 2024-2034	Mitigation 2024-2034
Relationships with iwi				
Strengthening an authentic partnership between Council and iwi of Te Tauihu is central to improving outcomes for iwi/Māori and the Whakatū/Nelson community. It is assumed that Council will resource activities to support greater opportunities for: • Meaningful engagement between iwi and Council (i.e. regular meetings at governance, management and operational levels) • Increased iwi participation in Council decision making • Increased engagement and partnership with iwi and Council on legislative proposals and changes. Staff and elected members will continue to develop their understanding of iwi and Māori priorities, legislation, te reo Māori and tikanga Māori.	Establishing ways of working with iwi/Māori requires resources that may not be available. For example (i) iwi have limited capability and capacity to engage on the volume of Council projects; (ii) Council may not have capability and capacity to resource the needs of the relationship; (iii) staff may not have time available to attend professional development courses to improve cultural capability. The risk of not resourcing opportunities to strengthen an authentic Council iwi partnership are: • It being perceived as an insincere relationship • Unrealistic expectations from both Council and iwi, leading to tensions • A competing requirement of iwi staff time that is under resourced. Council working reactively and inefficiently with iwi.		Medium	Council will focus on strengthening its relationship with iwi by: • Funding that supports iwi capability and capacity to engage with Council • Attracting staff who are culturally competent • Developing planning tools and strategies that are reflective of a meaningful partnership with iwi/Māori. Supporting opportunities for staff cultural competency development.
Climate change and natural disasters				
Climate change risks and impacts				
The expected risks of climate change for Nelson are based on science and projections from the Intergovernmental Panel on Climate Change, NIWA and governmental advice from the Ministry for the Environment. Sea-level rise projections are based on a range of global emissions scenarios developed by the Intergovernmental Panel on Climate Change and recommended by the Ministry for the Environment. Council considers a range of sea-level rise scenarios in its planning. It is assumed that it is not possible to reduce the mid-century warming, due to the amount of greenhouse gas emissions already accumulated in the atmosphere – i.e. that the projections for mid-century are already 'locked in'. Current roles and responsibilities in relation to climate change adaptation are unclear and expected to be clarified through legislative reform. It is assumed that, under any new legislation, Council will have a lead role to play in preparing Nelson for the impacts of climate change.	Increased numbers or severity of extreme weather events, such as heavy rainfall with flooding and slips, and dry weather resulting in drought and fire, would lead to increased costs for Council in both responding to the events and building greater resilience into infrastructure. There is a risk that inadequate assessment of the likelihood and impact of more frequent higher intensity natural hazard events would leave Council and the community unprepared to respond appropriately. Inadequate investment to reduce exposure to climate change risks would result in significantly greater costs than if proactive measures were taken. It would also lead to greater disruption to the community and essential services, and increased costs to Council. Over estimation of the impacts may result in Council having over-spent in preparing for risk factors.		Medium	To prepare Nelson for the impacts of climate change, Council is following the Dynamic Adaptive Pathways Planning (DAPP) process, recommended by the Ministry for the Environment in the Coastal Hazards and Climate Change Guidance for Local Government. This process enables Council to develop an adaptation plan the full extent and timing of climate change impacts is uncertain. Parts of Nelson Central are subject to flood risks and future intensification will be guided by the outcomes of the DAPP process. Over the period 2024-2034, Council will continue to work through the steps in the DAPP process, adapting the approach as new climate information is made available and drivers of change occur. Council will also closely monitor updates to ensure it is following the latest science, projections and guidance. Plan Change 29 (the Housing Plan Change) limits opportunities for intensification in low lying areas. Subsequent plan changes will be required to increase the resilience of the community, including regionally significant infrastructure. Council will continue to make allowances for increased stormwater management for areas that are identified as low lying and flood prone.
Greenhouse gas emissions				
It is assumed that current policies (as set out in Aotearoa New Zealand's Emissions Reduction Plan) will be implemented and New Zealand's emissions will reduce in line with emissions budgets. Over the next few years, there is likely to be significant further central government policy reforms changing the direction to local government and potentially creating different priorities for Council's climate change mitigation and adaptation work.	A change in central government direction could result in a different emissions reduction pathway and policies than what is set out in the current Emissions Reduction Plan. With growing legislative requirements and community expectations to respond to climate change, there needs to be a corresponding increase in resources available for the climate change work programme. If this does not occur, Council risks not meeting expectations, failing to meet its operational emissions reduction targets, and failing to implement legislative requirements. Council has previously made a number of statements and commitments (for example through declaring a Climate Emergency) to provide a leadership role on climate change. If this is not supported by a comprehensive work programme that is well-resourced, Council risks failing to meet community expectations.		Medium	Staff will closely monitor developments in central government policy, to anticipate possible shifts in direction and reprioritise work accordingly. The Long Term Plan includes appropriate allocation of financial and staffing resources for the climate change work programme, and funding to grow the resource allocation to match the growing workload over time. Climate change adaptation and mitigation objectives will be embedded across key Council work programmes, in particular: transport, waste management and minimisation, forestry, resource management planning and utilities. Engagement will be undertaken with the community to set targets that are ambitious, attainable and consistent with scientific evidence regarding the reductions needed to limit global warming to 1.5 degrees. Staff will report regularly to Council on progress with this work programme.

Significant Forecasting Assumptions 2024-2034	Description of risk 2024-2034		Impact if assumption not correct 2024-2034	Mitigation 2024-2034
New Zealand Emissions Trading Scheme (NZ ETS)				
Council has assumed that the NZ ETS costs will rise in the medium to long term as a result of amendments to the Climate Change Response Act 2002, including changes in NZ ETS settings. NZ ETS unit pricing in the short-term is likely to fluctuate before increasing. This will impact the Regional Landfill Business Unit.	Rising NZ ETS costs could result in increasing costs to Council from waste emissions managed under the Regional Landfill Business Unit. This will provide greater financial incentives to reduce emissions at the landfill.		Medium	If the increase in NZ ETS costs is materially higher than assumed, Council may need to increase waste management fees and charges, increase rates to fund these costs or reduce waste minimisation funding. The Regional Landfill Business Unit is proposing to mitigate the increase by improving landfill gas collection and destruction, pre-purchasing units to fix the cost, and to pass the remaining cost to consumers through landfill charges.
Natural disasters				
It is assumed that natural disasters will occur in the Nelson area during the life of the Long Term Plan. Nelson is located on a fault line meaning a major earthquake is not a matter of "if but when".	Greater than anticipated magnitude or frequency of natural disaster events could result in greater costs for Council in both recovery and in building greater resilience into infrastructure.		High	A characteristic of Nelson is the concentration of lifelines infrastructure (road network, port, airport, wastewater treatment ponds etc.) on or near hazards such as fault lines, vulnerable soils, low-lying ground and the coast. Increasing awareness of earthquake prone buildings through legislative requirements will increase understanding of earthquake resilience in buildings and infrastructure. Priority has been given to identification (completed) and remediation of unreinforced masonry buildings in Nelson's central city. Strategic transport routes for emergency response have been identified and approved. Identification of potentially earthquake prone buildings along these routes were completed in 2022. Owners of these prioritised buildings will be required to complete seismic work within 12.5 years of identification. Identification of other potentially earthquake prone buildings is to be completed by 2027. Owners of these will have 25 years to complete seismic work. Plans are made through the Nelson Tasman Civil Defence Emergency Management Group which illustrate the degree of risk faced by Nelson in terms of natural disasters including earthquakes (infrequent but high consequence) and flooding (likely but lower consequence). Council has sufficient borrowing capacity above its self-imposed debt cap to be used as funding in the case of a natural disaster where costs exceed its emergency reserves.
Legislative and Regulatory Changes				
There are reforms and legislative changes impacting local government that are likely to progress or come into effect during the period of the Long Term Plan. It is assumed that Council will be affected by other government legislation. However, as the nature of these changes is not known, it is not possible to make appropriate financial provision at this stage, except where noted elsewhere in these forecasting assumptions. It is assumed that the Council will have the opportunity to submit on legislation likely to affect it and that central government will work with councils to ensure that any legislative changes are managed appropriately.	Central government's proposed changes could require changes to Council's work programme and budgets and decrease work in some areas. The changes could create uncertainty and require re-prioritisation of work programmes.		Low	By working closely with central government, Council can best understand its obligations under upcoming regulatory and legislative changes. This will allow Council to move resources to respond to changes or to seek additional resources, if needed, through future Annual Plans. Council's work programme in this area will change as needed to respond.
Amalgamation of water services – Water Services Reform				
It is assumed Council will continue to manage water supply, wastewater, and stormwater for the lifetime of the Long Term Plan 2024-2034. Therefore, funding for assets, staff and contractors who deliver water services has continued to be included in the budgets.	There is still some uncertainty about the future management of the three waters services, due to the Government's proposed Local Waters Done Well reforms. However, these reforms are early in the policy process and it is likely that Council will continue to deliver three waters services for several years. If Council's role in managing and delivering water services changes prior to the next review of the Long Term Plan in 2027, it would mean Council's Long Term Plan would need significant adjustment and it could have impacts on Council finances, staffing, capital works programmes and operations.		High	Council will respond to the direction provided by the Government and engage closely with the Te Tauihu councils, iwi and stakeholders as needed.

Significant Forecasting Assumptions 2024-2034	Description of risk 2024-2034		Impact if assumption not correct 2024-2034	Mitigation 2024-2034
Resource management reforms				
The new Government has indicated an intention to reform the Resource Management Act 1991. The nature and extent of these reforms have been signalled to occur in phases but the full detail is currently unknown. Council has allocated budget in the Long Term Plan to review the Nelson Resource Management Plan or undertake other resource management policy development as required under the proposed reforms. It is assumed there will be obligations on Council to develop, implement and maintain strategic growth and resource management plans, in some form, and that Council will continue to have a role in the regulatory authorising environment and monitoring and compliance functions.	Until the reforms and associated legislative changes are finalised, it is difficult to estimate the likely impact on Council. However, the reforms may bring with them obligations for Council to fund a changed planning system.		Low	Council will make any adjustments necessary to respond to changes to the resource management legislation through annual plans and the Long Term Plan 2027–2037.
Future for Local Government Review				
In April 2021, the Government established a Ministerial Inquiry into the Future for Local Government. The overall purpose of the review is to "identify how our system of local democracy needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody the treaty partnership." The review includes, but is not limited to, roles and functions of local government, as well as representation, governance, funding and financing. It is unclear whether the new Government will follow through with any of the recommendations in the review. The assumption is that any substantial change will be slow to result. Council has therefore prepared the Long Term Plan 2024-2034 assuming that its existing roles and functions (not impacted by other reforms) will continue.	There is potential for a gradual change to how Council works and is funded due to these reforms. This could have ramifications for work programmes, operational and capital expenditure, and budgeting. It may also have impacts on costs for Council or changes to the way Council delivers services. However, until the Government has made its intentions clear it is difficult to estimate any impact on Council.		Low	The Council will make any adjustments necessary to respond to any changes to local government legislation through annual plans and the Long Term Plan 2027–2037.
Economic environment				
Economic Forecasts				
It is assumed Nelson's economy will grow at a similar rate to the long-run average for New Zealand for most of the 10 years. Treasury expects inflation to fall to 4.6% in 2024 and drop inside the Reserve Bank's target band of 1-3% inflation by 2025. Treasury has forecast New Zealand's real production GDP to change as follows to 2027[43]: Year — Average Annual % Change 2024 — 1.3 2025 — 2.0 2026 — 3.3 2027 — 3.2 Any ongoing economic downturn will affect ratepayers' and businesses' ability to pay for Council services and affect people's wellbeing. It will also have an impact on Council's work programme and delivery of services. Tourism is an important component of the Nelson economy, with it contributing around 4.1%[44] to the city's GDP and it has been affected by COVID-19 restrictions in recent years. Visitor arrivals to New Zealand are expected to grow an average of 4% each year, reaching 5.1 million visitors in 2025. Spend is forecast to grow at a slightly higher rate than the growth of visitor numbers, suggesting that spend per visitor will increase.	A downturn in the regional economy and higher unemployment may exacerbate affordability issues in the community, with some residents and businesses finding it more difficult to meet financial commitments including rates. This would also impact Council's ability to make financial commitments.		Medium	A focus on affordability, value for money and continued Council investment in sustainable projects which will help reinvigorate the economy and improve economic wellbeing.

43. treasury.govt.nz/sites/default/files/2023-09/prefu23.pdf

44. Regional Economic Profile 2022, Infometrics

Significant Forecasting Assumptions 2024-2034	Description of risk 2024-2034		Impact if assumption not correct 2024-2034	Mitigation 2024-2034
Inflation/price changes				
Council has used inflation figures provided by BERL in preparing its Long Term Plan 2024-3024, along with other councils in New Zealand. BERL has provided two sets of figures – one set with water infrastructure and one set without water infrastructure. Council has used the figures that include water infrastructure for the ten years of the Long Term Plan. Financial year LGCI 2024/25 – 2.9 2025/26 – 2.2 2026/27 – 2.3 2027/28 – 2.3 2028/29 – 2.2 2029/30 – 2.1 2030/31 – 2.0 2031/32 – 2.0 2032/33 – 1.9 2033/34 – 1.9	Inflation higher than expected would increase costs for Council, reducing its programme to invest in and maintain infrastructure and facilities, and impacting its ability to deliver the levels of service set out in the Long Term Plan 2024-2034. There is still a lot of uncertainty about forecasting inflation. Previous forecasts have varied from the actual rates of inflation.		Medium	If inflation is higher than assumed, Council will consider increasing rates and charges, reducing its programme of investment in facilities and infrastructure, increasing debt and/or reducing levels of service. If inflation is lower than assumed, Council costs will be lower and Council will consider reducing rates and/or fees and charges or selectively increasing levels of service.
Interest rates				
In preparing the Long Term Plan 2024-2034, Council has assumed the following interest rates, based on forecasts provided by PwC, Council's Treasury Advisors. These interest rates include the cost of both funds already borrowed and anticipated new debt at anticipated future interest rates. Financial Year 2024/25 – 4.85 2025/26 – 4.63 2026/27 – 4.63 2027/28 – 4.79 2028/29 – 4.9 2029/30 – 5.06 2030/31 – 5.21 2031/32 – 5.21 2032/33 – 5.21 2033/34 – 5.21	Higher interest rates would increase costs for Council.		Medium	Projected interest costs are largely hedged against changes in floating interest rates over future years. Therefore, the impact of interest rate increases over future years is low. However existing hedge commitments reduce over time (in accordance with Council's Policy) so that in the later years of the Plan the impact of changing interest rates would be greater which would be met either by increasing rates or adjusting down future borrowing requirements. Council manages interest rate exposure in accordance with its Liability Management Policy and in line with advice from Council's independent treasury advisor.
Labour market				
There are ongoing labour market shortages in particular skilled areas making it difficult for Council to hire staff with appropriate technical qualifications and experience needed to deliver work programmes. Sustained labour market shortages are expected in many of the occupations that Council is likely to be recruiting for, which will be compounded by a decreasing proportion of the Nelson population being of working age. Shortages in particular skill areas are highly likely and demand for more flexible and hybrid working options will increase. The shrinking of our working-age population, as well as the region's average wage being the lowest in the country, will contribute to ongoing problems maintaining Council's workforce.	A more competitive marketplace with accompanying labour shortages would mean Council may not be able to deliver work programmes on time due to the absence of enough sufficiently qualified staff. Greater reliance on consultants to fill temporary workforce gaps may increase costs.		Low	Council would reconsider service delivery to manage skills shortages, and to help maintain output. Providing remote working options may increase the pool of expertise to recruit from. It is also expected that the proportion of older adults remaining in the workforce will continue to rise, improving incomes at older ages and somewhat mitigating against forecast workforce shortages.

Significant Forecasting Assumptions 2024-2034	Description of risk 2024-2034		Impact if assumption not correct 2024-2034	Mitigation 2024-2034
Operational				
Useful lives of significant assets				
It is assumed triennial reassessments of the useful lives of significant assets during the ten year period covered by this Long Term Plan will continue. Significant assets will have lifespans that are consistent with initial assessments. The detail of useful lives for each asset category is covered in the Statement of Accounting Policies.	There is a risk of assets wearing out earlier than predicted and funding needs to be found for replacements. There is no extensive damage to Council's local roading network following the diversion of traffic from the State Highway during the August 2022 severe weather event.		Low	Council would make changes to underlying capital expenditure programmes to allocate funding for replacement assets.
Vested assets				
Vested Assets are engineering assets, such as roads, paid for by developers and vested to Council on completion of the subdivision. It is assumed that vested assets will remain the same over the term of the Plan as projects from the previous five years are completed. If required, additional budget can be added to the plan on account of private development agreements. However, as these agreements occur as and when private developers undertake work, this figure is largely indeterminable in advance. Council assumes that the impact of vested assets will be neutral, in that the costs associated with the additional assets will be offset by a proportionate increase in rates revenue. The impact of higher or lower growth is not considered significant.	Council has more assets vested and this could increase the depreciation and maintenance expense in subsequent years.		Low	Vested assets must be maintained by Council and depreciation provided for, therefore if growth is higher than forecast Council will increase its budget to maintain those assets and provide for the additional depreciation.
Cost to deliver capital projects				
A competitive local market means tenders are being received with prices above expectations. Furthermore, additional requirements and compliance issues that are included in contractual terms, such as carbon and freshwater requirements and waste minimisation, may increase prices further. Council will continue to work with contractors to achieve a living wage for their staff. It is assumed that this escalation of prices will continue in the medium term. It is assumed that major projects will be completed on time and within budget but acknowledges that not all projects will be completed on time as unforeseen issues will occur.	Increases in project prices resulting in higher costs would have potential upward pressure on rates and debt. Delays in project completion or additional costs may result in other major projects being reassessed in terms of both available budget and timeframes for completion. Important projects that run into significant cost increases, that are deemed essential, may require rates or borrowing increases, or reallocation of funds from other projects to offset the higher costs.		High	Increased flexibility in the capital works programme around timing of projects could help mitigate this trend. Reassessing Council's work programme to ensure adequate consultation and analysis prior to work commencing will be undertaken so that Council has the best information available.
Delivery of the capital programme				
Notwithstanding best intent to deliver the capital works programme, Council assumes that the full capital works programme will not always able to be fully delivered for a variety of reasons including project delays, weather and a range of other constraints. Council has also made an assumption that it is unlikely to use the full amount of contingency for every project. An overall downward adjustment of approximately 10% per year to the total capital programme cost has therefore been made to avoid overfunding the activities.	There is a risk that the cost of the capital programme may be more or less than the 90% budgeted for. If more is spent Council's debt will be more than forecast with an associated increase in costs. Delays in project completion or additional costs may result in other major projects being reassessed in terms of both available budget and timeframes for completion. Important projects deemed essential that run into significant cost increases, may require rates or borrowing increases or reallocation of funds from other projects to offset the higher costs.		High	Increased flexibility in the capital works programme around timing of projects could help mitigate this matter. Council ensures adequate consultation and analysis prior to work commencing so that it has the best information available to adjust the work programme as needed. Council will consider the impacts on rates, debt and levels of service when making any adjustments to the work programme. Priority will be given to making adjustments which reduce rates and debt increases but which are also least likely to have a negative impact on the Long Term Plan levels of service.

Significant Forecasting Assumptions 2024-2034	Description of risk 2024-2034		Impact if assumption not correct 2024-2034	Mitigation 2024-2034
Earthquake prone buildings				
It is known that Council faces future costs with regard to earthquake prone building (EPB) assets. Civic House has earthquake prone status and being a EPB Priority Building, and Council premises, has a Taskforce assigned to address the compliance requirement. Council has four assets with EPB notices and it is assumed these properties will remain Council owned. Work will need to be completed between now and 2034 on these properties. Council as a Territorial Authority is required to identify EPBs and issue EPB notices. Identification of all priority buildings was completed by 30 June 2022, and all remaining EPB notices need to be completed by 30 June 2027.	Significant additional expenditure on earthquake strengthening buildings risks not being met by assigned budgets. EPB work can initiate other compliance work as part of consenting processes, therefore there is a risk that required work could become more significant than anticipated.		Medium	Processes are underway to seek Council direction to confirm intention for each asset with EPB status – options that may be considered are whether to a) retain and strengthen, b) deconstruct, or c) dispose of asset. Not all options are available for all assets but understanding Council's preferred direction will allow for staff to manage time, target tasks to be done, and set appropriate budgets.
Pandemics				
It is assumed New Zealand will avoid significant impacts from an epidemic or pandemic including COVID-19, and that no further lockdowns or major border restrictions are required.	A pandemic or epidemic could have significant impact on New Zealand and the Nelson region resulting in restrictions and/or illness, which would have a major impact on Council's ability to deliver services.		Medium	Council will maintain its organisational understanding of managing pandemic risks in the workplace and capacity of the organisation to work remotely.
Resource consents				
It is assumed that any resource consents held by Council that are due for renewal during the life of the Long Term plan 2024-2034 will obtain consent. It is assumed, however, that the consents will be subject to a more rigorous process, given national direction in areas such as freshwater. In terms of Council's role as regulator adjusting to the new resource consent regime, it is assumed there will be more permitted standards meaning less resource consents to process but more monitoring requirements/expectations of those permitted standards. It is assumed there will not be a drop in the overall number of staff or costs but potentially a change in roles to be able to undertake monitoring as well as processing.	Conditions of resource consents could be altered and significant new compliance costs or consents may not be able to be renewed as expected. Changes to the staff roles are required when transitioning to the new resource consent regime, to be able to undertake more monitoring as well as processing.		Medium	Budgets based on current expected levels of activity. More effort may not transfer into increased recovery so Council will have to carefully monitor expenditure in the absence of more capacity.
Financials				
Loan arrangements				
It is assumed that new borrowing or renewal of existing borrowings can be obtained from financial institutions including the Local Government Funding Agency on competitive terms given Council's strong credit rating.	Access to committed loan facilities less than expected may result.		Medium	Council minimises this risk by maintaining a strong credit rating and a mix of current and non-current borrowings as per its Liability Management Policy. Council's guarantor status for the Local Government Funding Agency also minimises the risk of not being able to borrow the funds it requires. Council also prefunds upcoming borrowing maturities early to lower the risk of not being able to borrow.
Insurance costs				
It is assessed that insurance cover for Council assets will be available throughout the period of the Long Term Plan 2024–2034 and that premiums will rise faster than the rate of inflation. Council expects insurance base costs to rise by 15-20% plus the impact of inflation on asset values in those years.	There is a risk that premiums increasing above inflation and/or Council cannot obtain 100% cover.		Medium	Council may reduce other budgets or reassess levels of service to reduce costs and provide more funds for covering premiums. Council could also increase rates. Also, Council is currently looking to reduce its level of insurance cover by Council taking more financial risk to manage the increased premiums.
Return on investments				
It is assumed that the return on investments, including dividends from Council Controlled Trading Organisations and retained earnings on subsidiaries, will continue at current levels, plus inflation.	Returns could be lower than expected.		Low	This would impact on Council's ability to fund services and would likely require an increase in rates. Alternatively, Council could consider reducing levels of service.

Significant Forecasting Assumptions 2024-2034	Description of risk 2024-2034		Impact if assumption not correct 2024-2034	Mitigation 2024-2034
Revaluation of non-current assets				
Council's accounting policy provides for its most significant asset classes (infrastructure assets and land, excluding land under roads) to be revalued with sufficient regularity as long as the carrying value does not differ materially from fair value. The revaluations for infrastructural asset classes: sewerage, water, drainage, and roads are updated annually with full valuations being completed bi-annually and an index valuation in alternate years. A registered valuer assesses asset unit rate replacement values through analysing areas such as current contract pricing, comparisons of similar councils, impacts of regional and national influences such as weather events, and CPI indexes which are then applied to a full valuation. Assets abandoned during the financial year are disposed then confirmed rates are applied to all Council's infrastructure assets generating a total asset replacement cost, depreciated replacement cost and depreciation. For intervening years, infrastructural assets are revalued by means of applying an inflation index and additional uplift where necessary to align with market rates, whilst accounting for disposals and additions at cost. Each year the valuation produced is peer reviewed by a registered valuer. The latest full valuation was the 2021-22 year and was reviewed by WSP New Zealand Ltd. The next full valuations will be taking place in the following years: 30 June 2024, 30 June 2026, 30 June 2028, 30 June 2030, 30 June 2032, 30 June 2034. To forecast for these valuations in this Long Term Plan, we revalue Infrastructural asset classes: sewerage, water, drainage, and roads every year based on Local Government Cost Index (LGCI) Capex. Land is reviewed annually and revalued at market value every five years or if there is a material movement. The latest valuation was conducted as at 30 June 2021 by QV Valuation. We have forecast land revaluations to occur in years 3, 6 and 9 of the Long Term Plan. We revalue Property Plant and Equipment (PPE) every year based on Local Government Cost Index (LGCI) Capex. Depreciation is calculated based on revalued PPE each year – depreciation on existing assets therefore increases each year starting in Year 2 (as a result of the prior year revaluation).	Actual revaluation results could differ significantly from those forecast in this Long Term Plan.		Medium	Council will be maintaining best practice in accounting policies to minimise risk of assets' carrying value differing significantly from fair value.
NZ Transport Agency Waka Kotahi Funding				
Council assumes the NZ Transport Agency Waka Kotahi Financial Assistance Rate (FAR) will remain at the same rate (51%) over the term of the Long Term Plan 2024-2034 and only programmes/projects with strong alignment with the Government Policy Statement on land transport will receive National Land Transport Funding (NLTF). It assumes that the projects included years 4 to 10 of the Long Term Plan will be approved as fitting within the new National Land Transport Funding framework when it is released.	Projects and programmes that do not qualify for National Land Transport Funding will need to be deferred which may impact levels of service or continued at 100% local share which is likely to impact rates and debt. If the FAR is reduced or projects no longer supported, Council will need to decide whether to increase funding (an impact of approximately $5-20M, typically on debt over years 4 to 10) or to remove work from the plan (which may impact on services).		Medium to high (depending on the level of change)	Changes to the funding priorities of NZ Transport Agency Waka Kotahi are outside Council's control, however any significant change to the FAR or NLTF eligible works may require Council to reassess its transport work programme in order to reduce costs and/or to make up operational and/or capital shortfalls, with potential impacts on rates and debt or levels of service.
Co-funding arrangements				
It is assumed that for projects where other partners are contributing part of the funding, this funding will continue to be available. It is assumed that where Council could be eligible for government funding, e.g. infrastructure and community projects, Council will also seek this funding. Council will seek co-financing where available from central government towards implementation of climate change projects.	Partners may no longer be in a position to provide funding which may result in an increased level of funding from Council, or the termination of the project.		Medium	If co-funding arrangements changed, the viability of projects would be reviewed and Council would need to consider its ongoing commitment. Funding for projects may be sought from other sources.
Sources of funds for the future replacements of assets				
It is assumed that funding for the replacement of existing assets will be obtained from the appropriate sources as detailed in Council's Revenue and Financing Policy.	There is a risk that a particular funding source is unavailable.		Low	Depreciation is used to fund renewals and is funded mainly through rates and user charges. Should other sources of capital funding such as subsidies or development/financial contributions differ from levels forecast in a particular activity, Council is able to access borrowings through various sources as explained under Loan arrangements section.

Accounting policies
Mahi kaute

Reporting entity

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

Basis of preparation

These prospective statements of Nelson City Council are for the 10 years from 1 July 2024. The draft forecast information was authorised for issue by Council on 22 March 2024.

This prospective financial information is based on the financial statements as published in the June 2023 Annual Report and adjusted to incorporate updated assumptions and Council decisions made for the purpose of this Long Term Plan. Actual financial results are likely to be different from these Prospective Financial Statements, and that difference may be material.

Statement of compliance

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

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

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

Presentation currency and rounding

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

Summary of significant accounting policies

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets. The following particular accounting policies, which materially affect the anticipated results, have been applied.

Revenue

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

Exchange and non-exchange transactions

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

Rates revenue

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

Government grants

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

Provision of commercially based services

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

Vested Assets

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

Sales of goods

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

Traffic and parking infringements

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

Interest and dividends

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

Development contributions

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

Expenditure

Borrowings costs

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

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ$ (the functional currency) using the spot rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Grants

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award in receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant. Council's grants awarded have no substantive conditions attached.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Any lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Receivables

Short term debtors and other receivables are recorded at their face value, less an allowance for expected credit losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Derivative financial instruments

The Council uses derivative financial instruments (interest rate swaps) to minimise its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and subsequently re-measured to fair value at balance date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The valuation at balance date is performed by Hedgebook Limited.

Swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are taken directly to the surplus or deficit for the year.

The fair value of interest rate swaps is determined by reference to market values for similar instruments. The net differential paid or received on interest rate swaps is recognised as a component of interest expense or interest revenue over the period of the agreement.

Swaps are classified as non-current if the remaining maturity is more than twelve months, and as current if the remaining maturity is less than twelve months.

The Council does not apply hedge accounting for its derivative financial instruments.

Fixed assets

Property, plant and equipment consist of the following categories:

- **Operational Assets** – these include land, buildings, improvements, landfill including estimated post closure, motor vehicles, plant and equipment, library books, forestry and the marina.
- **Restricted Assets** – restricted assets are land, buildings and improvements, which are owned by Council but which benefit or service the community and cannot be disposed of because of legal or other restrictions.
- **Heritage Assets** – Heritage Assets include museum artefacts, collections and historical buildings and monuments.
- **Infrastructure Assets** – infrastructure assets are the fixed utility systems owned by Council. These include the roading, water, sewer and stormwater networks.

Revaluation

All asset classes are carried at depreciated historical cost with the exception of infrastructure assets (apart from land under roads and operational and restricted land classes). These are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference then those asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class of asset basis. The net revaluation results are credited or debited to other comprehensive revenue or expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is measured at cost less impairment and is not depreciated.

New Council assets that are added between valuations are recorded at cost except when acquired through a non-exchange transaction. Where an asset is acquired through a non-exchange transaction, such as vested assets, it is recognised at fair value as at the date of acquisition. Vested assets are infrastructural assets such as roads, sewers and water mains, paid for by subdividers and vested in the city on completion of the subdivision. The fair value is based on the actual quantities of infrastructure components and the current "in the ground" cost of providing identical services.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When re-valued assets are sold or otherwise disposed of, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation has been provided on a straight line basis on all fixed assets, other than forestry, heritage, operational land, restricted land, land under roads and the marina basin at rates that will write off the cost or valuation of the assets to their estimated residual values over their useful lives. Assets' depreciable lives are as follows:

Asset	Depreciable Life (years)
Operational	
Buildings	50–100
Improvements	0–20
Motor vehicles	7
Plant and equipment	2–30
Library books	3–10
Marina	30–50
Restricted	
Buildings	50–100
Improvements	0–20
Roading	
Roads formation	–
Sub-base	–
Basecourse	5–80
Surfacing (sealed)	1–50
Surfacing (unsealed)	–
Bridges	20–100
Retaining/sea walls	30–100
Box culverts	60–90
Footpaths	5–100
Streetlights	20–60
Signs	15
Water Supply	
Pipeline	55–120
Manholes	58–110
Pump stations	10–50
Oxidation pond	15–151
Stormwater	
Pipeline	50–90
Bank protection	25–100
Manholes	90
Solid Waste	
Retaining walls	30–100
Ponds and dam	100
Gas flare	20
Resource consents	24

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired, and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

For assets not carried at revalued amount, the total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss on revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Other fixed assets including biological assets, intangible assets, investment property, and work in progress

Biological assets

Forestry assets are valued annually at fair value less estimated costs to sell for one growth cycle. The valuation methodology adopted is net present value based on the age and condition of the trees. The valuation was undertaken by PF Olsen on 30 June 2023. Changes in the valuation of the forestry assets are recognised in the surplus or deficit. The valuation does not include any value in respect of carbon trading.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Surrender Liability

The Council effectively recognises the ETS credit surrender liability on harvest of forestry (encumbered) on acquisition of the carbon credits as an offset.

Financial Risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need to active financial risk management.

Emissions trading scheme

Landfill carbon credits

Emissions Trade Scheme (ETS) credits are held to meet the landfill liability.

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Forestry carbon credits

Council earns ETS credits over time as the forest grows in exchange for the carbon absorbed from the atmosphere by these trees. Therefore, the number of ETS credits held by Council increases as the plantation forestry grows.

Council distinguishes its ETS credits into two categories:

- Encumbered credits: the ETS credits Council expects to be surrendered after its trees are harvested.
- Unencumbered units: the ETS credits which are deemed to be surplus to future harvest obligations

The Council recognises all forestry ETS credits as "encumbered credits" at a net nil, as the surrender value on harvest offsets the value of these credits.

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each period is recognised in the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset	Useful life (years)	Amortisation rate
Computer software	3–10	10–33%

Inventory

Inventories are valued at cost or net realisable value, whichever is lower. For the purposes of arriving at the cost, the weighted average cost method is used.

Work in progress

Profits on contracts are recognised progressively over the period of each contract. The contract amount included in the surplus or deficit, and the value of work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results. When it is intended at the inception of the contract that contract costs are to be fully recovered from the parties to that contract, foreseeable losses on contracts are recognised immediately.

Investment property

Investment property is valued initially at its cost, including transaction costs.

Council's investment property is valued annually at fair value as at 30 June. Investment properties were valued based on open market evidence. The latest valuation was performed by Telfer Young (Nelson) Limited and changes in valuation are recognised in the surplus or deficit.

Other financial assets

Financial assets are initially recognised at fair value. They are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. They are then classified as, and subsequently measured under, the following categories:

- Amortised cost;
- Fair value through other comprehensive revenue and expense (FVTOCRE); or
- Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except

expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council does not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Instruments in this category include the Council's derivative instruments.

Expected credit loss allowance (ECL)

The Council recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans to subsidiaries and associates.

Borrowings

Borrowings are initially recognised at their face value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least twelve months after balance date.

Creditors and other payables

Short term creditors and other payables are recorded at the amount payable their face value.

Employee entitlements

Provision is made in respect of the Council's liability for annual leave, long service leave and retirement gratuities. Provision has been made for annual leave due and retirement gratuities calculated on an actual entitlement basis at current rates of pay. The provision for long service leave is based on an actuarial calculation at balance date.

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as non-current liability.

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost and is included in "finance costs".

As the NTRLBU is the operator of the York Valley and Eve's Valley landfills, it has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. This provision is calculated on the basis of discounting closure and post closure costs into present day values. The calculation assumes no change in the resource consent conditions for closure and post closure treatment. Council's 50% share of this provision is recognised in the parent accounts.

Income tax

Income tax expense comprises both current tax and deferred tax and is calculated using tax rates that have been enacted or substantively enacted by balance date. Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST except for debtors and creditors which are presented on a GST inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

Accounting policies

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds
- Restricted reserves
- Council created reserves
- Property revaluation reserves.

Reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be:

Restricted reserves

Restricted reserves are those subject to specific conditions accepted as binding by Council, and which may not be revised by Council without reference to the courts or a third party. Transfer from these reserves may be made only for certain specified purposes or if certain specified conditions are met.

Council created reserves

Part of the accumulated balance established at the will of Council. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Revaluation reserves

The results of revaluing land, infrastructural assets are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve for any class of asset, this is expensed in the surplus or deficit. To the extent that increases in value offset previous decreases debited to the surplus or deficit, the increase is credited to the surplus or deficit.

Statement of cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Council and record the cash payments made of the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of noncurrent assets. Financing activities comprise activities that change the equity and debt capital structure of Council.

Changes in accounting policies

PBE IPSAS Leases sets out principles for the recognition, measurement, presentation, and disclosure of leases to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective reporting date is 1 January 2025, and the Council does not plan to early adopt this standard.

Critical accounting estimates and assumptions

In preparing this forecast information Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or underestimating the annual deprecation charge recognised as an expense in the surplus or deficit. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.
- The revaluation of infrastructural assets is carried out in-house by Council engineering staff and is then peer-reviewed by experienced independent valuers.

Financial statements
Tauākī ahumoni

Statement of Comprehensive Revenue and Expense
Moni whānui i whiwhi, i whakapaua rāne

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Revenue											
Rates other than metered water, net of remissions	84,383	98,792	106,252	111,946	117,655	124,266	131,550	138,700	146,094	152,761	158,761
Subsidies and grants	33,674	42,874	30,144	43,458	37,492	26,239	30,491	33,076	31,603	33,318	35,393
Fees and charges including metered water	40,013	45,309	45,235	47,556	50,753	53,280	54,701	57,430	60,063	63,324	66,436
Other revenue	15,587	12,716	13,620	14,001	14,406	14,690	14,806	15,108	15,445	15,923	16,046
Development/financial contributions	3,828	6,444	9,669	9,894	10,088	10,308	19,593	19,996	20,383	20,797	21,196
Interest received	322	245	1,354	1,689	2,056	2,535	3,906	5,519	6,181	6,247	6,235
Other gains/losses	(1,702)	(758)	468	469	469	470	470	470	471	471	472
Total Revenue	**176,105**	**205,622**	**206,742**	**229,013**	**232,919**	**231,788**	**255,517**	**270,299**	**280,240**	**292,841**	**304,539**
Expenses											
Personnel costs	30,094	32,411	33,134	33,609	34,173	34,856	35,555	36,266	36,991	37,732	38,485
Finance costs	7,743	11,485	12,823	14,294	16,461	19,179	23,810	27,422	29,224	30,583	31,573
Depreciation and amortisation	40,885	45,342	46,797	48,443	50,671	52,794	54,481	56,800	59,247	61,270	63,312
Other expenses	91,210	96,330	91,391	94,004	99,055	101,464	106,579	108,035	113,598	114,944	119,183
Total Expenses	**169,932**	**185,568**	**184,145**	**190,350**	**200,360**	**208,293**	**220,425**	**228,523**	**239,060**	**244,529**	**252,553**
Net Surplus/(Deficit) before Taxation	6,173	20,054	22,597	38,663	32,559	23,495	35,092	41,776	41,180	48,312	51,987
Taxation	–	–	–	–	–	–	–	–	–	–	–
Net Surplus/(Deficit)	**6,173**	**20,054**	**22,597**	**38,663**	**32,559**	**23,495**	**35,092**	**41,776**	**41,180**	**48,312**	**51,987**
Increase in asset revaluation reserves	38,054	46,663	35,939	48,347	41,554	41,406	47,628	42,837	42,663	51,577	44,226
Total Other Comprehensive Revenue and Expense	**38,054**	**46,663**	**35,939**	**48,347**	**41,554**	**41,406**	**47,628**	**42,837**	**42,663**	**51,577**	**44,226**
Total Comprehensive Revenue and Expense	**44,227**	**66,717**	**58,536**	**87,010**	**74,113**	**64,901**	**82,720**	**84,613**	**83,843**	**99,889**	**96,213**

Statement of Changes in Net Assets/Equity
Nekehanga tapeke rawa/tūtanga

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Equity at beginning of year	2,040,650	2,226,431	2,293,148	2,351,684	2,438,695	2,512,808	2,577,708	2,660,428	2,745,041	2,828,884	2,928,773
Total comprehensive revenue and expense	44,227	66,717	58,536	87,010	74,113	64,901	82,720	84,613	83,843	99,889	96,213
Equity at end of year	**2,084,877**	**2,293,148**	**2,351,684**	**2,438,695**	**2,512,808**	**2,577,708**	**2,660,429**	**2,745,041**	**2,828,884**	**2,928,772**	**3,024,984**

The Long Term Plan 2024/25 equity at the beginning of the year is based on 2022/23 Annual Report closing balance plus a forecast for 2023/24.

Statement of Financial Position
Tūranga ahumoni

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Current Assets											
Cash and cash equivalents	16,278	7,520	7,289	7,289	7,289	7,289	7,289	7,289	7,289	7,289	7,289
Inventories	–	–	–	–	–	–	–	–	–	–	–
Trade and other receivables	22,279	24,960	24,792	24,914	25,030	25,146	25,262	25,378	25,494	25,610	25,726
Other financial assets	567	291	216	191	191	149	107	107	107	107	107
Taxation	–	–	–	–	–	–	–	–	–	–	–
Derivative financial instruments	209	437	445	454	463	473	482	492	502	512	522
Total Current Assets	39,333	33,208	32,742	32,848	32,973	33,057	33,140	33,266	33,392	33,518	33,644
Non Current Assets											
Trade and other receivables	–	–	–	–	–	–	–	–	–	–	–
Investments accounted for using the equity method	36,663	38,183	51,552	51,552	51,552	51,552	51,552	51,552	51,552	51,552	51,552
Investment in subsidiaries	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Investment properties	930	980	980	980	980	980	980	980	980	980	980
Other financial assets	6,546	7,937	31,574	37,750	41,006	60,581	89,711	102,420	102,724	102,085	100,936
Intangible assets	8,415	7,151	6,794	6,440	6,073	5,695	5,305	6,614	8,817	11,060	12,953
Biological assets	4,359	4,577	5,027	5,477	5,927	6,377	6,827	7,277	7,727	8,177	8,627
Property, plant, and equipment	2,242,742	2,501,532	2,554,619	2,670,650	2,777,220	2,907,797	3,023,895	3,131,281	3,240,200	3,359,744	3,467,190
Derivative financial instruments	3,806	1,691	1,724	1,759	1,794	1,830	1,866	1,904	1,942	1,981	2,020
Total Non Current Assets	2,311,661	2,570,251	2,660,471	2,782,808	2,892,752	3,043,012	3,188,337	3,310,228	3,422,142	3,543,779	3,652,459
Total Assets	2,350,994	2,603,458	2,693,213	2,815,656	2,925,725	3,076,069	3,221,477	3,343,493	3,455,534	3,577,297	3,686,102
Current Liabilities											
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	26,277	31,156	31,571	31,983	32,390	32,776	33,165	33,540	33,939	34,352	34,751
Employee benefit liabilities	2,612	2,763	2,805	2,842	2,877	2,913	2,948	2,984	3,019	3,054	3,090
Provisions	269	251	251	251	251	251	251	251	251	251	251
Taxation payable	–	–	–	–	–	–	–	–	–	–	–
Current portion of borrowings	49,048	30,563	35,479	40,395	45,311	50,227	55,185	60,185	65,185	70,185	75,185
Derivative financial instruments	–	–	–	–	–	–	–	–	–	–	–
Total Current Liabilities	78,206	64,733	70,105	75,471	80,828	86,167	91,548	96,958	102,393	107,842	113,276
Non Current Liabilities											
Trade and other payables	4,673	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376
Provisions	3,251	3,174	3,236	3,306	3,373	3,453	3,537	3,619	3,714	3,815	3,918
Employee benefit liabilities	140	160	163	165	168	170	172	174	177	179	181
Derivative financial instruments	–	1,203	1,227	1,252	1,277	1,303	1,329	1,355	1,382	1,410	1,438
Non-current portion of borrowings	179,847	235,664	261,422	291,392	321,896	401,894	459,086	490,969	513,608	529,903	536,930
Total Non-Current Liabilities	**187,911**	**245,577**	**271,424**	**301,491**	**332,090**	**412,195**	**469,500**	**501,494**	**524,257**	**540,682**	**547,843**
Total Liabilities	**266,117**	**310,310**	**341,529**	**376,961**	**412,917**	**498,361**	**561,048**	**598,452**	**626,650**	**648,525**	**661,119**
Net Assets	**2,084,877**	**2,293,148**	**2,351,684**	**2,438,695**	**2,512,808**	**2,577,708**	**2,660,429**	**2,745,041**	**2,828,884**	**2,928,772**	**3,024,984**
Ratepayer's Equity											
Accumulated comprehensive revenue and expense	464,651	477,956	502,411	541,092	572,589	595,040	627,671	666,578	704,868	750,324	799,608
Other reserves	1,620,227	1,815,192	1,849,273	1,897,603	1,940,219	1,982,668	2,032,758	2,078,463	2,124,016	2,178,448	2,225,376
Total Ratepayer's Equity	2,084,877	2,293,148	2,351,684	2,438,695	2,512,808	2,577,708	2,660,429	2,745,041	2,828,884	2,928,772	3,024,984

The Long Term Plan 2024/25 balances at the beginning of the year are based on 2022/23 Annual Report closing balances plus a forecast for 2023/24.

Cash Flow Statement
Kapewhiti

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Cash Flows from Operating Activities											
Cash was provided from:											
Receipts from rates revenue	94,499	110,010	118,204	124,868	131,077	138,776	146,633	154,632	162,700	170,855	177,207
Subsidies and grants received	33,674	42,874	30,144	43,458	37,492	26,239	30,491	33,076	31,603	33,318	35,393
Receipts from other revenue	36,145	37,857	37,278	38,500	41,391	42,791	43,089	45,040	47,108	49,124	51,777
Development and financial contributions	3,828	6,444	9,669	9,894	10,088	10,308	19,593	19,996	20,383	20,797	21,196
Interest received	322	245	1,354	1,689	2,056	2,535	3,906	5,519	6,181	6,247	6,235
Dividends received	3,621	3,150	4,029	4,110	4,192	4,383	4,918	5,016	5,116	5,219	5,323
	172,089	**200,580**	**200,678**	**222,519**	**226,296**	**225,032**	**248,630**	**263,279**	**273,091**	**285,560**	**297,131**
Cash was disbursed to:											
Payments to suppliers	90,098	98,734	90,913	93,521	98,581	100,998	106,105	107,577	113,105	114,430	118,681
Payments to employees	30,089	32,359	33,090	33,569	34,136	34,818	35,517	36,229	36,953	37,694	38,447
Interest paid	7,743	11,485	12,823	14,294	16,461	19,179	23,810	27,422	29,224	30,583	31,573
Tax paid/(refund)	–	–	–	–	–	–	–	–	–	–	–
	127,930	142,578	136,826	141,384	149,178	154,995	165,432	171,228	179,282	182,707	188,701
Net Cash Flows from Operating Activities	**44,159**	**58,002**	**63,852**	**81,135**	**77,118**	**70,037**	**83,198**	**92,051**	**93,809**	**102,853**	**108,430**
Cash Flows from Investing Activities											
Cash was provided from:											
Other investments	–	–	–	–	–	–	–	–	–	–	–
Sale of investments and properties for resale	–	–	–	–	–	–	–	–	–	–	–
Repayment of LGFA borrower notes	–	990	580	1,080	1,205	1,330	500	2,452	1,392	1,997	2,135
Sale of biological assets	7,112	–	–	–	–	–	–	–	–	–	–
Sale of fixed assets	–	4,610	–	–	–	–	121	–	–	–	–
Repayment of community loans and advances	193	152	177	177	177	177	135	93	93	93	93
	7,305	**5,752**	**757**	**1,257**	**1,382**	**1,507**	**756**	**2,545**	**1,485**	**2,090**	**2,228**
Cash was disbursed to:											
Investments in LGFA borrower notes	875	1,971	1,268	1,778	2,076	3,440	2,000	3,160	1,809	2,365	2,220
Community loans advanced	–	–	–	–	–	–	–	–	–	–	–
Other investments	1,146	243	1,399	4,519	1,524	16,588	26,803	11,166	(956)	(1,919)	(2,413)
Purchase of biological assets	5,592	1,177	946	1,110	1,037	1,012	920	928	937	1,005	1,273
Purchase of intangible assets	464	(332)	(357)	(355)	(367)	(378)	(390)	1,309	2,203	2,243	1,893
Purchase of fixed assets		–	–	–	–	–	–	–	–	–	–
Renewals	26,973	34,487	30,987	30,894	37,286	49,400	58,318	53,681	59,812	57,029	44,537
New works - growth	12,069	20,749	26,564	41,038	34,032	15,424	15,863	17,864	20,272	27,676	33,698
New works - Increased level of service	50,238	48,542	34,705	38,294	38,330	70,971	42,591	43,371	38,857	37,839	41,478
	97,357	**106,837**	**95,512**	**117,278**	**113,918**	**156,457**	**146,105**	**131,479**	**122,934**	**126,238**	**122,686**
Net Cash Flows from Investing Activities	**(90,052)**	**(101,085)**	**(94,755)**	**(116,021)**	**(112,536)**	**(154,950)**	**(145,349)**	**(128,934)**	**(121,449)**	**(124,148)**	**(120,458)**

Cash Flow Statement continued

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Cash Flows from Financing Activities											
Cash was provided from:											
Proceeds from borrowings	45,378	88,084	55,674	79,887	85,419	139,914	82,151	134,966	83,313	101,181	97,447
Cash was applied to:											
Repayment of borrowings	–	45,000	25,000	45,000	50,000	55,000	20,000	98,084	55,674	79,887	85,419
Net Cash Flows from Financing Activities	**45,378**	**43,084**	**30,674**	**34,887**	**35,419**	**84,914**	**62,151**	**36,882**	**27,639**	**21,294**	**12,028**
Net increase/(decrease) in cash held	(515)	–	(231)	–	–	–	–	–	–	–	–
Add opening cash balance	16,793	7,520	7,520	7,289	7,289	7,289	7,289	7,289	7,289	7,289	7,289
Closing Balance	**16,278**	**7,520**	**7,289**	**7,289**	**7,289**	**7,289**	**7,289**	**7,289**	**7,289**	**7,289**	**7,289**
Represented by:											
Cash and cash equivalents	16,278	7,520	7,289	7,289	7,289	7,289	7,289	7,289	7,289	7,289	7,289

The Long Term Plan 2024/25 opening cash balance is based on 2022/23 Annual Report closing balance plus a forecast for 2023/24.

Financial Reserves Estimates

He whakatau tata o ngā ahumoni

The Local Government Act 2002 requires that councils provide a summary of the restricted reserves that it holds.

Name	Activity	Purpose	Projected Balance July 2024 $	Deposits $	Withdrawals $	Projected Balance June 2034 $
Nelson Institute Funds	Nelson Library	Bequest to Nelson Institute	9,014	4,985	–	13,999
L C Voller Bequest (ETL)	Nelson Library	Youth Section of Elma Turner Library	25,173	13,921	–	39,094
Nelson 2000 Trust	Esplanade Reserves	Wakefield Quay Development	164,607	–	–	164,607
Insurance Reserve	Investment Management	To fund Insurance claim excess	1,100,485	3,726,947	–	4,827,432
Health & Safety Reserve	Admin and Meeting Support	OSH Compliance	32,490	17,966	–	50,456
Roading Contributions	Roading	Financial contribution for capital works	117,486	–	–	117,486
Walker bequest	Parks		–	–	1	(1)
Dog Control Reserve	Dog Control	Self funded activity balance	(183,507)	–	–	(183,507)
Sport & Rec Grants Reserve	Physical Activity Fund	Ex Hillary Commission fund for Sport and Recreation	8,453	–	–	8,453
Art Council Loan Fund	Physical Activity Fund	Ex Sport & Rec Grants	10,000	–	–	10,000
Events Contestable Fund Reserve	Economic Development	Unspent allocation held for eligible events	–	–	–	–
Housing Reserve	Community Housing	Self funded activity balance	8,967,687		8,967,687	–
Founders Park Reserve	Founders	Founders development	465,929	1,039,077	–	1,505,006
Forestry Fund	Forestry	Self funded activity balance	(312,079)	–	5,844,856	(6,156,935)
Landfill	Solid Waste	Share of development of new landfill when required	4,686,800	2,591,657	–	7,278,457
Solid Waste	Solid Waste	Self funded activity balance	(366,889)	7,356,354	–	6,989,465

Report on Financial Prudence
Pūrongo Ahumoni

Long Term Plan Disclosure Statement for the Period Commencing 1 July 2024

What is the purpose of this statement?

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Notes and Graphs

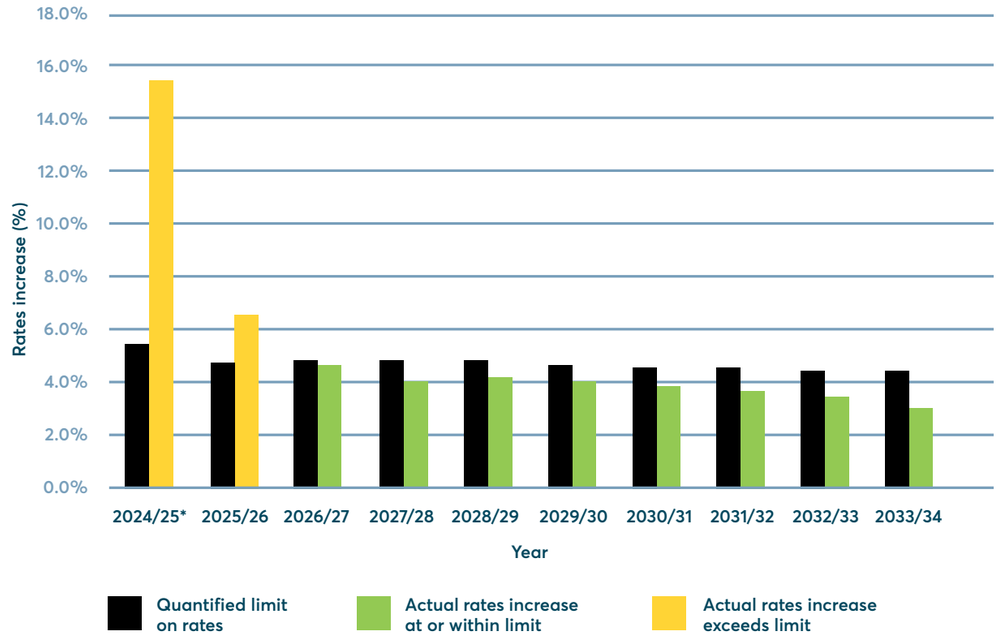
Rates affordability benchmark

Council meets the rates affordability benchmark if:

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (increases) affordability

The following graph compares Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the Long Term Plan 2024-2034. The quantified limit is the local government cost index plus 2.5% for each year of the Long Term Plan.

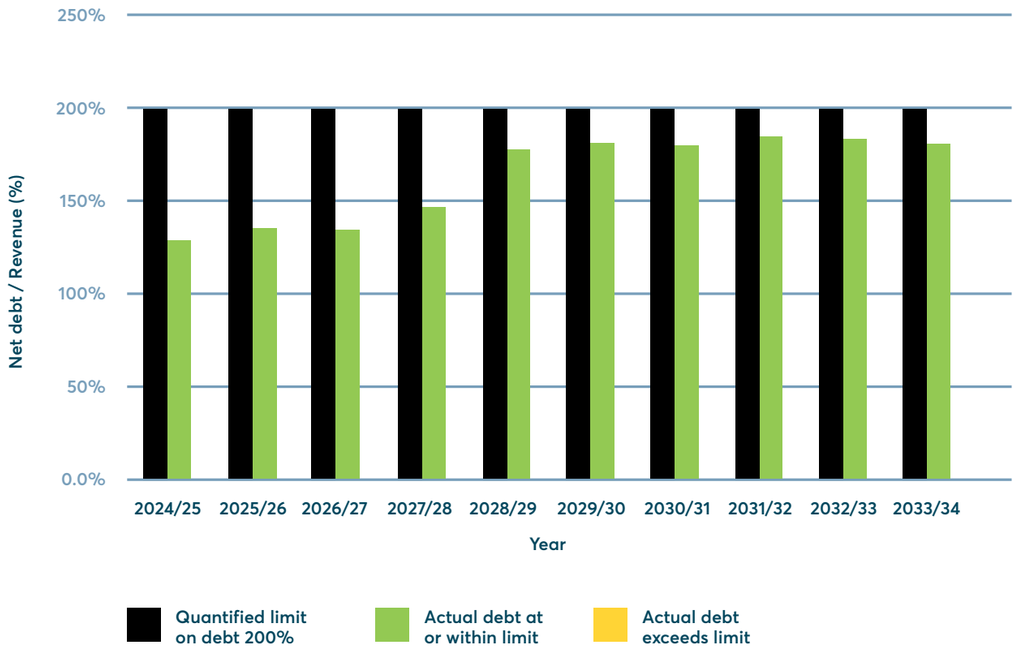


*The 2024/25 average rates rise would be 8.2% plus a $300 (including GST) Storm Recovery Charge

Debt affordability benchmark

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

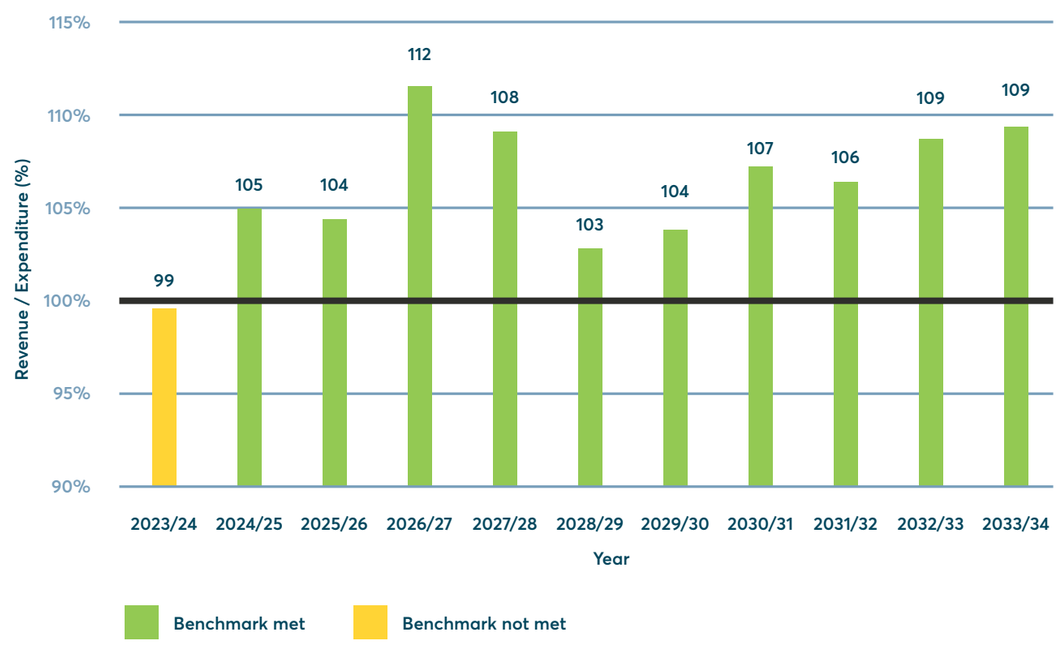
The following graph compares Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in the Long Term Plan. The quantified limit is that net external borrowings are not to exceed 200% of revenue. Net external borrowings are defined as external debt and overdraft less cash balances, term deposits and borrower notes.



Balanced budget benchmark

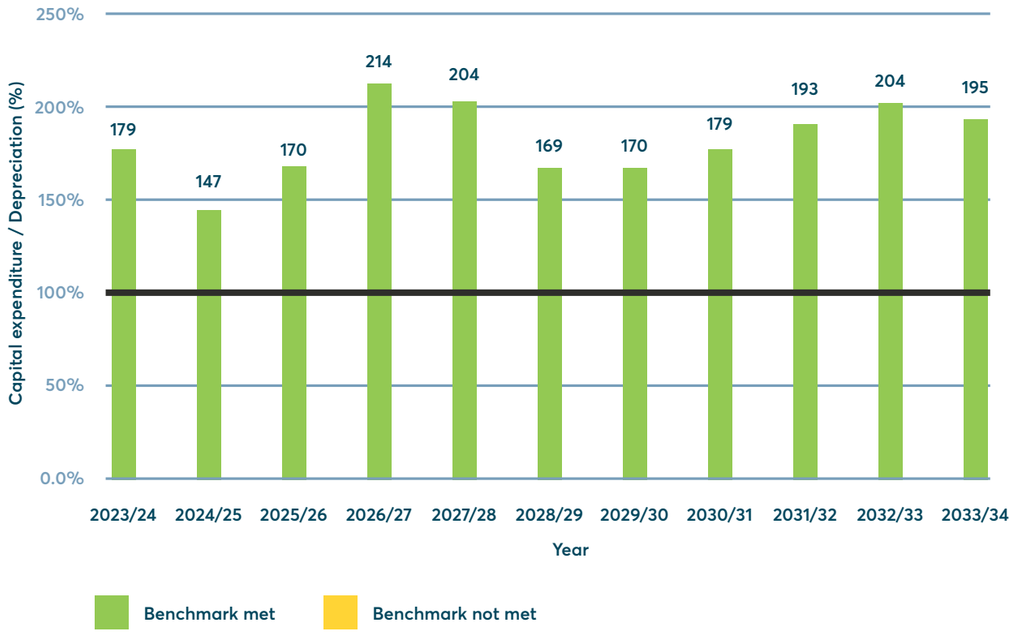
The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

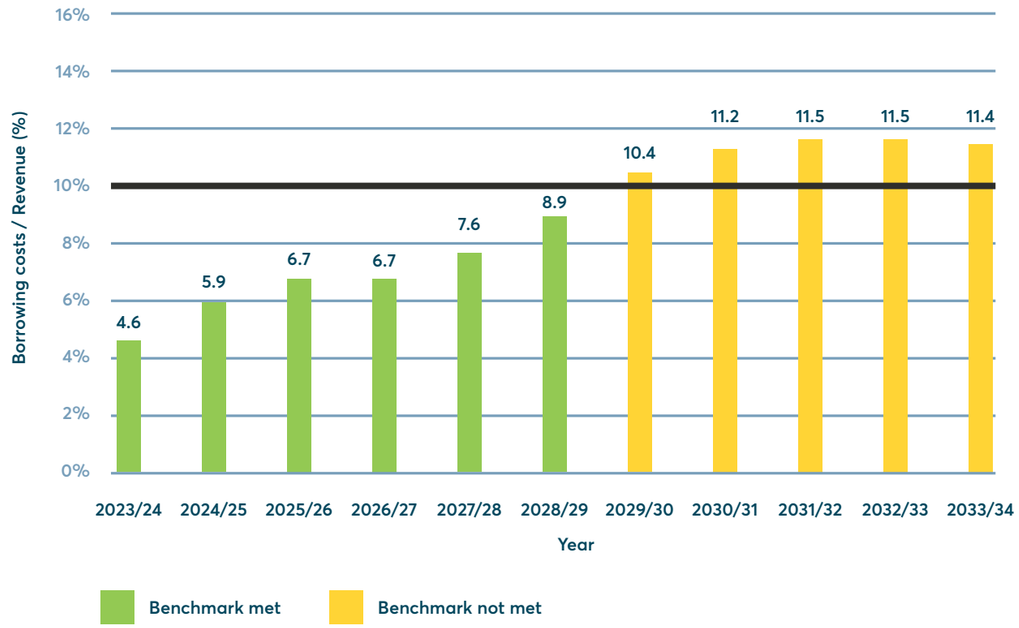


Debt servicing benchmark

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

A local authority meets the debt servicing benchmark for a year if its borrowing costs for the year equal or are less than 10% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) for the year.

Council breaches the debt servicing benchmark in Years 5-10 but is compliant with the Treasury Management Policy limit (15%) and LGFA limits (20%). Council considers its Treasury Management Policy limit of 15% is appropriate as it is conservative compared to the LGFA limit. The debt servicing benchmark is also even more conservative as it is calculated using gross interest expense whereas the Treasury Management Policy and LGFA limits are calculated using net interest. Council acknowledges breaching the debt servicing benchmark (peaking at 11.5% vs 10% limit) but notes that the LTP is prepared at a point in time in a relatively high interest rate environment compared to historic levels.



Funding Impact Statement
Pānga Pūtea

How much will my rates cost?

Total rates on each property in Nelson include payment for territorial authority (City Council) and Regional Council services. Council is a unitary authority combining both of these functions. The final figure is made up of a combination of whichever of the following apply to your rating unit(s):

- General rate, which includes the uniform annual general charge (UAGC)
- Stormwater charge
- Flood Protection rate
- Storm Recovery charge
- Wastewater charge
- Water annual charge
- Water volumetric rate

If part of the rates postponement scheme:

- Postponement application charge
- Postponement administration charge
- Postponement interest.

Differentials

Some rates are set on a differential basis, which adjust rates upwards or downwards, typically depending on whether more or less Council services are provided, for example commercial, rural or multi-unit properties.

Rates and charges

The 'funding impact statement' sets out the rates and charges that are planned for the next year. Unless otherwise stated, rates and charges are shown including GST.

Rating units

The projected number of rating units within Nelson at 30 June 2024 is 23,222.

The projected total capital value of rating units within Nelson at 30 June 2024 is $23,441,390,950.

The projected total land value of rating units within Nelson at 30 June 2024 is $12,678,109,879.

Rating of separately used or inhabited parts (SUIP) of a rating unit

Definition:

A separately used or inhabited part of a rating unit includes any part separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, license or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used' by the owner for this separate purpose. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

The following are considered to be separately used or inhabited parts of a rating unit where the above requirements are met.

- Flats or apartments (including flats that share kitchen or bathroom facilities)
- Separately leased commercial areas of a rating unit
- Where there is multiple use of a single rating unit, such as a shop with a dwelling.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- A bed and breakfast room with or without kitchen facilities
- Individual offices or premises of business partners
- Individually leased carparks
- Storage units
- Properties subject to statutory declarations for unoccupied or second residential units not being used as separate units.

Examples of Rates for 2024/25

To further clarify the rates changes from 2023/24 to those for the 2024/25 rating year, a selection of properties has been shown to provide a guide. The following table is GST inclusive.

Examples of Total Impact of General and Targeted Rates on Different Land Uses and Values (GST Inclusive)

			2024/25 Rates								
Property Type	2021 Land Value	2023/24 Rates	General Rate	UAGC @8.7%	Storm Recovery Charge	Stormwa-ter Charge	Flood Protec-tion Rate (LV)	Waste-water	Water Annual Charge	Total Rates	$ increase on 2023/24 Rates
Residential	$265,000	$2,712	$1,082	$344	$300	$386	$99	$640	$252	$3,102	$390
	$305,000	$2,861	$1,245	$344	$300	$386	$114	$640	$252	$3,281	$419
	$380,000	$3,141	$1,551	$344	$300	$386	$142	$640	$252	$3,615	$474
	$430,000	$3,327	$1,755	$344	$300	$386	$160	$640	$252	$3,837	$510
	$500,000	$3,588	$2,041	$344	$300	$386	$186	$640	$252	$4,149	$561
	$540,000	$3,737	$2,205	$344	$300	$386	$201	$640	$252	$4,327	$590
	$560,000	$3,812	$2,286	$344	$300	$386	$209	$640	$252	$4,417	$605
	$590,000	$3,923	$2,409	$344	$300	$386	$220	$640	$252	$4,550	$627
	$625,000	$4,054	$2,552	$344	$300	$386	$233	$640	$252	$4,706	$652
	$670,000	$4,222	$2,735	$344	$300	$386	$250	$640	$252	$4,907	$685
	$870,000	$4,967	$3,552	$344	$300	$386	$324	$640	$252	$5,798	$831
	$1,200,000	$6,196	$4,899	$344	$300	$386	$447	$640	$252	$7,268	$1,071
	$1,500,000	$7,314	$6,124	$344	$300	$386	$559	$640	$252	$8,604	$1,290
			Average Residential Land Value is $500,000								
Multi Residential (Two flats - Two UAGC & Wastewater Charges)	$510,000	$4,976	$2,290	$688	$600	$386	$190	$1,280	$503	$5,938	$963
	$1,550,000	$9,007	$6,961	$688	$600	$386	$577	$1,280	$252	$10,744	$1,737
Empty Residential Section (Water annual charge included if water meter is installed)	$200,000	$1,621	$817	$344	$300	$386	$75	–	–	$1,847	$225
	$470,000	$2,855	$1,919	$344	$300	$386	$175	–	$252	$3,376	$521
	$860,000	$4,307	$3,511	$344	$300	$386	$320	–	$252	$5,113	$806
Small Holding (Water annual charge included if water meter installed)	$550,000	$2,720	$2,021	$344	$300	–	$205	–	–	$2,870	$150
	$700,000	$3,451	$2,572	$344	$300	–	$261	–	$252	$3,729	$278
Rural (Water annual charge included if water meter installed)	$1,380,000	$3,660	$3,662	$344	$300	–	$514	–	–	$4,820	$1,160
	$2,230,000	$5,945	$5,918	$344	$300	–	$831	–	$252	$7,644	$1,699
Commercial - Outside Inner City / Stoke - 1 Unit	$600,000	$8,778	$8,377	$344	$300	$386	$224	$160	$252	$10,042	$1,265
Commercial - Outside Inner City / Stoke - 1 Unit	$630,000	$9,154	$8,796	$344	$300	$386	$235	$160	$252	$10,472	$1,319
Commercial - Outside Inner City / Stoke - 3 Units	$260,000	$4,991	$3,630	$688	$600	$386	$97	$320	$252	$5,973	$982
Commercial - Stoke - 1 Unit	$53,000	$1,834	$898	$344	$300	$386	$20	$160	–	$2,108	$275
Commercial - Inner City - 2 Units	$385,000	$8,622	$7,614	$688	$600	$386	$143	$320	$252	$10,003	$1,382
Commercial - Inner City - 2 Units	$435,000	$9,516	$8,603	$688	$600	$386	$162	$320	$252	$11,011	$1,495
Commercial - Inner City - 1 Unit	$1,530,000	$28,634	$30,258	$344	$300	$386	$570	$160	$252	$32,270	$3,636

This table does not include water charges based on consumption. For occupied residential properties, this is charged at $2.626 per cubic metre and an average useage of 160 m3 costing $420.16 (GST Incl).

General rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 is based on the rateable value of the land. General rates are set at different rates in the dollar of rateable value for different categories of rateable land. The general rate is 0.40825 cents in the land value dollar (including GST) for the 2024/25 rating year for the base differential category.

This compares to the previous year's rate of 0.37263 in the land value dollar in the 2023/24 rating year for the base differential category.

Uniform annual general charge

A uniform annual general charge (UAGC) is set under section 15 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit.

It is assessed:

- As a charge for services which have an equal element of benefit irrespective of property value.
- To ensure a minimum charge on all properties.
- To reduce the extremes of rates paid by the highest and lowest valued rating units.
- In recognition that land valuation-based rating does not necessarily reflect a ratepayer's ability to pay.

Council will collect 8.7% of rates, excluding water annual charge and water volumetric rate, through the UAGC.

The UAGC is $344.23 including GST per separately used or inhabited part of a rating unit for the 2024/25 rating year. The charge for 2024/25 is $24.23 higher than the charge of $320.00 for the 2023/24 rating year.

The rates revenue sought from the uniform annual general charge and certain targeted rates set as a fixed amount is 19.47% of the total revenue from all rates sought by Council. This is well within the 30% limit set by section 21 of the Local Government (Rating) Act 2002.

Differentials

Differentials are adjustments to the rates of particular property types to better reflect the services provided by Council. Commercial properties pay higher rates to reflect additional services such as street cleaning and car parks. Properties classified as rural have a negative differential to reflect the fewer Council services provided to those properties.

Categories of differentials based on land use

These differential categories are defined in accordance with the provisions of Schedule 2 of the Local Government (Rating) Act 2002. The same definitions are also used to calculate the liability for some other rates. The differential categories used by Council are as follows:

General Rate

- **Residential** – all rating units that are used primarily for residential purposes.
- **Multi Residential** – all rating units that contain more than one residential dwelling that are capable of being used primarily for residential purposes.
- **Commercial** – any rating unit which is used primarily for commercial use.
- **Inner City Commercial** – any rating unit which is used primarily for commercial use that is located within the Inner City Zone, as defined in the Nelson Resource Management Plan.
- **Stoke Commercial** – any rating unit which is used primarily for commercial use that is located within the Stoke commercial zone, as defined in the Nelson Resource Management Plan.
- **Rural** – any rating unit having an area greater than 15 hectares which is used primarily for dairy, fattening and grazing, quarries or horticultural use.
- **Forestry** – any rating unit which is primarily used for commercial forestry.
- **Small Holding** – any rating unit which is primarily used as a small holding and having an area greater than 0.5 hectares but is less than 15 hectares.

Differential rates

Council has adopted the following differentials:

- Multi Residential have a plus 10% general rate differential.
- Rural have a minus 35% general rate differential.
- Small holdings have a minus 10% general rate differential.

Commercial differential

Commercial rates are set to collect 22.6% of Council's total rates revenue, excluding water annual charge, water volumetric rate and rates postponement charges.

The 22.6% proportion is the same as in the Annual Plan 2023/24.

Of the total commercial rates collected, 22.124% of this is funded from inner city commercial properties, 1.619% from Stoke commercial properties, and 76.257% is funded from the balance of commercial properties.

This results in commercial properties paying a total of $24,374,853 (including water annual charge) in rates for the 2024/25 rating year compared to $21,328,290 the previous year.

The commercial zones of Inner City and Stoke are defined in the Nelson Resource Management Plan.

Differential rates for the general rate

Council's general rate is assessed on a differential basis, as follows:

Category 2024/25	Differential %	Cents in the dollar
Residential – single dwelling	–	0.40825
Residential - empty section	–	0.40825
Multi Residential	10.0	0.44908
Forestry	–	0.40825
Rural	(35.0)	0.26536
Small holding	(10.0)	0.36743
Commercial – excluding Inner City and Stoke		
Commercial	241.9965	1.39620
Commercial – Inner city		
Commercial	384.427	1.97767
Commercial – Stoke		
Commercial	315.201	1.69506

The categories that are to be used for applying the general rate differential and the amount of total revenue (excluding volumetric water) to be collected from each category, for 2024/25, is as follows:

Category	Total Revenue to be collected ($)
Residential	78,748,623
Multi Residential	7,837,331
Commercial (Inner City, Stoke and other)	24,374,853
Rural	551,406
Small holding	2,098,963
Forestry	97,875

Properties that have more than one use identified above will be placed into a rating category subject to the rating unit's majority use as determined by Council. The neutral base from which differentials are calculated is a residential property with a single dwelling.

Note: Objections to the Rating Information Database under section 29 of the Local Government (Rating) Act 2002 will be reviewed by Council and Council is the sole determiner of rating categories.

Stormwater charge

The stormwater charge is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 per rating unit and is $385.79 for the 2024/25 rating year. It recovers the funding required by Council for stormwater purposes. It is assessed on all rating units excluding:

- Rural rating units.
- Saxton's Island.
- Council's stormwater network.

Flood protection rate

The flood protection rate is a targeted rate set under Section 16 of the Local Government (Rating) Act 2002 and is based on the rateable value of the land. The flood protection rate is 0.03725 cents in the land value dollar (including GST) for the 2024/25 rating year. It recovers the funding required by Council for flood protection purposes. This rate is assessed on all rating units excluding Saxton's Island and Council's Stormwater Network.

Funding Impact Statement

Storm recovery charge

The storm recovery charge is a uniform targeted rate set under Section 16 of the Local Government (Rating) Act 2002 and is $300.00 per separately used or inhabited part of a rating unit for the 2024/25 rating year. It recovers the funding required by Council to recover the costs of the August 2022 severe weather event. This charge is assessed on all rating units.

Wastewater charge

A targeted rate is set under section 16 of the Local Government (Rating) Act 2002 to recover the costs required for Council's wastewater and sewage disposal system. This charge is assessed to all rating units to which Council's wastewater and sewage disposal service is connected either directly or through a private drain to a public wastewater drain.

The wastewater charge for residential, multi residential, rural, forestry and smallholding properties is $640.09 per separately used or inhabited part of a rating unit including GST for the 2024/25 rating year compared to the previous year's rate of $619.31. The same definition of the differential categories for the general rate is used for the wastewater charge.

The wastewater charge for commercial properties is set at $160.02 per separately used or inhabited part of a rating unit being 25% of the charge for the residential, multi residential, rural, forestry and smallholding properties. Commercial properties are also assessed for wastewater charges based on Council's Trade Waste Bylaw. These charges are detailed on pages 472-476 of this document.

Water rates

Nelson's water rates are targeted rates for water supply set under sections 16 and 19 of the Local Government (Rating) Act 2002 which together recover the funding required by Council to supply water.

Water annual charge

A fixed annual charge set per connection under section 16 of the Local Government (Rating) Act 2002 on all rating units where a water meter is installed for the property.

The annual rate for 2024/25 is $251.66 per connection including GST compared with $228.24 in the previous year.

Water volumetric rate

A charge for the quantity of water provided set under section 19 of the Local Government (Rating) Act 2002 according to the following scale. These charges are invoiced separately from the other rates.

The cost per cubic metre is set out in the table below

Water charges – residential, commercial and industrial including GST

Amount/type	Cost ($ per m^3) 2023/24	Cost ($ per m^3) 2024/25
Usage up to 10,000m^3 per year	2.345	2.626
Usage from 10,001 to 100,000m^3 per year	2.006	2.232
Usage over 100,000m^3 per year	1.583	1.838
Summer irrigation usage over 10,000m^3 per year	2.175	2.442

The water rates represent an average increase of 11.3% for the 2024/25 year for an average water user.

Note: an average residential water user uses 160m^3 per annum.

Lump sum contributions will not be invited in respect of any targeted rate.

Payments, penalties and discounts

Payment methods for rates

Payment for rates can be made by Cash, EFTPOS, Direct Debit, Direct Credit, Internet Banking, Telephone Banking and Credit Card.

Penalty on unpaid rates (excluding water volumetric rates)

In accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 10% is added to each instalment or part thereof that is unpaid after the last date for payment. The penalty dates are 26 August 2024, 26 November 2024, 26 February 2025 and 26 May 2025. Previous year's rates that remain unpaid will have a further 10% penalty added on 8 July 2024 and 8 January 2025.

Funding Impact Statement
Pānga Pūtea

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Sources of operating funding											
General Rates, uniform annual general charges, rates penalties	57,557	63,665	69,152	71,933	75,225	78,264	83,553	86,917	91,631	93,924	98,297
Targeted rates including water by meter	36,942	46,345	49,052	52,935	55,851	60,512	63,080	67,715	71,070	76,931	78,910
Subsidies and grants for operating purposes	13,228	14,675	11,567	12,517	14,154	14,327	16,501	16,830	16,851	17,281	17,900
Fees and charges	18,354	34,091	33,284	34,633	37,331	38,771	39,618	41,498	43,457	45,230	47,990
Interest and dividends from investments	3,621	2,889	3,756	3,648	3,608	3,889	4,526	4,510	4,186	3,875	3,899
Local authorities fuel tax, fines, infringement fees, and other receipts	18,470	4,432	5,454	6,140	6,816	7,165	7,885	9,683	10,879	11,601	11,562
Total operating funding	**148,172**	**184,900**	**190,425**	**201,019**	**213,884**	**226,374**	**242,310**	**256,779**	**268,742**	**280,639**	**291,310**
Applications of operating funding											
Payments to staff and suppliers	121,302	128,740	124,525	127,611	133,229	136,320	142,134	144,301	150,589	152,675	157,668
Finance costs	7,743	11,485	12,823	14,294	16,461	19,179	23,810	27,422	29,224	30,583	31,573
Other operating funding applications	–	–	–	–	–	–	–	–	–	–	–
Total applications of operating funding	**129,045**	**159,029**	**155,509**	**161,117**	**170,589**	**178,946**	**193,092**	**201,348**	**210,483**	**215,055**	**221,993**
Surplus (Deficit) of operating funding	**19,127**	**25,872**	**34,916**	**39,902**	**43,295**	**47,429**	**49,218**	**55,431**	**58,259**	**65,584**	**69,317**
Sources of capital funding											
Subsidies and grants for capital	20,447	28,199	18,577	30,940	23,338	11,912	13,990	16,246	14,753	16,037	17,493
Development and financial contributions	3,828	6,444	9,669	9,894	10,088	10,308	19,593	19,996	20,383	20,797	21,196
Increase (decrease) in debt	45,018	42,102	30,216	34,189	34,548	82,804	60,651	36,175	27,223	20,926	11,943
Gross proceeds from sale of assets	–	4,610	34,076	–	–	–	121	–	–	–	–
Lump sum contributions	–	–	–	–	–	–	–	–	–	–	–
Total sources of capital funding	**69,292**	**81,355**	**92,537**	**75,023**	**67,974**	**105,023**	**94,356**	**72,416**	**62,358**	**57,760**	**50,632**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	12,069	20,749	26,564	41,038	34,032	15,424	15,863	17,864	20,272	27,676	33,698
- to improve level of service	50,238	48,542	34,705	38,294	38,330	70,971	42,591	43,371	38,857	37,839	41,478
- to replace existing assets	26,973	34,487	30,987	30,894	37,286	49,400	58,318	53,681	59,812	57,029	44,537
Increase (decrease) in reserves	(1,470)	436	360	333	364	397	432	468	506	547	590
Increase (decrease) in investments	610	3,011	34,837	4,366	1,258	16,261	26,371	12,463	1,169	253	(353)
Total applications of capital funding	**88,419**	**107,226**	**127,453**	**114,925**	**111,269**	**152,452**	**143,574**	**127,847**	**120,617**	**123,344**	**119,949**
Surplus (Deficit) of capital funding	**(19,127)**	**(25,872)**	**(34,916)**	**(39,902)**	**(43,295)**	**(47,429)**	**(49,218)**	**(55,431)**	**(58,259)**	**(65,584)**	**(69,317)**
Funding balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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

Te whakahāngai o te toenga mai i te tauākī mō ngā moni whānui

	Annual Plan 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Long Term Plan 2027/28 ($000)	Long Term Plan 2028/29 ($000)	Long Term Plan 2029/30 ($000)	Long Term Plan 2030/31 ($000)	Long Term Plan 2031/32 ($000)	Long Term Plan 2032/33 ($000)	Long Term Plan 2033/34 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	19,127	25,872	34,916	39,902	43,295	47,429	49,218	55,431	58,259	65,584	69,317
Subsidies and grants for capital expenditure	20,447	28,199	18,577	30,940	23,338	11,912	13,990	16,246	14,753	16,037	17,493
Development and financial contributions	3,828	6,444	9,669	9,894	10,088	10,308	19,593	19,996	20,383	20,797	21,196
Vested Assets	5,359	5,640	5,764	5,902	6,038	6,171	6,301	6,433	6,562	6,693	6,820
Gains on sale	–	–	–	–	–	–	–	–	–	–	–
Depreciation	(40,885)	(45,342)	(46,797)	(48,443)	(50,671)	(52,794)	(54,481)	(56,800)	(59,247)	(61,270)	(63,312)
Other non-cash income	(1,702)	(758)	468	469	469	470	470	470	471	471	472
Other non-cash expenditure	–	–	–	–	–	–	–	–	–	–	–
Net Surplus (Deficit) before taxation in Statement of Comprehensive Revenue and Expense	**6,173**	**20,054**	**22,597**	**38,663**	**32,559**	**23,495**	**35,092**	**41,776**	**41,180**	**48,312**	**51,987**

Commercial wastewater charge – trade waste charges

Te utu para wai

Wastewater charges for commercial and service properties are set according to Council's Trade Waste Bylaw.

To calculate the charges to these producers Council examines the flow rates and effluent strength in the network over the previous three years and uses them as the basis for trade waste charges for the following year. The current charging formulas can be viewed on the Council website. **nelson.govt.nz/services/water-and-wastewater/trade-waste-charges**

Council has moved from the previous methodology of having two methods to calculate wastewater charges for commercial and service properties to having a three method approach. The three methods are called Methods 'A', 'B' and 'C'. The methods and charging formulas are detailed below (the charging formulas are at the end of the section):

Method A (previously known as Trade Waste A) remains unchanged and applies to the largest trade waste contributors and the charge is calculated on both discharge rates and effluent strength. Charges are highest for the most concentrated and larger volumes. Method A applies where a trade waste customer's water usage is over 10,000m3 per year or where trade waste BOD5 testing shows loads greater than 1.5kg/m3 and the cost of monitoring, testing and calculating the charges is likely to be less than half the trade waste charge for this category.

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

The default for estimating discharge will be 80% of water measured into the site from all sources unless another figure is agreed by Council's Chief Executive - based on an auditable trail of evidence for any alternative.

Method B customers can also install the appropriate effluent volume measuring equipment and become a Method 'A' wastewater contributor if they choose to. The volume and effluent strength charges will be as per method A.

The volume and BOD charges will then be as per trade waste Method A. Method B applies where a trade waste customer's water usage is over 6,000m3 per year or where BOD5 testing shows loads greater than 1.5kg/m3 and the cost of monitoring, testing and calculating the charges as per Method A is likely to be more than half the trade waste charge for Method A.

Method C (previously known as Trade Waste B) applies to all other trade waste contributors, of which there are approximately 1400. The charge is calculated on the estimated volume of effluent discharged. The estimate assumes the amount of wastewater is 80% of the volume of incoming water. The trade waste charge is then calculated using a combined conveyance and treatment rate.

Total trade waste revenue for 2024/25 is estimated to be $3,641,000.

For 2024/25 the GST inclusive trade waste charges will be:

- Trade waste A and B conveying charge $1,176.45 per litre per minute.
- Trade waste A and B treatment charge $1,806.07 per kg BOD* per day.
- Trade waste C combined charge $4.09 per m^3.
- Wastewater charge $160.02 per year.

*BOD is the biochemical oxygen demand, or effluent strength.

For the previous year, 2023/24, the GST inclusive trade waste charges were:

- Trade waste A conveying charge $989.13 per litre per minute.
- Trade waste A treatment charge $1,695.42 per kg BOD* per day.
- Trade waste B combined charge $3.12 per m^3.
- Wastewater charge $154.83 per year.

Commercial wastewater charge – trade waste charges

Method A: quality/quantity approach

The largest commercial contributors are monitored every three months and the waste stream sampled over four days to measure the discharge rate and effluent strength as BOD, the biochemical oxygen demand. The trade waste charge is then calculated using the conveyance, which is the amount discharged, and treatment rates from the method of charging schedule. These rates are determined annually. The conveyance rate is calculated by dividing the estimated conveyance costs for the coming financial year by the average of the previous three year's average flows. The treatment rate is calculated by dividing the estimated treatment costs for the coming financial year by the average of the previous three year's BOD loadings.

The 2024/25 charges compared with the previous year's charges are:

Conveying ($/annum/litre/minute), including GST

Year	Total Cost ($)	Average Flow Rate (litres/minute)	Cost/Litre/ Minute ($)
2023/24	11,384,309	11,509	989.13
2024/25	14,126,700	12,008	1,176.45

Treatment ($/kg BOD/day), including GST

Year	Total Cost ($)	Average BOD Loading (kg/day)	Cost/kg/ BOD/day ($)
2023/24	7,486,611	4,416	1,695.42
2024/25	8,336,076	4,616	1,806.07

Method B: quality/quantity approach

The next largest commercial or service contributors are monitored every three months and the waste stream sampled over four days to measure the effluent strength as BOD, the biochemical oxygen demand. This effluent volume is calculated by multiplying the volume of water supplied into the premises by a correlation factor. The correlation factor is usually set at 0.8 unless another figure is agreed by the Chief Executive. It is assumed that 80% of the water that is distributed to a commercial or service property is subsequently discharged as wastewater.

The trade waste charge is then calculated using the conveyance, which is the amount discharged, and treatment rates from the Trade Waste 'A' method of charging schedule. These rates are determined annually. The conveyance rate is calculated by dividing the estimated conveyance costs for the coming financial year by the average of the previous three year's average flows. The treatment rate is calculated by dividing the estimated treatment costs for the coming financial year by the average of the previous three year's BOD loadings.

For a limited number of activities – typically those where it is not possible to use a single % of 'water in' to reflect categories owing to very high levels of water used for processing or irrigation and highly variable levels of on-site wastewater produced Council will work with the activity owner and make an assessment of the expected discharge of effluent from the site.

This will be charged at the closest appropriate rate taken from the trade waste 'A'/'B'/'C' charges.

Agreed volumes will need to be based on verifiable results and any activities in this category will need to be approved by the Chief Executive. Initially, all trade waste ratepayers pay the wastewater rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

The 2024/25 charges compared with the previous year's charges are:

Conveying ($/annum/litre/minute), including GST

Year	Total Cost ($)	Average Flow Rate (litres/minute)	Cost/Litre/ Minute ($)
2023/24	-	-	-
2024/25	14,126,700	12,008	1,176.45

Treatment ($/kg BOD/day), including GST

Year	Total Cost ($)	Average BOD Loading (kg/ day)	Cost/kg/ BOD/day ($)
2023/24	-	-	-
2024/25	8,336,076	4,616	1,806.07

Method C: quantity approach

For all other trade waste contributors, of which there are approximately 1400 in Nelson City, the trade waste charge is simply based on the volume of effluent assessed as being discharged from the premises.

This effluent volume is calculated by multiplying the volume of water supplied into the premises by a correlation factor. The correlation factor is usually set at 0.8 unless another figure is agreed. It is assumed that 80% of the water that is distributed to a commercial or service property is subsequently discharged as wastewater. The trade waste charge is then calculated using a combined conveyance and treatment rate. This rate is determined annually by dividing the estimated cost of operating the sewerage system for the coming financial year by the average of the previous three year's total effluent volume. To arrive at the final rate the calculation above is then increased by 15% to reflect the greater complexity of trade waste discharges when compared to residential discharges.

For a limited number of activities – typically those where it is not possible to use a single % of 'water in' to reflect categories owing to very high levels of water used for processing or irrigation and highly variable levels of on-site wastewater produced Council will work with the activity owner and make an assessment of the expected discharge of effluent from the site.

This will be charged at the closest appropriate rate taken from the trade waste 'A'/'B'/'C' charges.

Agreed volumes will need to be based on verifiable results and any activities in this category will need to be approved by the Chief Executive.

Initially, all trade waste ratepayers pay the wastewater rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

The 2024/25 charges compared with the previous year's charges are:

Conveying and treatment, including GST

Year	Total Cost ($)	Total effluent volume (m3)	Cost/m3 ($)
2023/24	18,870,920	6,049,347	3.12
2024/25	22,462,776	6,311,329	4.09

Temporary Hardship Concession for Trade Waste Customers

Customers in trade waste methods 'A' and 'B' who are experiencing significant financial hardship will be able to apply to the Chief Executive for consideration of a temporary reduction of the trade waste charges. Any application must be supported by auditable evidence of significant financial hardship that threatens the commercial viability of the business. The policy is restricted to a temporary reduction of charges only and will be based on allowing a time - based transition to full trade waste charges for the appropriate category over a maximum of three financial years.

Trade Waste Charges - Formulas

The Trade Waste charges are based on the total costs recovered by the Council for conveyance, treatment, and disposal of the effluent regardless of which treatment system serves the premises.

There will be three methods for how charges are decided – Method A, Method B and Method C.

METHOD A - The measured quality-quantity approach

The estimated total cost for the current financial year to be recovered by the Council through the Drainage Account for receiving, conveying, treating and disposing of wastewater within its district is assessed.

This cost is proportioned to the various stages of the service provided as follows:

Conveying

Capital charges and operating costs of sewers and pumping stations are allocated with respect to the rate of discharge. From 1 July 2024, the charge for Method A Conveying is $1,176.45 (GST inclusive) per litre per minute.

Treatment

Capital charges and operating costs for wastewater treatment and disposal are allocated with respect to Biochemical Oxygen Demand ('BOD') 5 loadings. From 1 July 2024, the charge for Method A Treatment is $1,806.07 (GST inclusive) per kg BOD per day. The charges in respect of special wastes are based upon the rate of discharge; and BOD 5 as hereinafter more fully dealt with and the charges for excess volume shall be based upon the first of these only, viz rate of discharge (except where hereinafter expressly provided).

The methods to be used for determining the rate of discharge and BOD 5 shall be as:

Rate of Discharge

The rate of discharge from any trade premises shall be deemed to be the average rate (in litres per minute) at which discharge is made over eight periods each of twenty-four consecutive hours duration, which are reasonably representative of peak conditions during each financial year or over such lesser numbers of periods as may be agreed between the Council and the discharger.

Biochemical Oxygen Demand

The amount of BOD for which any trade premises is chargeable shall be calculated in accordance with the results of analysis of samples collected by the Council proportionally to flow over periods of 24 consecutive hours on eight occasions that are reasonably representative of peak conditions during each financial year or on such lesser number of occasions as may be agreed between the Council and the discharger. The analysis shall be carried out on a shaken proportionate sample, which shall be analysed by the standard five day BOD 5 test.

The charges payable to the Council by owners of trade premises in respect of the receiving, treatment and disposal of trade waste discharges from their respective trade premises shall be calculated in accordance with the following basis:

- Conveying based on rate of discharge per litre per minute. Treatment based on BOD 5 tests (per kilogram BOD per day).

A wastewater charge is set under Section 16 of the Local Government (Rating) Act 2002 to recover the costs required for Council's sewerage disposal system. This charge is levied to all units to which the Council's sewerage disposal service is provided. The commercial wastewater charge from 1 July 2024 is $160.02 (GST inclusive).

The total amounts calculated above shall be reduced by deducting the city wide wastewater charge.

This final charge is expressed
D = (P 1 O + P 3 R) – E.

D	Total annual charge
P 1	Cost of treatment in $/annum/kg BOD/day
P 3	Cost of conveying the volume received in $/annum/litre/min
O	BOD as determined in kg per day units
R	Rate of discharge from the trade premises in litres/min as determined above
E	Wastewater charge, see above

In calculating such charge in accordance with this method, any domestic sewage, which is discharged from the premises affected shall be deemed to be trade wastes. Please note that the application of this formula does not entitle an owner to a rebate.

Should final information with regard to rate of discharge or BOD 5 test not be available in respect of any period for which payment becomes due, the Council may assess a provisional charge which shall be payable as if it were the proper charge, provided that as soon as the proper charge can be calculated by the Council, notice shall be sent to the owner and any refund or additional payment as the case may be shall be made within one calendar month from the date of dispatch of such notice.

METHOD B - The measured quality-estimated quantity approach

The estimated total cost for the current financial year to be recovered by the Council through the Drainage Account for receiving, conveying, treating and disposing of wastewater within its district is assessed.

This cost is proportioned to the various stages of the service provided as per Method 'A' above:

Conveying

Capital charges and operating costs of sewers and pumping stations are allocated with respect to the rate of discharge. From 1 July 2024, the charge for Method B Conveying is $1,176.45 (GST inclusive) per litre per minute.

Treatment

Capital charges and operating costs for wastewater treatment and disposal are allocated with respect to Biochemical Oxygen Demand ('BOD') loadings. From 1 July 2024, the charge for Method B Treatment is $1,806.07 (GST inclusive) per kg BOD per day. The charges in respect of special wastes are based upon the rate of discharge; and BOD as hereinafter more fully dealt with and the charges for excess volume shall be based upon the first of these only, viz rate of discharge (except where hereinafter expressly provided).

The methods to be used for determining the rate of discharge and BOD shall be as:

Rate of Discharge

The rate of discharge from any trade premises shall be calculated based on the estimated volume of effluent discharged from the property. The default for discharge will be 80% of water measured into the site from all sources unless another figure is agreed by the Chief Executive - based on an auditable trail of evidence for any alternative.

Biochemical Oxygen Demand

The amount of BOD for which any trade premises is chargeable shall be calculated in accordance with the results of analysis of samples collected by the Council proportionally to flow over periods of 24 consecutive hours on eight occasions that are reasonably representative of peak conditions during each financial year or on such lesser number of occasions as may be agreed between the Council and the discharger. The analysis shall be carried out on a shaken proportionate sample, which shall be analysed by the standard five day BOD 5 test.

The charges payable to the Council by owners of trade premises in respect of the receiving, treatment and disposal of trade waste discharges from their respective trade premises shall, subject to the other provisions of this bylaw be calculated in accordance with the following basis:

- Conveying based on rate of discharge per litre per minute. Treatment based on BOD 5 testing (per kilogram BOD per day).

A wastewater charge is set under Section 16 of the Local Government (Rating) Act 2002 to recover the costs required for Council's sewerage disposal system. This charge is levied to all units to which the Council's sewerage disposal service is provided. The commercial wastewater charge from 1 July 2024 is $160.02 (GST inclusive).

The total amounts calculated above shall be reduced by deducting the wastewater charge as follows.

This final charge is expressed

D = (P 1 O + P 3 R) – E

D	Total annual charge
P 1	Cost of treatment in $/annum/kg BOD/day
P 3	Cost of conveying the volume received in $/annum/litre/min
O	BOD as determined in kg per day units
R	Rate of discharge from the trade premises in litres/min as determined in this method description
E	Wastewater charge, see above

In calculating such charge in accordance with this method, any domestic sewage, which is discharged from the premises affected shall be deemed to be trade wastes. Please note that the application of this formula does not entitle an owner to a rebate.

Should final information with regard to rate of discharge or BOD 5 test not be available in respect of any period for which payment becomes due, the Council may assess a provisional charge which shall be payable as if it were the proper charge, provided that as soon as the proper charge can be calculated by the Council, notice shall be sent to the owner and any refund or additional payment as the case may be shall be made within one calendar month from the date of dispatch of such notice.

METHOD C - The quantity approach

For all other trade or service premises that do not fall under Methods 'A' or 'B', and for hotels, motels and camping grounds, the trade waste charge shall be calculated as follows:

D 1 = (W x F x C) – E

D 1	Quarterly charge
W	Volume of water supplied to the premises during the period
F	Correlation factor between water usage and sewage flows and shall be 0.8 unless another figure is agreed between the Council and the particular premises
C	The cost per cubic metre to the Council for conveying and treating the City's sewage. This figure shall be set annually by the Council and shall be based on the estimated total cost to Council for conveying and treating wastewater within its district and the previous year's flow, expressed in $/m^3
C	As set each year in the Long Term Plan or Annual Plan; from 1 July 2024 the Method C Combined charge is $4.09 (GST inclusive) per m^3
E	The wastewater charge

Audit Opinion
Whakaaro Arotake

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader:

Independent Auditor's Report on
Nelson City Council's 2024-2034 long-term plan

I am the Auditor-General's appointed auditor for Nelson City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 27 June 2024.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 414 to 417 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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

Basis of opinion

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

Audit Opinion

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

Our procedures included assessing whether:

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

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

Responsibilities of the Council and auditor

The Council is responsible for:

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

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

Independence and quality management

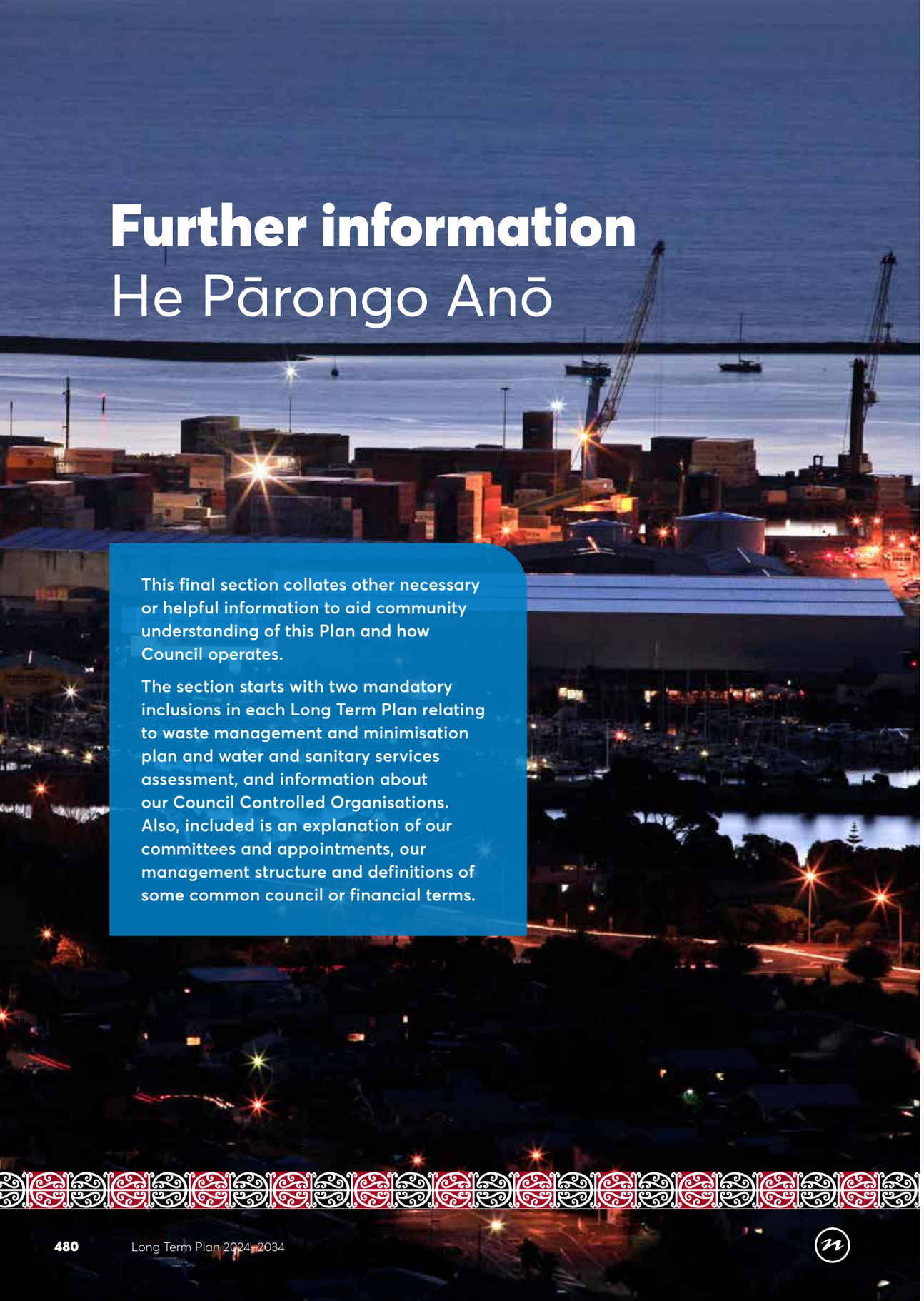
We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In addition to this audit and our report on the Council's annual report, we have carried out an assurance engagement on the Council's Debenture Trust Deed, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the Council.

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

Further information
He Pārongo Anō



This final section collates other necessary or helpful information to aid community understanding of this Plan and how Council operates.

The section starts with two mandatory inclusions in each Long Term Plan relating to waste management and minimisation plan and water and sanitary services assessment, and information about our Council Controlled Organisations. Also, included is an explanation of our committees and appointments, our management structure and definitions of some common council or financial terms.

Variance from Waste management and minimisation plan and Water and sanitary services assessment
Ngā rerekētanga mai i te mahere, mimiti para me te ratonga wai, akuaku hoki

Waste management and minimisation plan

As a territorial authority, Council is required under the Waste Minimisation Act 2008 (WMA) to adopt a Waste Management and Minimisation Plan (WMMP). A WMMP is a strategic policy document that sets out Council's objectives, policies and methods for promoting effective and efficient waste management and minimisation in the city.

Section 45 of the WMA provides for the development of a joint WMMP by two or more territorial authorities and the Nelson City and Tasman District Councils elected to use this provision of the Act to develop a joint Waste Assessment under the WMA and to develop a joint WMMP.

The current Joint WMMP was last reviewed and consulted on in 2018 and was adopted in 2019. A Joint NCC/TDC working party is tasked with reviewing the plan and this commenced in 2024. The plan is to develop a new JWWMP that will be consulted on with the aim that a new plan will be adopted in 2025 in line with legislative requirements.

Water and sanitary services assessment

Council carried out a Water and Sanitary Services Assessment (WSSA) in 2005 in accordance with section 125 of the Local Government Act 2002. A summary of findings was included in the 2009-19 Nelson Community Plan, as was required of Long Term Council Community Plans at that time. The assessment has been used to inform activity management plans and long term planning documents since.

Under this assessment, there is no significant variation between the 2005 assessment and the Long Term Plan 2024-2034. The main changes in the Long Term Plan 2024-2034 are the recovery from the August 2022 severe weather event, an emphasis on infrastructure provision for growth projects – particularly in the central city area and advancing the renewal of the Atawhai wastewater rising main. Council has also considered anticipated demand for water and wastewater services over the next 10 years, and concluded that likely growth in the city would not result in any significant variation to the assessment.

Council Controlled Organisations
Tōpūtanga Kaunihera e whakahaere

This section summarises Council's involvement in Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs).

CCOs are set up to deliver public benefit for Nelson in a financially prudent manner. Often this requires particular expertise which does not sit within Council. CCTOs are set up with the primary objective of returning a profit as well as delivering agreed strategic outcomes for Nelson.

This section lists the objectives for each organisation, the nature and scope of activities they provide and key measures by which performance is judged. More information can be found in Council's annual reports which summarise the annual results for each of these organisations, measured against the targets set in their respective statements of intent.

Unless otherwise stated, these measures and targets are from the 2023/24 Statements of Intent (SOI). The activities and performance indicators outlined below for each organisation are indicative measures and detailed information, including a full set of measures and targets, can be found in their latest SOI. These can be found on the NCC website at the following link **nelson.govt.nz/council/plans-strategies-policies/statements-of-intent/**

Infrastructure Holdings Ltd

In June 2023 Infrastructure Holdings Ltd (IHL) was established by Nelson City Council and Tasman District Council. The Councils agreed to sell their shares in Nelson Airport and Port Nelson to the company, which is jointly owned by the two Council.

As an investor in two of the region's strategic assets, Infrastructure Holdings Limited's core purpose is to provide a funding vehicle to enable reduction in finance costs and increase in shareholder returns from Port Nelson Limited and Nelson Airport Limited.

To deliver its purpose, IHL provides the corporate treasury function for the Group, including securing and providing funding for the Group.

IHL has provided each Council with a SOI covering the period of 1 July 2023 to June 2026. The SOI sets out the Group's objectives and includes a Statement of Corporate Intent (SoCI) for Port Nelson and the SOI for Nelson Airport.

Owned equally by Nelson City Council (NCC) and Tasman District Council (TDC), Infrastructure Holdings Limited is the investment arm for Port Nelson and Nelson Airport (together, the Group).	Jointly controlled by Nelson City Council and Tasman District Council (50% each)	Controlled by Nelson City Council	Council Organisations
Port Nelson	Tasman Bays Heritage Trust (Nelson Provincial Museum Pupuri Taonga O Te Tai Ao) (CCO)	Nelmac Ltd (CCTO)	The Nelson Centre of Musical Arts
Nelson Airport		Nelson Regional Development Agency (CCO)	Nelson Festivals Trust
		Bishop Suter Trust (CCO)	
		Nelson Marina Management (Management CCO)	
		City of Nelson Civic Trust (CCO)	

Infrastructure Holdings Limited

Structure	Objectives	Activities	Performance Indicators	Targets for 2023/24
IHL is a CCTO of which NCC and TDC are equal shareholders. IHL is required to prepare a Statement of Intent.	IHL has a range of legislative, monitoring and treasury objectives outlined in its SOI. IHLs core purpose is to provide a funding vehicle to enable reduction in finance costs and increase in Shareholder returns from Port Nelson Limited and Nelson Airport Limited. To deliver its purpose, IHL provides the corporate treasury function for the Group, including securing and providing funding. The benefits and costs from funding are passed onto the subsidiary companies using a blended interest rate. As a result, in the long-term the parent company will not generate a surplus from its treasury function	IHLs scope of activities is representative of the specific nature and scope of activities for each of the entities within the Group (ie Port Nelson and Nelson Airport).	**Monitoring** Net profit after tax (NPAT) ($m) Dividends	$11.8m $5.6m
			Treasury Funding risk • Compliance with the Group's interest rate debt profile Debt credit metrics • Funds from Operations/Debt Lender financial covenants • Shareholder funds/ total assets	 100% >13.0% >30%

Port Nelson

Structure	Objectives	Activities	Performance Indicators	Targets for 2023/24
The Nelson Port is administered by IHL, of which NCC and TDC are equal shareholders. Port Nelson has a statutory obligation to prepare a Statement of Corporate Intent.	To provide port services for the region including the provision of berths, leasing of land and the warehousing and storage of goods.	Port Nelson is the maritime gateway for Te Tauihu and creates value for its shareholders by providing a suite of marine, cargo handling, warehousing, logistic, slipway, and property portfolio services. In addition, Port Nelson has over 235,000 m2 of commercial land that it develops and leases to support fishing, marine services, and other export-related industries.	**Customers** Cargo volumes (forecast for 2022/23 3,245)	3,349
			Environment Gross reduction on FY19 scope of 1 and 2 carbon emissions (cumulative) (forecast for 2022/23 16.2%)	18%
			People Lost time injury frequency rate (forecast for 2022/23 2.94)	<=1.3
			Community Sponsorship as a percentage of Net Profit after Tax (forecast for 2022/23 $110,000)	>1.2%
			Shareholders Underlying net profit after tax (forecast for 2022/23 $7.2m)	$9.1m

Nelson Airport

Structure	Objectives	Activities	Performance Indicators	Targets for 2023/24
Nelson Airport is administered by IHL, of which NCC and TDC are equal shareholders. Nelson Airport has a statutory obligation to prepare a Statement of Intent.	To operate a successful airport business that meets the needs of the Nelson Tasman region.	Nelson Airport is a key strategic asset and contributor to the prosperity and growth of the Nelson Tasman economy. Its primary service is moving people into and out from the region safely and efficiently. Nelson Airport may also grant and administer sub-leases of the land, buildings or installations vested in Nelson Airport Limited for any purpose complementary to the ongoing safe and efficient operation of the Airport.	**People, Culture and Values** Annual employee engagement survey to be undertaken.	Maintain a "Great*" result (employee engagement survey net promoter score between 30-70%).
			Health and Safety Meet all our obligations and standards under Civil Aviation Act Rules.	No "major*" findings (An occurrence or deficiency involving a major system that caused, or had the potential to cause, significant problems to the function or effectiveness of that system.
			Infrastructure and Property Maintain an asset management system to manage the condition, criticality, and life cycle of all assets.	Main apron rehabilitation project completed.
			Financial Results Manage financial performance to ensure we are optimising returns.	Total Operating Revenues $18.1m EBITDA* $10.4m (earnings before interest, taxes, depreciation, amortization, and other non-operating income/expense).
			Customers and Stakeholders Deliver an exceptional customer experience for those visiting the airport in any capacity.	Maintain "Excellent" result in FY24 Customer Satisfaction Survey.
			Environmental Sustainability Pursue sustainability initiatives that deliver our goal to be carbon neutral by 2030.	Achieve Level 2 Airport Carbon Accreditation.

Nelmac

Structure	Objectives	Activities	Performance Indicators	Targets for 2023/24
Nelmac is 100% owned by Nelson City Council and all directors are Council appointed.	• Improve Our Core Business • Protect & Develop our People • Enhance our Environment	Water Greenspaces Commercial Conservation Landscape Architecture and Planning Recycling Additional Services such as emergency response, traffic management and vehicle and equipment maintenance.	**Equity ratio** Bank Debt to Equity Ratio within acceptable risk tolerance	Bank Debt to Equity at or below 55% by June 2024
			Quality of service Understand and strive to improve customer satisfaction	2023/24 Customer Satisfaction Survey for all Nelmac Kūmānu Customers – improving on 2021/22 score of 5.33 out of 7 by June 2024
			People and Safety Employee turnover comparable to industry average	Employee turnover within 5% of the national industry average by June 2024
			Sustainability and Community Reduced carbon emissions year-on-year (adjusted for COVID)	Reduce carbon emissions compared with 2023 (normalised against revenue) 2022 = 2.88t per $100k revenue by June 2024
			Non-shareholder Business Profitable growth in non-NCC work	Profitable year on year growth in non-NCC work 2023 to 2024 by June 2024

Tasman Bays Heritage Trust (Nelson Provincial Museum Pupuri Taonga O Te Tai Ao)

Structure	Objectives	Activities	Performance Indicators	Draft Targets for 2024/25
The Tasman Bays Heritage Trusis a charitable trust which was established to administer the museum on behalf of Nelson City and Tasman District Councils. The Councils jointly appoint the board members. One other board member is iwi appointed.	To care for, strengthen and make widely accessible the taonga and heritage collections of Nelson Tasman; and to create unforgettable experiences that stimulate awareness, celebrate diversity and entertain.	To plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection.	Ensure sufficient funds are in place for completion of project.	Sufficient funding in place to commence construction.
		To be a highly valued visitor destination, educational provider and venue for cultural and community connection.	Implement a high-quality visitor experience programme which attracts our diverse local communities and visitors to the region.	Design and deliver a varied visitor experience including at least three exhibitions. Implement at least one new accessibility improvement. Deliver on visitor experience initiative in partnership with iwi.
		To actively support and collaborate with iwi and Nelson Tasman cultural heritage organisations.	Providing advice, guidance, content, mentoring and support to iwi, smaller galleries, libraries, archives and museums within Nelson Tasman.	Provide Museum support and assistance on request to Te Tauihu district museums, iwi and cultural organisations. Organise at least two regional museum hui.
		To continue to develop and provide appropriate care for a strong Collection which is relevant and accessible to, and valued by, Nelson Tasman communities.	Actively collecting objects that are strongly related to the history and cultural story of Nelson Tasman.	Acquire at least two items of significance to Nelson Tasman (historical or contemporary). Review Collections Management Policy in advance of collection move to ARC.
		To improve our sustainability performance.	Preparation to operate under extreme climate-change related weather events.	Develop an Emergency Management and Collections Recovery Plan.
		Grow and diversify our revenue streams.	Identify new funding streams to allow for planned operational developments including ARC.	Develop and implement a new operational plan and budget.

Nelson Regional Development Agency Ltd (NRDA)

Structure	Objectives	Activities	Performance Indicators	Draft Targets for 2024/25
The NRDA is 100% owned by Nelson City Council and all directors are Council appointed.	NRDA's purpose is to accelerate economic growth, improving wealth and wellbeing for the people of Nelson Tasman. With a focus on increasing regional productivity, we deliver on our purpose by supporting collaboration, building capability, and attracting resources.	NRDA's activity spans strategic economic development, business and key sector support, investment attraction and, as Regional Tourism Organisation, fostering and promoting regional visitation.	**Attracting Resources and Activity** Have the investment, resources and attention required	1. Supporting investment into Region: Actively partnering to attract, influence and support a $40M pipeline of regional priority investment projects over three years. 2. Addressing tourism seasonality: Delivering shoulder season visitor campaigns with combined reach of 1 million people per year.
			Capability Building Develop the skills, mindsets and capability needed	Supporting businesses: Actively engaging 500 businesses per year in NRDA business support initiatives
			Collaborating to Compete Be more nationally and globally competitive by getting more done together	Leveraging our regional strengths to catalyse economic growth: Through sector-focussed collaborations and partnerships, with 150 business engagements per year

The Suter Art Gallery Te Aratoi o Whakatū

Structure	Objectives	Activities	Performance Indicators	Draft Targets for 2024/25

The Trust, is the governance body for The Suter Art Gallery Te Aratoi o Whakatū; a not-for- profit entity with charitable status, established to manage and operate on behalf of the Nelson and Tasman Councils a public art gallery service for the benefit of residents of Nelson and Tasman regions and the public generally.
As a CCO, the NCC is responsible for appointing the 6 members of the Board, including a representative of Ko Te Pouāranga. Trustees are appointed for three-year terms.
	To bring people and art together by honouring our cultural and artistic heritage and proactively bringing innovative, challenging and engaging perspectives to audiences through the collection, exhibitions and education.	• Making Art Matter: Providing engaging and memorable experiences through:
		  • Exhibitions, public programmes and special projects
		  • Innovative educational opportunities/lifelong learning
		  • Collecting, preserving, recording and communicating our cultural and artistic heritage
		• Kaitiakitanga: Exercise responsible stewardship of all our resources of The Suter for the benefit of the public now and for the future: assets, people and cultural property
		• Partnerships: Developing our audience, patronage and partnerships and maintain these strong relationships for the mutual benefit of The Suter, the community and allied organisations.
			Operate a visual arts destination of national importance
			The number of visits to The Suter
			Ko Te Pouaranga input to programmes, exhibitions, projects, collection and policy development
				Target of 100,000 visits to The Suter,
				1 Toi Māori exhibition per annum

			To excite, engage and inform our community through art experiences A programme of 10-15 regularly changing exhibitions are mounted during the year Provide learning experiences for Nelson/Tasman school students (ELC) based on The Suter's programmes and resources	A programme of 10-15 exhibitions in 2024/25 A minimum of 4000 school students involved in learning experiences from 25 schools
			To ensure a sustainable future for the Suter Maintaining Good Employer policies, procedures and practices No significant Health & Safety incidents and no staff hours lost to injury The following; retail, FoTS, fundraising and sponsorship and donations, make a contribution to Suter self-generated income	Number of staff resignations, % staff turnover. 0 hours lost to injury. Report on actual against budget.
			To embrace the past and preserve our cultural artistic heritage Collections preserved by minimal cases of irreparable damage occurring due to storage/display conditions handling or public access.	<1

Nelson Marina Management

Structure	Objectives	Activities	Performance Indicators	Draft Targets for 2024/25
The Nelson Marina Management CCO is 100% owned by Nelson City Council. Council appoints the CCO directors.	Nelson Marina's purpose is to provide safe berthing, launching, storage and hardstand facilities for pleasure vessels servicing both local and visiting vessels, and to support other water-based recreational pursuits including; youth activities, waka-ama, rowers, those with canoes and kayaks, rowing skiffs, paddle-boards, jet-skis, and those going out fishing.	Nelson Marina boasts an impressive array of berthing options, accommodating a diverse range of vessels. The marina features approximately 600 berths, distributed across 16 pontoons and two groups of pile moorings. Facilities at Nelson Marina include an on-site office/ administration building, a customer lounge, three toilet/ shower blocks with laundry facilities, public bathrooms, refuse and recycling provisions, and electricity and potable water for every pontoon berth. The marina also offers a pump-out station, 3-lane boat ramp, Travelift straddle carrier for boat lifting and transport, washdown facilities, car and trailer parking, dry berths, and a boat storage yard.	**People, Culture and Values** Maintain a formal training and development programme for employees	Minimum 10 hours per annum per FTE of ongoing personal development
			Health, Safety and Risk Have a behavioural based safety culture where everyone is responsible for safety in the marina	Risk register reviewed fortnightly as part of all of staff meetings One key risk reviewed at every board meeting Board safety walks scheduled quarterly Monthly boat yard contractor meetings
			Infrastructure and Property Develop infrastructure in line with Marina Masterplan	All capital projects completed on time and within budget
			Financial Results Manage financial performance to ensure we are optimising returns Maintain high occupancy levels	Annual accounts are on budget 95% for permanent berthing 60% for visiting berthing
			Customers and Stakeholders Deliver and exceptional customer experience	Complete a customer satisfaction survey and compare year on year
			Environmental Sustainability NZMOA Clean Marina	Maintain audit compliance

The City of Nelson Civic Trust

The City of Nelson Civic Trust has an exemption under section 6(4)(i) of the Local Government Act 2002 which exempts small organisations from the Council Controlled Organisation provisions of the Act.

Council committees and appointments
Kōmiti Kaunihera me ngā Kopounga

Mayor
Hon. Dr Nick Smith

Deputy Mayor
Cr Rohan O'Neill-Stevens

Audit Risk and Finance Committee
Independent Chair, independent appointed member, four elected members, and provision for a Māori representative

Chief Executive Employment Committee
Four elected members

Tenders Committee
Four elected members

Civil Defence Emergency Management Group
Mayor and Deputy Mayor of Nelson City Council (NCC) and Tasman District Council (TDC)

Joint Committee of Tasman District and Nelson City
All elected members from NCC and TDC

Nelson City Council Tasman District Council Joint Shareholders Committee
Six elected members from NCC and six elected members from TDC

Nelson Regional Sewerage Business Unit (NRSBU)
Two elected members from NCC and two elected members from TDC, an independent member, a Māori representative and a representative of the NRSBU Customer Group

Nelson Tasman Regional Landfill Business Unit
Two elected members from NCC, two elected members from TDC and a Māori representative

Joint Nelson Tasman Regional Transport Committee
Two elected members from NCC and two elected members from TDC, a representative from NZ Transport Agency Waka Kotahi and Te Tau Ihu Iwi representative (Note two further elected members from each council are also appointed as alternates to the committee).

Saxton Field Committee
Independent Chair, two elected members from NCC and two elected members from TDC

Regional Pest Management Joint Committee
Three elected members from NCC and three elected members from TDC

District Licensing Committee
Commissioner, two elected members and four external appointments

Resource Management Act Consenting Panel
All members holding current 'Making Good Decisions' certification

Hearing Panel
All elected members in rotation

Iwi-Council Partnership Group
Five elected members and representatives of the eight Te Tauihu iwi

Plan Change 29 Hearing Panel
Independent Chair and two elected members

Joint Regional Cemetery Working Group
Two elected members from NCC and two elected members from TDC and a Māori representative

Nelson Tasman Joint Waste Review Working Party
Three elected members from NCC and three elected members from TDC and a Māori representative and up to three iwi representatives recommended by Te Tauihu iwi Chairs

City Centre Business Forum
Four elected members, a Uniquely Nelson representative, a hospitality representative, a retail sector representative and a property owners' representative

Taskforces
Taskforces are initiated as required, with varying membership numbers per taskforce. Some taskforces have external participants.

Elected Member Appointees to External Organisations
Elected members are appointed to the external organisations in the following capacities:

- Liaison: to be an interface between Council and the organisation;
- Engagement: to involve people and organisations in the decisions that affect them; and
- Representation: to represent Council's financial or other interests in an organisation.

Note: Some of these organisations meet the definition of Council Organisation.

Further membership information regarding committees and appointments can be found in the delegations register: nelson.govt.nz/council/mayor-councillors/governance-2/

Council management structure
Te hanganga whakahaere a te Kaunihera

Chief Executive
Council employs a Chief Executive, who is responsible for employing staff to enable Council to deliver its services and activities. The Chief Executive is ultimately accountable for the delivery of Council business and is the bridge between governance and management.

The Office of the Chief Executive provides support services to the Chief Executive. The Office also includes Te Kāhui Whiria/Māori Partnerships team and the People and Capability team, responsible respectively for leading the development of strategic rangatira to rangatira relationships between Nelson City Council and the eight iwi of Te Tau Ihu, and supporting the organisation effectively in all matters related to its people.

The Chief Executive also ensures that executive support services are available to the Mayor and councillors.

You can read more about the function, responsibilities and activities of the Nelson City Council via the Nelson City Council governance statement, which can be found here: nelson.govt.nz/council/mayor-councillors/governance-2/

Glossary
Kuputaka

Some technical words are hard to avoid using, as they have a specific meaning or are used in the Local Government Act 2002. While we do our best to keep these to a minimum and use plain English wherever possible, there are some less familiar local government terms and abbreviations used in this document. We have separated the glossary into general and financial.

General

Accountability is a principle governing public service organisations, including Nelson City Council; it means that they are responsible to the public, and must answer to them if questioned on their performance. Our Annual Report is one way that we are held accountable to the community for the results of the past year's work.

Activities ('Groups of Activities') are the services, projects or goods produced by Council. These are broad groups of Council's services and facilities, each with common elements. For example, the Environment 'activity' includes regulation, compliance and education. For practical management of our work, we assign responsibility for these activities to various Council teams, each with their own budgets. Activity can also be used to mean the action Council takes in carrying out a project or providing a service.

Annual Plan sets out Council's current financial situation, intended activities and work programme for the next financial year. It is published in the second and third year of a Long Term Plan to explain changes each year since the Long Term Plan was published.

Annual Report is an audited account of the results of Council's planned work programme for the past year. Any difference to planned work is explained. The Annual Report is published by Council around October following the end of each financial year (30 June each year).

Asset(s) are resources owned by Council that have an economic life greater than one year. Examples are buildings, equipment, vehicles, and computers.

Activity Management Plan (AMP) is a Council plan for the management of assets and activities. It applies technical and financial management techniques to ensure that specified levels of service, or agreed standards, are provided in the most cost-effective manner over the lifecycle of the asset.

Assumptions are the underlying 'givens' assumed by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning and form an opinion about how reasonable those assumptions are.

Audit is the regular official inspection of Council's accounts and processes, carried out by Audit NZ.

Biodiversity is the natural diversity of all life, including diversity in genes, species, populations and ecosystems.

Consultation Document is the basis of discussions between Council and the community about the issues facing our district and how Council is proposing to address those issues. It includes how rates, debt and levels of service might be affected by Council's proposals.

Council Controlled Organisation (CCO) is a company controlled by one or more local authorities that does not operate only to make a profit, for example the Bishop Suter Gallery.

Council Controlled Trading Organisation (CCTO) is a type of Council controlled organisation that operates for the purpose of making a profit, for example Nelmac Limited.

Community Outcomes are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities.

Development Contributions are payments to Council by developers to provide new network infrastructure, or network infrastructure of greater capacity, needed to service growth in demand for that infrastructure.

Household Unit of Demand (HUD) has the same meaning as Residential Unit in the Nelson Resource Management Plan. The HUD is equivalent to one residential title containing one residential unit.

Infrastructure includes the networks that support the running of an area, like the water, wastewater/sewerage, solid waste (rubbish disposal), and transport systems managed by Council. Networks provided by non-Council organisations, like electricity and telecommunications, also form part of the community's essential infrastructure.

Infrastructure Strategy identifies critical challenges for our transport, water supply, wastewater and stormwater and flood protection assets over the next 30 years, and the options for responding to them.

Levels of service (LOS) are the outcomes and outputs customers can expect from Council provision of an asset or activity, measured through achievement of defined performance measures and targets.

Local Government Act 2002 (LGA) sets out the purpose and powers of local government. The LGA provides for democratic local government and promotes accountability to communities.

Long Term Plan or LTP is the final adopted version of this document. A Long Term Plan is required by the Local Government Act 2002 to describe Council's activities, providing integrated decision-making and coordinating Council resources. It gives a long term focus for the decisions and activities of Nelson City Council and is an important basis for the accountability of Council to Nelson residents.

Performance measures are a statement of intended results, usually annually based, that are measurable and subject to audit. Council is accountable for their achievement, and they are reported in the Annual Report.

Regulator is a role of Council where it seeks to modify the actions of individuals through enforceable regulations to achieve a specified purpose. For example, Council issues permits and regularly inspects restaurants and takeaways to make sure the food served is safe to eat and can take action if it's not.

Resource Management Act 1991 (RMA) is an Act to promote sustainable management of natural and physical resources. Council is responsible for administering a range of duties under this Act including environmental planning and resource consents.

Statement of Intent (SOI), is required annually from each council controlled organisation to provide accountability for meeting agreed targets and outcomes.

Unitary authority is a city or district council that also has the responsibilities of a regional council. There are only six of these: Auckland, Nelson City, Tasman District, Marlborough District, Gisborne District and Chatham Islands Councils.

Common Financial Terms

Capital expenditure (CAPEX) is money used to create new assets or to increase the capacity of existing assets; this increases the total value of Council's assets.

Depreciation is the wearing out, consumption or loss of value of an asset, where funding is set aside towards the asset's eventual replacement.

Financial year for Council runs for 12 months each year from 1 July ending 30 June the following year.

GAAP (Generally Accepted Accounting Practices) is a collection of commonly followed accounting rules and standards for financial reporting.

General rate is charged based on the land value of a landowner's property. The money pays for Council services and facilities that benefit the community as a whole.

Operating expenditure (OPEX) is the cost of operating and maintaining an asset and running normal day to day business. Money spent on operations and maintenance does not alter the value of an asset and is not included in the asset valuation. It is operating expenditure that has the greatest effect on rates, as it has to be fully funded from income each year, whereas capital expenditure is generally borrowed.

PBE IPSAS (Public Benefit Entity International Public Sector Accounting Standards) are the accounting standards that public sector public benefit entities must apply in the preparation of financial statements.

Separately used or inhabited parts of a rating unit (SUIP) is based on separately occupied portions of a property, e.g., for a separate tenancy, lease, or license. Individual units of accommodation within retirement villages, multi-unit residential properties and individual commercial tenancies are also considered a SUIP.

Targeted rates are a charge on ratepayers to fund a specific service such as stormwater drainage.

Contact us
Whakapā mai

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Council Customer Service Centre

Open from 8.30am to 5.00pm weekdays (9.00am on Wednesdays) in Civic House, corner Halifax and Trafalgar Streets, Nelson.

Nelson City Council
Te Kaunihera o **Whakatū**