

Council activities

Council 'activities' are the groups of services, projects or public goods produced by Council. Money is budgeted for projects, programmes and services under broad categories to provide comparisons, accountability and transparency in how Council funds its work and monitors how it is doing. If you are interested in finding out more about specific issues and what Council proposes for them over the next decade, the relevant activity sections are a good place to start.

The activity sections are set out in a consistent way. There is a brief description of what each activity covers, called **what we do**. Then follows discussion of what the drivers are for Council's involvement in that activity – **why we do it**. This might be for statutory reasons, for example if Council has to provide services by law, or there might be a community demand for services. The **vision, outcomes** and **priorities** give more detail on how the work programme in each activity has been identified – how it contributes to making Nelson an even better place, and the key projects. The **service levels** give information on the standard of what Council aims to deliver and how it measures progress towards targets.

The **strategies and policies** cover other sources of information on Council's approach to delivering services in each activity. **Deferred work** lists the projects that have been identified by Council as being of lower priority. These may be considered in the future as resources allow. **Assumptions** specific to that activity are followed by a section on any negative effects of the activity.

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

Transport

What we do

Council's transport assets and services include the provision, operation and maintenance of physical infrastructure and the environment on road reserves for driving, cycling and walking as well as safety, parking control, traffic control and public transport services. In June 2015 the replacement cost of these assets is approximately \$670 million, excluding land value.

Why we do it

Council provides transport planning, infrastructure and services to ensure there is safe, convenient, efficient and affordable access and movement of people and goods. The way Council does this is directed by the community outcomes, in line with the Local Government Act, the Land Transport Management Act and other relevant Acts, regulations, rules and bylaws. Council does this work so that it meets statutory requirements, delivers on customer expectations and protects the City's investment in its assets.

Our Long Term Vision

A sustainable transport future for Nelson and a land transport system that is safe, efficient, integrated and responsive and that meets the needs of the region in ways that are environmentally, socially and economically sustainable.

Regional Land Transport Strategy 2009

Our goal

A sustainable transport future for Nelson and a land transport system that is safe, efficient, integrated and responsive and that meets the needs of the region in ways that are environmentally, socially and economically sustainable.

Community outcomes

Community outcomes	How this Council activity contributes to the outcome
Natural Environment People Friendly Places	Provides a range of transport systems that minimise the impact on the environment
Community Infrastructure	Provides a safe transport network for traffic Takes into account the impact on public spaces when providing transport infrastructure
Economic	Provides an effective and efficient transport system that meets the needs of residents and businesses
Recreation	Provides a safe transport network for cyclists and pedestrians

Council's priorities for the next three years

Footpaths

As part of our objective for a walkable city Council aims to provide a network of footpaths that is suitable, accessible, safe and well maintained. It may seem like a fairly routine issue to be highlighting in a Long Term Plan but good footpaths are important for maintaining a healthy active community, particularly for our growing number of older residents. Council proposes to make improving the surface condition of footpaths one of its priorities over the next five years.

Priority areas include replacing the sections of the existing footpath network that are in the worst condition, including regrading steep vehicle crossings. To determine which areas should be done first, footpaths across the city have been assessed and prioritised, with \$300,000 allowed per year to repair substandard footpaths.

There is also \$200,000 allocated per year from 2016/17 for new footpaths, connectivity between footpaths, and safer road crossings, especially around schools and across busy roads. The cost of work on footpaths is \$5.6 million across the 10 years of the Plan.

Connections

Nelsonians love their waterfront. Last year Council consulted widely on a proposal for better provision for walkers and cyclists along Rocks Road. Council has worked hard with the NZ Transport Agency to identify a solution for this section of road. This is a partnership project (as this is a State Highway) that involves a ratepayer contribution estimated at around \$3 million and a funding contribution of more than \$14 million from NZ Transport Agency.

Feedback from community engagement on various options showed strong support for a walking and cycling facility that increased the number of users, increased safety, and made the area more attractive. However, there was a real concern about possible conflict between faster cyclists and other users on a shared path, and also the loss of parking. Further analysis is currently being undertaken on the Steering Committee's recommended option. Feedback from the detailed analysis will inform negotiations with NZ Transport Agency.

The City to Sea network – from Maitai to Tahunanui - is a project which Council wishes to complete. The Maitai Walkway and Rutherford Park are important nodes in this network, along with linkages to the marina area (Akersten Street). Previous councils made strategic property purchases in the Haven area to provide options for these links. Resources have been included in the first year of the Plan for integrating the property and transport components of this development. Once the planning is complete, budgets and physical works will follow. The Government's announcement of the Urban Cycleways Fund appears a good fit with this programme.

The impact of the NZ Transport Agency's investigation of a third arterial route between Nelson and Stoke – the Nelson Southern Link – on Council's transport programme is not yet known. Current Council policy is to protect the potential corridor, and no change is

proposed.

Council's investment in transport programmes is supported by funding from the NZ Transport Agency. This is subject to a separate consultation process to develop the Regional Land Transport Programme which was begun late last year.

Central Business District Enhancement

The economic health and vitality of the central city is a priority for Council. We know that the success of the CBD depends on the quality of the shopping experience, the range of interesting events, the design of the buildings and streetscape. Despite recent and planned big box developments elsewhere, the Nelson CBD continues to hold its place as the economic and social hub of the region. However we cannot afford to be complacent about CBD quality and Council has set aside \$894,000 in the years 2015/16 to 2018/19 for capital projects to enhance the CBD. Council deliberately does not have a set of proposed projects to put forward in the Long Term Plan as it wishes the work to be a collaboration with business and other key CBD stakeholders. A CBD panel will be established to advise which projects should be top priority for ratepayer support.

Parking

Parking in the CBD is an issue that has attracted attention over many years. Council has trialled some new approaches over the last 12 months to support a dynamic, competitive CBD. All parking systems come at a cost and Council must ensure its system is equitably managed.

Budget is proposed in 2017/18 to 2018/19 for all off-street parking meters to be replaced with modern technology that includes more ways to pay and the ability to extend your stay remotely through a smart phone app. Council will continue to monitor technology changes to ensure we have a well functioning and affordable parking system.

Council proposes to continue to fund its current "first hour free" parking scheme all year round. This will result in a reduction of revenue of \$475,000 excluding GST per year that will be met in part through an adjustment to the inner city commercial differential rate and the remainder from general rates.

Marsden Valley/ Ridgeway

In 2015/16, a Stoke Foothills Traffic Study will be undertaken, which will lead to a better understanding of traffic growth and flows in the Stoke area. Three-quarters of Nelson's population growth and more than half its housing growth is projected to occur in this area over the next 30 years.

An area of particular population growth is Marsden Valley and three roading projects are proposed over the next ten years:

- Marsden Valley/ Ridgeway upgrade (\$2.7 million)
- Marsden Valley Road upgrade (\$1.7 million)
- Main Road Stoke and Marsden Valley Road intersection (\$1.3 million).

Stoke

A Parking Survey for central Stoke has recently been completed and a number of parking and transport issues identified for attention. Several projects have been prioritised for the early part of the Long Term Plan including improvements to traffic flows in central Stoke and some analysis of safety and traffic volumes to inform future projects.

The Stoke bus service will also be reviewed including the option of better links between the commercial and residential areas of Stoke. This is subject to a separate consultation process, which began late last year, to develop the Regional Public Transport Plan.

Sealed road surfacing

It is essential that the city's roads are safe to use and provide a comfortable and reliable means of travel. Roading is managed by ongoing maintenance and renewals. Resealing is a critical component of the renewals programme and is based on a programme of repairing those in worst condition first.

In simple terms, roads comprise a layer of bitumen on top of gravel. The bitumen protects the gravel layer in the same way that paint on a house protects the weatherboards. Therefore it is important that the bitumen is re-sealed when it shows signs of cracking or wear.

Major works on Waimea Road in 2014/15 means there is a back-log of roads that require resurfacing. Approximately \$1.3 million to 1.4 million per year has been allocated in this Long Term Plan for sealed road resurfacing.

Roading minor improvements

Minor roading improvements are co-funded by the NZ Transport Authority by approximately 50%. The following projects are proposed to be constructed from the minor improvements allocation of \$650,000 per year:

- Māori Road retaining wall

- Homezone/sharezone project to slow through vehicles

- Waimea Road/Ridgeway safety improvements

- Poleford Bridge seismic upgrade (this is the road up to the Maitai dam)

- Gibbs Bridge seismic upgrade (this is the road up to the Maitai dam).

Freight

Port Nelson, as the maritime gateway to the region, is important for economic development as it enables primary production to be exported. Nelson's reliance on primary industry means that it is essential that the local road network is resilient and efficient for freight, especially the routes to and from the port.

The NZ Transport Agency predicts increased freight of approximately 2% per year and a doubling in the log harvest tonnage from the combined forests of Nelson-Tasman and Marlborough 2020–25.

Regional Funding Activities

The Regional Land Transport Plan (RLTP) identifies the regional subsidised roading programme, including projects that would use the regional funding. The key local roading components (and costs) of the RLTP are the walk/cycle/schools package shown below. Note these are the subsidised total cost. In the Rocks Road project we also have local funding.

Package	Total Cost estimate (\$000)
Rocks Road NZTA Funded	\$14,250
Rocks Road Nelson City Council Funded	\$3,131
Tahunanui Cycle Network	\$893
Rocks Road Maitai Pathway: Saltwater Creek Bridge	\$405
Rocks Road Maitai Pathway: QEII Rd to Plant and Food)	\$1,990

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
Walking and cycling are easy and attractive transport choices	Percentage of the community that travel to work by walking or cycling based on Annual Residents Survey and/or national census	18.3% in 2013/14. Based on Census 2013 results, 8.7% cycled to work and 9.6% walked or jogged	20% ¹	22%	24%	25% of all journey to work trips by walking or cycling
An efficient transport system that enables people and freight to move efficiently	Average AM and PM peak hour travel times on Waimea Road and the State Highway between Annesbrook and Haven Road roundabout, based on the RLTS annual monitoring report	The 2013/14 car survey showed that the average travel time delays ranged from one minute on the Rocks Road route in the morning, to almost three minutes on the Waimea Road route in the morning	Average peak hour travel time delays are no greater than 5 minutes above uncongested travel times			
Road safety	Number of fatalities and serious injury crashes on the local road network	The target of a maximum of 12 fatalities and serious injuries in 2013 was met with 12 recorded for	The number of fatalities and serious injuries on local roads reduces by 4% per year from a base of 2007			

¹ Target is 25% of journey to work trips by walking or cycling by 2018. Year 1, 2 and 3 targets are only indicative targets trending towards the 25%.

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
		that year.				
Minimised social and economic costs of crashes on the transport network	Total five year average social cost of urban crashes (injury and non-injury) at the worst ten intersections	The social cost for 2013/14 worst ten intersections was \$4.2 million compared with an average of \$4.6 million for the previous five years. This is based on NZTA social crash cost and the CAS data base which is populated by the Police and managed by NZTA	The annual total social cost is below the previous five year average			
The Network, and its services in good condition and are "fit for purpose"	Smooth Travel Exposure	87%	87% based on NZ Transport Agency standard roughness limits in ONRC			

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
	The percentage of the local road (non State Highway) that is resurfaced annually	4.8%	6.4% - 7.4%			
The Network, and its services in good condition and are "fit for purpose"	The percentage of footpaths that meet or exceed the maximum acceptable roughness	95%	95% of the footpath network by length has a condition rating of ≤ 3			
Public transport services that meet the transport needs of the community with an equitable sharing of costs	The fare recovery ratio	62% in 2013/14	50%	50%	50%	50%
Supply and pricing of short stay parking managed to encourage commercial activity in the city centre	Percentage of short stay parking spaces occupied in midweek peak in December	Not measured 2013/14. Surveys in 2012 showed that 81% of short stay parking spaces were occupied in midweek peak in December. Data is collected on a four-yearly cycle	85%	85%	85%	85%

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
Customer Responsiveness	Response to service requests	95%	80% of service requests responded to within 5 working days.			

Planned major projects without subsidy

Project description	2015/2016 (\$000)	2016/2017 (\$000)	2017/2018 (\$000)
Todd Bush Road upgrade (1)	600	0	0
Tahunanui carpark development	50	154	0
Halifax Street upgrade (Maitai to Milton)	10	51	632
New Footpaths	50	205	211
Rocks Road walking and cycling project (2)	390	308	2433
Parking meter renewals	0	0	495
Parking Strategy implementation	270	123	0
Stoke CBD enhancement	0	51	0

(1) Note this is construction with tender already awarded

(2) Assumes NZTA fund all transport related project costs

Drivers of capital expenditure

The main capital expenditure driver for the region over the next three years is the allocation of regional funding. This is explained in detail in the Regional Land Transport Programme.

Key drivers for capital expenditure generally are responding to population growth and walking, cycling and school improvement projects. In addition, projects to maintain a vibrant and vital heart to Nelson City are in the Long Term Plan so the city continues to be an attractive place in which people can live, work and play, and in which businesses operate.

Strategies and policies

The following strategies, studies, reports and new surveys are planned for the next three years to inform Council's decisions. The costs and timing for these are:

Study/strategy	2015/2016 (\$000)	2016/2017 (\$000)	2017/2018 (\$000)
Parking surveys	50	10	10
Traffic counting and monitoring	50	50	50
Stoke Foothills Traffic Needs Study	100	0	0

Atawhai Foothills Traffic Needs Study	0	102	0
CBD West Traffic Study	0	0	105

Also important are:

- Infrastructure Strategy 2015
- Nelson 2060
- Social Wellbeing Policy

Deferred work

In 2012 Council, refocused its capital expenditure priorities away from upgrading local low traffic, low pedestrian and cycle volume roads that require a high cost to upgrade (e.g. hillside road upgrades). It targeted investment to maintaining the existing road infrastructure and contributing its local share to the regionally funded projects identified in the Regional Land Transport Plan. The remaining unsubsidised capital was prioritised on projects with significant traffic volumes and/or safety issues.

Several less urgent road upgrades identified in previous Long Term Plans have been either deferred or removed.

Assumptions

As well as the general assumptions that apply as the basis for forecasting budgets across Council's work, the following assumptions apply specifically to transport:

- The National and Regional funding identified in the Draft Regional Land Transport Plan will be supported in the National Land Transport Programme
- The NZ Transport Agency financial assistance rates will increase from the current 46% to 47% in 2015/16 and rise by 1% per year to 51% over five years
- The NZ Transport Agency will co-fund the region's passenger transport at an increased level from 2012-15 RLTP
- Reduced emergency funding from the NZ Transport Agency
- Tasman District Council will contribute \$30,000 per year to the Nelson / Richmond passenger transport service
- Public transport patronage will be at a level that continues to support the public transport level of service
- Energy prices will not increase/decrease significantly over the next three years with a consequent effect on vehicle use or shifts to other modes of transport
- The number of vehicles and vehicle movements per household will continue at no greater than 2013 levels over the period covered by the Transport Asset Management Plan
- Parking meter revenue is collected at a level of \$670,000 per year. This assumes one hour free parking as a permanent scheme and no winter incentives.

Significant negative effects and risk mitigation

From a transport perspective, the trend over the last ten years has seen household travel not follow the increase in population growth. This may be linked to the economic cycle and fuel prices. The trend is being monitored to inform future capacity requirements. Nelson City Council is developing better localised traffic modeling capabilities and is working with NZTA on arterial models.

Currently, our understanding of some of the higher value transport assets is relatively basic (e.g. road pavements). Ongoing NZTA funding will require us to develop a better understanding of the transport assets and the specific deterioration curves. Our understanding of carriageway surface ages and conditions has recently improved enough to know that there is a backlog in road surface renewals and along with it a cost of around \$6 million. This is able to be spread to catch up over a ten year period to reduce the annual cost to around \$1.6 million on average over 40 years. Condition data on the pavement structure is limited and renewal is far more costly than surface renewal. As a result, if a similar backlog was to be found for this asset then the cost would be significant.

NZTA is currently undertaking investigation work to determine whether a third southern arterial will be built. If this project does go ahead then the new road will be the state highway and the current state highway (Rocks Road) would become a Council asset. Along with ownership of this asset would come a high maintenance cost.

There is a risk that activities that might be eligible for funding, and were budgeted in the Long Term Plan to receive funding, are declined that funding by the NZTA.

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,033	3,840	3,966	4,104	4,255	4,416	4,570	4,734	4,903	5,126	5,389
Subsidies and grants for capital expenditure	4,453	1,688	1,628	1,974	2,336	2,914	1,779	1,895	2,020	3,635	2,835
Development and financial contributions	189	188	191	195	199	203	207	211	216	220	225
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(5,258)	(5,367)	(5,538)	(5,728)	(5,933)	(6,151)	(6,367)	(6,599)	(6,838)	(7,151)	(7,520)
Net Surplus (Deficit) before taxation in Cost of Service Statement	2,417	349	247	545	857	1,382	189	241	301	1,830	929

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Transport										
Roads: Subsidised										
Drainage renewals	100,000	103,226	106,587	110,089	113,851	117,924	122,320	127,078	132,290	137,967
High productivity motor vehicle upgrades (Maitai Valley Road)	0	0	52,660	216,262	222,318	0	0	0	0	0
Maitai shared path (Saltwater Creek bridge)	0	0	31,596	373,185	0	0	0	0	0	0
Minor improvements	650,000	666,965	684,574	702,852	722,534	743,919	767,052	792,136	819,702	849,784
Quarantine/Nayland intersection upgrades	0	0	0	0	0	0	118,008	182,801	3,152,700	0
Railway Reserve/Princess Drive extension overbridge	100,000	0	0	0	0	0	0	0	0	0
Rocks Road to Maitai shared path	0	0	63,191	259,514	1,667,385	0	0	0	0	0
Sealed road pavement rehabilitation	352,000	120,054	389,095	841,019	358,713	369,330	380,815	393,268	406,954	421,889
Sealed road resurfacing	1,326,000	1,360,609	1,396,530	1,510,590	1,552,891	1,598,853	1,648,572	1,702,482	1,761,729	1,826,382
Structures component replacement	450,768	377,268	334,329	270,328	277,898	286,123	295,020	304,668	315,270	326,840
Tahunanui cycle network	100,000	266,786	526,595	0	0	0	0	0	0	0
Traffic services renewals	405,000	436,585	385,429	288,114	296,724	306,070	316,172	327,117	339,132	352,235
Waimea Road/Van Diemen junction improvements	0	0	0	0	0	0	0	60,934	126,108	1,568,832
Waimea Road retaining wall at Snows Hill	0	0	0	54,066	483,542	0	0	0	0	0
Walk cycle schools package	150,000	0	0	0	0	0	0	0	0	0
Roads: Unsubsidised										
Halifax (Maitai to Milton Street)	10,000	51,305	631,914	0	0	0	0	0	0	0
Main Road Stoke/Marsden Road	0	0	0	0	0	0	35,402	85,307	1,134,972	0
Marsden Valley/Ridgeway upgrade	0	0	78,989	0	0	0	141,610	487,468	2,017,728	0
Marsden Valley Road upgrade	0	0	0	0	0	0	0	60,934	94,581	1,568,832
Milton Street (Grove to Cambria Street)	0	0	0	0	22,232	572,245	590,040	0	0	0
Muritai SH6 intersection (including pedestrian crossing across SH6)	0	41,044	0	0	177,854	0	0	0	0	0
New footpaths	50,000	205,220	210,638	216,262	222,318	228,898	236,016	243,734	252,216	261,472
Renewals footpaths	300,000	309,677	319,760	330,267	341,553	353,772	366,961	381,235	396,869	413,902
Rocks Road cycling and walking project	390,000	307,830	2,432,869	0	0	0	0	0	0	0
Sundry land purchases	100,000	102,610	105,319	108,131	111,159	114,449	118,008	121,867	126,108	130,736
Tahunanui car park	50,000	153,915	0	0	0	0	0	0	0	0
Todd Bush Road	600,000	0	0	0	0	0	0	0	0	0
Inner City Enhancement - Car Parks										
CBD enhancements	50,000	256,525	263,298	324,393	0	0	0	0	0	0
Parking strategy implementation unspecified	270,000	123,132	0	0	0	0	0	0	0	0
Renewal CBD rubbish bins	5,368	5,508	101,528	5,804	5,967	6,144	6,335	6,542	6,769	7,018
CCTV	0	0	94,787	0	0	0	0	109,680	0	0
On and off street parking meters	0	0	494,999	508,216	0	0	0	0	0	0
Stoke CBD enhancements	0	51,305	0	108,131	555,795	0	0	0	0	0
Public Transport										
CBD interchange	0	0	0	0	22,232	228,898	0	0	0	0
Stoke interchange	0	0	0	21,626	333,477	0	0	0	0	0
Projects under \$100,000	575,837	664,730	533,603	547,816	563,181	579,843	597,861	617,192	638,280	661,399
Total Transport	6,034,973	5,604,294	9,238,290	6,796,665	8,051,624	5,506,468	5,740,192	6,004,443	11,721,408	8,527,288

Water supply

What we do

Council supplies high quality water to most Nelson households and businesses through a piped network. Some rural properties provide their own water. The Nelson City area is served by the following mix of water supply systems:

- The Nelson City system covering most of Nelson City, from Saxton Road to The Glen – Council takes water from the Maitai Southern Branch, Maitai Dam and Roding Rivers and treats it at the Tantragee Saddle ultra-filtration treatment plant, which opened in 2004
- The Tasman District Council serves a small number of Nelson City properties between Saxton Road and Champion Road with water from the Waimea Aquifer
- Six private supplies in the Nelson North area serve between 25 and 180 people each. These take water from a variety of sources. Treatment ranges from no treatment to filtration and UV treatment
- An increasing number of subdivisions take Council-supplied water, but operate private pumping and storage systems for properties that are higher than the Nelson City Council supply can service.

Water is metered so it is used efficiently and supply costs are shared fairly. Those who use less are charged less. Operations and maintenance in the water supply activity includes the water intake structures on the Maitai and Roding Rivers, the Tantragee treatment plant and looking after the network of pipes, valves and storage reservoirs throughout the city. Operating and maintaining these assets costs approximately \$5.5m annually, which is approximately 50% of the total water utility budget.

Why we do it

Providing safe water for the city is a major part of Council's core business. A good quality, reliable water supply is essential for community and environmental wellbeing. Human health, tourism and industry rely on having a safe water supply, which is reflected in the duty under the Local Government Act 2002 that Councils provide water services.

Council has invested a considerable amount in developing water supply assets to ensure that it has the capacity to deliver safe water for residents and businesses. Much of Council's water supply work is needed to:

- Maintain existing infrastructure and assets
- Reduce the loss of treated water through leaks
- Build resilience into the network
- Expand the network as new areas of the city are developed.

A reliable water supply is an essential 'lifeline' utility and Council has established procedures to ensure continuity of supply, or a rapid return of service, during a civil defence emergency such as an earthquake or storm event. These provisions include locating a generator at the water treatment plant to provide an energy source should

there be an interruption to electricity supplies. Work was completed in 2014 to duplicate the main supply pipeline from the Maitai Dam to the treatment plant, mitigating risk from earthquake and tree fall.

Our long term vision

Council’s long term vision recognises that core services, including water supply, need to be delivered efficiently and effectively, while minimising the impact on the natural environment. Future demand will be met by ensuring security of supply, minimising leaks and scaling new infrastructure appropriately. Opportunities to improve energy efficiency of this activity and to enhance biodiversity will be proactively explored.

Our goal

Deliver good quality water at the right pressure and flow rate, with a reliable, sustainable and secure supply.

Community outcomes

Community outcomes	How this Council activity contributes to the outcome
Natural Environment People friendly places	Ensures water resources are well managed and reduces the human impact on the environment. Council complies with water consent conditions to protect the environment
Economic	Supports economic development, business and tourism sector in Nelson. Council measures progress towards addressing risk, quality and sustainability, including increasing storage capacity
Community Infrastructure	Prevents disease, which improves public health. Water grading results are updated regularly

Council's Priorities for the next three years

Maitai pipeline

A safe and reliable water supply is essential. A multi-stage project to improve water pipeline security from the dam to the city is being undertaken over many years. The pipeline from the dam to the treatment plant has been duplicated over the last three years to provide a more secure supply line to the treatment plant.

It is proposed to complete the link to the city with a duplicate line from the treatment plant to Westbrook Terrace. This section of pipeline was damaged in the 2008 wind storm and Council considered this to be a priority project, following on from completing the duplicate pipe from the dam to the treatment plant. This work was originally programmed for 2020/21 but was brought forward as a result of the Christchurch earthquakes and after in-house assessment of options for proposed routes allowed the

detailed design to proceed in 2014/15. The likely cost is \$4.2 million and it will go ahead in 2015/16 and 2016/17.

Waimea community dam

As a response to the over-allocation of ground water on the Waimea Plains, Tasman District Council facilitated the establishment of the Waimea Water Augmentation Committee in 2003. The committee comprises representatives from the irrigators, iwi, Tasman District Council, Nelson City Council, Fish & Game and Department Of Conservation. The recommendation of the committee is to construct a water detention dam on the Lee River in the foothills behind Brightwater. The dam would hold winter flows and release them to the river throughout the year, allowing the underground aquifers to recharge and ensuring there is a good minimum flow in the river for the wider regional environmental and recreational benefits. Following consultation at the end of 2014 Tasman District Council decided that it would include up to a maximum of \$25 million dollars in its Long Term Plan 2015-2025 budget for the community reticulated water supply networks and environmental flows only. The cost of the irrigation benefits of the dam is proposed to be externally funded.

The main reasons for a Nelson City contribution towards construction costs would be: the economic benefit Nelson City receives from activities on the Waimea Plains; the environmental and recreational benefits from healthy rivers in the region and the direct benefit a small number of South Nelson City homes and businesses receive from the water that is supplied to them by Tasman District Council. Putting a price on the value of the Waimea Plains and the Lee and Waimea Rivers is a difficult task. The New Zealand Institute for Economic Research has recently updated estimates of the economic benefits and impacts on the Nelson-Tasman Region arising from the dam and no-dam scenarios. It concludes that the difference between having, and not having a dam, would affect regional Gross Domestic Product by between \$71 and \$89 million per annum.

At this stage no specific allocation has been made in the draft Plan but headroom for the debt associated with a possible contribution has been allowed for in 2018/19 to align with construction phases should the dam proceed.

Roding pipeline

The Roding Pipeline was constructed in the 1940's and links the Roding River intake with the Nelson City Water Supply network. The Roding River water source is an important and essential source for the Nelson water network. The main supply pipeline is programmed for renewal between 2020-2025 at a cost of \$5.4 million.

Resource consents for the Maitai and Roding Rivers

Nelson City draws water from the Roding River and both the North and South Branch of the Maitai River. Resource consents are required for the abstraction of water plus the various dams and headwork structures. The current consents expire in 2017. Work is underway to investigate the impacts of the current water takes on the Maitai and Roding

rivers and prepare new consent applications. This work will be completed in years 2015/16 and 2016/17 of this Long Term Plan.

Engineering services agreement with TDC for Nelson South

Prior to Local Authority reorganisation in 1989 the section of Nelson City from Suffolk Road to Champion Road was part of the Waimea County Council (now Tasman District Council) which supplied water and some wastewater services to the area and undertook the maintenance and invoicing functions. With the development of the Wakatu Industrial Estate and residential subdivisions in the area the water supply and some residual wastewater arrangements have remained in place. These are covered by an Engineering Services Agreement between both councils that is currently being re-negotiated.

Tasman District Council has signaled its wish to change the arrangement and become a bulk water supplier to Nelson City with the maintenance and invoicing functions passing to Nelson City Council. As the water supply comes from Tasman District Council it is subject to the conditions of its resource consent(s) for abstraction and customers in Nelson City supplied with water from Tasman District are obliged to follow the same restrictions on use as residents of Tasman District Council.

Nelson City Council supports this approach and some properties will be affected by invoicing changes. Charging will be on the same basis as for all other Nelson residents and will result in a decrease for the affected residents.

The wastewater functions remain unchanged.

Water pipe renewal plan

Council has an ongoing programme of renewing reticulation pipes when they reach the end of their service lives. The current emphasis is on renewing asbestos-cement pipes that were laid in the 1950's and are failing earlier than expected. The Long Term Plan provides \$9.57 million of funding over ten years to address pipe renewals.

Water treatment plant membranes

The water treatment plant uses a process of ultra-filtration alongside the philosophy to reduce the use of chemicals. The ultra-filtration membranes are performing better than expected and are expected to exceed their design life, of ten years, by two to three years.

When the plant was built in 2004 Council made provision to future proof the facility by ensuring there was adequate space to add a fifth membrane assembly. This would increase the output capacity of the plant and also allow greater flexibility for maintenance of the plant and for renewal of the existing membranes. It is proposed to add the filters to the final fifth train in the first year (2015/16) of this Long Term Plan at a cost of \$1 million and to renew the existing filters in years 2017/18- 2020/21 at a cost of \$4.39 million.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
Good quality water	Meeting Drinking Water Standards for New Zealand 2005/08 sampling and test standards Number of public complaints	Ab Grading New measure	Maintain Ab grading and ensure potable water supplied to customers No more than 100 justifiable complaints relating to clarity, taste or odour in any year.	Maintain Ab grading and ensure potable water supplied to customers No more than 100 justifiable complaints relating to clarity, taste or odour in any year.	Maintain Ab grading and ensure potable water supplied to customers No more than 100 justifiable complaints relating to clarity, taste or odour in any year.	Maintain Ab grading and ensure potable water supplied to customers No more than 100 justifiable complaints relating to clarity, taste or odour in any year.
A reliable supply of water	Day to day continuity of supply Water loss from the network Water usage	Maximum daily supply capacity is approximately 40,000m ³ and maximum daily demand was 27,902m ³ in 2014 New measure	1 in 60 year drought security until at least 2035 Supply 99.5% available under normal operating conditions Max 24 hr outage under normal operating conditions Capital programme relating to minimising water losses is fully spent.	1 in 60 year drought security until at least 2035 Supply 99.5% available under normal operating conditions Max 24 hr outage under normal operating conditions Capital programme relating to minimising water losses is fully spent.	1 in 60 year drought security until at least 2035 Supply 99.5% available under normal operating conditions Max 24 hr outage under normal operating conditions Capital programme relating to minimising water losses is fully spent.	1 in 60 year drought security until at least 2035 Supply 99.5% available under normal operating conditions Max 24 hr outage under normal operating conditions Capital programme relating to minimising water losses is fully spent.

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
		New measure	Compliance with resource consent abstraction rates.	Maintain	Maintain	Maintain
Acceptable water pressure	Percentage of customers with acceptable pressure. That is, a minimum 30m head and maximum 90m head with a maximum fluctuation <35% from the average pressure received by each customer	Computer modelling identified 83% of properties had acceptable water pressure.	Computer model identifies 80% of properties with acceptable pressure	Computer model identifies 80% of properties with acceptable pressure	Computer model identifies 80% of properties with acceptable pressure	Computer model identifies 80% of properties with acceptable pressure
Adequate flows of water	Meet NZ Fire Service fire flows (and therefore domestic and commercial/ industrial flows) to all parts of the city	Computer modelling identified 99.1% of properties had acceptable water flows.	Computer model identifies at least 95% of properties served by the network with acceptable flows	Computer model identifies at least 95% of properties served by the network with acceptable flows	Computer model identifies at least 95% of properties served by the network with acceptable flows	Computer model identifies at least 95% of properties served by the network with acceptable flows and 99% by 2021/22
A prompt response to reported network issues	Meet response times identified in the external works contract	Six water main shut downs which exceeded eight hours and only one exceeded 24 hours	Contractor to meet maximum response times under the contract	Contractor to meet maximum response times under the contract	Contractor to meet maximum response times under the contract	Contractor to meet maximum response times under the contract

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
A network that protects the natural environment	Comply with resource consents RM025151 and RM975374 conditions for allowable water abstraction rates, revegetation of stream banks and eel and fish passage requirements.	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance

Drivers of capital expenditure

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

- The need to continue to renew older pipe network assets to avoid the accumulation of assets that are past their service life
- Addressing the provision of acceptable fire flows
- Reducing the higher water pressure areas in the network
- Microbiological and chemical water quality issues that have been identified as needing improvement
- Addressing risks of backflow contamination
- Renewal of the resource consents for water extraction by 2017
- The need to replace old pipes and reduce associated water losses
- The need to address security of the network in light of the Canterbury earthquakes.

Strategies and policies

- Infrastructure Strategy 2015
- Water Supply Asset Management Plan
- Water Supply Conservation Strategy 2003
- Freshwater Plan 2006, which is part of the Nelson Resource Management Plan
- Conservation and Landscape Reserves Management Plan, which includes the Maitai and Roding catchments
- Nelson Urban Growth Strategy 2005
- Development Contributions Policy
- Nelson 2060

Deferred work

- The renewal of the membrane filters at the water treatment plant has been deferred one year to now start in 2017/18.
- Reduced funding means that expenditure on the following projects has been reduced in years 1-3: commercial meter renewals (and year 3 for residential meters), and backflow prevention.

Assumptions

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

- Council assumes renewals will be continued at a rate that is sustainable based on consideration of both resource and financial aspects
- It is assumed that Nelson's climate will remain substantially unchanged for the next decade, with enough rain to meet our water needs. Longer term impacts of climate change are provided for through the 30 years plus long term planning for infrastructure provision
- It is assumed that new resource consents for the existing sources of water supply and abstraction volumes will be successfully renewed

- Water supply is expected to continue to be funded from water charges and, consistent with Council's financial policies, most of the capital expenditure will be funded from borrowings
- Water conservation and the demand for water is expected to continue to primarily be managed through Council's water charging system
- The service delivery strategy is expected to be sustained for the term of this Long Term Plan.

Significant negative effects and risk mitigation

Reduced flow rates occur in the Maitai and Roding Rivers below the water supply intakes. The amount of this reduction is controlled and monitored through adhering to Council's resource consents to extract water.

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

The Maitai Water Supply Scheme is designed to withstand 1 in 100 year earthquake and flood events without damage.

The Maitai pipeline, which supplies two thirds of Nelson's water, between the Dam and Brook Street was identified as being at extreme risk from damage due to earthquake displacement or slip. The pipeline is above ground, on a benched track along the hillside. Reservoirs in the city hold sufficient water for approximately eight hours' daytime consumption, which would cover part of the repair period required for a relatively short length of damaged pipe. The new buried replacement pipeline between the dam and the Water Treatment Plant was completed in 2014. Design of a duplicate pipeline between the Treatment Plant and Westbrook Terrace is being done 2014/15 with construction programmed for 2015/16 to 2016/17.

The Roding Water Scheme has only low and moderate risks to structures other than a 200m length of pipe between the screen house and the chlorinator house. This pipe is suspended on piers along the riverbank. A 30m section was washed out in the large flood of January 1986. Subsequently, the pipes were more securely fixed and rock armouring was constructed in front of the piers. There is a possibility that a similar large flood could damage the pipe again. Reinstatement would take 2-3 days, during which time the Maitai and Tasman District Council would be the only sources supplying the city.

Emergency water treatment is provided by a portable chlorinator using sodium hypochlorite held at the Water Treatment Plant. It is a complete stand-alone unit, run by a small petrol generator and is sufficient to treat the full Maitai daily flow.

Risks posed to the trunk mains range from low to high. The high risk is from earthquakes where sections of key main pipes could be damaged. Stocks of replacement pipes are

held to allow single repairs to each main. Mutual aid would be required from other water supply authorities to reinstate trunk mains in the event of multiple major breaks.

The Clearwater, Stoke, Walters Bluff, and Observatory Hill Reservoirs are constructed to category 2 standards, able to survive a 1 in 1000 year earthquake.

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

Risks posed to water quality range from low to extreme. Completion of the Water Treatment Plant in August 2004 reduced the risk to source water to very low levels.

Extreme risk relates to possible backflow from premises into the water reticulation network, thereby putting other consumers in danger. Dual check valves have been fitted to all residential connections as part of the water meter manifold. These will be replaced when the water meters are updated between 2015 and 2021. Backflow preventers have been installed at all Nelson City Council drainage pump stations. However, there are few protection devices on commercial and industrial premises. A programme of installing backflow preventers, in conjunction with replacing commercial and industrial water meters, is shown in the capital works projections. The backflow prevention devices will be sourced and installed by Council with the costs recovered from all customers connected to the city water mains.

The Health (Drinking Water) Amendment Act 2007 requires large drinking water suppliers, such as Nelson City Council, to have Water Safety Plans. Nelson City Council has a Water Safety Plan approved by the Ministry of Health. This Plan is regularly updated and includes measures for dealing with deliberate or accidental contaminations of the water supply.

Water supply risk was reviewed while developing the Water Supply Asset Management Plan 2015-25.

WATER FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	10	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges, and targeted rates for water supply	11,927	11,776	12,103	12,297	12,837	12,925	13,564	13,963	14,530	15,108	16,002
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	23	8	8	9	8	9	9	9	9	9	10
Total Operating Funding	11,960	11,784	12,111	12,306	12,845	12,934	13,573	13,972	14,539	15,117	16,012
Applications of operating funding											
Payments to staff and suppliers	5,756	6,052	6,131	6,176	6,578	6,506	6,965	7,132	7,330	7,614	8,284
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,874	1,733	1,808	1,809	1,819	1,843	1,876	1,921	2,061	2,136	2,136
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	7,630	7,785	7,939	7,985	8,397	8,349	8,841	9,053	9,391	9,750	10,420
Surplus (Deficit) of operating funding	4,330	3,999	4,172	4,321	4,448	4,585	4,732	4,919	5,148	5,367	5,592
Sources of capital funding											
Subsidies and grants for capital	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	240	281	287	292	298	304	310	317	323	330	337
Increase (decrease) in debt	(910)	2,217	962	403	417	638	(114)	3,292	1,735	(185)	(82)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(670)	2,498	1,249	695	715	942	196	3,609	2,058	145	255
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	1,443	1,058	0	0	0	120	125	310	0	206	709
- to improve level of service	739	3,154	3,239	1,399	1,138	1,160	1,028	6,097	4,036	843	872
- to replace existing assets	1,478	2,285	2,182	3,617	4,025	4,247	3,775	2,121	3,170	4,463	4,266
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	3,660	6,497	5,421	5,016	5,163	5,527	4,928	8,528	7,206	5,512	5,847
Surplus (Deficit) of capital funding	(4,330)	(3,999)	(4,172)	(4,321)	(4,448)	(4,585)	(4,732)	(4,919)	(5,148)	(5,367)	(5,592)
Funding balance	0	0	0	0	0	0	0	0	0	0	0
* Internal charges and overheads include finance costs for internal loans.											

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	4,330	3,999	4,172	4,321	4,448	4,585	4,732	4,919	5,148	5,367	5,592
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	240	281	287	292	298	304	310	317	323	330	337
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(4,331)	(3,998)	(4,172)	(4,321)	(4,449)	(4,584)	(4,732)	(4,919)	(5,147)	(5,366)	(5,592)
Net Surplus (Deficit) before taxation in Cost of Service Statement	239	282	287	292	297	305	310	317	324	331	337

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Water Supply										
Roding resource consent renewal	200,000	205,220	210,638	0	0	0	0	0	0	0
Atawhai No.2 reservoir	87,000	102,610	300,159	0	0	0	1,180,080	3,046,675	0	0
Atawhai reservoir and pump	0	0	0	0	0	0	177,012	0	0	0
Atawhai trunk main	0	0	0	54,066	105,601	0	3,894,264	0	0	0
Backflow prevention	150,000	153,915	157,979	162,197	166,739	171,674	177,012	182,801	189,162	196,104
New membrane (Train 5)	1,000,000	0	0	0	0	0	0	0	0	0
Ridermains	75,000	76,958	78,989	167,603	172,296	177,396	64,904	67,027	69,359	71,905
Dam upgrades	0	0	0	0	0	0	118,008	121,867	126,108	130,736
Water loss reduction areas establishment	50,000	102,610	105,319	0	0	0	0	0	0	0
Fire flow upgrades	100,000	102,610	210,638	216,262	0	0	0	0	0	0
Hampden Street East Little Go Stream water	500,000	0	0	0	0	0	0	0	0	0
Maitai Pipeline (water treatment plant to Westbrook Terrace)	2,100,000	2,052,200	0	0	0	0	0	0	0	0
Maitai Resource consent renewal	200,000	205,220	210,638	0	0	0	0	0	0	0
Natural hazards risk remediation	0	0	0	108,131	111,159	114,449	0	0	0	0
Network capacity confirmation for growth areas	0	0	0	0	111,159	114,449	118,008	0	0	0
Pressure enhancement	0	0	0	0	166,739	114,449	0	0	0	0
Pump stations - renewals	0	277,047	73,683	3,111	22,831	0	15,274	166,380	624,252	650,921
Membranes water treatment plant	0	0	1,053,190	1,081,310	1,111,590	1,144,490	0	0	0	0
Commercial meters	150,000	153,915	157,979	324,393	333,477	343,347	354,024	365,601	378,324	0
Water pipes	544,000	814,723	836,233	919,114	944,852	972,817	1,062,072	1,096,803	1,134,972	1,241,992
Residential meters renewals	100,000	102,610	526,595	1,081,310	1,111,590	572,245	0	0	0	0
Roding pipeline	100,000	0	0	0	0	114,449	118,008	1,218,670	1,891,620	1,961,040
Seismic risk upgrades	100,000	102,610	105,319	0	0	0	0	0	0	0
Water loss reduction program	200,000	205,220	210,638	216,262	222,318	228,898	236,016	243,734	252,216	261,472
Water treatment plant renewals	246,000	143,654	216,957	200,042	299,018	193,419	338,683	0	0	0
Water treatment plant upgrades	0	0	0	0	0	0	0	0	189,162	653,680
Projects under \$100,000	594,579	619,401	561,304	629,985	647,281	666,010	674,436	695,912	656,175	679,152
Total Water Supply	6,496,579	5,420,523	5,016,258	5,163,786	5,526,650	4,928,092	8,527,801	7,205,470	5,511,350	5,847,002

Wastewater

What we do

Council's wastewater activity includes the collection, treatment and disposal of sewage and other wastewater that is discharged into Nelson's sewers.

Nelson City treats about 15 million litres of wastewater a day, with the Nelson Wastewater plant treating around ten million litres of this total and the Bell Island treatment plant treating on average five million litres of wastewater.

Nelson City Council is a 50% owner, with Tasman District Council, of the treatment facility at Bell Island. This is managed by the Nelson Regional Sewerage Business Unit (NRSBU) and serves the Stoke and Tahunanui areas, several large industrial premises, urban Richmond, the Waimea plains and Mapua/Ruby Bay.

Activities include operations and maintenance of the wastewater activity centred on the treatment plants at Nelson North and Bell Island and the network of pipes, manholes and pump stations in the city. The treatment facility at Nelson North treats waste from Bishopdale northwards. Both plants are based on using oxidation ponds with enhanced treatment to supplement this. Operating and maintaining the treatment plants and the wastewater network costs approximately \$5.6 million annually.

Why we do it

Council provides a wastewater system to prevent harm to people, protect the environment and contribute to community wellbeing.

Preventing harm to people: Council's wastewater system is intended to protect people from harm caused by insanitary conditions or disease. The provision of a piped network and treatment and safe disposal of waste products allows people and businesses to carry out their day to day lives with minimal disruption or adverse health effects.

Protection of environment and community wellbeing: collection, treatment and safe disposal of wastewater ensures that both the built and natural environments do not become exposed to dangerous levels of pathogens. Large communities function more effectively and economically when the health and safety of residents can be relied on. Business, tourism and industry benefit from a healthy workforce and environment.

Legislative requirements: Council has statutory obligations under the Local Government Act 2002 to provide existing wastewater services and a general authority to construct public drains and undertake sanitary drainage works. Council has a sustainable development approach that takes into account the:

- Social, economic and cultural wellbeing of people and communities
- Need to maintain and enhance the quality to the environment
- Reasonably foreseeable needs of future generations.

Our long term vision

The vision for the wastewater activity is to deliver a sustainable, efficient and effective service. This means ensuring that the network meets the needs of its users whilst minimising the impact of the activity on the environment.

Our goal

To provide a wastewater system to Nelson City that is capable of collecting and treating wastewater in an efficient, safe and sustainable way while ensuring that the cultural ecological and recreational values of waterways and the marine environment are recognised and enhanced.

Community outcomes

Community outcomes	How this Council activity contributes to the outcome
Natural Environment	Reduces the impact on the environment.
People Friendly Places Infrastructure	Reduces harmful effects on people as well as the natural and built environment.
Economic	Allows businesses to operate safely in Nelson and protects the tourism sector from negative impacts.
Community	Minimises disease and health problems.

Council's priorities for the next three years

Upgrade Neale Park and Corder Park pump stations

These two projects are part of critical Council functions, protecting the health of the community and environment. Sewerage from Bishopdale eastwards is piped to the Neale Park pump station and then pumped to the Nelson Wastewater Treatment Plant along the state highway north of the city. Due to the distance of Neale Park pump station from the treatment plant, the pumps have to pump at higher pressure to get the flows to the plant.

Neale Park pump station was constructed in the 1960s and identified as earthquake prone with a site layout that has contributed to ongoing odour issues in the immediate vicinity. All the original pumps have now been replaced, rather than repaired, as parts are no longer available. A new pump station is proposed for the site, incorporating modern odour control and some wastewater pre-treatment.

Corder Park pump station upgrade has begun (and will be completed in 2015/16) as part of replacing the existing pump station and in response to recent pipe failures that saw sewerage leaking out into Tasman Bay. This pump station is located mid-way between Neale Park and the Nelson Wastewater Treatment Plant and has been identified as the ideal location for a new inline pump station.

Nelson Wastewater Treatment Plant renewals and resource consent

The Nelson Wastewater Treatment Plant is situated adjacent the Boulder Bank to the North of Nelson. Plant treatment includes an oxidation pond with primary treatment and a wetland to polish the treated wastewater before it is discharged to sea. The pond and outfall were constructed in the 1960's. A major upgrade was carried out in 2008-09.

Resource consents for the treatment plant expire December 2024. It is expected that work will begin in 2020 to renew these consents and decide on the most appropriate form of wastewater treatment for the long term future of Nelson City. Current estimates of sea level rise of 0.3m-0.5m by 2050 may impact the operation of the treatment plant and will need to be considered.

The 2008 upgrade was designed to comply with the higher requirements of the 2004 resource consent and enable better management of changing seasonal inflows and conditions, particularly during the winter months.

Measures have been implemented to reduce odours from the treated facility such as adding a cover to the trickling filter, de-sludging the oxidation ponds and adding aeration to the ponds. This work was completed in 2014. The sludge is being held on site to allow moisture reduction prior to being removed from the site.

Sewer pipe programme

Council has an ongoing programme of renewing pipes when they reach the end of their service lives. The current emphasis is on renewing earthenware pipes that are 80-100 years old and those that are in areas with high levels of ground water. Targeting these pipes helps the city reduce the levels of groundwater that enters the pipes through cracks, joints and manholes that create overflow problems in wet weather.

Monitoring of wastewater flows during extreme rainfall events has shown that inflow and infiltration can lead to peak flows in excess of six times average dry weather flow. As a result, wastewater overflows due to wet weather do occur within the wastewater system. Additional volumes of wastewater during wet weather also lead to an increase in pumping and treatment costs.

Addressing this problem requires the ongoing renewal and upgrading of both the wastewater and stormwater pipe network in the city as well as targeted initiatives to replace ageing sewer lines. Encouraging residents to stop the discharge of stormwater into the wastewater system is also an important part of the programme.

Reducing inflows and infiltration is a long term commitment for Council, and will be implemented through a range of measures such as: stormwater upgrades, sewer renewal programmes, and inflow and infiltration reduction programmes.

Marsden Valley and Ngawhatu upgrade

As the wider Stoke suburb grows in the Marsden and Ngawhatu Valleys, more wastewater will need to be piped to the Songer Street pump station. To cope with this increase the network needs to be expanded. A new express sewer main has recently

been completed from Marsden Valley to Songer Street and it is proposed to construct a similar main from Ngawhatu Valley. This work commenced in 2014/15.

Additional flows from these areas would bypass sections of the existing pipe network and the impact of these flows will be better managed. The flows would go to Songer Street pump station, which has been recently upgraded to allow for greater volumes and would pump the wastewater directly to the Bell Island Treatment Facility.

The first stage of the work for Ngawhatu Valley upgrades the line from Ngawhatu Road to Main Road Stoke and the second stage completes the upgrade from Main Road Stoke to the Songer Street pump station.

Atawhai rising main

The Atawhai rising main was installed in the late 1960s and joins the Neale Park and Atawhai pump stations with the Nelson Wastewater Treatment Plant. Over the years the pipeline has been damaged internally by sulphuric acid which eats away the top of the pipe. In the mid 1990's a significant project was undertaken with the aim of repairing the damaged sections and extending the pipeline service life. Since the repairs were completed there have been a number of failures that have led to discharge of untreated sewage into the Nelson Haven. A non-invasive investigation is underway and further repairs are likely to follow. Replacement or duplication of the pipeline is programmed to begin in 2024/25 and be completed by 2033/34.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
A fully operational wastewater treatment plant	Level of compliance of treatment plant with resource consent conditions	Odour problems and one high biochemical oxygen demand (BOD) reading were recorded during 2013/14	100% compliance	Maintain	Maintain	Maintain
Appropriate response to reported network issues	Time taken to respond and investigate issues	Two instances were not investigated within 30 minutes. These were one overflowing manhole during the June 2014 rain event and one broken sewer main in May 2014 which was reported as non-urgent	Contractor to meet maximum response times under the contract	Maintain	Maintain	Maintain
Environmental protection	Level of compliance with resource consent conditions for accidental discharges from the network	Pump station discharges were sampled within the required timeframes	100% compliance	100% compliance	100% compliance	100% compliance
	Number of confirmed complaints per year associated with odour, system faults or blockages	There were four complaints from Vanguard pump station in 2013/14	No more than 25 justifiable complaints a year per 1000 connections	Maintain	Maintain	Maintain

Drivers of capital expenditure

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

- Renewing older pipes to avoid accumulating assets that are past their service life
- Reducing risk of failure at Atawhai rising main by re-developing Corder Park and Neale Park pump stations and investigating the condition of the rising main
- Reducing inflow and infiltration of ground water and stormwater in the network
- Improving the efficiency of the Nelson South network by re-directing flows to the new NRSBU pump station in Songer Street
- Planning for growth with the Marsden and Ngawhatu Valleys trunk main upgrade
- Reducing risk of accidental discharges from the network.

Strategies and policies

- Infrastructure Strategy 2015
- Wastewater Asset Management Plan
- Water and Sanitary Services Assessment 2005
- Nelson Freshwater Plan 2006 (part of the Nelson Resource Management Plan)
- Nelson Urban Growth Strategy 2005
- Nga Tāonga Tuku Iho ki Whakatū Iwi environmental management plan 2004
- Land Development Manual
- Trade Waste Bylaw 214, which came into effect 1 October 2007
- Development Contributions Policy
- Nelson 2060

Deferred work

Extension of the sewer main further up the Maitai Valley to Ralphine Way has been moved to 2025.

Assumptions

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

- Renewals will continue at a rate that is sustainable based on considering both resource and financial aspects
- Nelson's climate will remain substantially unchanged for the next decade. Longer term impacts of climate change are provided for 50 years plus long term planning for infrastructure provision
- New resource consents for the existing Nelson Wastewater Treatment Plant and outfall structures will be successful
- Wastewater activities of Council will be funded from wastewater charges and, consistent with Council's financial policies, most of the capital expenditure will be borrowed. Development and Financial Contributions over the next ten years will fund the increased provision of wastewater treatment due to population growth
- Council will manage maintenance, renewal and wastewater asset replacement through an internal business unit and hire specialist consultants and contractors

as required. Contract work will be through a competitive pricing procedure and funded from water charges according to the terms of Council's financial policies.

- The most efficient, safe and cost-effective means of disposing wastewater is a Council-provided piped system for the Nelson urban area, with treatment facilities to the north and west of the city.

Significant negative effects and risk mitigation

Occasional odours from pump stations and treatment plants have largely been addressed by improved technology, maintenance and monitoring. Nelson North Treatment Plant and Neale Pump Station are still associated with occasional odour events. Work to de-sludge the oxidation ponds and to cover the process tanks at the Nelson Treatment Plant are expected to address the sources of odour in that location. Detailed design work for the upgrading of Neale Pump Station is currently underway with construction planned for 2016-18. This will address odours from this location.

The risk of wastewater overflows into waterways or onto land that could pose a hazard to the environment or public health is managed by upgrading pump stations, implementation of emergency plans, and the reduction of inflow and infiltration. The maintenance and response contract is monitored for compliance to ensure problems are addressed promptly. Renewal of ageing rising mains is programmed as they reach the end of their service lives. The upgrade of the Corder Park and Neale Park pump stations will significantly lower the risk of failure in the Atawhai rising main. Non-invasive testing of the Atawhai rising main in 2014/15 will help to ensure that repair works can be programmed for any damaged areas of the pipe.

Overflows from trunk mains caused by infiltration and blockages are mitigated by renewals of the wastewater network. Inflow and infiltration reduction programmes reduce stormwater and ground water influence on the wastewater stream. Blockages from tree root growth are addressed through the renewal programme.

Trunk mains failure due to hazardous trade wastes is mitigated by monitoring the effectiveness of the Trade Waste Bylaw. This also reduces the risk of accidental discharge of hazardous trade wastes. More sophisticated analysis techniques improve Council's ability to take regulatory action against those deliberately discharging hazardous substances.

The risk of Neale Park pump station failure due to power or system failures has been mitigated in part by the installation of an on-site emergency generator. The upgrade of the pump station proper will complete the works.

Some minor restriction of recreational activity and shellfish gathering is necessary in the immediate area of the outfall mixing zones. Improved discharge quality from the recently completed Nelson North treatment plant upgrade has reduced negative impacts on the surrounding area.

Risks to the wastewater supply activity were reviewed while developing the Wastewater Asset Management Plan 2015-25.

WASTEWATER FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	6,993	7,135	7,303	7,497	7,774	8,227	8,364	8,859	9,100	9,409	9,777
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges, and targeted rates for water supply	0	1,250	1,274	1,299	1,327	1,354	1,384	1,416	1,450	1,485	1,522
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	3,049	2,432	2,532	2,598	2,629	2,720	2,962	2,985	3,068	3,065	3,130
Total Operating Funding	10,042	10,817	11,109	11,394	11,730	12,301	12,710	13,260	13,618	13,959	14,429
Applications of operating funding											
Payments to staff and suppliers	5,732	5,871	6,229	6,320	6,428	6,766	6,819	6,872	7,078	7,233	7,482
Finance costs	412	441	436	444	477	529	547	516	488	460	441
Internal charges and overheads applied *	190	258	266	302	321	307	341	318	310	305	301
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	6,334	6,570	6,931	7,066	7,226	7,602	7,707	7,706	7,876	7,998	8,224
Surplus (Deficit) of operating funding	3,708	4,247	4,178	4,328	4,504	4,699	5,003	5,554	5,742	5,961	6,205
Sources of capital funding											
Subsidies and grants for capital	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	250	469	478	487	497	507	517	528	539	550	562
Increase (decrease) in debt	262	91	633	1,039	242	2,050	(1,125)	(786)	(790)	(844)	(355)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	512	560	1,111	1,526	739	2,557	(608)	(258)	(251)	(294)	207
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	518	1,017	250	820	1,589	1,850	65	934	714	2,215	2,032
- to improve level of service	5,862	3,278	3,755	3,486	1,069	4,110	1,202	640	412	0	0
- to replace existing assets	1,230	1,296	1,538	1,548	2,117	1,764	2,113	3,767	2,661	2,750	3,580
Increase (decrease) in reserves	(3,390)	(784)	(254)	0	468	(468)	1,015	(45)	1,704	702	800
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	4,220	4,807	5,289	5,854	5,243	7,256	4,395	5,296	5,491	5,667	6,412
Surplus (Deficit) of capital funding	(3,708)	(4,247)	(4,178)	(4,328)	(4,504)	(4,699)	(5,003)	(5,554)	(5,742)	(5,961)	(6,205)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,708	4,247	4,178	4,328	4,504	4,699	5,003	5,554	5,742	5,961	6,205
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	250	469	478	487	497	507	517	528	539	550	562
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(4,054)	(4,224)	(4,431)	(4,577)	(4,748)	(4,938)	(5,185)	(5,382)	(5,569)	(5,788)	(6,031)
Net Surplus (Deficit) before taxation in Cost of Service Statement	(96)	492	225	238	253	268	335	700	712	723	736

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Wastewater										
Atawhai pump stations (Brooklands & Marybank)	0	0	0	86,505	444,636	91,559	472,032	243,734	0	0
Atawhai rising main - Stage 1	0	0	0	0	0	0	0	0	0	130,736
Awatea Place	0	307,830	52,660	702,852	3,334,770	686,694	0	0	0	0
Ngawhatu Valley trunk main	335,000	0	0	0	0	0	0	0	0	0
Corder Park pump station	2,700,000	0	0	0	0	0	0	0	0	0
Gracefield beheading	0	0	0	54,066	166,739	0	590,040	609,335	630,540	0
Hampden Street East/Little Go Stream sewer	250,000	0	0	0	0	0	0	0	0	0
Natural hazards risk remediation	0	0	0	54,066	55,580	114,449	118,008	121,867	0	0
Neale Park pump station	250,000	3,078,300	3,159,570	0	0	0	0	0	0	0
Network capacity confirmation for growth areas	0	0	0	0	0	57,225	59,004	0	126,108	130,736
Ngawhatu Valley trunk main - Stage 2	0	0	0	0	0	0	212,414	24,373	1,261,080	1,307,360
Nelson Regional Sewerage growth	617,500	233,730	767,682	788,179	1,406,680	1,691,635	0	0	0	463,240
Nelson Regional Sewerage renewals	359,195	585,339	554,384	569,186	646,358	607,968	645,618	682,962	674,596	784,999
Nelson wastewater treatment plant - resource consent	0	0	0	0	0	114,449	177,012	182,801	189,162	196,104
Nelson wastewater treatment plant - renewals	0	0	0	0	0	0	1,029,517	245,562	261,044	313,963
Pump station storage	20,000	123,132	52,660	129,757	55,580	80,114	0	0	0	0
Renewals pump stations	130,000	133,393	136,915	162,197	166,739	171,674	236,016	243,734	252,216	261,472
Rising/swallows renewals	0	0	157,979	464,963	88,927	171,674	507,434	97,494	189,162	562,165
Waimea Rd at Bishopdale	100,000	0	0	0	0	0	0	0	0	0
Wastewater pipe renewals	300,000	538,703	552,925	702,852	722,534	743,919	826,056	853,069	882,756	980,520
Projects under \$100,000	529,579	542,444	419,124	440,754	452,753	540,116	467,922	482,643	498,540	515,731
Total Wastewater	5,591,274	5,542,871	5,853,899	4,155,377	7,541,296	5,071,476	5,341,073	3,787,574	4,965,204	5,647,026

Stormwater

What we do

Nelson City Council has been responsible for stormwater disposal in the city since the first piped disposal system was installed in approximately 1907.

The stormwater network covers reticulation – the pipes, open channels, detention dams, overland flow paths and pump stations that carry stormwater to waterways and the sea in the areas for which stormwater drainage rates are charged by Council.

The replacement costs of the stormwater assets are \$168.9 million, according to the 2014 valuations.

In large parts of the city, a fully-piped system is not provided. On many properties, stormwater soaks into the ground or flows into the road channels, which then become the primary drainage system when there is heavy rain.

Until 2012, stormwater and flood protection were managed as a single financial activity. The flood protection activity, consisting of the rivers and streams that Council administers, is reported separately because of central government benchmarking requirements.

Operations and maintenance activities centre on the detention dams, pipes, manholes and sumps that make up the network reticulation. Detention dams are an increasing feature of the stormwater landscape and play a vital part in holding stormwater for gradual release into pipes and streams. The cost of maintaining the stormwater network is approximately \$750,000 a year.

Why we do it

Council provides a stormwater system to prevent harm to people and property, contribute to community wellbeing and protect the environment from uncontrolled stormwater discharges.

Preventing harm to people and property: Large parts of Nelson do not have a formal stormwater network. This is particularly undesirable in areas with poor soakage or ground stability issues. Council will continue to focus on installing appropriate stormwater disposal systems in areas lacking adequate protection, with highest priority areas installed first

Health, safety and property protection: The provision of a robust stormwater system allows people to carry out their day to day lives with minimal disruption or adverse health effects from rainfall events

Protection of environment and community wellbeing: The natural stormwater system comprises open channels and ground soakage with overflow to rivers and streams in high rainfall events. Rivers and streams sustain aquatic ecosystems and are increasingly linked to human activity. For example, streams and rivers may border private properties, and also provide recreation amenities for both residents and visitors

Legislative requirements: Council has a statutory obligation under the Local Government Act 2002 to continue to provide existing stormwater services and a general authority to construct public drains and undertake land drainage, recognising the requirement to take a sustainable development approach that takes into account the:

- social, economic and cultural wellbeing of people and communities
- need to maintain and enhance the quality to the environment
- reasonably foreseeable needs of future generations.

Our long term vision

Nelson in 2060 and beyond will need a resilient and effective stormwater system to mitigate for changing climatic conditions. Council’s stormwater network will continue to be a core activity which puts the safety of the community and protection of the natural environment at the forefront of its planning.

Council shares the concerns of residents who see stormwater systems as a priority. Council will continue its programme to improve the network, with highest priority areas addressed first.

Our goal

To provide a stormwater system to Nelson City that is capable of accommodating stormwater from Q₂₀² rainfall events in an efficient and sustainable way while minimising damage to property and ensuring that the cultural, economic, ecological, recreational values and natural structures of waterways are recognised and enhanced.

Community outcomes

Community outcomes	How this Council activity contributes to the outcome
Natural environment	Reduces effects of excess rainfall on the environment by complying with resource consent conditions Works take into account natural and recreational needs
People-friendly places	Reduces the likelihood of excess rainfall damaging homes, businesses or essential infrastructure
Economic	Removes restrictions on developing land when adequate drainage is provided

Council’s priorities for the next three years

² A Q₂₀ rainfall event is defined as one with a 5% probability of occurring in any year. We expect, on average, to have one of these events every 20 years.

Stormwater

Recent years have seen several extreme rainfalls, ranging from the city-wide long duration event of December 2011 to the short, high intensity rain events that impacted on quite narrow bands of the city in April 2013 and June 2014. These events led to gravel being deposited in stream and river beds, blocking stormwater pipes and intake structures and general property damage from slips and flooding.

The anticipated cost to Council of recovering from recent storms is \$11.5 million after insurance and other cost recoveries. Council had to borrow for the cost of recovery works following the December 2011 severe rainfall event and then again for the April 2013 event. This borrowing is shown against a new Disaster Recovery Fund that is still in deficit. Projections showed the Disaster Recovery Fund would not have a positive balance until 2023, so an additional \$0.8 million was added last year to reduce that period. This Council remains committed to reducing the deficit in this Fund at a faster rate so funds can be accumulated to respond appropriately to future events. We believe this is important given the proven trend towards an increasing number of extreme weather events.

There is a careful balance to be struck in providing an adequate stormwater network to the city, while ensuring the work scheduled is affordable and appropriate. How much work should ratepayers fund to reduce the flood risk to city assets and private property? \$82 million is the amount estimated, based on Council's Infrastructure Strategy to undertake an appropriate level of flood risk mitigation works (to protect against 1 in 100 year events for waterways and 1 in 20 for the piped network). Much of our piped network and waterways are well below this standard. Unfortunately, undertaking all of this work in a 10 year period would result in Council breaching its debt and rates caps.

We are also changing the way we rate for stormwater and flood protection so that those who have higher value assets contribute more. This will mainly impact on properties with high capital value, such as utilities like power companies, commercial properties and Council itself.

Pump station renewal programme

Council has constructed two stormwater pump stations in the city. One at Neale Park, servicing the Wood area and one at Centennial Park servicing parts of Tahuna. Council has a regular programme in place to maintain these stations and renew components as they reach the end of their service lives. This ensures the two pump stations will function in extreme rain events.

Drains programme

Nelson's stormwater network is a mix of pipes and open channels. Many of the open channels are on the hillside areas and have developed over many years in response to neighbourhood issues. Council is proposing to develop an inventory, over the first three years of the Long Term Plan 2015-25, of these open channels to allow a better understanding of where they are and the areas they drain. This will allow maintenance and upgrading to be prioritised.

Montcalm/Arrow/Washington Valley

The Montcalm/Arrow/Washington Valley area has experienced flooding and surface slips from rain events over many years. Council is currently completing a detailed evaluation of the existing capacity and options for upgrading the network. It is proposed to upgrade the main stormwater pipe in Washington Valley first, with the side streets following on. Where possible it is proposed to extend the network to improve the service.

Wastney Terrace

A Wastney Terrace stormwater upgrade is required to allow further residential development to proceed in the southern end of Marybank. Council proposes to work with developers in the area to install a stormwater pipe linking Wastney Terrace with Atawhai Crescent.

St Vincent/Hastings Street

The St Vincent/Hastings Street box culvert was constructed in the 1940's. A reinforced concrete "cap" was installed in the 1980's when the York Stream box culvert was constructed, to extend the life of the culvert. Recent inspections have confirmed that the structure is nearing the end of its service life. The culvert is an important part of the stormwater network in the Washington Valley / lower St Vincent St area. Council proposes to replace the structure during the term of this Long Term Plan.

Tahuna slope risk area investigation

The Tahuna slope risk area extends from The Cliffs through to Paddy's Knob. Parts of the hillside suffered damage during the December 2011 extreme rain event, particularly in the Day's Track area. As with other hillside areas in the city stormwater control is important to reduce the risk of surface slips and deep seated slumping. A review of the existing piped water networks on the hillside is underway to ensure their integrity is maintained and any areas requiring upgrades are identified.

Railway Reserve-Saxton Rd West-Dryden St

A number of residential subdivisions that back onto the Railway Reserve discharge stormwater to ground soakage, most of which concentrates on the Railway Reserve leading to localised areas of flooding. Council is proposing to install a stormwater pipe along the Railway Reserve to connect to the Suffolk Road network.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
Environmental Protection For the built and natural environment from stormwater discharges	Level of compliance with resource consent conditions	Ongoing monitoring of stormwater from six urban catchments was completed	100% compliance	Maintain	Maintain	Maintain
	Stormwater network extended throughout the city	Delay in finalising easements led to reduction in scope for two projects. All other projects completed to plan	Complete 80% of capital expenditure programme	Maintain	Maintain	Maintain
Reliability An operational stormwater network	Number of blockages per 100 km of pipes on an annual basis	There were 36 stormwater blockages within the entire network for 2013/14. This equates to 18 blockages per 100km of pipes	Less than 25 blockages per 100km of pipes on an annual basis	Maintain	Maintain	Maintain
	Number of flooding events	New measure	No damage from flood events up to Q2 level to more than 10 per 1000 properties per year			
	Response time to events	New measure	Contractor to meet maximum response times			

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
			under the contract			
Response to complaints Minimise justifiable complaints	Number of complaints per 1000 connections per year	New measure	No more than 25 complaints per 1000 connections per year	Maintain	Maintain	Maintain

Drivers of capital expenditure

There are still large parts of Nelson that do not have access to a reticulated stormwater system. Where these areas are developed on a good gravel base, on-site soakage has not caused any particular problems over the years. Where these areas discharge stormwater onto clay based sites where soakage is very limited, overland flow into open ditches quickly results. Land stability issues, neighbour to neighbour relationships, public health issues arising from water ponding and insect breeding, together with the aesthetic and economic cost of maintaining open ditches, have led previous Councils to support a programme of providing a reticulated stormwater network in the city. Priority has been given to those areas with poor soakage, inundation and land stability issues.

Decisions on priorities for new works and renewal of assets for the stormwater network have historically been based on the following:

- Known problem areas with flooding or inundation issues
- New growth areas
- Secondary flow paths
- Criticality of works
- Multiple network project, for example incorporating road work, sewer, water assets.

Strategies and policies

- Infrastructure Strategy 2105
- Stormwater Asset Management Plan
- Freshwater Plan 2006, which is part of the Nelson Resource Management Plan
- Nelson Urban Growth Strategy Nga Tuku Iho ki Whakatū iwi environmental management plan
- Drainage Ownership Policy
- Coastal section of the Nelson Resource Management Plan
- Development Contributions Policy
- Nelson 2060

Deferred work

- Hill Street North stormwater pipe has been moved to 2020/21
- Arapiki Road stormwater pipe has been moved to 2018/19

Assumptions

As well as the general assumptions that apply across Council's work, assumptions specific to stormwater include the following:

- 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 Q_{20} event with roads and overland flow providing the flow path for larger events

- Council expects that a storm event with more than Q_{50} ³ rainfall would be very likely to cause major flood damage, which would have to be managed by Emergency Management systems
- No new environmental legislation will be imposed during the next decade that would require a higher level of stormwater works than Q_{20}
- No significant effects on stormwater structures are expected within the next ten years from climate change-induced sea level rise; however, such effects are expected to arise in the longer term.

Significant negative effects and risk mitigation

Negative effects of providing the activity arise from:

- Stormwater rates are levied by Council which causes a financial effect on property owners
- Stormwater construction works can impact on roads and private property.
- Stormwater can become contaminated by substances on the land over which it flows. Industrial waste, tyre residues on roads and sediment are examples of contaminants that subsequently end up in waterways. These effects are to some extent reduced by Council's initiatives under the Nelson Resource Management Plan
- Enforcement powers, when required to prevent or respond to pollution, are available to Council through the Resource Management Act 1991.

Risks to the stormwater activity were reviewed while developing the Stormwater Asset Management Plan. The extreme and high risks are associated with the following:

- High intensity rainfall events
- Secondary flow paths
- Areas with low impact design ceasing to function
- Stormwater contamination.

Mitigation options include:

- Ongoing expansion of the stormwater network
- Increasing maintenance
- Accepting low level risk in some locations, which includes doing nothing and continuing to monitor the network performance during extreme rainfall events.

Capital spending and operation/maintenance budgets have been identified to address the majority of risks. Further resources would be required to support the increased activity of both the Network Services and regulatory departments addressing hazardous substances on public and private properties respectively that may lead to stormwater contamination.

³ A Q_{50} rainfall event is defined as one with a 2% probability of occurring in any year. We expect, on average, to have one of these events every 50 years.

STORMWATER FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	3,865	4,352	4,183	4,282	4,620	4,695	5,137	5,362	5,934	6,046	6,302
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding	3,865	4,352	4,183	4,282	4,620	4,695	5,137	5,362	5,934	6,046	6,302
Applications of operating funding											
Payments to staff and suppliers	1,037	1,287	1,074	1,089	1,234	1,094	1,303	1,158	1,384	1,234	1,279
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	1,082	1,033	1,007	1,011	1,106	1,225	1,329	1,529	1,711	1,816	1,859
Other operating funding applications	0								0	0	0
Total applications of operating funding	2,119	2,320	2,081	2,100	2,340	2,319	2,632	2,687	3,095	3,050	3,138
Surplus (Deficit) of operating funding	1,746	2,032	2,102	2,182	2,280	2,376	2,505	2,675	2,839	2,996	3,164
Sources of capital funding											
Subsidies and grants for capital	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	175	263	267	273	278	284	290	296	302	308	315
Increase (decrease) in debt	884	(292)	89	1,732	2,660	1,264	3,632	4,151	2,361	378	1,717
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	1,059	(29)	356	2,005	2,938	1,548	3,922	4,447	2,663	686	2,032
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	115	59	603	163	132	540
- to improve level of service	2,934	1,989	2,490	4,089	5,162	3,521	6,309	6,441	4,700	3,379	4,413
- to replace existing assets	70	75	81	98	56	288	59	78	639	171	243
Increase (decrease) in reserves	(199)	(61)	(113)	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	2,805	2,003	2,458	4,187	5,218	3,924	6,427	7,122	5,502	3,682	5,196
Surplus (Deficit) of capital funding	(1,746)	(2,032)	(2,102)	(2,182)	(2,280)	(2,376)	(2,505)	(2,675)	(2,839)	(2,996)	(3,164)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,746	2,032	2,102	2,182	2,280	2,376	2,505	2,675	2,839	2,996	3,164
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	175	263	267	273	278	284	290	296	302	308	315
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(1,746)	(2,032)	(2,102)	(2,182)	(2,279)	(2,376)	(2,505)	(2,675)	(2,839)	(2,996)	(3,164)
Net Surplus (Deficit) before taxation in Cost of Service Statement	175	263	267	273	279	284	290	296	302	308	315

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Stormwater										
Airlie Street	0	51,305	52,660	324,393	0	0	0	0	0	0
Anglia/Scotia Street	0	0	0	0	0	0	0	60,934	189,162	0
Ariesdale/Thompson Terrace	0	0	42,128	178,416	0	0	0	0	0	0
Beach Road	0	0	0	0	0	40,057	23,602	182,801	0	0
Beatson Road	0	0	0	0	0	0	0	60,934	63,054	392,208
Black Street	0	0	0	0	11,116	11,445	118,008	0	0	0
Brooklands Road	0	0	0	0	0	40,057	11,801	0	170,246	0
Brougham Street	0	0	0	0	0	0	35,402	365,601	0	0
Arapiki Road	0	0	0	108,131	55,580	228,898	354,024	0	0	0
Freshwater improvement program	0	0	0	0	0	114,449	295,020	0	0	0
Halifax Street - Tasman Street to Milton Street	50,000	25,653	895,212	0	0	0	0	0	0	0
Main Rd Stoke - Hays Corner/Louisson Avenue	0	0	0	0	0	28,612	0	426,535	0	0
Main Rd Stoke - Louisson Avenue to Marsden Road	0	0	0	0	0	28,612	0	792,136	0	0
Milton - Grove Street to Cambria Street	0	0	0	27,033	0	228,898	0	0	0	0
Mount Street/Konini Street	0	0	52,660	0	0	572,245	0	0	630,540	0
Poynters Crescent	0	0	0	0	0	0	17,701	24,373	189,162	0
Railway Reserve - Newall Avenue to Bledisloe Street	0	0	0	0	0	572,245	0	0	0	0
Rangiora Terrace	0	0	0	108,131	0	0	0	0	0	0
Shelbourne Street	0	0	0	0	0	57,225	177,012	0	0	0
Viewmount/Ridgeway	0	0	0	0	0	0	0	30,467	0	196,104
Cawthron Crescent	0	0	0	0	33,348	22,890	177,012	0	0	0
Cherry/Baigent/Ridgeway	0	0	0	0	0	0	0	91,400	37,832	653,680
Dodson Valley	0	0	0	0	0	51,502	23,602	121,867	0	0
Examiner Street	0	0	0	0	55,580	22,890	295,020	0	0	0
Fifeshire Crescent	50,000	51,305	263,298	0	0	0	0	0	0	0
Golf/Parkers Road	0	0	0	37,846	16,674	0	472,032	0	0	0
Harford Court - secondary flow path	0	0	0	0	0	0	0	24,373	25,222	104,589
Hill Street North	0	0	0	54,066	0	572,245	0	0	0	0
Isel Place	0	0	0	0	0	57,225	23,602	182,801	0	0
Jellicoe/Bledisloe/Kaka/Kea/Freyberg/Maple Crescent	0	0	0	54,066	0	0	590,040	0	0	0
Karaka Street	0	0	52,660	21,626	277,898	0	0	0	0	0
Kauri/Matai/Titoki/Ranui Street	0	0	52,660	21,626	166,739	0	0	0	0	0
Kowhai Avenue	0	0	0	0	33,348	11,445	118,008	0	0	0
Nile Street East	50,000	513,050	0	0	0	0	0	0	0	0
Mahoe/Orsman/Matipo Terrace	0	0	0	54,066	111,159	0	41,303	60,934	0	522,944
Manson Avenue	0	0	0	0	55,580	0	295,020	0	0	0

Marsden Valley cemetery diversion	0	0	0	0	22,232	11,445	206,514	0	0	0
Martin Street	0	0	0	0	0	0	59,004	24,373	315,270	0
Marybank/Tresillian Avenue	0	0	0	0	111,159	57,225	590,040	0	0	0
Montcalm/Arrow/Washington Valley/Hastings Street	150,000	153,915	0	1,081,310	1,111,590	801,143	0	0	0	0
Natural hazards risk remediation	0	0	0	0	111,159	114,449	118,008	0	0	0
Network capacity confirmation for growth areas	0	0	0	0	0	0	0	121,867	126,108	130,736
Newmans Link	0	0	0	10,813	0	0	0	12,187	126,108	0
Ngaio/Maitland Avenue	0	0	0	0	72,253	22,890	236,016	0	0	0
Pateke Street	0	0	0	0	0	11,445	11,801	121,867	0	0
Public/private drains & open channel upgrade program	0	0	0	0	0	572,245	590,040	609,335	630,540	653,680
Public/private drains	100,000	102,610	105,319	108,131	111,159	114,449	118,008	121,867	126,108	130,736
Railway Reserve/Saxton Rd West /Dryden Street	80,000	769,575	0	0	300,129	0	0	0	0	0
Renwick/Wellington Street/Waimea Road	0	0	52,660	54,066	0	114,449	118,008	121,867	0	0
Riverside	0	0	0	0	0	34,335	11,801	121,867	0	0
Rotoiti Street	0	0	0	0	33,348	0	118,008	0	0	0
Russell Street Reserve	0	0	0	27,033	27,790	114,449	0	0	0	0
Rutherford Stage 1 - Girls College detention	80,000	51,305	263,298	0	0	0	0	0	0	0
Rutherford Stage 2 - box culvert	0	0	0	162,197	0	0	295,020	121,867	0	1,307,360
Seaton/Allisdair Street	0	0	0	0	0	0	59,004	243,734	0	0
St Vincent/Hastings Street culvert	100,000	153,915	1,579,785	1,621,965	0	0	0	0	0	0
Stafford Avenue	0	0	0	0	33,348	22,890	177,012	0	0	0
Stansell Avenue private / public drains	127,455	0	0	0	0	0	0	0	0	0
Stormwater pump station renewals	20,000	0	42,128	0	222,318	0	0	560,588	100,886	169,957
Tahuna Slope risk area	100,000	102,610	105,319	540,655	555,795	572,245	0	0	0	0
Tipahi/Eckington Terrace	0	0	0	270,328	0	686,694	0	365,601	0	0
Totara/Hutcheson Street	0	0	0	0	11,116	11,445	118,008	0	0	0
Trafalgar Square (Betts Carpark)	0	0	0	0	77,811	114,449	885,060	0	0	0
Tui Glen Road	0	0	0	0	0	40,057	0	0	170,246	0
Vanguard Street	50,000	51,305	315,957	0	0	0	0	60,934	315,270	0
Wastney Terrace private drain program	800,000	0	0	0	0	0	0	0	0	0
York Terrace	0	0	0	0	0	0	0	36,560	0	392,208
Projects under \$100,000	305,991	544,510	311,129	351,743	305,891	349,127	342,108	432,306	465,945	541,483
Total Stormwater	2,063,446	2,571,058	4,186,873	5,217,641	3,924,120	6,426,371	7,121,669	5,501,976	3,681,699	5,195,685

Flood protection

What we do

The Nelson stormwater and flood protection system is in two parts – the natural waterways and a constructed stormwater system. Council accounts for these two parts of the system separately to enable benchmarking. Council will rate for the flood protection activity as part of the stormwater and flood protection special general charge. This is only levied on properties on the city side of the Gentle Annie saddle at Wakapuaka, which are 15ha or less in area. This section covers the flood protection works that are generally associated with natural waterways.

Rivers and streams outside these areas are currently not actively maintained by Council and repairs and maintenance are typically the responsibility of the property owner(s) through whose property they flow, unless provision has been made for specific works as part of an annual or long term plan.

Operations and maintenance in Council's flood protection activity centres on the rivers and streams in the urban area of Nelson City. These are expected to be able to cope with flows from Q_{100}^4 events to minimise damage to the city from extreme rainfall events. While Council has carried out a programme of upgrading works over the past twenty years, ongoing maintenance is required to keep the streams clear. Future upgrading works are expected to be needed as a result of climate change. The cost of maintaining the flood protection network is approximately \$250,000 a year.

Why we do it

Council provides a flood protection system to prevent harm to people and property, protect the environment and contribute to community wellbeing.

Preventing harm to people and property: Council's flood protection system is intended to protect people from harm caused by excess water from extreme rainfall events while minimising negative impacts of the system and floods on property and the environment. The provision of a flood protection system allows people to carry out their day to day lives with minimal disruption or adverse health effects from flooding.

Protection of environment and community wellbeing: Nelson's rivers and streams play an important role in the support of aquatic ecosystems, provide areas for recreation and public use and channel stormwater flows when it rains heavily. The high levels of energy in the water flow during floods can cause damage to channels and property within the flood path should significant volumes of flow escape the channel.

As the development of the city encroaches onto historical flood plains the multiple demands on the available river and stream areas needs to be balanced to ensure the long term best possible outcome for the city.

⁴ A Q_{100} rainfall event is defined as one with a 1% probability of occurring in any year. We expect, on average, to have one of these events every 100 years.

Control of the rivers and streams by Council, on behalf of the community, allows the various demands on the network to be balanced to best effect.

Legislative Requirements: Council has statutory obligations under the Local Government Act 2002 to continue to provide existing stormwater services and a general authority to construct public drains and undertake land drainage, recognising the requirement to take a sustainable development approach that takes into account:

- The social, economic and cultural wellbeing of people and communities
- The need to maintain and enhance the quality to the environment
- The reasonably foreseeable needs of future generations.
- Under the Soil Conservation and Rivers Control Act 1941 Council has the responsibility to minimise and prevent damage by floods and erosion within its district.

Our long term vision

Council’s vision recognises that there is uncertainty over the threat likely to be posed by natural hazards, such as flooding. A resilient community is one that tries to understand and reduce the impacts of such events, and one where, if such an event happens, there are good systems in place to return the city to normal. Well designed, efficient flood protection measures should integrate with the built and natural environments to keep the city safe whilst maintaining recreational opportunities.

Our goal

Provide a flood protection system to Nelson City that is capable of accommodating stormwater from Q₁₀₀ rainfall events in an efficient and sustainable way while minimising flood damage to property and ensuring that the cultural, economic, ecological, recreational values and natural structures of waterways are recognised and enhanced.

Community outcomes

Community outcomes	How this Council activity contributes to the outcome
Natural Environment	Reduces the effects of floods on the environment. All works take into account natural and recreational needs
People friendly places Infrastructure	Reduces the likelihood of floods damaging homes, businesses or essential infrastructure
Economic	Reduces restrictions on developing land when adequate drainage is provided
Community	Reduces the likelihood of people being affected by a flood

Council's priorities for the next three years

Saxton Creek

One project that still has areas of uncertainty is the upgrade to Saxton Creek in south Nelson. During the December 2011 and April 2013 extreme storm events large quantities of gravel were deposited in the bed of the stream and properties in Richmond and Nelson experienced flood damage as a result. An enlarged culvert is to be built on Champion Road by Tasman District Council but the full volume of water will not be allowed to flow until channel upgrade works below the culvert are completed. Council is currently designing upgrade works for the section of channel from Main Road Stoke to Champion Road to cater for the future likely flows. Construction is dependent upon completing discussions with property owners and obtaining the necessary resource consents. The section of channel from Main Road Stoke to the sea, including upgrading the culverts under Main Road Stoke, is programmed to follow in the latter years of this Long Term Plan. Funding of \$13.9 million is included in the Plan.

Little Go Stream

Little Go Stream is one of a number of smaller fully urban streams in the city that has largely been piped and culverted in the past. Little Go Stream has two distinct tributaries. One begins with intakes on the Grampians above Allan Street and the other with an intake behind Nelson College. Sections of Little Go Stream were damaged and blocked with gravel during the December 2011 storm event, leading to flooding of Nelson College and a property in Rutherford Street. The works proposed involve upgrading the piped section from Franklyn Street through the Nelson College Grounds and diverting this flow along Hampden Street and down Waimea Road. This will reduce the flow through the existing piped sections between Waimea Road and Rutherford Street and lessen the risk of flood damage to those properties. In 2014 the remaining open channel section in Rutherford Street was piped.

Orphanage Creek

Orphanage Creek flows from Ngawhatu Valley through the North end of Saxton Field and the Wakatu Industrial Estate. The extreme rain event of April 2013 led to flood flows damaging a number of properties in the Wakatu Industrial Estate and upper residential areas. To address the future risk of extreme rain events Council is proposing to undertake a number of projects: the first will link the existing bunds on Saxton Field to form a detention pond in the North West corner, the second is minor upgrades to stop banks between Saxton Road and Suffolk Road, the third is to upgrade existing box culverts on Saxton Road and Suffolk Road and the fourth is to upgrade the channel section between Main Road Stoke and the sea.

A section of the upper reaches of Orphanage Creek in Sunningdale Drive also requires maintenance and some bank erosion control measures.

York stream

York Stream channel is another of the heavily modified streams in the urban section of the city where the capacity of the open channel section is not adequate to carry Q_{50} flows. Council has been investigating flooding issues along the length of the stream since the December 2011 rain event and is developing responses for two separate sections. In order to address the issues around the Bishopdale area it is proposed to install a large diameter pipe from Bishopdale Reserve to Boundary Road and Kawai Street to channel flood flows that would otherwise flow through properties below Waimea Road. The lower section from Victory School to Salt Water Creek flows through a large box culvert that is currently being reviewed for likely capacity and to look at potential impacts on this section of the city from extreme rain events.

Maitai River flood protection

Flood capacity is the major priority for flood protection over the next three years as flooding risks associated with city growth and climate change are addressed. Significant building has occurred on flood plains as Nelson City has grown. Areas once open to floodwater flows are now occupied by buildings, which results in a need to provide for stormwater flows, aquatic ecosystems and community recreation in constrained channels.

The Maitai River is the largest of the urban streams and rivers in Nelson City, both by length and catchment area. Recent flood modeling of the urban section from the sea to Hanby Park has shown that the existing river channel is not adequate to carry either Q_{50} or Q_{100} flows. Large areas of the central city would sustain flood damage under these events. Additionally, the lower reaches of the river are tidal and are expected to be subject to the impacts of sea level rise, which will act to worsen the results of flooding. Work is underway to address the flood risk to the urban section of the river.

The shared use of the urban floodplains with recreational and ecological values means that extensive community engagement will be needed when Council faces decisions on the nature of flood protection works. The first stage is to gather the community's views on the environmental and recreational values of the river before options for any upgrading works are developed.

Urban streams

There are 12 named streams and rivers in the urban reaches of Nelson City and many more small channels that carry a permanent or semi-permanent flow. Nelson has experienced a number of extreme rain events over the past ten years with climate scientists predicting these to increase in number into the future. As most of the urban sections of Nelson City are bisected by these streams and rivers Council plans to develop an inventory that identifies each of them and their respective flood capacity. The work is expected to take a number of years and is also proposed to be extended to the rural sections of streams and rivers in the future.

Dam safety

Nelson City Council owns a number of water detention dams throughout the city. The largest is the Maitai Dam on the North Branch of the Maitai River, which is also one of the sources of the city's potable water. The other dams are predominantly stormwater detention dams that hold excess run-off in extreme rain events. Most of these are found in the developed parts of the city, with residential and commercial development downstream. The Building Act requires Council to ensure that dams are safe and properly maintained to reduce any risk to the occupants of downstream properties.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
Protection for the urban built and natural environment from floods through upgrading, maintaining, repairing and renewing assets to standards in the Flood Protection Asset Management Plan	Damage to urban property from stream flooding is minimised	Urban sections of streams are inspected and maintained annually	Maintain	Maintain	Maintain	Urban sections of streams are inspected and maintained annually
	Damage to urban property from Maitai River flooding is minimised	Urban section of Maitai River is inspected and maintained annually Complete capital expenditure programme	Maintain Complete	Maintain Complete	Maintain Complete	Urban section of Maitai River is inspected and maintained annually Complete capital expenditure programme
Integration of ecological and flood protection requirements in urban sections of streams and rivers	Fish passage in streams is maximised and ecological impact of structures is minimised	Begin review of fish passage to Brook Street concrete channel Complete capital expenditure programme	Complete review of fish passage to Brook Street concrete channel Maintain	Undertake design of preferred option to improve fish passage to the Brook Street channel Maintain	Begin review of fish passage to remainder Brook Street channel Maintain	Fish passage in streams is maximised and ecological impact of structures is minimised

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
	Channel maintenance works carried out in accordance with resource consents	New level of service	100% compliance with resource consent conditions	Maintain	Maintain	Maintain

Drivers of capital expenditure

Flood damage from extreme rain events

Strategies and policies

- Infrastructure Strategy 2015
- Stormwater Asset Management Plan
- Freshwater Plan, which is part of the Nelson Resource Management Plan
- Nelson Urban Growth Strategy
- Nga Tuku Iho ki Whakatū iwi environmental management plan
- Drainage Ownership Policy
- Coastal section of the Nelson Resource Management Plan
- Development Contributions Policy
- Nelson 2060

Deferred work

No major central city projects have been deferred within this activity although the outcome of the Saxton Creek upgrade has significant levels of uncertainty. A total of 16 projects, or parts of projects, with a value of approximately **\$17 million** have been deferred beyond 2025.

Assumptions

- Council expects that a storm event with more than Q_{50} rainfall would be very likely to cause major flood damage, which would have to be managed by Emergency Management systems
- No new environmental legislation will be imposed during the next decade that would require a higher level of flood protection works than Q_{100}
- No significant effects on flood protection structures are expected within the next ten years from climate change-induced sea level rise; however, such effects are expected to arise in the longer term.

Significant negative effects and risk mitigation

Negative effects of providing the activity arise from:

- Stormwater/flooding rates levied by Council
- Channel upgrading works altering land use and ownership if property is required for the work
- Stormwater becoming contaminated by substances on the land over which it flows. Industrial waste, tyre residues on roads and sediment are examples of contaminants that subsequently end up in waterways. These effects are to some extent reduced by Council's initiatives under the Freshwater Plan, and are programmed for implementation over the next ten years
- Improvements in stormwater quality. This largely depends on behaviours and decisions of residents and business operators, especially where they discharge a substance into the stormwater system. These effects are lessened by Council providing information, incentives, monitoring and controls to encourage the

protection of environmental quality. Ultimately the co-operation of residents and businesses is essential to achieve improved environmental outcomes. Enforcement powers, when required to prevent or respond to pollution, are available to Council through the Resource Management Act 1991.

Risks to the flooding activity were reviewed while developing the Stormwater Asset Management Plan 2015-25. The extreme and high risks are associated with:

- Flood events
- Secondary flow paths
- Stormwater contamination.

Mitigation options include:

- Capital works to improve capacity to Q_{100}
- Increased maintenance
- Identification and regular inspection of secondary flow paths
- Increased regulatory activity to monitor the storage and use of hazardous substances under the Nelson Resource Management Plan
- Accepting low level risk in some locations, which includes doing nothing and continuing to monitor the network performance during flood events.

Capital spending and operation/maintenance budgets have been identified to address risks. Further resources would be required to support the increased regulatory activity to address hazardous substances.

FLOOD PROTECTION FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	458	818	1,234	1,484	1,741	1,990	2,184	2,294	2,411	2,728	3,040
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding	458	818	1,234	1,484	1,741	1,990	2,184	2,294	2,411	2,728	3,040
Applications of operating funding											
Payments to staff and suppliers	801	309	318	327	335	344	353	364	375	388	403
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	120	366	740	942	1,160	1,356	1,509	1,598	1,693	1,938	2,157
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	921	675	1,058	1,269	1,495	1,700	1,862	1,962	2,068	2,326	2,560
Surplus (Deficit) of operating funding	(463)	143	176	215	246	290	322	332	343	402	480
Sources of capital funding											
Subsidies and grants for capital	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	4,403	8,092	4,169	4,455	4,062	3,172	1,777	1,301	4,390	5,315	675
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	4,403	8,092	4,169	4,455	4,062	3,172	1,777	1,301	4,390	5,315	675
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve level of service	4,540	8,235	4,345	4,670	4,308	3,462	2,099	1,633	4,733	5,717	1,155
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(600)	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	3,940	8,235	4,345	4,670	4,308	3,462	2,099	1,633	4,733	5,717	1,155
Surplus (Deficit) of capital funding	463	(143)	(176)	(215)	(246)	(290)	(322)	(332)	(343)	(402)	(480)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(463)	143	176	215	246	290	322	332	343	402	480
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(138)	(143)	(176)	(215)	(246)	(290)	(322)	(332)	(343)	(402)	(480)
Net Surplus (Deficit) before taxation in Cost of Service Statement	(601)	0	0	0	0	0	0	0	0	0	0

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Flood Protection										
Brook Stream catchment improvements	0	0	0	0	0	114,449	118,008	609,335	630,540	653,680
Brook Stream fish passage	50,000	51,305	263,298	0	0	0	0	0	0	0
Brook Stream outlet low flow	50,000	51,305	263,298	0	0	0	0	0	0	0
Arapiki Stream	0	0	0	0	0	0	59,004	0	315,270	0
Maitai upgrade and enhancement	100,000	102,610	105,319	2,162,620	2,223,180	1,144,490	1,180,080	0	0	0
York Stream channel upgrade	750,000	769,575	526,595	540,655	0	0	0	0	0	0
Emano Street channel	0	0	0	0	0	0	0	182,801	63,054	65,368
Flood mitigation	150,000	153,915	157,979	108,131	111,159	114,449	118,008	121,867	126,108	130,736
Hampden St East/Little Go Stream - Stage 2	4,000,000	718,270	0	0	0	0	0	0	0	0
Inventory of urban streams	600,000	0	0	0	0	0	0	0	0	0
Maire Stream - Stage 1	50,000	51,305	263,298	0	0	0	0	0	0	0
Orphanage Stream/Sunningdale	0	51,305	52,660	216,262	0	0	0	0	0	0
Orphanage Stream upgrade	250,000	153,915	789,893	810,983	833,693	0	0	0	0	0
Orphanage Stream upgrade - Stage 2	0	0	0	0	0	0	0	0	0	130,736
Review of Jenkins & Arapiki (airport)	0	0	0	216,262	55,580	572,245	0	0	0	0
Saxton Creek culvert upgrade	0	0	0	108,131	88,927	0	0	3,656,010	4,413,780	0
Saxton Creek upgrade	2,000,000	2,052,200	1,579,785	0	0	0	0	0	0	0
Whakatu Drive (Storage World)	50,000	51,305	526,595	0	0	0	0	0	0	0
Projects under \$100,000	185,164	138,326	141,702	145,343	149,282	153,537	158,127	163,077	168,409	174,169
Total Flood Protection	8,235,164	4,345,336	4,670,422	4,308,387	3,461,821	2,099,170	1,633,227	4,733,090	5,717,161	1,154,689

Environment

What we do

Nelson City Council has a wider span of environmental management responsibilities than most other Councils because it is a unitary authority and has to manage both territorial authority and regional functions. Council’s environmental functions include planning and service delivery, advice, monitoring, education, advocacy and enforcement.

Why we do it

Council undertakes its environmental management responsibilities to protect and enhance the quality of Nelson’s natural and built environment, promote community well being and to fulfill its statutory duties.

Council’s state of the environment monitoring and reporting is essential to good environmental management. Understanding the impacts of human activity on Nelson’s air, land, waters and coastal areas helps ensure our efforts are focused in the right areas to achieve good environmental outcomes.

Council’s compliance functions, including dog control and liquor licensing, are primarily to ensure public health and safety and in response to government legislation.

Emergency management is a core requirement of local government to ensure the wellbeing of the community in the event of natural hazards and other emergencies.

Our long term vision

In 2060 Nelson has a natural environment which is treasured by the people who live here, and within which the importance of sustaining biodiversity is recognised, supporting not only environmental but also social, cultural and economic wellbeing. Nelson’s urban environment will be a reflection of these values, creating attractive centres where people can be easily connected and combine work, culture and recreation, all within the natural environment on their doorsteps. We will have a resilient community able to respond to and recover from emergency events.

Our goal

To enhance Nelson’s built and natural environments and make Nelson a healthy and safe place, where people want to live.

Community outcomes

Community outcomes	How this Council activity contributes to the outcome
Natural environment	Protect the environment through resource management plans, information and incentives to encourage good practices, managing pests, minimising waste, administering resource consents, monitoring the environment, responding to pollution events, understanding natural hazards and fostering resilience

People friendly places Community	Provide healthy, accessible and attractive places through resource management plans, processing resource and building consents, noise monitoring, investigating complaints, supporting food hygiene, making sure waste is disposed of safely, delivering emergency management and promoting partnership with the community to care for our public places and develop resilient communities
Economic	Provide information and incentives that support sustainable business practices and by the regulatory and planning structures on which the economy depends

Council's priorities for the next three years

Nelson Nature

Our natural environment is very important to us. It is part of our identity and attracts many people to visit and live in our region.

The Nelson Biodiversity Strategy 2014 aims to create an ecologically rich and sustainable future for Nelson through aligned action on biodiversity by responsible agencies and the community. Council provides administrative support to, and participates in, the Nelson Biodiversity Forum, which was established in 2007 to help develop and implement the Nelson Biodiversity Strategy. The Biodiversity Forum comprises a good cross section of 26 partners with common interests who bring a range of skills and knowledge to the table. The Forum is a strong example of how Council can better assist the community it serves when it does so in partnership.

Nelson Nature is the Biodiversity Management Programme initiated by the Nelson Biodiversity Forum and Council. It will provide for and implement a much more extensive and targeted approach to ensure habitats in our region are protected and enhanced. There are 10 initial projects making up Nelson Nature, including working with Nelson's Significant Natural Areas, terrestrial environments, coastal (cliffs, dunes and estuaries) and freshwater ecosystems. These projects are being proposed to protect and enhance Nelson's biodiversity by implementing targeted 'actions on the ground'. The Brook Waimarama Sanctuary is supported well through Nelson Nature as its implementation will provide a managed buffer around the Sanctuary to minimise pest pressures on the fence, and also provide a safer environment for any biodiversity overflow coming from the Sanctuary itself.

Comprehensive baseline data will determine the current condition of ecosystems so we can see progress being made and help target future efforts.

Enhanced animal pest and weed control, particularly in areas with high biodiversity values, is important. The major threat to these areas are weeds and pests which are, in some areas, causing loss of biodiversity and increasing costs to manage. Weed control is an important first step when planting trees to enhance biodiversity and allows us to help support the important biodiversity protection work undertaken by community groups,

partners and rural landowners. The implementation of the Regional Pest Management Strategy aligns closely to the Nelson Nature programme and its intended outcomes.

Council proposes to contribute new funding in the Long Term Plan towards implementing Nelson Nature (\$500,000 in 2015/16 rising to \$717,893 in 2019/20 and increasing by inflation thereafter).

Landfill

Nelson City Council and Tasman District Council have adopted a Joint Waste Management and Minimisation Plan. The plan promotes improved integration of solid waste activities across the Nelson-Tasman region. How the two Councils work to integrate their solid waste management will be a key issue for the next three years. Following the successful implementation of the regional landfill proposal in 2014/2015 the focus for this work is on the integration of the management of Nelson and Tasman collection and recycling services.

Maitai upgrade and enhancement

Council recognises the importance of improving the Maitai River's water quality and wants to continue with protection and enhancement projects in the Maitai over the next three years with a budget of \$400,000 annually. This work will be expanded to other catchments from 2018 onwards with an annual budget of \$108,000.

Project Maitai/Mahitahi is Nelson City Council's name for work started in 2014 to improve the health of the Maitai/Mahitahi/Maitahi River. This work also includes Brook and York Streams, Groom and Sharlands Creeks and other tributaries.

The project sits alongside the Maitai shared pathway, freshwater aspects of the Nelson Plan review, the renewal of the Maitai water take resource consent, reviewing potential flood mitigation works on the river, and on-going operations and maintenance work.

In 2015/16 work is scheduled to manage dam water effects on the river, review and support the enhancement of forestry operations good practice within the catchment and for riparian planting to achieve bank stabilisation and shade.

The programme is being delivered in partnership with local community group, the Friends of the Maitai, with input from key stakeholders and other interested parties and will see some immediate steps to restore natural values and function in the Maitai River.

Woodburners/Air Quality Plan

Cherishing and protecting our rich and varied regional environment is a key concern of Nelsonians, as we are committed to preserving the region's air quality. There have been gains in Nelson's air quality over the last decade through significant investment by Council and the community. However, concerns have been raised about the impact of the Air Quality Plan on woodburner use and people living in cold homes. Along with bringing the Air Plan review forward, Council wishes to provide financial assistance for home insulation in partnership with the Canterbury Community Trust. \$100,000 is proposed by Council in 2015/16.

Over the winter of 2014 air pollution levels exceeded the National Environmental Standard for air quality two times in the Victory and Hospital area. Nelson can breach the Standard only three times a year by 2016 and only once by 2020.

Council plans to focus on increased education and compliance action to achieve the national air quality standards. Continuing air quality monitoring will inform the community on progress.

Nelson Plan

Nelson City Council has both regional and local Council functions under the Resource Management Act 1991. It has to ensure that its resource management plans are kept up-to-date and reviewed every ten years. Nelson has three resource management documents:

- Nelson Regional Policy Statement (Council's overview of regional resource management issues outlining the region's strategic direction)
- Nelson Resource Management Plan (District, Regional, and Coastal Plan)
- Nelson Air Quality Plan (Management of Nelson's air quality resource).

The Nelson Resource Management Plan and Nelson Regional Policy Statement are due for review now and the Nelson Air Quality Plan is due for review in 2018. Council has decided to combine its resource management plans into one integrated resource management plan – The Nelson Plan. Since these existing plans were developed there has been central Government change requiring an increased focus on hazards including from flooding and the management of freshwater. It is important that Nelson's planning documents are up-to-date and address these significant issues.

Council has confirmed two key outcomes for the Nelson Plan, which have been used to guide the development of the wider environmental activity. The outcomes are:

City Development: The City will be a vibrant, attractive place in which people can live, work, and play, and in which business can operate successfully now and into the future. This outcome will be achieved by providing for growth and development in a way that:

- Creates a vibrant and attractive city
- Co-ordinates growth and infrastructure
- Connects communities
- Adapts to our hazards
- Looks after our heritage
- Achieves natural resource outcomes

Natural Resources: Natural resources should be managed in an integrated and sustainable way to maintain and enhance natural, ecological, recreational, human health and safety, and cultural values. This outcome will be achieved by creating:

- Clean and accessible water
- Healthy coastal and marine areas
- Enhanced natural areas and landscapes
- Clean air

The Nelson Plan will be completed in 2019/20. Community engagement on the Nelson Plan will occur throughout 2015/16 with notification in 2016/17. Hearings and decisions will be in 2016/17 – 2018/19.

Inner City Living

Inner city living has long been identified as something that Council should be supporting and encouraging. This was a key component of the 2009 Heart of Nelson Strategy. Last year Council revisited the Heart of Nelson Strategy and also considered if there were other opportunities for the Central Business District (CBD); this again confirmed that inner city living is a priority. There are many benefits for the city and individuals: making use of existing facilities, busier and safer city streets at night, more customers for hospitality and other city businesses, and an increased choice of housing in the region. One and two person households are on the rise and the real estate industry reports high levels of enquiries, including from outside Nelson, about town houses and apartments in the inner city.

Council plays a key role in assisting and encouraging development of inner city living. We are currently:

- Investigating any constraints in infrastructure capacity to accommodate more residents within or close to the CBD
- Working on planning rules in the Nelson Plan to ensure inner city living is supported
- Actively working with developers and industry professionals whenever a proposal for inner city living is put forward

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets in Years 1 - 3	Targets in Years 4 - 10
Clean Air	Compliance with national air quality standards (National Environmental Standards for Air Quality (NES))	Airshed A breached the national standard four times in 2013/14	Airshed A – no more than three breaches by September 2016	No more than one breach in Airshed A by Sept 2020
		Airshed B breached the national standard once in 2013/14	Airsheds B and C – no more than one breach by September 2016	Ongoing compliance in Airsheds B and C
Clean and Accessible Water	Health of Nelson’s freshwater environments measured by water body classification and can’t degrade below its current level as per National Policy Statement Fresh Water Management (NPS FWM)	In 2013 there were 12 sites with grade A or B water and 12 sites worse than grade C	<p>Maintain class A and B water bodies in current state</p> <p>Decrease number of bodies classified as D or E</p> <p>All rivers exceed ‘National bottom line’ for all attributes (NPS FWM)</p>	<p>Maintain class A and B water bodies in current state</p> <p>Decrease number of bodies classified as D or E</p> <p>All rivers exceed ‘A’ or ‘B’ for all attributes (NPS FWM)</p> <p>Maitai catchment ‘A’ for all attributes (NPS FWM)</p>

What Council will provide	Performance Measures	Current Performance	Targets in Years 1 - 3	Targets in Years 4 - 10
	Level of compliance with swimming water quality standards	Not achieved. Seven of 22 sample days had E coli elevated by weather effects	100% of monitored swimming areas meet the swimming quality standards	100% of monitored swimming areas meet the swimming quality standards
Reduced waste to landfill	Amount (tonnes) of waste per resident sent to landfill	Average waste disposed of at York Valley (excluding contaminated soil) is 0.619 tonne per person in 2013/14	Continue each year to decrease the per capita amount of waste from Nelson City Council area disposed of at landfill	Continue each year to decrease the per capita amount of waste from Nelson City Council area disposed of at landfill
A well planned city that meets the community's current and future needs and responds to national policy direction	Resource management plans updated to implement national policy changes and Council's strategic direction	Nelson Plan under review	Development of Nelson Plan <ul style="list-style-type: none"> - Community engagement on Nelson Plan 2015/16 - Notification 2016/17 - Hearings and decisions 2016/17 - 2018/19 	Development and implementation of Nelson Plan <ul style="list-style-type: none"> - Hearings and decisions 2016/17 - 2018/19 - Completion 2019/20
Regulatory programme (resource consents and compliance)	Compliance with statutory timeframes	98% of non-notified consents processed on time (average of 13 working days), 100% of notified/limited notified	100% of non-notified resource consents processed within 20 working days. 100% of notified/limited notified consents processed within 75 working days (or less as required by RMA)	Ongoing compliance

What Council will provide	Performance Measures	Current Performance	Targets in Years 1 - 3	Targets in Years 4 - 10
		consents on time (average of 54 working days)		
An effective and timely Civil Defence Emergency Management Response to support our community following emergency events	Ability to operate an effective Emergency Operations Centre (EOC) for Nelson Tasman	90% of EOC management and CDEM Group roles are staffed. EOC meets Ministry of CDEM 'monitoring and evaluation' requirements	100% of EOC management and CDEM Group roles staffed. EOC meets Ministry of CDEM 'monitoring and evaluation' requirements	100% of EOC management and CDEM Group roles staffed. EOC meets Ministry of CDEM 'monitoring and evaluation' requirements
Buildings are a safe and healthy environment for current and future building users	Time taken to grant and issue building consents	98% of building consents and 100% of code of compliance certificates issued in 20 working days	At least 98% of building consents and code of compliance certificates issued within 20 working days	At least 98% of building consents and code of compliance certificates issued within 20 working days
	Property inspection time targets met	Data started being recorded in January 2014 and although not audited is at 80%	At least 80% of inspections undertaken within 72 hours of request	At least 80% of inspections undertaken within 72 hours of request

Strategies and policies

Biodiversity Strategy

Social Wellbeing Policy

Various legislation and regulations governing aquaculture

Nelson 2060

Deferred work

No major projects have been deferred under this activity.

Assumptions

There is uncertainty about the specific nature of changes to legislation such as the Resource Management Act, Building Act and Biosecurity Act. Council has based planning for activities in the environment area on current legislation and stated government policy direction and assumes no significant deviations from that

It is assumed that weather patterns over the next ten years will remain relatively similar to the previous ten years, although evidence around climate change suggests there is a possibility of more extreme weather conditions

It is assumed the level of consent processing activity is stable given the state of the economy

Significant negative effects and risk mitigation

Potential negative effects and their risk mitigation strategies include:

Pollution of the air, soil and ground water from the York Valley landfill. This is limited through using best practice to meet resource consent conditions

Greenhouse gas emissions from the landfill. These are reduced through capping the site and extracting some methane for sale to be combusted and reducing the amount of green waste going to the landfill

A gas collection system failure leading to a landfill fire and hazardous waste not being identified leading to impacts on human health and/or the environment. The risks are mitigated by preparing a plan that addresses them and monitoring to ensure the plan is complied with and kept up to date

Regulation costs. Transaction and implementation costs may occur for individuals and businesses as well as constraints on the actions they can undertake, because of Council carrying out its regulatory and legislative responsibilities. Council limits costs by ensuring best practice is applied to regulatory management. It is accepted that some costs are necessary to achieve environmental and public health and safety goals

A civil defence emergency situation. Actions might need to be taken to protect life and property that could have short or long term effects on the environment. These effects are addressed in the RMA where certain emergency works are allowed to take preventative or remedial action

The time it takes for Council to respond to changes in information on hazards and amendments to legislation and regulations. This risk is mitigated by monitoring changes and annually reviewing Council's work programme to ensure highest priority risks are action addressed.

ENVIRONMENTAL MANAGEMENT FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	6,725	7,414	7,590	7,666	7,884	7,739	7,716	7,889	8,158	8,378	8,958
Targeted rates (other than a targeted rate for water supply)	33	33	28	23	17	11	5	1	0	0	0
Subsidies and grants for operating purposes	162	173	176	179	183	187	191	195	200	205	210
Fees, charges, and targeted rates for water supply	0	6,781	7,081	7,167	7,206	7,344	7,558	7,861	8,101	8,347	8,584
Internal charges and overheads recovered	2,431	2,758	3,114	3,140	3,034	3,117	3,210	3,346	3,439	3,553	3,651
Local authorities fuel tax, fines, infringement fees, and other receipts	6,971	3,303	3,353	3,401	3,450	3,507	3,582	3,670	3,768	3,870	3,980
Total Operating Funding	16,322	20,462	21,342	21,576	21,774	21,905	22,262	22,962	23,666	24,353	25,383
Applications of operating funding											
Payments to staff and suppliers	13,023	15,797	16,325	16,541	16,851	16,903	17,154	17,682	18,245	18,760	19,631
Finance costs	0	235	405	413	422	430	440	450	461	472	484
Internal charges and overheads applied *	2,820	3,124	3,465	3,474	3,352	3,421	3,499	3,633	3,732	3,858	3,968
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	15,843	19,156	20,195	20,428	20,625	20,754	21,093	21,765	22,438	23,090	24,083
Surplus (Deficit) of operating funding	479	1,306	1,147	1,148	1,149	1,151	1,169	1,197	1,228	1,263	1,300
Sources of capital funding											
Subsidies and grants for capital	0	20	0	0	0	0	0	0	0	0	0
Development and financial contributions	5	5	5	5	5	5	5	5	5	5	5
Increase (decrease) in debt	(576)	(249)	(336)	(357)	(367)	(377)	(211)	(17)	90	119	145
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(571)	(224)	(331)	(352)	(362)	(372)	(206)	(12)	95	124	150
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	1,564	40	12	0	0	13	69	0	113	0	153
- to improve level of service	230	267	238	213	148	247	288	121	225	205	211
- to replace existing assets	101	106	50	3	109	43	20	0	39	26	92
Increase (decrease) in reserves	(1,308)	1,090	965	1,058	1,025	958	874	1,167	946	1,156	994
Increase (decrease) in investments	(679)	(421)	(449)	(478)	(495)	(482)	(288)	(103)	0	0	0
Total applications of capital funding	(92)	1,082	816	796	787	779	963	1,185	1,323	1,387	1,450
Surplus (Deficit) of capital funding	(479)	(1,306)	(1,147)	(1,148)	(1,149)	(1,151)	(1,169)	(1,197)	(1,228)	(1,263)	(1,300)
Funding balance	0	0	0	0	0	0	0	0	0	0	0
* Internal charges and overheads include finance costs for internal loans.											

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	479	1,306	1,147	1,148	1,149	1,151	1,169	1,197	1,228	1,263	1,300
Subsidies and grants for capital expenditure	0	20	0	0	0	0	0	0	0	0	0
Development and financial contributions	5	5	5	5	5	5	5	5	5	5	5
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(485)	(451)	(460)	(470)	(480)	(491)	(506)	(522)	(537)	(554)	(575)
Net Surplus (Deficit) before taxation in Cost of Service Statement	(1)	880	692	683	674	665	668	680	696	714	730

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Environmental Management										
Transfer Station										
Recycling process building	0	0	0	37,846	133,391	171,674	0	0	0	0
York Valley Landfill										
Weigh bridge improvements	0	0	0	0	0	0	0	0	0	151,654
Monitoring the Environment										
Other catchment upgrades	0	0	0	108,131	111,159	114,449	118,008	121,867	126,108	130,736
Project Maitai/Mahitahi	200,000	205,220	210,638	0	0	0	0	0	0	0
Projects under \$100,000	212,524	95,547	5,806	110,845	58,368	90,992	2,953	255,310	104,032	173,209
Total Environmental Management	412,524	300,767	216,444	256,822	302,918	377,115	120,961	377,177	230,140	455,599

Social

What we do

Council provides many facilities and services that support the quality of life and wellbeing of Nelson residents. Collectively these activities have been grouped under the heading 'social' and cover delivery of services as diverse as running an art gallery to managing a crematorium.

Why we do it

Nelson's community reinforces in every consultation how important these activities are to the city. Investment in the heritage, arts and social life of Nelson makes the city an attractive place to live and brings economic benefits through tourism and a strong business community. Collectively, Nelson residents can afford facilities like the public library that they could not afford individually. Provision of facilities like community housing for the elderly meets a need where there is a shortage of such facilities.

Our long term vision

A strong, healthy resilient community is a key part of a sustainable Nelson in 2060. Nelson will value and celebrate community wellbeing, and see diversity as part of its identity, through arts, culture, heritage and the networks that contribute to resilient people who value the place they live in.

Our goal

To provide facilities and activities that support and enhance the social and cultural wellbeing of the Nelson community.

Community outcomes

Community outcomes	How this Council activity contributes to the outcome
People-friendly places	Through providing attractive and useful community buildings and places where community services can be delivered and by including beautiful and inspiring arts and heritage activities as part of our surroundings
Economic	Through supporting organisations and providing venues for the delivery of community services that contribute to the wellbeing of the community and that provide employment Through providing support and infrastructure that enables a thriving arts and heritage community to provide employment for many
Recreation	By providing facilities, events and services that support the development of community cohesion, supporting individuals, organisations and communities to be inclusive, encouraging the development and enjoyment of healthy lifestyles and supporting activities that encourage and assist all generations to participate in the community

Community outcomes	How this Council activity contributes to the outcome
Culture	<p>Through providing venues, activities and events that support our local culture and identity and looking for opportunities to include art and creativity into facilities at the early stages of development</p> <p>Through working with community organisations that support cultural diversity, events and festivals</p> <p>By protecting, interpreting and celebrating Nelson’s human heritage and historic places – Māori and more recent</p> <p>By supporting Nelson’s arts, culture and heritage and by supporting social development work in the community</p> <p>By supporting initiatives that promote understanding of Māori culture and tikanga</p>

Council’s priorities for the next three years

Housing

Nelson shares much in common with the national discussion around housing affordability. Nelson and Tasman councils are in discussions with the Government on a housing accord. Government has changed the criteria for support to social housing (previously known as community housing) and new opportunities have been provided for Community Housing Providers to access rental subsidies. Later in 2015 Council intends to look at this option in more detail.

Stoke Community Centre

It is important that Stoke has appropriate facilities and services to support the growth forecast to occur in this suburb. Projects to revitalise Stoke and provide for growth are overdue for funding. Recognition that Stoke is a great place to live has made it Nelson’s fastest growing suburb. It will be home to three quarters of Nelson’s population growth and half its new housing over the next thirty years.

A new facility at Greenmeadows reserve had been discussed for some years and in 2013/14 a needs analysis was undertaken to better understand the suburb’s community and recreation needs. This included a community survey, stakeholder meetings, focus groups and other consultation.

Council received a very strong and consistent response which was used to develop a brief for the project. An external project manager has been appointed, with \$5.6 million set aside in 2015/16 and 2016/17 to build the facility. Council recognises that the new facility is not a project in isolation and wider issues raised through the survey will be tackled in close partnership with the community. The future of Stoke Hall will be considered after further discussion with the community on how it can best fit with the new Greenmeadows facility.

Related projects are covered in the ‘Parks and active recreation’ and the ‘Transport’ activity sections.

Libraries

Libraries are experiencing change as new technologies and evolving customer expectations extend the range of services offered. A challenge is to provide concurrently for customers who prefer books with those who favour digital products. Libraries have a unique role as community hubs, free to all, promoting connectedness and a sense of belonging. While a high portion of library resourcing is focused on ensuring daily delivery of quality services, expansion to cope with a growing population is planned for both Elma Turner and Stoke Library.

Elma Turner Library receives the most demand on services and there is a need for more space, particularly learning spaces, meeting rooms, increased seating, technology spaces and community activity areas. The extension of the Elma Turner Library is planned to commence with design work in 2016/17 and \$6.0 million has been set aside for the project. Council also recognizes the community's desire to extend the library's opening hours. Funding is included to provide for earlier opening hours on weekdays and longer on Saturdays.

At the heart of the Stoke precinct, the library is the suburb's community living room. Along with providing traditional library services and facilities, as well as community education classes and outreach activities, it has become an important social and cultural hub for the people of Stoke. Many of the qualitative responses to the recent Stoke survey noted the library was too small for the numbers of people it serves and their developing and varied needs. The 2011 refurbishment was undertaken within the current floor space. To address the need for more space, an extension is proposed in 2020/21 and \$2.3 million is set aside to achieve this work. As we work through the next stages of the Stoke revitalisation work around the commercial area, this project may be brought forward.

Nelson Arts Festival

Council will give consideration to the mix of council-produced and council-supported events and festivals with a view to ensuring Nelson has a good mix and range in its calendar. Council proposes that the Nelson Arts Festival would focus on high calibre national and international acts one year and have a more local flavour the next year, with more community produced acts. The aim of focussing on local content in alternate years would be to make the Arts Festival accessible to an even wider audience.

In this Plan Council intends to move to an independent governance structure for the Nelson Arts Festival with a view that a new entity would produce the festival in 2017 and thereafter. Council funding would remain at current levels but be reviewed once the Trust is established. Most other centres with arts festivals have such a structure and find that artistic control, community ownership and private sponsorship all grow in such an environment. In fact a comparison with similar festivals elsewhere shows that the proportion of funding from Council is more than five times higher in Nelson than in other centres where other forms of support are far more significant.

While it is planned to move the Arts Festival outside Council, we would continue to operate a festival and events team that will produce a wide range of vibrant community events including the much loved Masked Parade and Opera in the Park.

Community Art

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

Council believes there is value in an art space focused on the community and proposes to work with Arts Council Nelson to maintain and expand the use of the building as a gallery and performance venue. New funding of \$30,000 per year over two years is provided to allow the Arts Council to manage the art space on a trial basis. Council will evaluate the community outcomes delivered and the sustainability of the investment during this period.

Management of Council's Arts Fund is also changing with the Fund being reduced to \$75,000 per year from \$125,000 but now being available to match funding of community projects. Previously the Fund had been only available for Council public art projects but now, in keeping with the focus on partnership, Council has opened it up to help fund creative projects driven by the community. In making this change, Council hopes to emulate other cities which have attracted private sector support for its public art.

Light Nelson

Many of you will have visited the hugely popular Light Nelson and its illuminated artworks in Queens Gardens in the winter of 2013 and 2014. Light Nelson Trust has approached Council to work in partnership to help them consolidate their success and establish this as a biennial event on the Nelson arts calendar. It wishes to recognise and build on its past success in receiving funding from Council via the Events Fund.

We are proposing to allocate \$150,000 (reducing the Events Fund by this amount) as partnership funding for every two year period in the Long Term Plan which would provide the Trust with funding certainty to run the event every two years. Confirming Council's partnership approach we expect additional funding to come from other sources to support the event.

Nelson School of Music

The Nelson School of Music is a key piece of the city's arts infrastructure and has a long association with the internationally regarded Adam Chamber Music Festival. The School is valued by our community for the music training it provides to our young people, as a music performance venue and as a significant heritage building with a world class auditorium. The main auditorium has excellent acoustics and is considered to be one of the best in the Southern Hemisphere for chamber music. However the building was identified as earthquake prone more than two years ago and the Nelson School of Music Trust closed its auditorium to manage this risk.

While Council is not anticipating the transfer of assets from the School of Music it is committed to supporting the Trust with its redevelopment of the School of Music building by way of a capital grant. Up to \$3 million has been set aside in the draft Plan to support the Trust, on the basis that it raises at least an equal amount from other funders, sponsorship and community fundraising. This replicates the successful partnership model used for the Suter redevelopment, where Nelson's community has shown itself quick to support projects important to it.

This is a significant commitment from ratepayers but Council considers the reopening of the auditorium a priority for its cultural and economic value to Nelson, and the Trust should be able to leverage off Council's commitment to deliver the other funding necessary.

Theatre Royal

The Theatre Royal building has been restored as a result of the hard work and commitment of many community volunteers and financial support from Council and Central Government. The Theatre Royal completed its redevelopment in 2010 and continues to be well used as a key community arts facility.

However, the debt incurred during the restoration is sizeable and repayments have been a drain on the operation of the Theatre. In the Long Term Plan 2012-22 Council had proposed acquiring the assets of both the Theatre Royal and the Nelson School of Music with management of the two to be delivered by a single entity. Legal difficulties hampered the project and instead Council has increased its core funding for the Theatre, recognising its importance to Nelson and the need to ensure it remains economically viable.

Suter Art Gallery

In the 2012-22 Long Term Plan, Council signaled its intention to provide \$6 million towards the Suter Art Gallery redevelopment. Since then, the Suter Trust Board has reached its fundraising target of \$6 million, completed detailed design for redevelopment and started construction (January 2015). This is a multi-year build and Council confirms its commitment to the project, currently estimated at \$12million. Council's contribution is capped at \$6 million. In the meantime Council is providing financial support to the Suter in its temporary home in Halifax Street.

Nelson Provincial Museum

The museum is jointly owned as a Council Controlled Organisation by Nelson City and Tasman District Councils. The Tasman Bays Heritage Trust (TBHT) receives an operational grant to run the museum, which is a recognised regional heritage facility.

The review has raised strategic issues that need to be addressed, and the Trust is now considering its response. Council is keen to see the museum delivering its services in a way that engages our community and which is cost effective.

Community Assistance

Community Assistance is the range of support Council provides to not-for-profit groups in our community and includes rates remission, funding agreements, one-off grants, discounted leases and licenses and intermediary loans. In 2013/14 the value of that support to community groups was over \$1million per year.

The Community Assistance Fund has been an important component of that overall support, funding a range of projects that fit with Council's community outcomes, through an annual application round. The Fund received a boost in funding in 2011/12, however, the value of the outcomes delivered to the city for that investment has not increased proportionately.

One of the identified problems has been the large number of small grants that Council approves. In 2013/14 there were 59 contracts and 18 one-off grants. Not only are they expensive in the time they take to administer (both for Council and recipients) but spreading the funds so thinly means groups do not have enough funding to make a significant difference.

Given the significant funding involved, which would be \$4 million in the life of the Plan, Council has decided a more financially viable and sustainable model is needed that better supports community groups to achieve tangible outcomes. It believes fewer but more significant projects will cost less and deliver more. In future there will not be single, annual funding rounds. Instead, where groups are delivering against key Council priorities, officers will work alongside them to help build cross community partnerships, provide support and guidance, identify funding and sponsorship opportunities and, where appropriate, recommend that Council provides financial support. These recommendations will be ratified by a panel of Councillors.

This approach fits with the outcomes Nelson 2060 is seeking of people-centred development that builds resilience and a connected community. These changes will see Council officers working out in the community alongside groups delivering tangible outcomes for the city's residents. We want to build stronger relationships with our community and we can do that best when we're out in the community alongside you.

The Community Assistance Fund will be reduced over the next three years to \$150,000 per annum (a staged approach is necessary to allow existing contracts to conclude). This more targeted approach will also release \$100,000 in the first year of the Plan for Council to work in partnership with Canterbury Community Trust assisting homeowners to improve insulation and heating.

Millers Acre Toilet

Public toilets ensure that the health and cleanliness of the city is maintained and that residents have access to adequate facilities. There are also economic benefits by providing toilet facilities for visitors. Nelson has 42 public toilet facilities. The key issue to be addressed is ensuring the public toilets continue to meet resident and visitor expectations.

As part of making the central business district an attractive place to live, work and visit, public toilet provision has been reviewed. Millers Acre is the overriding issue with a need to increase capacity. Increased visitor numbers mean that the Millers Acre toilets are not coping with demand; 31% of complaints about toilets related to Millers Acre in 2013/14.

In the first year of the Long Term Plan (2015/16), \$391,000 has been set aside for upgrading the Millers Acre toilet complex. This includes building an additional separate toilet block. In the meantime, toilets available during office hours in Civic house have been promoted at Millers Acre.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets in Years 1 - 3	Targets in Years 4 - 10
Arts and community events that showcase excellence and encourage participation.	Satisfaction levels (Residents Survey) meet or exceed benchmark	Satisfaction levels (benchmark) 53% Summer Festival 44% Masked Parade 31% attend Arts Festival event 30 attend Opera in the Park	Satisfaction levels (Residents Survey) meet or exceed benchmark	Satisfaction levels (Residents Survey) meet or exceed benchmark
Suter Art Gallery provides a diverse and stimulating programme of visual arts' exhibitions.	Satisfaction levels (2014 Residents Survey)	71% satisfaction with facilities in the 2014 Residents Survey	80% of users satisfied or very satisfied with the Suter Art Gallery ⁵	80% of users satisfied or very satisfied with the Suter Art Gallery
	Number of gallery visits per year	26,856 visit to the galleries	2015/16 - Not available as Suter closed for refurbishment 2016/17 - 20,000 visits to the Suter Art Gallery (excludes the cafe) 2017/18 - 32,000 visits to the Suter Art Gallery (excludes the cafe)	At least 32,000 visits to the galleries per year
	Number of Suter complex visits per year	91,731 visits to the Suter complex	2015/16 - Not available as Suter closed for refurbishment 2016/17 - 70,000 visits to the Suter complex 2017/18 - 110,000 visits to the	At least 110,000 visits to the Suter Complex

⁵ In temporary accommodation

What Council will provide	Performance Measures	Current Performance	Targets in Years 1 - 3	Targets in Years 4 - 10
			Suter complex	
Theatre Royal widely used for performance art.	Number of performance days meet or exceed benchmark	278 performance days in 2013/14	At least 278 performance days (75% occupancy)	At least 274 performance days (75% occupancy)
Art works enhance public spaces	Satisfaction levels (Residents Survey) meet or exceed benchmark	72% satisfaction with culture, heritage and arts activity	75% are satisfied or very satisfied with public art	75% are satisfied or very satisfied with public art
Libraries that are well used, welcoming and safe environments	<p>A total of 80% of library customers were satisfied or very satisfied (Resident survey).</p> <p>A total of 75% of the population are library members</p> <p>Door count more than 500,000</p> <p>Online usage continues to increase each year (website, e-book and catalogue)</p>	<p>91% satisfaction the 2014 Residents Survey</p> <p>89% of population library members</p> <p>Door count was 525,396</p> <p>Online usage 2012/13 418,680</p>	<p>Residents Survey (if available)</p> <p>At least 75% of the population are library members</p> <p>Door count more than 500,000</p> <p>Online usage continues to increase each year</p>	<p>Residents Survey (if available)</p> <p>At least 75% of the population are library members</p> <p>Door count more than 500,000</p> <p>Online usage continues to increase each year</p>

Drivers of capital expenditure

These are the main drivers of capital expenditure on this Council activity:

- For the arts it is the need to ensure the city's arts infrastructure is sustainable into the future which will require investment in capital projects.
- For the toilets, it is a mix of refurbishing older assets, the demands of population growth, increasing visitor numbers and changing levels of service expectations, where facility users want higher standards, both in facilities and maintenance levels
- The public library extensions are driven by the demands of a growing and changing population and maintaining current levels of service
- Earthquake assessment and strengthening of heritage facilities is driven by the goal of maintaining levels of service by protecting our heritage assets while ensuring public safety.

Strategies and policies

- Nelson Tasman Regional Arts Strategy
- Arts Policy
- The Bishop Suter Trust Statement of Intent
- Social Wellbeing Policy
- Tasman Bays Heritage Trust (Nelson Provincial Museum) Statement of Intent
- Arts Activity Management Plan
- Heritage Activity Management Plan
- Property and Facilities Asset Management Plan

Deferred work

No deferred work.

Assumptions

There are no additional assumptions that apply to the area of Council's work, other than the expectation that global economic conditions are unlikely to change significantly over the next three years.

Significant negative effects and risk mitigation

The extensions to Nelson public libraries and the refurbishment of public toilets and work on the Nelson School of Music and Suter Art Gallery would result in some disruption and have a temporary impact on service. Work would be programmed to limit disruption and to avoid, where possible, peak use times.

SOCIAL FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	10,120	10,683	11,429	12,152	11,990	12,827	12,889	13,456	13,744	14,195	14,392
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	349	362	369	249	182	186	190	194	199	204	209
Fees, charges, and targeted rates for water supply	0	826	758	588	510	591	510	595	511	600	512
Internal charges and overheads recovered	5	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	2,352	1,576	1,616	1,654	1,698	1,733	1,770	1,809	1,851	1,894	1,939
Total Operating Funding	12,826	13,447	14,172	14,643	14,380	15,337	15,359	16,054	16,305	16,893	17,052
Applications of operating funding											
Payments to staff and suppliers	11,175	13,066	13,193	11,624	11,323	12,086	11,934	12,599	12,736	13,320	13,473
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	561	847	1,283	1,514	1,546	1,680	1,794	1,798	1,887	1,887	1,887
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	11,736	13,913	14,476	13,138	12,869	13,766	13,728	14,397	14,623	15,207	15,360
Surplus (Deficit) of operating funding	1,090	(466)	(304)	1,505	1,511	1,571	1,631	1,657	1,682	1,686	1,692
Sources of capital funding											
Subsidies and grants for capital	6,396	22	22	22	23	23	24	24	25	26	26
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	5,537	8,758	7,060	156	2,542	2,750	(62)	1,868	(193)	(204)	(92)
Gross proceeds from sale of assets	0	6,000	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	11,933	14,780	7,082	178	2,565	2,773	(38)	1,892	(168)	(178)	(66)
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	541	569	1,093	596	627	674	706	657	711	739	761
- to improve level of service	9,119	2,663	443	440	2,804	2,939	198	2,215	14	14	14
- to replace existing assets	339	1,601	5,091	402	338	410	381	372	472	441	541
Increase (decrease) in reserves	205	157	264	345	332	346	333	330	342	339	335
Increase (decrease) in investments	2,819	9,324	(113)	(100)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
Total applications of capital funding	13,023	14,314	6,778	1,683	4,076	4,344	1,593	3,549	1,514	1,508	1,626
Surplus (Deficit) of capital funding	(1,090)	466	304	(1,505)	(1,511)	(1,571)	(1,631)	(1,657)	(1,682)	(1,686)	(1,692)
Funding balance	0	0	0	0	0	0	0	0	0	0	0
* Internal charges and overheads include finance costs for internal loans.											

SOCIAL COST OF SERVICE STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Income											
Rating Income	10,262	10,825	11,574	12,300	12,141	12,981	13,046	13,617	13,909	14,364	14,565
Rates Remissions	(142)	(142)	(145)	(148)	(151)	(154)	(157)	(161)	(165)	(169)	(173)
Operating Income	2,711	2,764	2,743	2,491	2,390	2,510	2,470	2,598	2,561	2,698	2,660
Capital Income	6,396	22	22	22	23	23	24	24	25	26	26
Total Income	19,227	13,469	14,194	14,665	14,403	15,360	15,383	16,078	16,330	16,919	17,078
Expenses											
Payments to staff and suppliers	11,333	13,218	13,348	11,782	11,485	12,251	12,103	12,772	12,913	13,501	13,659
Finance costs	408	695	1,128	1,356	1,384	1,515	1,625	1,625	1,710	1,706	1,701
Depreciation	1,234	1,129	1,198	1,266	1,273	1,332	1,391	1,414	1,437	1,441	1,445
Total Expenses	12,975	15,042	15,674	14,404	14,142	15,098	15,119	15,811	16,060	16,648	16,805
Net Surplus (Deficit)	6,252	(1,573)	(1,480)	261	261	262	264	267	270	271	273
Sources of funds											
Net Surplus (Deficit)	6,252	(1,573)	(1,480)	261	261	262	264	267	270	271	273
Non cash expenditure	1,234	1,129	1,198	1,266	1,273	1,332	1,391	1,414	1,437	1,441	1,445
Increase (decrease) in debt	5,537	8,758	7,060	156	2,542	2,750	(62)	1,868	(193)	(204)	(92)
Gross proceeds from sale of assets	0	6,000	0	0	0	0	0	0	0	0	0
Total Sources of funds	13,023	14,314	6,778	1,683	4,076	4,344	1,593	3,549	1,514	1,508	1,626
Applications of funds											
Capital Expenditure											
- to meet additional demand	541	569	1,093	596	627	674	706	657	711	739	761
- to improve level of service	9,119	2,663	443	440	2,804	2,939	198	2,215	14	14	14
- to replace existing assets	339	1,601	5,091	402	338	410	381	372	472	441	541
Increase (decrease) in reserves	205	157	264	345	332	346	333	330	342	339	335
Increase (decrease) in investments	2,819	9,324	(113)	(100)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
Total applications of funds	13,023	14,314	6,778	1,683	4,076	4,344	1,593	3,549	1,514	1,508	1,626
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,090	(466)	(304)	1,505	1,511	1,571	1,631	1,657	1,682	1,686	1,692
Subsidies and grants for capital expenditure	6,396	22	22	22	23	23	24	24	25	26	26
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(1,234)	(1,129)	(1,198)	(1,266)	(1,273)	(1,332)	(1,391)	(1,414)	(1,437)	(1,441)	(1,445)
Revaluation Gains (Losses)	0								0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	6,252	(1,573)	(1,480)	261	261	262	264	267	270	271	273

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Social										
Suter Grant										
Suter redevelopment	2,403,288	0	0	0	0	0	0	0	0	0
Crematorium										
Pet cremator	0	153,915	0	0	0	0	0	0	0	0
Reline large cremator	120,000	0	0	0	0	0	0	0	0	0
Public Toilets, Free										
Millers Acre toilet	32,205	359,135	0	0	0	0	0	0	0	0
Queens Garden toilet	20,000	205,220	0	0	0	0	0	0	0	0
Community Properties										
Pacific Building purchase	140,000	0	0	0	0	0	0	0	0	0
Nelson Library										
Book purchases	388,102	398,231	408,745	419,659	431,410	444,179	457,991	472,968	489,428	507,389
Elma Turner Library extension/relocation	0	205,220	308,585	2,703,275	2,778,975	0	0	0	0	0
Stoke Library										
Stoke Library extension/relocation	0	0	0	0	55,580	169,385	2,124,144	0	0	0
Community Housing										
Community housing renewals	100,000	102,610	105,319	108,131	111,159	114,449	118,008	121,867	126,108	130,736
Stoke Community Centre										
Stoke sports & community facility	1,000,000	4,617,450	0	0	0	0	0	0	0	0
Projects under \$100,000	629,081	584,823	615,786	537,880	645,834	557,457	543,573	602,206	578,775	678,150
Total Social	4,832,676	6,626,604	1,438,435	3,768,945	4,022,958	1,285,470	3,243,716	1,197,041	1,194,311	1,316,275

Parks and active recreation

What we do

Council provides active recreation opportunities for Nelsonians and visitors, through its provision of infrastructure such as walkways and cycle ways, expanding cycle trails, sports and recreation facilities, parks and open space, services and events. It also manages a range of parks and open spaces to help protect Nelson's biodiversity, heritage, rivers and coast.

Why we do it

Parks and other facilities that support active recreation are a vital resource. They contribute to the health and wellbeing of Nelson's residents and communities by providing spaces for organised sport, informal recreation and areas for people to interact. As the city's population continues to grow, protection and management of parks will be increasingly important for residents' quality of life and to provide respite from the expanding built environment.

The economic benefits of parks and active recreation facilities, while often difficult to value accurately, include attracting tourists and migrants. Reserves and parks have a protective role in mitigating natural hazards and reducing environmental costs to the city. Nelson's parks are an important part of the city's character and identity and are recognised as part of the Nelson 'brand' by visitors. A point of difference of Nelson City is its proximity to a range of parks and green spaces. It is possible for residents and visitors to access a range of areas by foot from the city centre if they wish, rather than being dependent on vehicle trips to get there.

The environmental benefits of the city's parks are numerous including protection of biodiversity, controlling and storing groundwater, carbon storage, improving air and water quality and reducing noise pollution.

Our long term vision

A connected community needs and values quality open spaces that are accessible to all parts of the population. Nelson's parks and reserves meet a range of needs e.g. recreation and healthy lifestyles and supporting biodiversity. Nelsonians treasure these spaces and are creative in the uses they apply to them e.g. edible planting and celebrating culture and heritage.

Our goal

To enhance the protection of Nelson's biodiversity and heritage and coastal areas while promoting healthy, active lifestyles and enjoyment by providing easy access to a range of active recreation pursuits.

Community outcomes

Community outcomes	How this Council activity contributes to the outcome
Natural environment	Provides a range of parks, reserves and open spaces, which help protect Nelson's biodiversity, heritage, rivers and coast
People friendly places	Provides well planned parks and active recreation opportunities
Community	Provides easy access to a range of open spaces and facilities in and around the city that encourage active lifestyles bringing health and wellbeing benefits
Recreation	Provides a range of recreational pursuits that are fun and give people a sense of belonging and wellbeing

Council's priorities for the next three years

Rutherford Park Development

A plan for the development of Rutherford and Trafalgar Parks was adopted by Council in mid 2013 and outlined a programme of possible future works to realise Council's vision of an active urban park. The remedial works required for the Trafalgar Centre has led to the wider enhancement projects being placed on hold.

We have reviewed the programme of works planned for Rutherford Park in light of the need to reduce our debt level and found the total budget allocated previously to be unaffordable. The revised programme focuses on improving the structure and connections of areas of the Park. In the Plan there is now \$1.9 million in 2015/16 for roading, carparking and landscaping; \$308,000 for walk/cycle connections in 2016/17; \$527,000 for public toilets and landscaping in 2017/18 and \$445,000 for landscaping and connections to support city to sea links in 2019/20.

These projects are important to support the reopening of the Trafalgar Centre which is planned for 2016 if it can be completed within the \$9.5 million budget allowed in the LTP (analysis of options is ongoing). They will also create a good framework for future development.

However one project which Council feels is a priority, and goes beyond the access and landscaping works above, is provision of a play space near the Maitai shared path. This would attract families into the Park and assist with the aim of increasing activity levels in the Park. Council has allowed \$614,000 of additional funding in 2016/17, half as new funding and half through transfer of funding from its budget for new playgrounds. Understanding that high quality play spaces require a significant investment, Council will be looking for partners to help create an exciting and unique facility which appeals to a wide range of ages.

Marina

The marina provides permanent and casual berths and associated marine facilities to support boating. The marina returns economic benefits by attracting visitors to Nelson. It provides good, safe facilities, reasonable fees, and a central location with good access to the city for visitors and residents alike. It also allows an efficient use of scarce water space and protects marine environments by concentrating moorings in one area.

The day to day expenses of the marina are funded by revenue from berth-holders and debt is used to fund development. Although the marina is a 'ring fenced' account, any debt in the marina account contributes to Council's overall debt.

Fees for Nelson's marina are much lower than other facilities around the country, even allowing for differences in service provision (a table of comparative charges is available at nelson.govt.nz search = marina fees). It is proposed to increase fees by 4% per year over the Plan and to use that income to assist with debt reduction.

Hardstand provision at the marina is an issue that has remained unresolved for many years. The hardstand and its management has, until now, been provided by a private operator. Creating a new hardstand at the marina was scheduled for completion in 2013/14 but was delayed because Council wanted to take a more comprehensive approach to developments in this area. The potential for land around Akersten Street to be developed to make more of the marina precinct for the city has long been recognised.

Providing adequate area for hardstand is important to the successful functioning of the marina. A total of \$1.54 million has been provided in 2016/17 to allow this project to proceed in a way that integrates with surrounding land development opportunities.

Sea Sports Facility

Another project in the marina is a new Sea Sports Facility to house a range of water users from kayakers to sea cadets. The shared area around the marina and boat ramp is becoming a bottleneck and there is need for safe storage of equipment. Changing facilities and a space for clubs to socialise have also been requested. The Nelson Sea Sports Alliance (representing 12 sea sport groups) has put together a proposal for a shared facility.

Council has set aside \$578,000 of funding in years 2016/17 and 2017/18 with the expectation the Alliance would fundraise for the remainder.

Trafalgar Centre

The Trafalgar Centre is a multi-purpose events venue for entertainment, conferences, expos, trade shows, community events and major sport events. It is the only venue in the region capable of seating 2,500 people. The Centre was closed in December 2013 when it was discovered that it was an earthquake prone building, and following the issue of a Section 124 notice and advice on health and safety.

The Centre needs seismic strengthening and Council resolved in 2014 that work be undertaken to facilitate re-opening the centre by February 2016. Project managers have been appointed to manage this process and \$9.5 million has been budgeted in the Long Term Plan. This funding will include renewal of the roof in 2016/17. Replacing the bench seats on the flat floor would follow in 2017/18.

The north end of the Trafalgar Centre has remained largely unchanged since it was built in 1972. A planned upgrade to the Trafalgar Centre has not taken place due to the expenditure that is required for earthquake strengthening and remediation. The planned major upgrade to the Trafalgar Centre that included a new kitchen, better entrance, upgraded foyer, more meeting and conference rooms, tiered stadium seating and new toilets has been put on hold.

Without the funding in this Plan the Centre would remain closed and the city without a key venue, so Council believes it is important to carry out this work. A cap of \$10 million (\$9.5 million of which is in the Long Term Plan) has been put on the work for affordability reasons – to undertake the planned upgrade (budgeted at \$4.6 million in the 2012 Long Term Plan) on top of seismic strengthening is not considered affordable.

Saxton Field

Saxton Field is a shared resource with the Tasman District Council. Nelson City Council acquired the first land in the complex in 1977, motivated by a shortage of sports grounds in the city. Today the complex covers 72 hectares of land, of which 65 hectares is owned by Nelson City and Tasman District Councils. The two councils developed the Saxton Field Reserve Management Plan in 2008, which provides overall direction for ongoing management of the area.

Council considered a number of proposals for new projects at Saxton Field some of which have been included in the Plan and some of which, for affordability reasons, are not programmed within the 10 years. These changes have been made after consultation with Tasman District Council, and in recognition that Saxton Field has had significant capital investment from both Councils over many years. Council's priority at this stage is to market the excellent facilities available to make sure they receive maximum use from the community and to attract events to Nelson. The following are the main areas of change from initial proposals:

- Alliance area changing facilities and carpark removed from years 3 and 4;
- An alternative solution for the power supply to the velodrome has been found delivering a saving of \$350,000 in year 5
- The velodrome toilet/changing block has been removed from years 7 and 8 as Tasman District Council has budget to complete a toilet/shower block on Avery Field and, given its proximity to the Velodrome site, this should mean separate shower/change facilities for cycling will not be required
- Funding in years 8 to 10 for a skating track, skatepark, regional playground, relocation of the radio mast and softball lights have been removed

- Funding for walkways has been mostly retained but is now included in years 1 and 4, rather than years 1, 2 and 3.

Stoke Youth Park

A needs analysis consultation conducted in 2013/14 supported a youth park in Stoke. Funding of \$539,000 has been allocated in 2017/18 and 2018/19 for further consultation, planning and physical works.

Gondola

In 2013/14 Council provided funding for the Nelson Cycle Lift Society to examine the feasibility of constructing a gondola that would take people and mountain bikes to the top of Fringed Hill. The study suggests the concept is feasible and the Society is now preparing a detailed business case.

Council supports, in principle, the development of the gondola lift and is open to the idea of leasing council owned land if this was identified as the preferred site. It would complement existing recreational activities, including cycling and walking. The project has the potential to develop into a significant tourist attraction alongside neighbouring Brook Sanctuary.

Council acknowledges the voluntary efforts of the Society to date and looks forward to future discussions. The final location of the gondola will be confirmed through the resource consent process and will be subject to the outcome of the Brook Recreation Reserve Management Plan process.

General reserves land purchase

Neighbourhood parks (and reserves) provide for safe and informal recreational use. They also help to break up the built environment, offer visually attractive surroundings and provide ecological corridors for wildlife. These parks are generally small areas of land less than a hectare in size.

Neighbourhood parks are funded via Financial Contributions, rather than rates. This Long Term Plan contains provision for \$410,000 to \$719,000 per year for land purchases.

Brook Waimarama Sanctuary Fence

Council allocated funding of \$1,036,290 million over two financial years to the predator fence for the Brook Waimarama Sanctuary. The Trust has now raised all its funds and Council has approved a 33 year lease of the Brook Conservation Reserve to the Trust. Fence construction started in November 2014. Both parties will continue to work together to move this project forward.

Tahuna Backbeach erosion

A study on coastal erosion in the Tahuna Beach area was commissioned in 2014 to review Council's current managed retreat policy. Following on from this, provision has been made for \$200,000 to contract a firm with the necessary technical expertise to analyse the current situation, model the coastal system affecting the Waimea Basin,

identify threats to property and infrastructure, consider potential economic losses, and give an indication of options.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets (Years 1-3)	Targets (Years 4-10)
A network of parks and reserves throughout the city protecting and enhancing the natural environment and providing enjoyment, leisure and recreation opportunities for both residents and visitors	The total area of parks and open space available for recreation is reasonable to meet community needs.	239 hectares per 1,000 residents	Current parks and open space provision will not be reduced except where divestment offers clear net benefits to the community	Same as Years 1-3
	Level of customer satisfaction	75% satisfaction in the 2014 Residents' Survey	Maintain levels of customer satisfaction at 80%	Same as Years 1-3
Recreation opportunities for people of all ages and abilities is provided	Level of customer satisfaction	Not measured in 2013/14	Construct an entry level mountain bike track in Year 1 Complete the 'City to sea Maitai walk/cycle way project' Complete 'Rutherford Park playground'	Youth facility at Stoke' Sea sports facility at marina to house water users
Areas of heritage or cultural importance in parks and reserves appropriately protected	Level of consultation with Tangata Whenua o Whakatū occurring	Consultation coordinated through Kaihautu	Tangata Whenua o Whakatū will be consulted on all new or reviewed reserve management plans to determine if areas of cultural significance exist	Same as Years 1-3

	Number of requests for access to cultural material facilitated	Three requests for flax received and fulfilled	Provide access to cultural materials such as flax, toetoe, pingao and other resources where it is consistent with sustainable management	
	Level of compliance with Historic Places Act 1993		All known historical and archaeological sites managed in accordance with the Historic Places Act 1993. Inventory of all known sites kept up to date.	
Neighbourhood parks within walking distance of all homes, providing play opportunities, open space and amenity values	Neighbourhood parks within walking distance of 95% of all homes - safe, visible, providing play opportunities, open space and amenity values.	Topography in some areas and limited opportunities for land acquisition mean this wasn't achieved in 2013/14	One neighbourhood park within reasonable walking distance (500m radius or a ten minute walking distance) of most urban residential properties and easily accessible, ideally from more than one road frontage.	Same as Years 1-3
Trafalgar Centre	Number of people using the Trafalgar Centre and total hours used	Not achieved as the venue was closed in December 2013 (79,590 users in 2012/13)	Annual number of users exceeds 80,000 Annual use hours exceeds 2,500/year	Same as Years 1-3
Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and	Level of accessibility of public swimming pools	97% of dwellings are within 10km of a public swimming pool (not including the ASB Aquatic Centre, which is owned by	Provision of a swimming pool that is within 10km driving/cycling distance of 80% of Nelson's population	Same as Years 1-3

learn to swim programmes		TDC).		
	Annual user satisfaction surveys	79% of pool users were satisfied or very satisfied with their overall pool experience.	80% of customers satisfied or very satisfied with the swimming pools (CLM survey)	80% of customers satisfied or very satisfied with the swimming pools (CLM survey)
Financially sustainable marina facility	Level of self funding of the marina	Marina had an operational surplus in 2013/14	No cost to rates to operate the marina - fees and charges cover the maintenance and renewal of marina facilities	No cost to rates to operate the marina - fees and charges cover the maintenance and renewal of marina facilities
Public Toilets Accessibility	Public toilets are accessible to residents and visitors in areas of high public use.	Toilet facilities are provided within 200m of any point within the central city and suburban centres	Toilet facilities are provided within 200m of any point within the central city and suburban centres	Toilet facilities are provided within 200m of any point within the central city and suburban centres
		Cleanliness level 89%	Minimum cleanliness level >90% (based on staff audit)	Minimum cleanliness level >90% (based on staff audit)

Drivers of capital expenditure

The main drivers of capital expenditure on these activities are:

- The Trafalgar Centre upgrade is a mix of refurbishing an ageing asset, earthquake strengthening, the demands of growth and changing levels of service, based on what the Trafalgar Centre has to provide and its changing role now that Saxton Stadium is completed
- Maintaining existing levels of service at Saxton Field
- The marina hardstand project is due to a mixture of growth and complying with the conditions of the marina resource consent

Strategies and policies

- Parks and Reserves Asset Management Plan
- Property and Facilities Asset Management Plan
- Nelson Resource Management Plan
- Tasman-Nelson Regional Pest Management Strategy
- Nelson Biodiversity Strategy
- Nelson 2060
- Social Wellbeing Policy

Deferred work

At Saxton Field, several projects have been put on hold. The following projects are not included in this Long Term Plan: Saxton Field – walkways cycleways (\$310,000), Alliance Field and carpark (\$800,000), velodrome power supply and changing rooms (\$1,150,000), Champion changing facility (\$1,000,000), skatepark (\$500,000), regional playground (\$680,000), softball lights (\$380,000); cycling/skating track (\$340,000).

The pool remodeling planned for Nayland in years 1 to 4 at a cost of \$645,000 has been removed for affordability reasons. The proposed funding would have been a large investment for the number of users. The aim is to focus on meeting existing levels of service rather than growth and development, especially given the proximity of the ASB Aquatic Centre which Council also contributed to. Minor works to improve changing rooms has already been undertaken in the current financial year.

The Isel Park footbridge upgrade, costed at \$100,000, has been removed from the Long Term Plan as it is not considered critical during the ten year timeframe. Once the Greenmeadows facility is built and further work has been done on connectivity within Stoke and down through the foothills then the role of the bridge and any upgrading needed can be considered again.

Assumptions

There are no additional assumptions that apply to the area of Council's work, other than the expectation that global economic conditions are unlikely to change markedly over the next three years.

Negative Effects and Risk Mitigation

Redeveloping the northern end of the Trafalgar Centre will cause some disruption to existing activities, and mean the Victory Room is unavailable. Work will be programmed to minimise disruption and avoid where possible peaks in usage. The upgrade will make a much better and more versatile centre.

New and increasing use of parks and reserves can result in conflict between different uses. This is monitored by staff and booking systems. Bylaws and booking systems may be adjusted in response.

Chemicals used for pest control are used carefully to avoid contaminating water or affecting parks and reserves users. Council uses organic management where practicable to minimise chemical use. The Parks and Reserve Sustainability Action Plan includes targets aimed at reducing the amount of chemical use per hectare on parks and reserves land.

Trees, vegetation and tree roots can encroach on roads, footpaths and interfere with power or telephone wires. Council applies good practice principles to ensure vegetation planting is carefully planned and managed for safety.

Leaf fall can block stormwater systems and exacerbate surface flooding, particularly in autumn. Council's maintenance contracts are structured to reduce this risk.

Seismic assessments to better understand and remedy earthquake risk and public safety in and around council facilities have been carried out. Remedial actions at Riverside Pool have been completed and are planned at Trafalgar Park.

PARKS FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	11,827	12,024	12,725	13,206	13,288	13,667	13,792	14,160	14,443	14,801	15,192
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges, and targeted rates for water supply	0	1,930	2,007	2,082	2,164	2,250	2,343	2,445	2,556	2,673	2,800
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	2,905	997	1,123	1,146	1,110	1,133	1,158	1,185	1,214	1,242	1,274
Total Operating Funding	14,732	14,951	15,855	16,434	16,562	17,050	17,293	17,790	18,213	18,716	19,266
Applications of operating funding											
Payments to staff and suppliers	10,385	9,388	9,562	9,551	9,536	9,801	9,854	10,209	10,590	10,844	11,461
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	2,789	2,915	3,396	3,407	3,380	3,341	3,282	3,196	3,080	3,020	2,945
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	13,174	12,303	12,958	12,958	12,916	13,142	13,136	13,405	13,670	13,864	14,406
Surplus (Deficit) of operating funding	1,558	2,648	2,897	3,476	3,646	3,908	4,157	4,385	4,543	4,852	4,860
Sources of capital funding											
Subsidies and grants for capital	28	80	149	276	258	31	32	500	85	35	36
Development and financial contributions	0	1,200	1,238	1,268	1,300	1,336	1,374	1,415	1,459	1,507	1,558
Increase (decrease) in debt	6,667	12,452	2,454	183	(512)	(1,248)	(1,721)	(1,947)	(1,351)	(1,616)	(1,497)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	6,695	13,732	3,841	1,727	1,046	119	(315)	(32)	193	(74)	97
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	4,232	1,500	3,974	2,045	2,039	1,979	2,064	1,715	2,344	1,955	2,232
- to improve level of service	3,336	12,852	738	846	1,110	570	164	81	187	529	629
- to replace existing assets	1,777	2,190	2,026	2,312	1,543	1,478	1,312	2,332	1,476	1,477	1,255
Increase (decrease) in reserves	(1,092)	(162)	0	0	0	0	302	225	729	817	841
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	8,253	16,380	6,738	5,203	4,692	4,027	3,842	4,353	4,736	4,778	4,957
Surplus (Deficit) of capital funding	(1,558)	(2,648)	(2,897)	(3,476)	(3,646)	(3,908)	(4,157)	(4,385)	(4,543)	(4,852)	(4,860)
Funding balance	0	0	0	0	0	0	0	0	0	0	0
* Internal charges and overheads include finance costs for internal loans.											

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement											
	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,558	2,648	2,897	3,476	3,646	3,908	4,157	4,385	4,543	4,852	4,860
Subsidies and grants for capital expenditure	28	80	149	276	258	31	32	500	85	35	36
Development and financial contributions	0	1,200	1,238	1,268	1,300	1,336	1,374	1,415	1,459	1,507	1,558
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(2,738)	(2,688)	(2,972)	(3,114)	(3,220)	(3,321)	(3,422)	(3,541)	(3,641)	(3,767)	(3,915)
Net Surplus (Deficit) before taxation in Cost of Service Statement	(1,152)	1,240	1,312	1,906	1,984	1,954	2,141	2,759	2,446	2,627	2,539

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Parks & Active Recreation										
Horticulture Parks										
Park upgrades	40,000	20,522	42,128	101,643	104,489	107,582	110,928	114,555	118,542	122,892
Renewals: Structures	14,000	209,324	14,745	15,138	15,562	16,023	16,521	17,061	17,655	18,303
Neighbourhood Parks										
Bishopdale Reserve path/bridge	0	0	0	0	0	0	0	12,187	138,719	0
Land purchase: general reserve	635,634	410,440	579,255	594,721	611,375	629,470	649,044	670,269	693,594	719,048
Neighbourhood parks upgrade program	100,000	410,440	105,319	108,131	444,636	114,449	118,008	487,468	126,108	130,736
Conservation Reserves										
Renew Maitai Forks bridge	0	30,783	210,638	0	0	0	0	0	0	0
Esplanade & Foreshore Reserves										
Cable Bay to Paremata Flats walkway	0	0	0	0	0	0	0	0	0	130,736
Wakapuaka sandflats	0	20,522	21,064	216,262	0	22,890	0	24,373	0	26,147
Esplanade & foreshore planting program	100,000	102,610	105,319	108,131	111,159	114,449	118,008	121,867	126,108	130,736
Jenkins Stream (Pascoe to Airport)	0	0	10,532	145,977	0	0	0	0	0	0
Modellers pond solution	1,000,000	0	0	0	0	0	0	0	0	0
Poormans walkway (Main Road to Neale Avenue)	0	41,044	136,915	0	0	0	0	0	0	0
Sea wall	0	5,131	52,660	270,328	0	0	0	0	0	0
Saxton Creek path (Champion Drive to Saxton field)	0	0	0	0	0	0	0	0	0	392,208
Tahuna Reserve development plan	128,000	0	0	0	0	0	0	0	0	0
Sports Parks										
Remove Trafalgar Park cycle track	0	0	0	0	0	0	0	0	252,216	0
Access/carparks	85,000	87,219	89,521	91,911	94,485	97,282	100,307	103,587	107,192	111,126
Rutherford/Trafalgar Park development	1,900,000	307,830	526,595	0	444,636	0	0	0	0	0

Saltwater Creek bridge (Haven Road to Trafalgar Park)	0	20,522	189,574	0	0	0	0	0	0	0
Temporary seating	750,000	0	0	0	0	0	0	0	0	0
Trafalgar Centre										
Mother grid design and installation	0	0	0	0	0	171,674	0	0	0	0
Replace carpet tiles	0	0	0	0	0	114,449	0	0	0	0
Replacement of benched seats	0	359,135	0	0	0	0	0	0	0	0
Replacement tiered seating	0	0	0	0	0	0	0	0	315,270	0
Trafalgar Centre reopening	9,534,253	0	0	0	0	0	0	0	0	0
Pools										
Nayland remodelling	152,640	184,698	157,979	0	244,550	0	0	0	0	0
Nayland	23,000	37,966	85,940	100,562	68,919	62,947	33,042	40,216	12,611	65,368
Riverside	25,000	51,305	105,319	23,912	24,582	25,309	26,096	26,950	27,888	28,911
Play Facilities										
Playground development programme	0	0	0	0	33,348	194,563	35,402	207,174	37,832	222,251
Rutherford playground	60,000	554,094	0	0	0	0	0	0	0	0
Stoke youth park	0	0	52,660	486,590	0	0	0	0	0	0
Marina										
Marina hardstand	0	1,539,150	0	0	0	0	0	0	0	0
Pontoon renewal programme	0	164,176	0	0	177,854	0	0	194,987	0	0
Public boat ramp jetty renewal	100,000	0	0	173,010	0	0	188,813	0	0	0
Saxton Field										
Walkways/cycleways	110,000	112,871	0	216,262	0	0	0	0	0	0
Football training ground drainage	0	0	0	270,328	0	0	0	0	0	0
Athletic track	0	0	0	0	0	0	1,003,068	0	0	0
Replace hockey turf	0	0	526,595	0	0	0	0	0	0	0
Saxton Creek recreation pond enhancements	0	256,525	0	0	0	0	0	0	0	0
Saxton Field Stadium										
Saxton Stadium lift renewal	150,000	0	0	0	0	0	0	0	0	0
Regional Community Facilities										
Water sports building at the marina	0	51,305	526,595	0	0	0	0	0	0	0
Projects under \$100,000	1,633,514	1,759,973	1,663,511	1,769,189	1,651,642	1,868,675	1,728,859	1,985,890	1,987,248	2,017,237
Total Parks & Active Recreation	16,541,041	6,737,585	5,202,864	4,692,095	4,027,237	3,539,762	4,128,096	4,006,584	3,960,983	4,115,699

Economic

What we do

Council has a role to create a successful, sustainable city and achieves this largely through providing the city infrastructure, and fostering economic development through the work of the Economic Development Agency and Nelson Tasman Tourism Ltd. The focus is on activities where increased effort is likely to be most positive for the city. A review of how economic development services are provided (see Council priorities for the next three years) is underway.

The Nelson Regional Economic Development Agency (EDA) is funded by Nelson City Council with Tasman District Council making a contribution through the Nelson City Council. Its purpose is: 'to co-ordinate, promote, facilitate, investigate, develop, implement, support and fund initiatives relating to economic development, employment growth and improved average incomes within the Nelson region for the benefit of the community'. This includes sustainable business advice, monitoring and reporting on the state of the local economy, and actively supporting a network of business clusters. The EDA receives annual operating funding of \$240,000 from Council via a contract for services.

Although Council does not directly provide any assets for economic development, it does own and administer the Millers Acre Centre, Taha o te Awa, as the focus for the region's economic development agencies, destination marketing and visitor information services. This is managed according to Council's Property Investment Policy, which is available on request from Council.

An Events Fund assists the development and support of events through the Nelson Events Marketing and Development Programme. The Fund offers a transparent process for event coordinators to access Council funding outside the Annual or Long Term Plan processes. Council provides annual funding of \$435,000 each year for the Events Fund.

Council funds the EDA for events promotion, to investigate an economic development fund, and to support new and emerging businesses. It also facilitates cluster collaboration of existing businesses provides funding for Special Economic Projects, events implementation and Economic Impact Assessments.

Nelson Tasman Tourism Ltd receives funding from Council. It delivers a social, environmental, cultural and economic return to shareholders and the region's population, by providing proactive destination marketing, strategic destination management and tourism development, and visitor information services for the region. Council will provide annual funding of \$464,838 in 205/16.

Why we do it

Nelson City Council recognises that Nelson businesses need the right economic environment to flourish, and that a focus on developing sustainable businesses benefits everyone living in and visiting the area. A strong economy depends on having sound and

reliable infrastructure, much of which is provided by Council. Everyone depends directly and indirectly on the wealth generated by the local economy.

Our long term vision

Nelson’s economy goes hand-in-hand with a resilient and diverse community, and a natural environment which is able to sustain biodiversity. In 2060 the value of this relationship will be represented by a thriving economy which has taken advantage of the opportunities provided by our people and our natural resources, including renewable energy, which in turn will attract new people and opportunities.

Our goal

Smart, sustainable development that maintains economic diversity, preserves quality of life and does not degrade the region’s natural beauty and environment.

Community outcomes

Community Outcomes	How this Council activity contributes to the outcome
Economic	Through supporting organisations such as the Regional Economic Development Agency and Nelson Tasman Tourism and providing reliable infrastructure
Governance	Through monitoring and facilitating economic activity and advocating for Nelson economic development with central government

Council priorities for the next three years

Business Friendly Council

Council is committed to being an enabler for business opportunities that contribute to our region’s sustainable economic development. We will do this by demonstrating leadership and by minimising unnecessary bureaucracy. The development of the Nelson Plan is a key opportunity for Council to engage with businesses on these issues – developers need certainty over where and how Council will provide services, and clarity about the rules that will apply when development is proposed. Council’s proposed investment in infrastructural assets will provide the necessary critical services that support the business community. Council-funded Nelson Regional Economic Development Agency will continue to proactively work with existing businesses and potential investors to identify opportunities for business growth, whilst Council’s plans for revitalising our central business district will enhance Nelson as a destination to live and work.

Economic Development Services

There is a review underway of the structure and funding of several agencies delivering economic development services to Council: Nelson Tasman Tourism (NTT), the Nelson Regional Economic Development Agency (EDA) and Uniquely Nelson. Recent changes saw Tasman District Council’s shareholding in Nelson Tasman Tourism transferred to Nelson

City Council and with base funding to be provided by Nelson City Council (an amount of \$464,838 in 2015/16). Tasman District Council has indicated that it wishes to continue to provide financial support for economic development and regional marketing services, but that it will now contract for these directly with this Council.

With Nelson City Council now the 100% shareholder of EDA and NTT and the sole funder of Uniquely Nelson there is an opportunity to look at different, more effective ways of doing business in this area. One model that we will be considering is a single tourism, events and economic development agency to provide services in a more integrated way. Council's aim is to achieve a service which better supports our community to do business, grow the regional economy and develop a culture of innovation and entrepreneurship.

Some cost efficiencies in the order of \$200,000 per year have been factored into the combined funding of the three agencies from 2016/17, the second year of the Plan.

Lions Tour

Council decided in December 2014 to pursue an opportunity for Nelson to host a match in the 2017 British and Irish Lions Tour. The New Zealand Rugby Union has been advised that Council is willing to consider a capped contribution (including cost of staff time) of \$500,000 to secure a fixture and a response is expected by late April. Council recognises the valuable support to the local economy significant events bring to the city. We are continuing to invest in events that bring tourists to our region and build our identity as an exciting place to be.

Development Contributions

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 caused by development. They are calculated according to the method set out in the draft Development Contributions Policy. Further information about development contributions and likely impact of the Policy is contained in the financial strategy section and the draft Policy both documents are available separately.

China Week

Council sees China as a significant international partner in Nelson and has a long standing Sister City Relationship with Huangshi in Hubei Province going back 20 years. Council also recently signed a Friendship Agreement with Yangjiang in Guangdong Province. This has the potential to bring social, cultural and economic benefits to our region. Both the EDA and NTT have been working on building economic and tourism opportunities with their counterparts in China – promising real economic benefits to Nelson. This year Council proposes to celebrate these links by holding a 'China Week' to celebrate Chinese business, tourism and culture in Nelson. The event will take place in September and Council will work with the New Zealand China Friendship Society and the New Zealand China Association to put on a range of events and workshops to acknowledge and celebrate this growing relationship.

Service Levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
Infrastructure to provide for a sustainable local and regional economy	Council investment in infrastructure networks as measured by total value of network assets (transport, water supply, wastewater and storm water) at net present value (\$) Value of capital projects completed each year	The value of network assets recognised in the financial statements increased by \$110 million (12%) over the previous year. The value of capital projects was \$30.8 million in 2013/14.	Total value of Council's network assets is maintained or increased. Total value of capital projects is maintained or increased compared to previous year			
Facilitate economic development for the benefit of the community	Amount of government business support funding accessed for the region	Council accessed \$691,678 of government funding for the region in 2013/14	Government business support funding is maintained or increased and budgeted grants for research and development, and capability development are fully allocated to businesses			
Promotion of Nelson to increase the economic value of tourism	Number of tourism guest nights annually	Guest nights up 3.4% on the previous year. There were 1,240,052 guest nights in 2013/14	Increase the number of tourism guest nights annually			
	Number of tourism guest nights in the off-peak months	Increase of 3.8% total guest nights over July – October 2013 and April – June 2014	Increase the number of tourism guest nights in the off-peak months			

Drivers of capital Expenditure

No direct capital expenditure is planned for Council's Economic activity over the ten year period of this Long Term Plan.

Strategies and policies

- Regional Economic Development Strategy
- Nelson Regional Economic Development Agency Statement of Intent
- Nelson Tasman Tourism Statement of Intent
- Nelson Events Strategy

Assumptions

There are no additional assumptions that apply to this area of Council's work, other than the expectation that global economic conditions are unlikely to change significantly for the next three years.

Significant negative effects and risk mitigation

There are no additional assumptions that apply to this area of Council's work, other than the general assumption that global economic conditions are unlikely to change significantly for the next three years.

There is an assumption that the review of economic development services will result in cost savings in the administrative side of Nelson Tasman Tourism and Nelson Regional Economic Development Agency.

ECONOMIC FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	2,219	1,420	1,806	1,407	1,357	1,443	1,456	1,516	1,499	1,636	1,585
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	591	0	0	0	0	0	0	0	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding	2,810	1,420	1,806	1,407	1,357	1,443	1,456	1,516	1,499	1,636	1,585
Applications of operating funding											
Payments to staff and suppliers	2,794	1,407	1,793	1,395	1,345	1,431	1,444	1,504	1,487	1,624	1,573
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied *	16	13	13	12	12	12	12	12	12	12	12
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	2,810	1,420	1,806	1,407	1,357	1,443	1,456	1,516	1,499	1,636	1,585
Surplus (Deficit) of operating funding	0	0	0	0	0	0	0	0	0	0	0
Sources of capital funding											
Subsidies and grants for capital	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	0	0	0	0	0	0	0	0	0	0	0
Surplus (Deficit) of capital funding	0	0	0	0	0	0	0	0	0	0	0
Funding balance	0	0	0	0	0	0	0	0	0	0	0
* Internal charges and overheads include finance costs for internal loans.											

Corporate

What we do

Council's corporate activity includes governance services, Council elections, and behind the scenes support services to ensure the smooth running of the organisation. The costs of producing major long term/strategic documents and policies such as the Long Term Plan, Annual Plans and Annual Reports are included in this activity.

The corporate activity includes managing a small portfolio of Council-owned properties that are held for strategic purposes or new uses for the city in the future. These include the Anchor building, ex Four Seasons building and ex Reliance Engineering building on Wakefield Quay/Haven Road, the Zumo site between Bridge and Vanguard Streets, 23 Halifax Street next to the Elma Turner Library and the ex Hunting & Fishing building and Hunter Furniture on Achilles Avenue.

Council has established Council Controlled Organisations (CCOs), including four Council Controlled Trading Organisations (CCTOs), some shared with Tasman District Council. These provide wide benefits to the community and dividends to Council and more detail about each is explained in a later section.

Why we do it

Running local authority elections to provide democratic representation is a fundamental function of local government. Legislation charges councils with providing for 'democratic and effective local government that recognises the diversity of New Zealand communities'. The corporate activity is centred on effectively delivering these responsibilities for Nelson in an efficient, customer-focused way.

Under the Local Government Act 2002, Council has to include the community in its decision making in the best interests of the community as a whole and be accountable to that community. Consultation, opportunities for participation by Māori, communication and annual reports are the main ways Council achieves participative decision making, transparency and accountability.

Council corporate services ensure elected representatives and staff have the capacity, support systems and procedures to enable sound democratic decision making. This includes risk management, transparency and accountability processes and regular audits.

Council's work in overseeing CCOs is important for good governance, alignment between the community's needs and the CCOs work programmes and to ensure effectiveness in delivering a positive net benefit to the City. Council has Statements of Expectation and Intent for each CCO to ensure they are good corporate citizens and that they do indeed deliver a net benefit to the City in the form of dividends and/or community wellbeing.

Our long term vision

The vision for Nelson in 2060 is a place where people understand the role that they have in contributing to the creation of a sustainable Nelson. Council provides leadership to the community, and listens to it, in order to achieve this vision. Council and iwi work in partnership to deliver mutually agreed outcomes.

Our goal

Working together to make Nelson an even better place.

Community outcomes

Community Outcome	How this Council activity contributes to the outcome
Governance	While corporate and governance services support the delivery of all eight community outcomes, it is primarily aimed at achieving good leadership for the community. It does this by supporting Council organisation to run smoothly and be accountable and transparent to the community

Council's priorities for the next three years

Earthquake prone buildings

Since 1 Jan 2014, a total of 13 section 124 notices have been issued to Council in respect of earthquake prone buildings and three of these have subsequently been lifted following strengthening, demolition or change of usage. Budget exists in each year of the Long Term Plan to undertake limited remedial works as-and-when required following further assessments.

Civic House

Civic House is made up of three main buildings: the clock tower and attached seven storey building, the old Post Office Savings bank (three storeys) and the State Advances Building (two storeys). Civic House has a customer service centre with a call centre and service desk, offices for council operations, the city council chambers, facilitates mobile communications, and supports a commercial tenancy.

There is currently sufficient space for Council to conduct its activities and the State Advances Building has been identified as surplus to current requirements.

Civic House and the associated buildings require a programmed renewal and maintenance plan. This Long Term Plan provides for scheduled maintenance over 10 years, with major expenditure items including:

- Verandah renewal in year 1
- Ongoing building modifications.

Service levels, performance measures and targets

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
Effective and impartial election administration service that meets or exceeds legislative requirements	Completion of election processes in 2013, 2016 and 2019	Elections in 2013/14 took place on time, within budget, and there were no complaints	-	Election on time, within budget, no upheld complaints	-	Elections in 2019 and 2022 on time, within budget, no upheld complaints
Effective engagement and consultation	Resident satisfaction with opportunities to take part/amount of information provided by Council (Residents' Survey every three years)	A total of 53% of residents were satisfied with the opportunities to provide feedback and take part in decision making in 2014.	Maintain or improve on 2014 results	Maintain or improve on 2014 results	At least 70% satisfied with opportunities to take part At least 70% 'about right' amount of information	Maintain or improve levels of satisfaction
Council Controlled Organisations that deliver net benefit to the community	Refer to CCO section for specific measures for each CCO	Council is satisfied with performance results received from CCOs. Individual measures are contained in the CCO section	Council satisfied with attainment of six monthly CCO targets for all SOIs	Council satisfied with attainment of six monthly SOI targets for all	Council satisfied with attainment of six monthly SOI targets for all	Council satisfied with attainment of six monthly SOI targets for all

What Council will provide	Performance Measures	Current Performance	Targets			Targets in Years 4 - 10
			Year 1	Year 2	Year 3	
Promote Māori participation in resource management and decision-making	Level of iwi/ Māori representatives' satisfaction with participation opportunities	Not measured	At least 90% satisfied or very satisfied	Maintain or improve on 2015 results	Maintain or improve on 2015 results	Maintain or improve levels of satisfaction

Drivers of capital expenditure

Information Technology (IT) infrastructure spending is driven by the need to maintain customer levels of service by keeping systems and processes up-to-date and efficient. Some of our key IT systems and services need replacing as the current software or hardware is at the end of its life.

Strategies and policies

- Code of Conduct Policy
- Delegations Manual
- CCO and CCTO Statements of Intent
- Nelson 2060.

Relevant Acts

- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Local Electoral Act 2001
- Local Government Rating Act.

Deferred work

No deferred work in this activity.

Assumptions

There are no additional assumptions that apply to this area of Council's work, other than the expectation that global economic conditions are unlikely to change significantly for the next three years.

Negative effects and risk mitigation

Sometimes decisions made for the community have a perceived negative impact on the actions or wellbeing of some groups or individuals. Council weighs up the competing demands of different interest groups and tries to make decisions that are in the best interests of the city as a whole.

CORPORATE FUNDING IMPACT STATEMENT

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	(236)	(844)	(377)	431	1,202	1,575	1,668	1,738	2,020	2,090	2,348
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	202	5	5	5	5	5	5	6	6	6	6
Fees, charges, and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	9,735	10,373	11,554	11,876	12,092	12,323	12,652	12,946	13,388	13,869	14,062
Local authorities fuel tax, fines, infringement fees, and other receipts	4,143	4,636	4,412	4,547	5,416	5,088	4,786	4,722	4,846	5,419	5,515
Total Operating Funding	13,844	14,170	15,594	16,859	18,715	18,991	19,111	19,412	20,260	21,384	21,931
Applications of operating funding											
Payments to staff and suppliers	6,294	6,141	6,283	6,382	6,497	7,083	7,294	7,495	7,939	8,054	8,268
Finance costs	4,523	4,809	6,095	6,604	6,967	7,257	7,624	7,699	8,099	8,369	8,725
Internal charges and overheads applied *	1,404	1,323	1,302	1,262	1,185	1,084	1,043	1,090	1,143	1,189	1,210
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	12,221	12,273	13,680	14,248	14,649	15,424	15,961	16,284	17,181	17,612	18,203
Surplus (Deficit) of operating funding	1,623	1,897	1,915	2,611	4,066	3,566	3,151	3,128	3,079	3,772	3,728
Sources of capital funding											
Subsidies and grants for capital	800	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	23,866	(30,506)	(15,222)	(10,166)	(8,134)	(7,758)	(2,054)	(7,797)	(6,273)	(6,821)	(321)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	24,666	(30,506)	(15,222)	(10,166)	(8,134)	(7,758)	(2,054)	(7,797)	(6,273)	(6,821)	(321)
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	565	427	290	343	286	359	307	377	322	412	327
- to improve level of service	931	1,373	1,041	886	859	878	962	1,112	967	998	1,050
- to replace existing assets	1,463	1,457	1,091	722	623	546	889	901	719	768	577
Increase (decrease) in reserves	1,067	(685)	(692)	(373)	270	240	1,473	1,488	1,506	1,523	2,773
Increase (decrease) in investments	22,263	(31,182)	(15,038)	(9,133)	(6,105)	(6,215)	(2,535)	(8,547)	(6,708)	(6,750)	(1,320)
Total applications of capital funding	26,289	(28,610)	(13,308)	(7,555)	(4,067)	(4,192)	1,096	(4,669)	(3,194)	(3,049)	3,407
Surplus (Deficit) of capital funding	(1,623)	(1,897)	(1,914)	(2,611)	(4,067)	(3,566)	(3,150)	(3,128)	(3,079)	(3,771)	(3,728)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

* Internal charges and overheads include finance costs for internal loans.

Reconciliation between the Net Surplus (Deficit) in the Cost of Service Statement and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2014/15 (\$000)	Budget 2015/16 (\$000)	Long-term Plan 2016/17 (\$000)	Long-term Plan 2017/18 (\$000)	Long-term Plan 2018/19 (\$000)	Long-term Plan 2019/20 (\$000)	Long-term Plan 2020/21 (\$000)	Long-term Plan 2021/22 (\$000)	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Long-term Plan 2024/25 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,623	1,897	1,915	2,611	4,066	3,566	3,151	3,128	3,079	3,772	3,728
Subsidies and grants for capital expenditure	800	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	3,000	3,051	3,124	3,187	3,254	3,322	3,395	3,473	3,556	3,642	3,733
Gains on sale	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(1,403)	(1,464)	(1,685)	(1,768)	(1,690)	(1,529)	(1,422)	(1,395)	(1,431)	(1,468)	(1,463)
Net Surplus (Deficit) before taxation in Cost of Service Statement	4,020	3,484	3,354	4,030	5,630	5,359	5,124	5,206	5,205	5,946	5,997

Summary of Capital Expenditure over \$100,000 in Any One Year

Project	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Civic House										
Building modifications	50,000	256,525	105,319	54,066	55,580	57,225	177,012	60,934	63,054	65,368
Plant & equipment	100,000	102,610	105,319	108,131	111,159	114,449	177,012	121,867	126,108	130,736
Renewal program	110,000	112,871	52,660	43,252	0	0	0	12,187	0	0
Veranda renewal	350,000	0	0	0	0	0	0	0	0	0
Earthquake prone buildings remediation	500,000	513,050	526,595	540,655	555,795	572,245	590,040	609,335	630,540	653,680
Rental Properties										
Hunter Furniture roof renewal	200,000	0	0	0	0	0	0	0	0	0
Strategic land purchases	500,000	0	0	0	0	0	0	0	0	0
Administration										
Aerial photography programme	75,000	51,305	131,649	64,879	88,927	57,225	94,406	79,214	170,246	0
Computer hardware and network	65,000	97,480	14,481	0	0	114,449	0	36,560	81,970	0
Computer desktops	125,000	128,263	131,649	135,164	138,949	143,061	147,510	152,334	157,635	163,420
Motor vehicles	112,000	133,393	84,255	86,505	144,507	91,559	94,406	210,830	100,886	104,589
Telephone system	0	0	0	0	0	0	259,618	0	0	0
Core systems enhancement	400,000	256,525	326,489	270,328	339,035	291,845	359,924	304,668	390,935	307,230
IT Infrastructure hosting investigation	31,000	232,925	84,255	32,439	35,571	217,453	82,606	36,560	100,886	39,221
Nmap upgrade	40,000	123,132	47,394	48,659	50,022	114,449	59,004	60,934	63,054	71,905
Single customer database	118,000	0	0	0	0	0	0	0	0	0
Projects under \$100,000	481,744	413,934	341,579	384,123	263,358	383,474	348,070	322,744	293,388	417,613
Total Corporate	3,257,744	2,422,013	1,951,644	1,768,201	1,782,903	2,157,434	2,389,608	2,008,167	2,178,702	1,953,762