



Nelson  
City Council

Te Kaunihera o  
**Whakatū**

# Annual Plan 2023/24 Consultation Document

and Statement of Proposal on changes to fees and charges



**Consultation closes on 30 April 2023**







Welcome

# Contents

<b>Mayor's foreword</b>	<b>3</b>
<b>About this consultation document</b>	<b>5</b>
<b>Immediate focus areas for 2023/24</b>	<b>7</b>
<b>Key proposed changes to the 2023/24 year</b>	<b>9</b>
<b>Other proposed changes to the 2023/24 year</b>	<b>18</b>
<b>Long Term Plan 2021–31</b>	<b>25</b>
<b>Climate Change</b>	<b>26</b>
<b>Partnership with Māori and iwi</b>	<b>27</b>
<b>Financial summary</b>	<b>29</b>
<b>Statement of proposal for changes to Council's schedule of fees and charges</b>	<b>36</b>
<b>Submission Form</b>	<b>69</b>

# Mayor's foreword

## Kupu whakataki

### Kia ora Nelsonians

#### Annual Plan context

The development of the Nelson City Council Annual Plan 2023/24 has been the most difficult in years due to the combination of tens of millions of dollars in the costs of repairs from the severe weather event last August, the significant increase in the cost of depreciation after a revaluation of Council assets, the sharp rise in interest costs, and increased Council costs from the high rates of inflation.

#### Cost of living pressures

We are very aware that households and businesses are facing the worst inflation in 30 years. Council is too small to be able to offset the scale of the increased costs families are facing in food, rent or mortgage payments, electricity etc. We are doing everything we can to keep the rates increase as low as possible while maintaining the Council services needed for our community and businesses to function properly. As residential rates make up about 4% of household expenses, our objective is to avoid rates compounding the cost pressures by exceeding the rate of inflation. We have managed to get the proposed average rates increase down to 7.2%.

#### August weather event recovery

I made a commitment during the 2022 local elections to prioritise the recovery work from the severe weather event in August. We need to do more than just fix the damaged pipes, roads, tracks and parks – we need to rebuild them more resiliently so they are less likely to fail in any future weather event. The combination of this repair work on top of Council's existing capital works programme means, in the next year, the programme will be the largest in decades.



We have to decide on an appropriate period to spread the cost of the recovery works. If we tried to fund it in one year, the rate increase would be crippling. If we spread it over too many years, we risk not having paid it off when the next major event hits. We have proposed a period of 10 years on the basis that it is 50 years since we last had an event of this scale, albeit climate change is likely to increase the frequency of damaging storms. We welcome feedback on whether this 10-year timeframe is reasonable.

#### Keeping Nelson liveable

Every council walks a line between minimising rates increases and ensuring its community does not stagnate. Council deferred the new library because of concerns over the \$46 million estimated cost and concerns over the proposed site. We quickly advanced the work to strengthen the existing Elma Turner Library so it is no longer deemed earthquake prone – extending its useful life. We will in time need a new facility so are continuing work on an alternative approach. We have also made provision for preliminary work on a replacement surf lifesaving/sports facility at Tāhunanui Beach and an arts hub in the city. My hope is that the economy will recover, giving room for these

## Mayor's foreword

investments in future years. These sorts of projects have long lead times and it is prudent to start the investigation work on them in the next year to give us the option to proceed to construction if the projects stack up and the economy improves.

This document is focused only on changes in 2023/24 to what is already included in Council's Long Term Plan 2021-31 and should be read in conjunction with it. There are dozens of important projects covering climate change, transport improvements, water upgrades and parks improvements that are included in 2023/24 through the provisions in the Long Term Plan. We will, later this year, begin engaging with the community on the next 10-year plan (2024-34) and will welcome your input.

### Uncertainty over three waters

The greatest uncertainty in forward planning for Nelson City Council is the current Government's significant three waters reform programme that will have a massive effect on Council. It will see \$750 million of Council water assets and \$70 million of debt taken off Council and transferred to a new government water entity covering the East Coast of the North Island including Wellington as well as Te Taihū (top of the South Island). We are also concerned that it may result in the loss of local control of reserves, of which 9000 hectares, or 80%, are deemed reserves for water purposes but extensively used for recreation. We are also

concerned about the impact on our Council-owned company, Nelmac. Whilst there is a diversity of views around the table, the newly elected Council does not support the three waters changes as currently proposed, and believes Nelson and our ratepayers may be disadvantaged if it proceeds. Nelson has a good track record of investing in water infrastructure such as the Maitai Dam and the Tantragee Water Treatment Plant. I am working hard to try and retain local control of these important assets. If these reforms proceed, they will be very disruptive to Council's work in 2023/24 as we transfer staff and assets, novate contracts and reconfigure our organisation. We will need to increase the rates rise in 2023/24 to 8.2% if we are unsuccessful in stopping the transfer of Nelmac assets to a water entity.

### Opportunity to comment

We welcome your submissions and comments on our proposals online or in writing. We would also welcome you dropping by our caravan at the Saturday Market to pass on your views.

Ngā mihi nui



**Hon Dr Nick Smith**

Mayor of Nelson: *Te Koromatua o Whakatū*





# About this Consultation Document

## Hei Whakarāpopoto

### Welcome to Council's Annual Plan 2023/24 Consultation Document.

In 2021 we asked for your views on the Long Term Plan 2021–31. This consultation document is what is known as an 'exceptions document' meaning it highlights the areas we are planning on changing from the Long Term Plan 2021–31 (see page 25 to learn more about the Long Term Plan). These are necessary because some major changes such as the August 2022 severe weather event have meant that we need to modify our work programme and, in some cases, change the timing of major projects.

Please read on as the consultation document is your opportunity to learn about these changes and, most importantly, to provide us with your views on whether we've got this right.

Council is also consulting on proposed changes to some fees and charges for 2023/24 alongside



consultation on the Annual Plan Consultation Document. For ease of reference, the Statement of Proposal for changes to Council's fees and charges follows at the end of this consultation document.

### Timeline

#### Consultation opens

**Wednesday 29  
March 2023**

#### Hearings

**Thursday and Friday,  
11 and 12 May 2023**

#### Council adopts Annual Plan and Schedule of Fees and Charges

**Thursday 22 June 2023**

#### Consultation closes

**Sunday 30 April 2023**

#### Council deliberations

**Thursday and Friday, 25  
and 26 May 2023**

#### Annual Plan and Schedule of Fees and Charges comes into effect

**Saturday 1 July 2023**

## About this Consultation Document

### How to have your say

#### Whakahoki kōrero mai

How to make a submission on this consultation document or the Statement of Proposal for changes to fees and charges:

- Online at [nelson.govt.nz](https://nelson.govt.nz).
- By post to Nelson City Council, PO Box 645, Nelson 7040. Freepost 76919.
- By dropping off your submission to Civic House, 110 Trafalgar Street.

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

- Our Customer Service Centre at the corner of Trafalgar and Halifax Streets.
- The public libraries in Nelson, Stoke, and Tāhunanui.

You can also download the form online at [nelson.govt.nz](https://nelson.govt.nz) or you can use your own form.

Submissions must be received by Sunday 30 April 2023. If you want to give feedback to the Council in person you can do that at public hearings on Thursday 11 and Friday 12 May 2023. After considering all the feedback received Council will decide what will be included in the Annual Plan and the Schedule of Fees and Charges. All submitters will be contacted by Council about the outcome.

*More detailed financial and other information relied on by the content of this consultation document is available on our website [nelson.govt.nz](https://nelson.govt.nz)*

*All numbers in this document exclude GST unless otherwise stated.*

*All references to the 'Long Term Plan' refer to the Long Term Plan 2021–2031 unless otherwise stated.*





# Immediate focus areas for 2023/24

## Ko ngā whakaarotau 2023/24

**In October 2022 a new Council was sworn in and three immediate focus areas were identified:**

1. Recovery from the August 2022 severe weather event and future resilience
2. Minimising rates increases through the cost of living crisis
3. Reset of governance to be a cohesive and effective Council

It is important to note that these are specific priorities for 2023/24 in addition to those already in the Long Term Plan that include infrastructure, housing affordability and intensification, climate change, and partnership with Māori and iwi (see pages 25 to 27 for more information). Council will also continue to deliver to the community the services and projects included in its Long Term Plan. A review of longer term priorities will occur through the development of the next Long Term Plan 2024-34 later this year.

### **Recovery from the August 2022 severe weather event and future resilience**

First and foremost, working with our community on the recovery from the August 2022 severe weather event is Council's top priority.

It will take many years for our city to recover from the damage sustained. A huge amount of recovery work has already been undertaken but much more remains to be done. Council's work programme will need to prioritise the repair and rebuild and, where possible, build back more resiliently to prepare for the impacts of our changing climate.



*During the severe weather event, a slip damaged Nelson's main water supply pipeline. Nelsonians relied on the back-up pipeline, until Council staff and local contractors innovatively combined to repair the main pipeline in less than three months.*

## Immediate focus areas for 2023/24

### Minimising rates increases through the cost of living crisis

Council is keenly aware of the strain the cost of living is placing on the community. We have heard from young families struggling to stay on top of mortgage repayments as interest rates have risen, and from older residents shocked by food prices in their weekly shop. We know rising costs are putting already stressed local businesses under more pressure.

Council is determined to do what it can to keep rates increases down so as not to add pressure on the community. Although rates may not make up a large part of cost of living increases, we do not want to add to the burden with an average rates rise above inflation.



### Reset of governance to be a cohesive and effective Council

During the election campaign we received a clear message from our community – you want a cohesive Council with elected members you can rely on to work constructively with each other and with staff to get the job done. This governance reset is about making Council more business-like, professional and collegial. It is important that Council has a clear separation between governance and management, with elected members setting the overall direction and staff implementing the decisions and work programmes. The reset is also about efficient decision-making and encouraging closer relationships with our community and with partners such as Tasman District Council.

Continuing to improve governance relationships and how everyone works together, will support elected members to engage more effectively with the community and make robust decisions for Nelson, now and into the future.



## Key proposed changes to the 2023/24 year

### Ko ngā panonitanga matua kua marohitia mō te tau 2023/24

The significant changes in this section are new projects or variations from what we proposed in year three of the Long Term Plan 2021–2031.

- Our approach to rates – an average rates rise of 7.2%
- Recovery from the August 2022 severe weather event
- Reduction in spending on new library
- Infrastructure Acceleration Fund – infrastructure upgrade to unlock city centre living
- Maitahi Bayview Development subdivision (Maitai Valley) utilities and transport connections

*The significant changes noted here will have implications for future years after 2023/24. Council will seek feedback from the community on these future year changes during the Long Term Plan 2024–34 consultation process. Nonetheless, Council has outlined the likely implications of these proposed changes to help the community understand the potential longer term impact.*



## Key proposed changes to the 2023/24 year

### Our approach to rates – an average rates rise of 7.2%

**We recognise that Nelson is facing a cost of living crisis. The community is under real pressure with rising costs impacting household budgets and business viability.**

The same inflationary pressures are driving up costs at Council and, along with rising interest costs, staff salary increases and the costs from the severe weather event, are putting budgets under intense pressure. However, Council does not want to add to the burden faced by our community, and we are proposing to keep the overall rates rise to no more than the mid-year inflation rate.

#### What we're proposing

Through a careful programme of reducing budgets, Council has managed to balance increased costs with reductions to propose an overall average rates rise of 7.2%. This is not an austerity budget – Council is seeking value for money for the ratepayers, still investing for the future, and maintaining key services.

To bring the percentage down from an initial projected increase close to 20%, Council has had to carefully manage both its internal budgets, external grants, make a number of trade-offs and spread costs, like those from the August 2022 severe weather event, over multiple years.

We have been unable to fully fund the depreciation impact driven from the 2022 infrastructure revaluation in one year. Operational budgets have generally not increased in line with inflation, including the salaries budget. Funding to community groups and facilities has had to be held at 2022/23 levels. Even with these reductions, Council's proposed rates rise will breach the rates cap set for itself in the Long Term Plan (which is the Local Government Cost Index plus 2.5% – 6.8% in 2023/24), although no one anticipated at that time the sharp rise in interest costs, inflation nor the significant severe weather event costs.

We've also had to trim budgets including regular maintenance budgets. You may notice the impact

of this in Council being less proactive in its service response – routine issues may take longer to be repaired, services may be less available or slower than you are used to or expect.

We will still maintain momentum on infrastructure upgrades and key projects for the future of our city and to help build our resilience for future weather events and increase our housing capacity, but Council felt some reduction in service standards and frequency was a price worth paying to keep rates rises down.

#### Cost

A 7.2% increase in the rates revenue required to run the city will increase rates income to approximately \$94.8 million in 2023/24. Net debt is projected to increase by \$38.6 million from the Annual Plan 2022/23 to a total of \$199.6 million by the end of 2023/24. However, this increase in debt is well within our debt cap set within the Long Term Plan of a debt to revenue ratio of 175%.

The actual rates increase for individual properties will vary around the 7.2% average increase. This is because each ratepayer will have a different mix of components making up their rates bill (see examples of proposed rates for 2023/24 in the table on pages 34 and 35).

For residential ratepayers, the stormwater/flood protection charge is increasing by 23.9%, the wastewater charge by 9.6%, and the water annual charge by 3.1%. The average general residential rate, including the uniform annual general charge (UAGC), is increasing by 3.3%. A ratepayer without some of these three waters services, for instance, will have a lower increase than 7.2%.

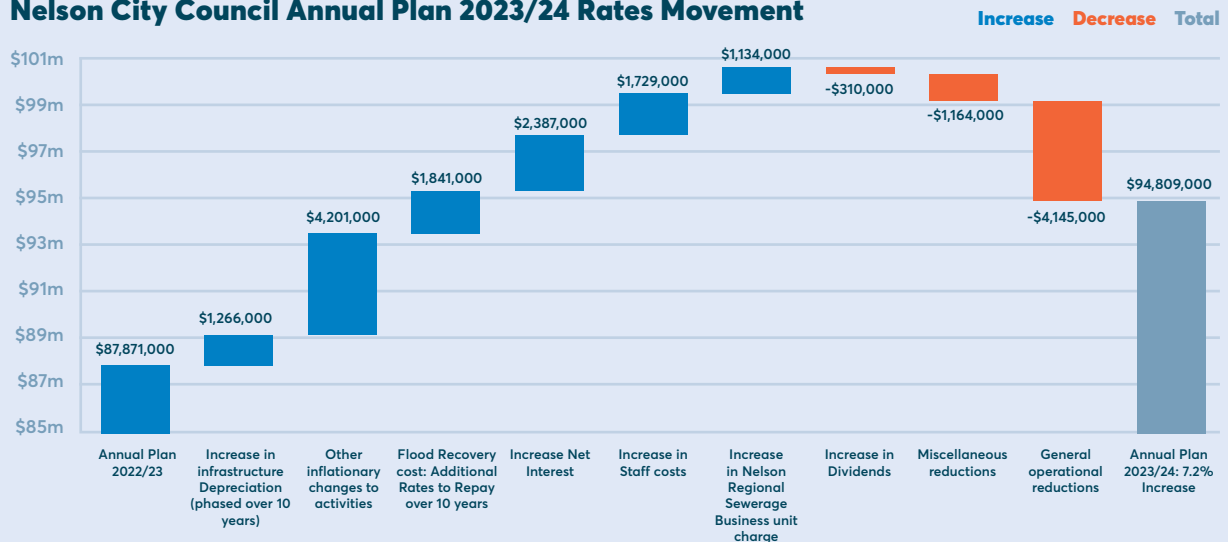
We have deliberately reduced the UAGC from 11% to 8.7% of total rates (excluding the water annual charge and water volumetric charge) to spread the rates increase more equitably, resulting in less variation in the actual rates increase for individual properties.

The following graph shows some of the key costs driving the rates rise and the proposed steps Council has taken to reduce the rates required.



## Key proposed changes to the 2023/24 year

### Nelson City Council Annual Plan 2023/24 Rates Movement



The table compares historic national rates increases, Nelson rates increases and the inflation rate. It shows last decade Nelson rates increased

37.7% as compared to inflation of 15.2%. Keeping rates to no more than inflation is a different approach from the last decade.

### Nelson City Council rates rises compared to the consumers price index

Financial Year	National average rates increase*	Council's average rates increase	Consumers price index (CPI)
2010/2011	5.0%	5.7%	5.3%
2011/2012	3.7%	3.5%	1.0%
2012/2013	2.0%	5.6%	0.1%
2013/2014	3.5%	2.0%	1.6%
2014/2015	5.0%	3.7%	0.4%
2015/2016	6.0%	3.6%	0.4%
2016/2017	4.3%	2.8%	1.7%
2017/2018	5.1%	2.8%	1.5%
2018/2019	6.1%	3.8%	1.7%
2019/2020	4.7%	4.2%	1.5%
<b>Total 2010/11 – 2019/20</b>	<b>45.4%</b>	<b>37.7%</b>	<b>15.2%</b>
2020/2021	4.4%	0.0%	3.3%
2021/2022	Not yet available**	5.6%	7.3%
2022/2023	Not yet available	5.4%	7.2% (As of December 2022)

### Tell us what you think

Do you support Council's steps to minimise the rates rise to an average of 7.2%?



\*National average rates increase does not include water rates

\*\*The figure will be available from Statistics New Zealand in May 2023

## Key proposed changes to the 2023/24 year

### Recovery from the August 2022 severe weather event

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

Flooding and numerous slips impacted the roading and piped infrastructure network, gravel build-up in rivers and streams has been significant, and the region still has a number of red and yellow stickered homes. The scale and impact of the weather event, and the more recent national emergency, shows vividly our climate is changing and that the impacts are becoming more frequent and severe. The event highlighted the importance of preparing for, and adapting to, the effects of climate change and reinforces the priority Council has given to climate change response in the Long Term Plan and the work underway through this recovery to build back stronger.

#### What we're proposing

Council is proposing to complete recovery work in ways that make the city's infrastructure more resilient and help reduce impact from future similar weather events. Taking this approach will aid the protection of life and property (private and public – including Council facilities, assets and reserves) and support us to maintain current levels of service. The recovery will take significant funding and effort from the Council and is expected to take six years. This timeframe reinforces the scale of damage and the amount of civil construction works that can be realistically delivered each year. It also reflects Council's ambition to rebuild more resiliently so it can better withstand future events and to ensure the work is done efficiently. It could be done more quickly but it would be more costly and have greater risk of not being done to the desired high standard.

#### Work includes:

- Ensuring future planning adequately addresses known levels of risk to infrastructure in similar weather events
- Undertaking gravel extraction and protection solutions in many rivers and streams to improve flood resilience

- Remediating slips from Council land impacting or potentially impacting private property (or other options to be considered if remediation costs are prohibitive).

#### Cost

The estimated cost of recovery work in 2023/24 is \$11.5 million (excluding any recovery funding from other sources). This will be on top of the \$20 million we are forecasting to spend on recovery work in 2022/23, which as unbudgeted expenditure is added to our debt.

#### In 2023/24 the key recovery works will include:

- \$525,000 for water supply recovery projects to improve resilience at the Water Treatment Plant
- \$240,000 for various wastewater network improvements around Nelson
- \$930,000 for the stormwater upgrade of Days Track Catchment 3 (deferred from 2022/23)
- \$1.9 million for stormwater recovery projects for various network improvements around Nelson and the design for upgrading numerous stormwater intakes, including Devenish Place and Cleveland Terrace
- \$2.8 million for flood protection recovery projects, including gravel removal from streams/ rivers, river channel bank protection and associated stream/river improvements.

The total estimated cost of recovery is \$57.1 million, while an estimated 40% is likely to be covered by insurance and central government contributions. As the recovery work will be debt funded through the Emergency Fund rather than immediately raised by rates, Council is planning to pay off the net cost over ten years. We believe the ten year funding model strikes the right balance between not imposing excessive costs immediately but not deferring it so long that we run a high risk of not paying this event off before the next. The ongoing funding decisions will need to be considered in the Long Term Plan 2024–2034 consultation process.

#### Tell us what you think

Do you agree we should fund the August 2022 severe weather event recovery work over 10 years?



## Key proposed changes to the 2023/24 year

### Reduction in spending on new library

**Council was planning to build a new library on the corner of Halifax Street and Trafalgar Street with an overall budget of \$46.3 million.**

The Elma Turner Library has served the community well but it is a building that has been modified and upgraded multiple times and is nearing the end of its optimal life. The earthquake strengthening work addressing the ceiling tile issues and roof truss structural defects upgrades it from being an earthquake prone building and adds some more years to its useful life.

#### What we're proposing

Council is now proposing to rescope the needs and goals for a new community facility, including a library, to service our central city and to look at alternative options to the Halifax Street site that overcome cost and location concerns with the previous plan.

Consequently, in 2023/24 Council is proposing to investigate opportunities for the development of a new community hub, including a library, in or close to the city centre.

The benefit of this approach is it is consistent with the decision to strengthen the Elma Turner Library building and with the building no longer earthquake prone we have time to consider alternatives. Also, it will allow further opportunity for engagement and communication on the project and time to clearly define the scope of the project. A key trade-off is it will delay when the new facility will be available for community use. We are confident that we can continue to provide the services the community is used to in the interim through our strengthened library and our two libraries in Stoke and Tāhunanui.



#### Cost

A 2023/24 budget of \$200,000 is proposed for engagement, property investigation, funding strategy development, and a business case review. This would result in a reduction in budget for 2023/24 of approximately \$17.6 million.

Through this work in 2023/24 we will develop our understanding about suitable sites and community expectations around services and costs for a future development. Funding decisions for constructing any community hub, including a library, will be considered during the Long Term Plan 2024–2034 consultation process.

#### Tell us what you think

Do you agree with us reducing 2023/24 funding from \$17.8 million to \$200,000 and a new focus to investigate opportunities for a community hub, including a library, in a new city centre location?

## Key proposed changes to the 2023/24 year

### Infrastructure Acceleration Fund – infrastructure upgrade to unlock city centre living

**We want to bring forward substantial three waters infrastructure upgrades in the city centre and the Bridge Street Linear Active Transport Corridor (more on this below) by using funding received through central government's Infrastructure Acceleration Fund.**

Nelson has a housing crisis with a lack of appropriate, affordable housing. This significantly impacts community wellbeing and our economy because local businesses struggle to attract staff as they can't find somewhere to live. So, Council applied to the Infrastructure Acceleration Fund and in October 2022, \$36 million was awarded to this project. This funding is supported by \$32 million already allocated in the Long Term Plan. But to receive this funding we need to bring forward this work or risk paying for the entire project ourselves. The infrastructure upgrade for this part of the city will enhance investment for housing and commercial developments and improve resilience to storm events and the effects of climate change.

#### What we're proposing

The project aims to increase resilience and allow for approximately 1000 extra residential units in Nelson's city centre with a package of extensive water, wastewater and stormwater infrastructure and transport upgrades. The upgrades include a water ring main upgrade around the lower portion of the city centre, and an upgrade of the Paru Paru Street wastewater pump station.

**The Bridge Street Linear Active Transport Corridor will run between Rutherford and Collingwood Streets and includes:**

- A new road layout to promote safe mixed use (for people and different modes of transport)

- Limited short-term parking for those who require it
- Access to high quality green public spaces, and a new space for families to relax and play.

Opportunities to offset any loss of parking elsewhere in the city will be explored as part of this project.

#### The project's benefits include:

- Using central government funds to fast-track major infrastructure upgrades and housing capacity improvements
- Supporting the viability of significant housing developments
- Regenerating our city centre by making our streets busier for longer and more foot traffic on Bridge Street
- Supporting Council's August 2022 severe weather event recovery effort by delivering three waters infrastructure to improve resilience in Nelson's city centre
- Assisting in reducing Nelson's carbon emissions by encouraging active travel (travelling by foot, bicycle, scooter etc).

The redevelopment of Nelson Hospital over the next decade will require housing for many redevelopment-related workers. An added benefit of doing this infrastructure work is that Nelson will be in a better position to ensure the required accommodation options are possible, support a crucial project for the wellbeing of our region, and reap the economic benefit from this influx of workers and their families.

#### Cost

Council is proposing to bring forward \$3 million from future years to 2023/24 to facilitate feasibility work, initial design and engagement. \$1.9 million of this cost will be funded from central government in future years.



## Key proposed changes to the 2023/24 year

In 2023/24 the key upgrades will include:

- \$365,000 to begin the design of a water supply ring main from the trunk main on Bridge Street near Tasman Street along Bridge Street, Rutherford Street, Halifax Street and Collingwood Street
- \$125,000 to begin the design of a new stormwater main along Bridge Street and associated green infrastructure, and a new flood gate for the Halifax Street stormwater outfall into Saltwater Creek
- \$435,000 to begin the design of a Pump Station Upgrade on Paru Paru Road and renewal/upgrade on Rutherford Street, Achilles Avenue and Bridge Street wastewater infrastructure

- \$2.1 million to begin the design of the Bridge Street Linear Active Transport Corridor between Rutherford and Collingwood Streets.

In future years, Council will need to bring forward and refine existing budgets to progress the work and will likely need to allocate further funding of approximately \$11 million to complete the work. These funding decisions will need to be considered in the Long Term Plan 2024–2034 consultation process.

### Tell us what you think

Do you agree we should be accelerating infrastructure upgrades in the city centre to enable central city living and receive central government funding?



## Key proposed changes to the 2023/24 year

### Maitahi Bayview Development subdivision (Maitai Valley) utilities and transport connections

The Council has made a decision to rezone approximately 287 hectares of land in the Maitai Valley for urban purposes through Plan Change 28, following a private plan change process. Even though that decision is now under appeal, provision has been made for early design work for utilities and transport connections to service the proposed Maitahi Bayview Development in the Maitai Valley.

The funding will only be spent if the development receives a favourable decision from the Environment Court. If the Environment Court dismisses the appeal but no funding has been provided for in the Annual Plan, Council will not be able to give effect to its rezoning decision and there will be an unreasonable delay.

#### What we're proposing

The developer will be responsible for servicing the proposed development, but there are some trunk services which Council will need to ensure are upgraded over an estimated period of three to five years. Council recognises the importance of secure water and wastewater services and safe and sustainable transport connections, and that these can be delivered efficiently and economically by integrating the proposed development into the wider utility and transport networks.

#### The work required includes:

- A new water main from Nile Street East through to the proposed development site, then an upgraded main from the Council trunk main in Tasman Street and the construction of a new storage reservoir in a location above the proposed development area
- Wastewater services installed from the Council pump station in Sovereign Street through to the proposed development site

- Upgrading transport connections at the existing intersection of Nile Street and Maitai Valley Road
- Providing improved cycleway/footpath/bridge connections in the Maitai Valley locality.

Stormwater will be provided by on-site detention.

#### The benefits include:

- Economic efficiency and the resilience that comes from a networked supply.
- Health advantages in that Council has significant experience in providing potable water on an ongoing basis to large communities
- Health and environmental advantages from disposing of sewage to a council network for treatment and disposal rather than on-site disposal options
- Greater active transport options available to the community, reducing traffic on our roads.

Council's focus in 2023/24 will be working with the developer to undertake pre-planning.

#### Cost

Exact cost splits between Council and the developer for these proposed developments are to be determined, but the developer will pay a share of the total costs. Council is proposing budget of \$606,000 in 2023/24 to initiate this work with the balance of any funding being considered in the Long Term Plan 2024–2034 consultation process. The benefits of this expenditure is it will enable the additional housing to proceed more quickly and help alleviate Nelson's shortage. It will also help ratepayers by enabling the correct costs of the development to be charged against the developer.

#### Tell us what you think

Do you agree we should allocate funding of \$606,000 in 2023/24 to undertake pre-planning work on the utility and transport connections to the proposed Maitahi Bayview Development subdivision (Maitai Valley), to inform consultation on the Long Term Plan 2024–34?

# Government funded projects as part of the Three Waters Reform

You will also see some other projects that will be progressed in 2023/24 that are fully funded by central government.

Council has received \$5.18 million as part of the Three Waters Reform programme. The funding is not conditional on Council supporting the Three Waters Reform or it necessarily proceeding.

The funding will be used for seven projects that have to be completed by the end of June 2027. The projects have previously been consulted on and are not part of this consultation. Some of the funding will be set aside for Council's project management costs, with project specific costs noted below.

## **1. Te Ara ō Whakatū City centre play space**

Urban play space in the city centre – \$2,185,000.

## **2. Railway Reserve lighting from Annesbrook to Saxton Field**

Lighting of the Railway Reserve from Annesbrook to Saxton Field, which would complete the final section of the project to light the Reserve – \$990,000.

## **3. He Tātai Whetū (Arts and Creativity Strategy)**

- a. Te Tauhutanga design and identity project – a project, to be managed by iwi, to support a highly visible tangata whenua identity in Nelson – \$500,000.
- b. Creative tourism winter festival – to develop a creative tourism project bringing a winter festival to Nelson, offering participatory and educational arts opportunities for both locals and visitors, and building on existing successful models such as jewellery and clay weeks – \$400,000.

- c. Arts activation projects – funding for local artists to create arts activation in the city – \$100,000.

## **4. Iwi capacity building**

Growing iwi capacity, particularly the ability to engage with and respond to the range of matters councils wish to partner with iwi on – \$350,000.

## **5. Community car sharing**

Promotion of a car sharing project supporting transition to a sustainable and low emissions future – \$50,000.

## **6. Whai Oranga Wellbeing Centre (Joint project with Tasman District Council)**

Development of a business case for a proposed Whai Oranga Wellbeing Centre, on gifted land. The Centre would primarily deliver wellbeing services to Māori in a clinically and culturally appropriate way – \$75,000.

## **7. Nelson Tasman urban development agency (Joint project with Tasman District Council)**

A project to investigate the feasibility of a joint Urban Development Agency with Tasman District Council to help address urban housing issues – \$75,000.



## Other proposed changes to the 2023/24 year

### He panonitanga anō kua marohitia mō te tau 2023/24

**In addition to the major changes already described, there are other material changes proposed for the 2023/24 year which are outlined below by activity area.**

Many of these changes to capital projects consist of movements of funds between years to allow for efficient work programmes – there is no impact on the levels of service provided. Nonetheless, to achieve a manageable work programme of \$59.2 million\* that includes substantial recovery works it is necessary to defer some projects and renewals.

Deferring some renewals for a year will increase the risk of assets failing and needing to undertake unbudgeted repairs which would increase our debt.

We are also proposing some other changes to operating expenditure budgets, such as investigating an arts hub and a Tāhunanui facility, and increasing the Tāhunanui Beach Reserve maintenance programme.

*\*Note: This figure excludes vested assets, staff costs, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit.*

#### What is capital expenditure?

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

Maintaining Nelson's infrastructure of transport, water, stormwater, wastewater and flood protection will make up approximately 69% of Council's capital

expenditure in 2023/24. This infrastructure is important to businesses and residents' health, and the social, economic, environmental, and cultural wellbeing of the community.

#### What are operating costs?

Operating costs include expenditure for items such as staff costs and overheads, asset maintenance, running costs and depreciation, interest on borrowings, and grants made by Council. An increase of \$100,000 in operating costs increases rates by 0.11%, or to put it another way, 1% of rates is \$879,000. By considering the impact of increasing or decreasing Council expenditure you can estimate what effect any changes to our work programme will have on rates.

## Other proposed changes to the 2023/24 year

### Infrastructure – Te Tūāpapa



**Combined Infrastructure activity is planning an overall increase of \$12.6 million to the 2023/24 capital expenditure programme, compared to the Long Term Plan.**

Due to the government-led Three Waters Reform programme, from 1 July 2024 four new water services entities could deliver three waters services to people across New Zealand. So, 2023/24 could be the last year that Council sets the work programmes for Water Supply, Wastewater and Stormwater activities. There is significant uncertainty about this reform, and at the time of writing, further change by central government is possible. Council needs to continue to maintain these services to a high standard and await any confirmation or change in direction.

#### **Deferring the Washington Valley infrastructure upgrade**

Council is proposing deferring approximately \$3.1 million of upgrade works within Washington Valley, including the renewal/upgrade of wastewater, stormwater, water and roading infrastructure from 2023/24 to 2025/26–2027/28. Council needs to prioritise the renewal of the existing culvert on St Vincent Street and focus on the August 2022 severe weather event recovery projects.

#### **Deferring Konini Street infrastructure upgrades**

Council is proposing deferring approximately \$3.1 million of three waters and transport infrastructure upgrades within Konini Street from 2023/24 to 2027/28. This deferral is due to the need to prioritise the August 2022 severe weather event recovery projects.

### Transport – Te Ikiiki



#### **Public transport changes**

Expanded public transport bus services across Nelson and Tasman, with increased frequency and introduction of a flat fare, are to be provided from mid-2023. It is proposed that the budget for detailed design of the new bus hub for Millers Acre is reduced by \$250,000 and the funds deferred for construction over two financial years 2023/24 and 2024/25. Other budget reallocations have occurred to accommodate an increase in drivers' wages to combat nationwide driver shortages.

#### **Transport Choices projects**

Council is proposing to accelerate projects that improve active travel connectivity from the south-eastern side of the city through to Waimea Road. The total budget is \$5 million in 2023/24, which is 100% subsidised by Waka Kotahi. Therefore, there is no cost implication for Council.

#### **Streets for People projects**

Council is proposing to accelerate the active travel corridor from the Railway Reserve to Hampden Street /Waimea Road in 2023/24. Council will be able to trial layouts and tactical changes before more permanent work is carried out in years 2024–27. The total budget is \$1.4 million, which is 90% subsidised by Waka Kotahi. Therefore, the cost implication for Council is \$140,000.

## Other proposed changes to the 2023/24 year

### Water Supply – Te Ratonga Wai

#### Maitai Dam aeration system

Council is proposing additional budget for the installation of an aeration system at the Maitai Dam to meet recent resource consent requirements. Council is proposing an additional \$300,000 for a total budget of \$1.5 million in 2023/24.

#### Hill Street North watermain renewal

Council is proposing to prioritise the renewal of watermain in Hill Street North in 2023/24. This work, including installing a larger pipe and creating an additional link between the Nelson City Council and Tasman District Council, will cater for increased water demand in the area and improve resilience for both councils in the event of emergencies. Of the \$1.125 million water pipe renewals budget, approximately \$1 million would be spent on this project.

#### Fluoridation system installation

Following the directive from the Director-General of Health of Manatū Hauora Ministry of Health, Council is required to install a fluoridation system at the Water Treatment Plant. Council is budgeting \$821,000 in 2023/24, and Manatū Hauora Ministry of Health has in principle approved funding to cover this cost.



### Wastewater – Te Para Wai

#### Awatea wastewater pump station

Council is proposing additional budget for the Awatea wastewater pump station project because of the impacts from the August 2022 severe weather event, COVID-19 impacts, and cost increases. This would add budget of \$1.5 million in 2023/24 to complete this work.

#### Wastewater pipeline renewals programme

The wastewater pipeline renewals programme for the 2023/24 year has been reduced by approximately \$1.9 million, with \$300,000 remaining in the budget. Design will begin for the renewal of the reticulation from Centennial Pump Station in The Wood to the proposed Maitahi Bayview Development subdivision discussed on page 16.

#### Trade waste charges

Council is proposing to increase trade waste charges to category B customers by 20% to reflect the cost increases in the activity. An additional budget of \$300,000 is proposed to purchase equipment for further monitoring of larger trade waste customers that will allow a better understanding of where they need to be with respect to the correct trade waste charging category.





## Other proposed changes to the 2023/24 year

### Stormwater – Te Wai Āwhā



#### Stormwater upgrades

Council is proposing additional budget for the design of stormwater upgrades on Cawthron Crescent, Wastney Terrace Stage 2, Murphy/Emano Street, Tāhunanui Hills Catchments 2 & 9, Totara/Hutcheson Street, York Terrace and the St Vincent Street/Haven Road culvert renewal. Council is proposing an additional \$1.9 million be included for a total budget of \$2.3 million in 2023/24.

### Flood Protection – Te Ārai Waipuke



#### Saxton Creek Stage 4 upgrade

Council is proposing additional budget for the Saxton Creek Stage 4 upgrade because of the impacts from the August 2022 severe weather event, COVID-19 impacts, cost fluctuations and construction delays associated with the wet winter during 2022. This would add budget of \$2 million in 2023/24 for this work.



### Environment – Te Taiao



Environment activity is planning an overall increase of \$955,000 to the 2023/24 capital expenditure programme, compared to the Long Term Plan – primarily due to existing 2022/23 budgets that will not be spent being carried forward a year to 2023/24.

#### Environmental planning programme changes

The Whakamahere Whakatū Nelson Plan was put on hold by Council resolution in November 2021, pending changes to the Resource Management Act.

A plan change to the Nelson Resource Management Plan is being progressed to enable intensification and greater housing choice in urban zones and address some climate change issues. Notification of this plan change is planned for June 2023. Council has been notified by the Minister for the Environment that Nelson City Council and Tasman District Council will be required to prepare a joint Nelson/Tasman Regional Spatial Strategy and a joint Nelson/Tasman Natural and Built Environment Plan under the new resource management legislation. The content of the Draft Whakamahere Whakatū Nelson Plan will be incorporated into these plans where possible.

The amended planning programme will result in an increase of \$40,000 of operating expenditure in 2023/24, with funds being diverted to the plan change and preparation for a joint Nelson/Tasman Plan.

## Other proposed changes to the 2023/24 year

### Social – Te Pāpori



Social activity is planning an overall reduction of \$13.3 million to the 2023/24 capital expenditure programme, compared to the Long Term Plan – primarily due to the proposed decreases to the central city library redevelopment budget.

#### Funding for community groups and facilities, including Council organisations

Council is proposing funding to community groups and facilities (including Council organisations) in 2023/24 at the same level as 2022/23. This will put some community groups under pressure as they too are subject to inflationary cost pressures. This proposed change would result in a reduction of \$95,000 in 2023/24 compared to year three of the Long Term Plan.

#### Heritage Projects Fund

Council is proposing to end the Heritage Project Fund grants scheme that allowed listed heritage building owners to apply to for support to maintain and repair their properties. The grant scheme is economically inefficient for Council and residents, with the cost of administering the fund estimated to be higher than the grants paid. Removal of this fund scheme would result in a budget saving of \$118,000 in 2023/24.

#### Nelson City Council 150th Year Anniversary Book

Council is planning to commemorate Council's 150th anniversary in 2024 by producing a book on the last 50 years. This is a continuation of two other books published by NCC on the 50th and 100th anniversaries. A budget of \$125,000 has been allocated in 2023/24 to launch the project and engage an author and/or researcher to develop a book which will be an important reference on the city's history.

#### 3 Halifax Street building (the Refinery) seismic strengthening

Council is proposing to undertake further assessment work on the Council-owned 3 Halifax Street building (the Refinery) in 2023/24 prior to any seismic strengthening work. This proposed change sees a \$100,000 budget retained in 2023/24 for the assessment work and the deferral of construction costs in the current year 2022/23 of \$1.2 million for consideration through the Long Term Plan 2024–2034.

#### Arts hub investigation

Council is proposing to allocate \$100,000 operating expenditure in 2023/24 to investigate opportunities for a new arts hub to support the arts sector and implementation of He Tātai Whetū – Whakatū Nelson Arts and Creativity Strategy. Council analysis of community arts facilities has identified potential gaps for Nelson that warrant further investigation.

### Parks and Active Recreation – Ngā papa rēhia me ngā mahi rēhia



Parks and Active Recreation activity is planning an overall increase of \$133,000 to the 2023/24 capital expenditure programme, compared to the Long Term Plan.

#### Tāhunanui surf lifesaving and sports facility(ies)

Council is proposing to allocate \$100,000 operating expenditure in 2023/24 to investigate opportunities for the development of a surf lifesaving and sports facility/facilities at Tāhunanui Beach Reserve. Funding for any development is not currently included in the Long Term Plan.

The Nelson Surf Lifesaving Club operates from a small building beside the sports changing facility

## Other proposed changes to the 2023/24 year

bordering Bisley Walk. This is a temporary building on the sports field – some distance from the beach. Storage for boats and lifesaving equipment currently makes use of two shipping containers beside the building, a further two behind the back dune nearer the beach and at the Coastguard's Sealord Marine Rescue Centre on Wakefield Quay approximately 2 kms to the north. The existing shower and changing rooms are inadequate to service the grounds, particularly women's sport.

Council is proposing to develop concept designs should there be a preferred option agreed in 2023/24. This approach would provide an opportunity to further investigate the shortfall of facilities, what facilities are required, and provide a clear estimate of build costs.

Budget would be required for the construction of any new facility or facilities if the work progresses. Any funding decisions would need to be considered as part of the Long Term Plan 2024-2034 consultation process. Also, the expected level of contribution of funding from the surf lifesaving club and sports codes (often sourced from various funding agencies) would need to be considered.

### Nightingale Library Memorial roof repair

Council is proposing to defer budget of \$204,000 for the Nightingale Library Memorial roof repair to 2024/25, with a residual budget of \$41,000 in 2023/24. The Nightingale roof repair is the final stage of refurbishment of this library. It will involve the replacement of the existing butynol roofing, fascia boards and the roof light. Deferring the work for a year will allow us to refine the plan and check pricing options.



### Marina activity changes

The proposed implementation of the approved Nelson Marina Masterplan 2022-37+ will have no impact on rates as activity for the Marina is funded from a closed Marina account. Key changes are listed below.

- Increasing the budget to replace the travel lift with a new larger model and build a structure to take the new model from \$845,000 to \$1.6 million.
- Bringing forward budgets for the Pontoon renewal programme electrical pedestal replacement from 2024/25 and 2025/26 to 2023/24 (from \$134,000 to \$387,000). Once this project is complete it will reduce marina costs, as users will then be charged for the power used.
- Adding budget of \$150,000 for the installation of a full CCTV camera system throughout the marina.
- Adding budget of \$50,000 for consent and planning for a marina extension.
- Introducing budgets totalling \$70,000 for general small capital expenditure projects and plant and equipment required in and around the marina and hardstand.
- Decreasing the Marina hardstand improvements budget from \$211,000 to \$100,000 to complete consent and planning costs for hardstand development because of changed priorities.
- Removing a public boat ramp improvements budget of \$530,000 due to the project no longer proceeding because of updated priorities in the approved masterplan.
- Negotiating with Port Nelson to secure a deal on 305 Akersten Street (with deferred payment until 2024/25) because it is the preferred location in the Marina masterplan for a Sea Sports Building, subject to the area being deemed safe for use. This would result in budget of \$412,000 being deferred from 2023/24 to 2024/25.



## Other proposed changes to the 2023/24 year

### Saxton Cricket Oval drainage upgrade

Council had planned to renew the whole drainage system at Saxton Cricket Oval in 2022/23 to extend the life of the turf. However, Council decided to complete minor drainage upgrades and defer the majority of the budget from 2022/23 to 2023/24. Council will monitor performance of the minor upgrades over a 12-month period. If they are successful, the \$264,000 budget in 2023/24 will not be required and can be deferred to future years.

### Tāhunanui Beach Reserve – increase in maintenance programme

Council is proposing to increase the Tāhunanui Beach Reserve maintenance programme to achieve an improvement in beach maintenance, erosion management, barbeque maintenance and rubbish servicing at Nelson's iconic beach. A \$100,000 increase for 2023/24 is proposed, which would increase the overall budget to \$264,000.



### Corporate – Te Rangapū



**Corporate activity is planning an overall increase of \$1.7 million to the 2023/24 capital expenditure programme, compared to the Long Term Plan.**

### Civic House refurbishment and seismic strengthening

Council is developing a new approach to the refurbishment of Civic House due to changes since the Long Term Plan was adopted. The pandemic has changed how Council operates. New ways of working and increases to original cost estimates have required a rethink of the original business case. An elected member Civic House Taskforce has been established to oversee how to best progress work, including consideration of how to address the earthquake prone tower block roof and ceiling system on level six, impacted building-wide core services, and the removal of the earthquake prone building notices.

Council will also develop a new business case for the long term strategic consideration of staff accommodation. The proposed changes would result in a smaller budget of \$1.2 million in 2023/24 to commence a project to address the earthquake prone tower block roof and ceiling systems. The deferral of the remaining 2022/23 and 2023/24 budget of \$3.3 million to 2024/25 will mean this budget is retained for future expenditure based on outcomes of the new business case.

### Penalty on unpaid rates (excluding water volumetric rates)

In accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, Council is proposing to increase the penalty interest rate on late payment of rates (excluding water volumetric rates) from 5% to 10% in 2023/24. This would reverse the Long Term Plan decision to decrease the penalty interest rate from 10% to 5% and would better reflect the cost of financing the late payments, as interest costs have increased in recent years.

# Long Term Plan 2021–31

## Te Whakamahere Pae Tawhiti 2021-31

The Long Term Plan is Council's major planning document and we consult with the community every three years on what it should include. This Annual Plan 2023/24 Consultation Document sets out how 2023/24 will differ from what had been included in the Long Term Plan. While there are some major changes in the Annual Plan 2023/24 it

will still be consistent with, and its projects guided by, the strategic setting of the Long Term Plan.

Some of the key elements of that strategic setting are outlined below for information. For more on the Long Term Plan or to read a copy go to [nelson.govt.nz/council/plans-strategies-policies/long-term-plans/long-term-plan-2021-2031](https://nelson.govt.nz/council/plans-strategies-policies/long-term-plans/long-term-plan-2021-2031)

### Council's Vision, Priorities and Outcomes

He Whakakitenga, He Whakaarotau

#### Vision

He Tāone Tōrire a Whakatū  
Nelson — A Smart Little City



#### Mission

We shape an exceptional place to live, work and play

#### Community Outcomes

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

#### Council Priorities

- |                         |   |
|-------------------------|---|
| Infrastructure          | Housing affordability and intensification |
| Environment             | Maitai River Precinct                     |
| City Centre development | Creating a sustainable transport culture  |

# Climate Change

## Te panoni āhuarangi

**We have less than a decade to accelerate our emissions reductions to avoid the full effects of global warming, making responding to climate change our biggest global challenge. In Nelson, projected changes to our climate will impact our economy, infrastructure, natural environment, lifestyles, and future.**

Acknowledging the need for urgent action, Council declared a climate emergency in May 2019. Council adopted Te Mahere Mahi a te Āhuarangi Climate Action Plan in 2021, a living document which outlines what Council is doing to address climate change over the next decade. In 2022, Council also began developing a Climate Change Strategy, which will set the long-term direction and guide

Council and community investment in climate action.

We are already experiencing the effects of climate change – the severe weather event in August 2022, for example, shows our changing climate. Council is developing an adaptive strategy to prepare for the impacts of climate change. This is a multi-year process involving significant community input that will inform key decisions, such as where we locate new development and how we manage climate risks in low lying areas. In parallel, Council is working with Tasman District Council on a regional climate change risk assessment, which will build a comprehensive picture of how climate change will impact the region.



**Back row** – Nelson's Climate Change Advisory Group: (from left) Daniela Ramirez, Clare Scott, Debs Martin (Chair), Karen Driver, David Ayre, Dr Anna Berthelsen. **Front row** – Johnny O'Donnell, Rachel Pemberton, Astrid Sayer.



# Partnership with Māori and iwi

## He Waka Hourua

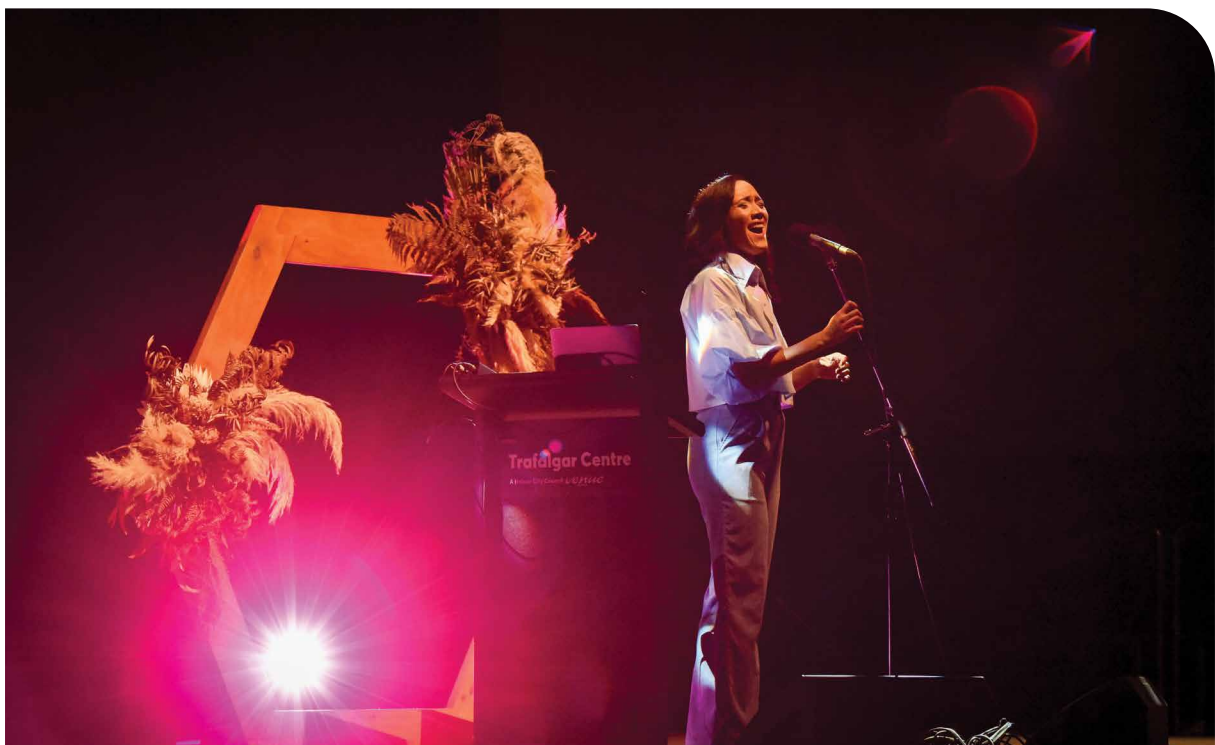
**Council is committed to strengthening partnerships with iwi and Māori of Te Taihū and to providing opportunities for Māori involvement in Council decision-making processes in a meaningful way.**

This includes an intention to:

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

Actions planned for 2023/24 include:

- Work towards Te Taihū Partnership Agreement with our eight iwi and neighbouring Tasman and Marlborough councils
- Waitangi, Matariki and Te Wiki o Te Reo Māori (Māori Language Week) celebrations
- Provide opportunities for consultative and representative collaboration with Te Taihū iwi
- Continue to implement and review Te Parikaranga, iwi engagement tool
- Implement a five-year Toi Māori Arts workplan
- Support the implementation of Council's Te Puāwaitanga Cultural Competency Framework.









# Financial summary

## Whakarāpopototanga Ahumoni

For the full set of financial statements, please refer to the Supporting Financial Information document online at [nelson.govt.nz](https://nelson.govt.nz)

### How we plan to fund the 2023/24 work programme

This section outlines Council's Financial Strategy for the 2023/24 year.

Under the Local Government Act 2002 Council must manage its assets, expenses, revenues, investments, liabilities and general financial dealings prudently. It must manage these in a manner that sustainably promotes the community's current and future interests.

### Managing our rating and debt limits set out in our financial strategy

A key priority for Council is to manage the level of rating and debt, whilst balancing the financial impacts and challenges Council faces. The following table summarises the proposed Annual Plan 2023/24 values against the limits agreed in the Long Term Plan. An explanation of the benchmarks can be found in the supporting information on our website at [nelson.govt.nz](https://nelson.govt.nz).

Benchmark	Limit	Planned	Met
Rates affordability benchmark – increases	6.8%	7.2%	No
Debt affordability benchmark	<175%	119%	Yes
Balanced budget benchmark	>100%	99%	No
Essential services benchmark	>100%	150%	Yes
Debt servicing benchmark	<10%	4.7%	Yes

Council will not meet the rates affordability benchmark, as the planned increase of 7.2% is above the quantified limit of 6.8% set in the Long Term Plan (Local Government Cost Index plus 2.5%).

The overall net debt for 2023/24 will increase to \$199.6 million by June 2024 (from \$111.6 million in June 2022) which will impact Council's interest costs. The \$199.6 million of net debt equates to 119% of revenue, which is well within our debt affordability benchmark of 175%, as set in the Long Term Plan.

Council will not meet the balanced budget benchmark. This flows out of the Long Term Plan's Financial Strategy, where it was acknowledged that COVID-19 has had a significant impact on Council's finances. Council resolved to have an unbalanced budget (projected operating expenditure exceeding projected operating income) for years one, two and three of the Long Term Plan, to maintain services and the integrity of assets. This shortfall will be funded using Council's balance sheet (debt).

Total operating expenditure is forecast to be \$169.3 million, which is \$19.9 million higher than budgeted in the Long Term Plan. The significant contributors to Long Term Plan variances are:

- Finance costs – \$3.1 million driven by higher than expected interest rates and a higher debt level
- Depreciation – \$6.6 million driven by the June 2022 revaluation of Infrastructure assets
- August 2022 severe weather event recovery operating costs of \$4.8 million which is funded firstly by insurance and National Emergency Management Agency claims, as well as Waka Kotahi contributions for transport costs, and secondly by debt which is being repaid over ten years
- Operating expenditure projects funded by the Three Waters Reform package of \$1.3 million



## Financial summary

- Operating costs for Transport Choices projects externally funded for \$1 million.

Total revenue for the Council is forecast to be \$175.2 million, which is \$19.1 million higher than budgeted in the Long Term Plan. The significant contributors to Long Term Plan variances are:

- Additional subsidies and grants of \$19.3 million (\$12.8 million being capital income) which is made up by August 2022 severe weather event recovery income of \$5.6 million, Infrastructure Acceleration Fund funding of \$1.9 million, the Three Waters Reform package of \$2.3 million, Transport Choices funding of \$5 million and other additional funding of \$4.5 million
- Rates revenue of \$1.8 million more than forecast for year three of the Long Term Plan, which represents a 7.2% increase from 2022/23

Financial levers used to minimise the rating increase for 2023/24 are:

- Instead of fully funding the additional depreciation caused by the June 2022 infrastructure asset revaluation, we are suggesting that we phase the funding of that in over 10 years
- Instead of paying off the August 2022 severe weather event recovery debt evenly over 10 years, we are suggesting that the repayments for the first year are phased in
- We have restructured some of our interest rate swaps to leverage a lower effective net interest rate in 2023/24
- There are numerous other operating reductions being suggested, including maintaining certain budgets and funding for community groups at the 2022/23 cost level and funding some events from reserves built up over recent years due to disruption caused by COVID-19.

Capital expenditure is proposed to be \$59.2 million in 2023/24 (excluding vested assets, staff costs, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit), which is very similar to the Long Term Plan budget of \$59.5 million. The programme takes advantage

of government subsidies and not-withstanding challenging inflation levels the debt impact has been mitigated. The main changes to capital projects are the inclusion of the August 2022 severe weather event recovery work and Infrastructure Acceleration Fund projects while delaying the spend on the Central city library redevelopment, aside from this, changes consist largely of movements of funds within the next few years to allow for efficient work programmes. Further details of the changes can be view in prior sections of this document.

### Uniform annual general charge (UAGC)

Over the past few years, Council has progressively reduced the UAGC from 15% to 11% of total rates (excluding the water annual charge and water volumetric charge) in 2022/23, as its focused investment in three waters infrastructure has increased the overall fixed charges, and therefore the impact on lower value properties. In response to the 2023/24 increase in three waters fixed charges, Council proposes to lower the UAGC to \$320 (8.7% of total rates) for 2023/24.

### Commercial differential

The commercial differential recognises the additional services that businesses receive, such as extra rubbish collection, street sweeping and events to attract visitors. The percentage collected has been decreased by 0.5% per annum for the last five years to reduce the burden on the commercial sector. The Long Term Plan outlined that Council would, subject to an annual review, continue to reduce the proportion of rates collected from commercial properties by 0.5% per year for the first three years.

Council has assessed the relative rating contributions to find a suitable balance between commercial and residential properties in the context of the cost of living increases and impact on residential ratepayers. Council proposes that in 2023/24 the commercial differential is maintained at the same level as 2022/23, where 22.6% of total rates are collected from commercial rates. If Council were to continue to reduce the commercial

## Financial summary

differential by 0.5% this would result in 22.1% of total rates being collected from commercial rates. Council's proposal will spread the rates rise more evenly and result in less variation in the percentage increase for commercial and residential properties.

### What has changed?

	Annual Plan 2022/23 (\$000)	Long Term Plan 2023/24 (\$000)	Proposed Annual Plan 2023/24 (\$000)	Difference to Long Term Plan 2023/24 (\$000)
Total income	151,286	156,052	175,170	19,118
Total operating expenditure	144,374	149,481	169,344	19,863
Total capital expenditure*	69,394	59,462	59,240	(222)

\* Excludes vested assets, staff costs, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit.

### What will the new rates be?

Council proposes that the overall increase in rates required for 2023/24 will be 7.2% plus an allowance for growth.

Following the community consultation period, Council will make decisions about the annual plan for 2023/24. Any decisions resulting from consultation may affect the final rates and charges. Further changes on how Council has calculated the proposed rates is available in the draft Funding Impact Statement and financial information section on Council's website [nelson.govt.nz](https://nelson.govt.nz).

### Average annual rates bill

Total rates on each property in Nelson include payment for local authority (city council) and regional council services. Council is a unitary authority combining both of these functions.

The final figure is made up of a combination of whichever of the following apply to your rating unit(s):

- General rate, which includes the uniform annual general charge (UAGC).
- Stormwater and flood protection charge.
- Wastewater charge or commercial wastewater charge for sewage disposal.
- Water annual charge.
- Water volumetric rate.

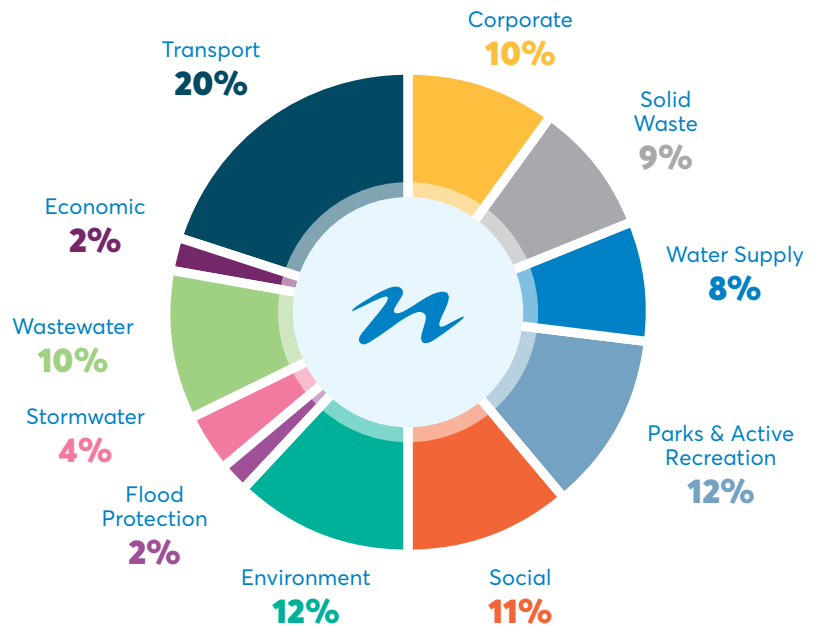
If part of the relevant scheme:

- Postponement application charge.
- Postponement interest.

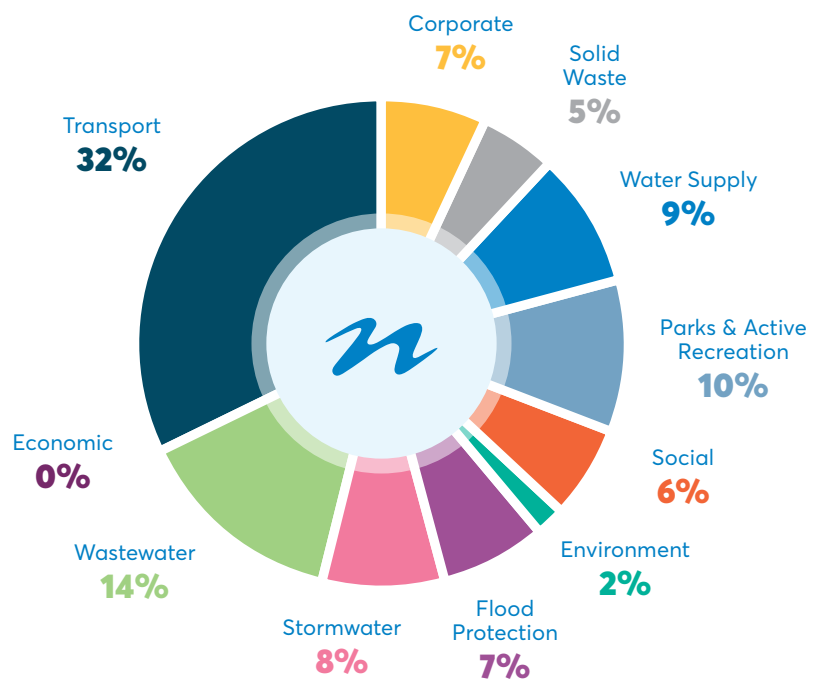
## Financial summary

### Where the money will be spent

## Operating Expenditure



## Capital Expenditure







## Financial summary

### Examples of proposed rates for 2023/24

To provide further clarity on the rated changes between 2022/23 and 2023/24 a selection of properties are shown below. Please note, this is a guide only and current as at 14 March 2023.

Property Type	2021 Land value	2022/23 Rates
Residential	\$265,000	\$2,525
	\$305,000	\$2,663
	\$380,000	\$2,920
	\$430,000	\$3,092
	\$540,000	\$3,469
	\$560,000	\$3,538
	\$590,000	\$3,641
	\$625,000	\$3,761
	\$670,000	\$3,916
	\$870,000	\$4,602
	\$1,200,000	\$5,735
	\$1,500,000	\$6,764
Multi residential (two flats – two UAGC and wastewater charges)	\$510,000	\$4,703
	\$1,550,000	\$8,409
Empty residential section (water annual charge included if water meter is installed)	\$200,000	\$1,517
	\$470,000	\$2,664
	\$860,000	\$4,003
Small holding (water annual charge included if water meter installed)	\$550,000	\$2,529
	\$700,000	\$3,214
Rural (water annual charge included if water meter installed)	\$1,380,000	\$3,455
	\$2,230,000	\$5,572
Commercial – outside inner city / Stoke – one unit	\$600,000	\$8,095
Commercial – outside inner city / Stoke – one units	\$630,000	\$8,440
Commercial – outside inner city / Stoke – three units	\$260,000	\$4,701
Commercial – Stoke – one unit	\$53,000	\$1,706
Commercial – inner city – two units	\$385,000	\$7,847
Commercial – inner city – two units	\$435,000	\$8,644
Commercial – inner city – one unit	\$1,530,000	\$25,582

*This table does not include water charges based on consumption. For occupied residential properties, this is charged at \$2.330 per cubic meter and an average usage of 160 m3 costing \$372.80 (GST Incl).*

## Financial summary

2023/24 Rates								
	General rate	UAGC @8.7%	Stormwater/ flood protection	Waste-water	Water annual charge	Total rates	% increase on 2022/23	\$ increase on 2022/23
	\$982	\$320	\$563	\$619	\$227	\$2,711	7.36	\$186
	\$1,130	\$320	\$563	\$619	\$227	\$2,860	7.40	\$197
	\$1,408	\$320	\$563	\$619	\$227	\$3,138	7.45	\$217
	\$1,594	\$320	\$563	\$619	\$227	\$3,323	7.47	\$231
	\$2,001	\$320	\$563	\$619	\$227	\$3,731	7.53	\$261
	\$2,075	\$320	\$563	\$619	\$227	\$3,805	7.54	\$267
	\$2,186	\$320	\$563	\$619	\$227	\$3,916	7.55	\$275
	\$2,316	\$320	\$563	\$619	\$227	\$4,046	7.56	\$284
	\$2,483	\$320	\$563	\$619	\$227	\$4,212	7.58	\$297
	\$3,224	\$320	\$563	\$619	\$227	\$4,953	7.64	\$351
	\$4,447	\$320	\$563	\$619	\$227	\$6,176	7.70	\$442
	\$5,559	\$320	\$563	\$619	\$227	\$7,288	7.74	\$524
Average Residential Land Value is \$500,000								
	\$2,079	\$639	\$563	\$1,238	\$455	\$4,975	5.78	\$272
	\$6,318	\$639	\$563	\$1,238	\$227	\$8,987	6.87	\$578
	\$741	\$320	\$563	-	-	\$1,624	7.05	\$107
	\$1,742	\$320	\$563	-	\$227	\$2,852	7.04	\$188
	\$3,187	\$320	\$563	-	\$227	\$4,297	7.35	\$295
	\$1,834	\$320	\$563	-	-	\$2,717	7.42	\$187
	\$2,335	\$320	\$563	-	\$227	\$3,445	7.20	\$231
	\$3,324	\$320	-	-	-	\$3,644	5.47	\$188
	\$5,372	\$320	-	-	\$227	\$5,919	6.22	\$347
	\$7,471	\$320	\$563	\$155	\$227	\$8,736	7.92	\$641
	\$7,845	\$320	\$563	\$155	\$227	\$9,110	7.93	\$670
	\$3,238	\$639	\$563	\$310	\$227	\$4,977	5.87	\$276
	\$798	\$320	\$563	\$155	-	\$1,836	7.58	\$129
	\$6,836	\$639	\$563	\$310	\$227	\$8,575	9.28	\$728
	\$7,724	\$639	\$563	\$310	\$227	\$9,463	9.47	\$820
	\$27,166	\$320	\$563	\$155	\$227	\$28,431	11.13	\$2,847

The table is GST inclusive.



# Statement of proposal for changes to Council's schedule of fees and charges

## **Council is consulting on proposed changes to fees and charges for 2023-24 alongside consultation on the Annual Plan.**

Changes set to commence on 1 July 2023.

Most fees are being raised in line with inflation of 7.2%. Some, where the cost is disproportionately falling on the ratepayer are being increased by more, but none by more than 20%. There is also one charge being removed because it is inefficient – costing more to collect than the sum received. There are also some charges that are being reduced. Decisions relating to fees and charges will have an impact on budgets, and the proposed changes impact on projected income have been reflected in the supporting financial information to this consultation document.

## **1. Introduction**

Council is facing all of the same cost pressures that are impacting on households and businesses. These include increases in interest costs, staff salaries and expenses like electricity and insurance.

Council sets fees and charges so as to allocate a reasonable cost sharing between the ratepayers

and the people or businesses using the service. There is no perfect balance between the two but the greater the public good element, the more the cost is funded by general rates.

If Council chooses not to increase these fees and charges in line with other cost increases, they will need to be funded by a larger rate increase. We are very mindful of the cost of living pressures on households and businesses and have worked hard to minimise the increases.

Council is proposing to increase fees and charges by the Consumer Price Index (CPI) of 7.2% but some, as detailed in this document, are proposed to increase by more, but none by over 20%. Increases above CPI are designed to better achieve the recovery targets from the beneficiaries of Council services as set out in Council's Revenue and Financing Policy. This Policy explains 'who pays and why' for each of Council's activities and outlines the expected private benefit/public cost split to determine the expected level of cost recovery. Cost increases over CPI are in those areas where a greater proportion of costs should be met by applicants and other users of Council services.

## Statement of proposal

### 2. Proposals

Nelson City Council is seeking your views on the following proposals:

- to increase some resource management fees and charges by more than the CPI
- to remove one charge relating to domestic on-site wastewater systems
- to increase fees and charges under the Food Act 2014 by more than CPI
- to increase cemetery and crematorium fees for activities that are managed under the Urban Environments Bylaw by more than CPI
- to increase marina fees and charges under the Navigation and Safety Bylaw by more than CPI
- to increase some Building Act fees by more than CPI and add a new Land Information Memorandum (LIM) cancellation fee
- to increase the public health fees by more than CPI.

All of the proposed fees and charges listed above are outlined on pages 48 to 68 of this statement of proposal.

### 3. Special Consultative Procedure – we want your feedback

Council is required to undertake a special consultative procedure before introducing or amending any fees or charges under the Resource Management Act and the Food Act. Council is also required to consult the public before amending any fees or charges provided for under the Urban Environments Bylaw and Navigation Safety Bylaw, and is taking the opportunity to include these proposed amendments in this statement of proposal. The opportunity is also taken to introduce some additional changes to fees and charges.

Council would like to know what you think of the proposed changes in this document. Based on community feedback, the outcomes of this special consultative procedure could include:

- Retaining the existing charges
- Adopting a lower increase in charges
- Adopting the proposed amendments outlined in this statement of proposal, or a variation of these
- Adopting a higher increase in charges

## Statement of proposal

### 4. Proposed amendments to the charges under the Resource Management Act 1991 (RMA)

#### 4.1 The proposal in relation to charges under the RMA

Council is proposing changes to charges under the RMA relating to the administration of resource consents and other prescribed activities. The changes would better reflect the actual cost to Council in providing this service and ensure reasonable cost-recovery goals are met. Specifically, the amendments would ensure that those gaining the benefit from the regulatory service pay the reasonable cost for that service.

Analysis of the issues and options is provided in section 4.2 of this proposal. The charges schedule with all proposed changes is included on pages 48 to 55, and the proposed amendments for the most frequent activities, as well as a proposed removal of a charge, are summarised below:

- a. Increase the hourly charge out rate from \$170 per hour to \$197 per hour
- b. Increase the initial charge (deposit) for most consent activities from \$1575 to \$1860
- c. Increase the initial charge (deposit) for subdivisions over three lots from \$2625 to \$3095
- d. Increase the initial charge (deposit) for simple consent activities from \$525 to \$620
- e. Increase the fixed charge for deemed permitted activities (marginal, temporary or boundary) from \$505 to \$595
- f. Increase the swing mooring annual charge from \$80 to \$90
- g. Remove the annual charge for discharge to land or water of less than 20m<sup>3</sup> per day

#### Consideration under the relevant legislation

This section of the statement of proposal to amend the charges under the RMA has been prepared in accordance with the following legislation:

- RMA sections 36 and 36AAA
- Local Government Act 2002 sections 82, 83 and 150

#### 4.2 Issues and Options – RMA charges

##### Resource consent processing and monitoring hourly charge out rate

Since the last review of charges under the RMA, organisational support and external expertise costs have increased by at least CPI annually. There is also a nation-wide shortage of planners meaning Council needs to engage external consultants to assist with the processing of consent applications and their hourly charge out rates are \$20 to \$30 higher than internal costs.

The Council resource consent hourly rate is proposed to increase by 16% and to recover 48% of the costs to provide this service. No changes are proposed for planning documents where the charge adequately reflects the reasonable cost.

The main factors influencing the level of income received from charges are the hourly charge out rate and number and complexity of resource consent applications. Consent numbers decreased last year but income from fees and charges increased due to the higher complexity of applications. The income for 2022/23 is tracking to be lower than last year.

At least 40% of staff time is not chargeable to resource consent applicants. Much of this time is spent answering public enquiries, training, reporting or responding to objections to conditions or costs. When there is time, staff review procedures, systems, templates and practices to improve quality and efficiency.

It is reasonable therefore that at least 40% of overall resource consent costs are met by rates. The Council's Revenue and Financing Policy requires 40 to 60% of costs be met by charges. Current fees and charges will only recover 31% of expected costs. It is proposed to increase the hourly rate to \$197 to recover 48% of the anticipated costs.

#### Options Analysis

##### Option 1 — Retain the existing charges

While applicants and consent holders would not face increased charges, more of the costs of the activity will need to be covered by income from rates, rather than those directly benefiting from



## Statement of proposal

the Council services. If no increases are made now there may need to be larger increases in the future.

### **Option 2 — Increase the charges by 16% to recover 48% of overall costs as proposed on pages 48 to 53**

This option improves the cost recovery from the current situation. A larger increase in the future may be required to recover a fairer proportion of the costs from those who gain the most from the services.

### **Option 3 — Increase the charges by 25% to recover 50% of overall costs**

This option improves the recovery rate from applicants and consent holders, reduces the potential for larger increases in the future and reduces the requirement on rates. The increased hourly charge out rate of \$212.50 is similar to some other Councils (and consultancies). However, increasing charges by 25% is not considered reasonable and could deter developments.

### **Preferred Option**

### **Option 2 — Increase the charges by 16% to recover 48% of overall costs as proposed on pages 48 to 53**

Reasons: The proposed amendment better covers the costs for the service than the existing charges and is a reasonable increase in the current economic context.

## **Annual environmental monitoring and science charge**

Section 36 of the RMA provides for councils to collect charges from certain categories of consent holders for the purpose of "administration, supervision and monitoring" of those consents. This gives local authorities the power to recover 'reasonable' costs associated with the environmental monitoring function. An example is where private water take consents are informed by publicly funded hydrology programmes.

In general, the charges have been accepted by consent holders, except for discharges from domestic wastewater treatment systems to

land. These consents are for a perpetual non-commercial activity that does not generate any income from the consent holder, and the charge is on top of annual charges to monitor the consent. Therefore, it is proposed that the charge for discharge to land or water of less than 20m<sup>3</sup> per day be revoked from 1 July 2023.

### **Options Analysis**

### **Option 1 — Revoke the charge for discharge to land or water of less than 20m<sup>3</sup> per day from 1 July 2023**

This option removes an annual charge of \$60 that is not well tolerated by consent holders. Revoking this charge would result in a reduction of the income used to offset the cost of the environmental monitoring and science activity by approximately \$2880 per annum.

### **Option 2 — Revoke the full suite of annual environmental monitoring and science charges**

This option reduces the staff resource required to administer the charges and removes an annual charge from resource consent holders. It would reduce the level of income used to offset the cost of the environmental monitoring and science activity by approximately \$30,000 per annum.

### **Option 3 – Retain the full suite of annual environmental and monitoring charges**

This option retains an annual charge of \$60 that is not well tolerated by consent holders. This option does not reduce the income used to offset the cost of the environmental monitoring and science activity.

### **Preferred Option**

### **Option 1 — Revoke the charge for discharge to land or water of less than 20m<sup>3</sup> per day from 1 July 2023**

Reasons: The proposed amendment removes a charge that is not well tolerated, with a minimum effect on the income used to offset the cost of the environmental monitoring and science activity.

## Statement of proposal

### 5. Proposed amendments to the fees under the Food Act 2014

#### 5.1 The proposal in relation to fees under the Food Act 2014

Council is proposing amendments to the fees relating to registration, verification, compliance and monitoring activities for food businesses under section 205 of the Food Act 2014. The changes will improve the current allocation of costs between food business owners and ratepayers, and will better reflect the actual time and costs for the services.

Analysis of the issues and options is provided in section 5.2. The current fees and proposed changes are set out in the table below:

Activity	Current fee	Proposed fee
New Registration Food control plan	\$267 initial fee Plus \$170 per hour after the first 1½ hours	\$300 initial fee Plus \$187 per hour after the first 1½ hours
New Registration National programme	\$170 initial fee Plus \$170 per hour after the first hour	\$204 initial fee Plus \$187 per hour after the first hour
Renewal	\$85 initial fee Plus \$170 per hour after the first ½ hour	\$102 initial fee Plus \$187 per hour after the first ½ hour
Amendment to Registration	\$85 initial fee Plus \$170 per hour after the first ½ hour	\$102 initial fee Plus \$187 per hour after the first ½ hour
Voluntary suspension	\$85 initial fee Plus \$170 per hour after the first ½ hour	\$102 initial fee Plus \$187 per hour after the first ½ hour
Verification	\$170 per hour	\$187 per hour
Compliance	\$170 per hour	\$187 per hour
Monitoring (where there is compliance)	No charge	No charge

#### 5.2 Issues and Options

##### Options Analysis

##### Option 1 — Retain the charges

While food business owners would not face increased fees, some current initial fees do not reflect the actual time it takes to perform that activity and the cost of the food registration, verification and compliance functions is not sufficiently covered by income from fees and charges. In addition, the food businesses are not paying a large enough proportion of the costs of the services relative to the costs covered by general rates. This is inconsistent with the principle that all direct and indirect costs incurred by administering the Food Act should be recovered by way of fees, and it passes on those costs to ratepayers. If no increases are made now there may need to be larger increases in the future.

##### Option 2 — Increase fees by more than CPI in order to match recovery levels in line with the Revenue and Financing Policy

Increasing the fees at a higher level to best reflect the actual time for all services will ensure the business owner meets the actual Council costs for providing the service and lower the dependence on rates to provide these services. The proposed increase to hourly rates will align more closely with other regulatory functions.

##### Preferred Option

##### Option 2 — Increase fees by more than CPI in order to match recovery levels in line with the Revenue and Financing Policy

Reasons: The proposed amendments better cover the actual costs for the service and are a reasonable increase compared to existing charges.

## Statement of proposal

### 6. Proposed amendments to the fees and charges under the Navigation Safety Bylaw 2019

#### 6.1 The proposal in relation to fees and charges under the Navigation Safety Bylaw

Council has reviewed the current charges and is proposing to increase certain fees and charges by 10 to 20%. This is to ensure that costs to provide certain marina services are paid by the users who directly benefit from that service, and to allow the Marina to keep up with compounded inflation.

Analysis of the issues and options is provided in section 6.2 of this proposal. The charges schedule with all proposed changes is included on pages 57 to 58, and the proposed amendments are summarised below:

1. Increase permanent annual recreational and commercial berth fees by 10%;
2. Increase live aboard charges by 10%;
3. Increase visitor berth rates by 20% and include a new rate classification;
4. Increase public boat ramp launching fees by 20%.

#### Consideration under the relevant legislation

Council may set fees and charges for marina services that are regulated under the Navigation Safety Bylaw 2019, under clause 3.4 of the Bylaw and s 150 of the Local Government Act 2002.

The fees and charges for Nelson Marina that are regulated by the Bylaw are as follows:

1. Marina Berthing fees for all vessels;
2. Live aboard charges;
3. Public Boat Ramp fees.

Other services provided by Nelson Marina are land based and are not covered by the Bylaw. It should be noted however that Nelson Marina will be decreasing the travel lift and boat yard fees to better match industry standards.

#### 6.2 Issues and Options

##### Annual Licence Fee for marina berths, pile berths, commercial berths and live aboard fees

The annual licence fees for renting a berth within Nelson Marina is for vessels that are on a long-term contract with Nelson Marina and Nelson City Council. This fee was last increased in July 2021 and needs to consider two years of CPI adjustment. The live aboard fee is additional to the annual berth fee and applies to those vessels with a permit to live on board their vessel within the marina on a permanent basis.

#### Options Analysis

##### Option 1 — Retain the existing charges

While licence holders would not face increased charges this year, the revenue for the marina will not increase proportionally to the increases in costs associated with operating the marina. If no increases are made now there will need to be larger increases in the future.

##### Option 2 — Increase the charges by CPI

This option will allow the marina to recover the increased cost of doing business for the current financial year but does not take into account the CPI increase from 2021/22.

##### Option 3 – Increase the charges by 10%

This option allows Nelson Marina to keep up with compounded inflation over the previous two financial years.

#### Preferred Option

##### Option 3 — Increase the charges by 10%

Reasons: The proposed amendment better covers the costs for the service than the existing charges and is a reasonable increase in the current economic context.

##### Temporary berth charge

The temporary berth charge is not often used and is at the discretion of management. It is available for a vessel that is given a temporary berth (subject to availability) while awaiting a permanent berth.



## Statement of proposal

The fee is designed to be a mid-point rate between a permanent berth and a visitor berth. The vessel on a temporary rate is using a visiting berth reducing the ability for the marina to recover its costs from the visitor jetty. It is discounted from the visiting berth as living on board is not allowed.

The rate can only be used for a period not exceeding three months and only when the vessel is next on the waiting list for a permanent berth.

### Options Analysis

#### Option 1 — Retain the existing charge

Discourages marina management from offering this service due to the opportunity cost for placing a vessel in the berth on a temporary rate compared to a visiting rate.

#### Option 2 — Increase temporary berth fee by CPI

This option also discourages marina management from offering this service due to the opportunity cost for placing a vessel in the berth on a temporary rate compared to a visiting rate. This option only increases the fee in relation to inflation and does not allow the marina to reposition the fee between the permanent and visitor rate.

#### Option 3 – Increase temporary berth fee by 20%

This option returns the temporary rate to a mid-point rate between the permanent berth rate and the visitor berth rate.

### Preferred Option

#### Option 3 — Increase temporary berth fee by 20%

Reasons: The proposed amendment correctly aligns the intention of the temporary berth fee to be a mid-point rate between a permanent and a visitor berth. It is not often used and is available to those who are next on the waiting list with a permanent berth assignment imminent. Once a permanent berth is assigned the vessel is moved to the permanent annual licence rate.

### Marina Berth Fee – Visitor Rate

Nelson Marina has a limited number of dedicated visitor berths for local, national, and international visiting vessels who do not have a permanent

berth at Nelson Marina. A vessel is limited to being a visitor vessel to three months per annum.

Currently Nelson Marina's visitor berths, particularly for larger vessels is well below the national average. There is also a large disparity between the costs for a vessel less than 14m, 14m to 20m and 20m plus. The proposal is to split the fee from 14m to 20m into two fees – 14m to 18m and 18m to 20m. This will allow for more equitable charging.

### Options Analysis

#### Option 1 — Retain the existing charges and size categories

Reduces the ability for the marina to recover costs from operating a dedicated visitor berth facility that is seasonal and at a lower occupancy than the permanent berths. Charges for vessels over 14m is inequitable.

#### Option 2 — Increase visitor berth fees by CPI and introduce 14m to 18m category

This option allows for an increase in fees in line with inflation and to allow for equitable fees charges for the 14m plus vessels.

#### Option 3 – Increase visitor berth fee 20% for less than 14m, introduce a lower fee for vessels 14m to 18m and increase the 18m plus fee by 20%

This option allows the marina to recover its costs on the visitor berths and makes it more equitable between vessel sizes. Although the 18m plus berth fee increases by 20%, the new fee for vessels between 14m and 18m remains the same as current fees.

### Preferred Option

#### Option 3 — Increase visitor berth fee 20% for less than 14m, introduce a new fee for vessels 14m to 18m and increase the 18m plus fee by 20%

Reasons: The proposed amendment allows the marina to recover the costs of a dedicated visitor berth, brings the marina's fees closer to industry standards and allows for more equitable charging for the 14 to 18m category.

## Statement of proposal

### Public Boat Ramp Fee

Nelson Marina operates the public boat ramp for Nelson. The fee of \$5 currently includes launch and retrieval of the trailered vessel and unlimited parking for the towing vehicle and trailer. The marina has 92 dedicated carparks available.

Revenue is collected from annual ramp fees for unlimited use or on a casual use basis. Total revenue collected from the boat ramp launch fees is \$30,000 and the total cost to the marina to operate the boat ramp is \$90,000. The shortfall of \$60,000 is being subsidised by other revenue streams within the marina business.

For comparison, Motueka boat ramp fee is \$15 per use (ie \$30 to launch and retrieve) and Marlborough Marinas (Havelock, Picton and Waikawa) is \$14 to use the ramp and \$10 per day for parking.

### Options Analysis

#### Option 1 — Retain the existing charges

The boat ramp should be user pays and not subsidised by other revenue streams of the marina. To retain current charges means that other marina users are subsidising the boat ramp users by 66% of the cost of operating the facility.

#### Option 2 — Increase the ramp fee by 20% from \$5 to \$6

This option allows the marina to recover 40% of the costs of operating the boat ramp.

#### Option 3 – Increase the ramp fees by 100% from \$5 to \$10 to achieve 66% cost recovery of providing the service

This option allows the marina to recover 66% of its costs on providing the boat ramp and dedicated parking. Full cost recovery (\$15) is the minimum desired level for the ramp but is considered a large one-off increase.

### Preferred Option

#### Option 2 — Increase the ramp fee by 20% from \$5 to \$6

Reasons: The proposed amendment allows the marina to recover 40% of the costs of operating the ramp and is a minor increase. It is recommended that this is incrementally increased to \$15 over the next few years for full cost recovery.



## Statement of proposal

### 7. Proposed amendments burials and cremation activities under the Urban Environments Bylaw

#### 7.1 The proposal in relation to charges under the Urban Environments Bylaw

Analysis of the issues and options is provided in section 7.2 of this proposal. The charges schedule with all proposed changes is included on pages 59 to 61, and the proposed amendments are summarised below:

- Increase fees and charges for both cemetery and crematorium activities (plots, internments, cremation and chapel hire) by 20%.

#### Consideration under the relevant legislation

Council may set fees and charges for burials and cremations activities that are managed under the Urban Environments Bylaw, under clause 8.32 of the Bylaw and s 150 of the Local Government Act 2002.

#### 7.2 Issues and Options

##### Options Analysis

#### Option 1 – Increase the crematorium and cemeteries fees by 20%

Increasing the fees for the crematorium and cemetery activities by 20% will ensure the gap

between the Revenue and Financing policy recovery target of 70-90% for crematorium and 40-60% for the cemetery is more likely to be achieved in the 2023-24 year. The 20% increase assumes a 40% recovery for the cemetery and 67% for the crematorium. Therefore, reducing the burden on the rate payer to subsidise burial and cremation costs.

#### Option 2 – Retain the existing fees

Retaining the existing fees will result in the rate payer having to subsidise the fees and charges at the crematorium and cemetery and recovery target will not be met.

#### Option 3 – Increase the crematorium and cemeteries fees by CPI

Increasing the fees and charges by CPI will result in the rate payer having to subsidise the fees and charges at the crematorium and cemetery and the recovery target will not be met.

#### Preferred Option

#### Option 1 — Increase the crematorium and cemeteries fees by 20%

Reasons: To lessen the burden on the rate payer it is recommended that the fees by 20% in 2023-24 and then continue to increase in the subsequent year for full target recovery.





## Statement of proposal

### 8. Proposed amendments to fees and charges under the Building Act 2004

#### 8.1 The Proposal

Analysis of the issues and options is set out in section 8.2 of this proposal. The charges schedule with all proposed changes is included on pages 62 to 67, and the proposed amendments for the most frequent activities, as well as a proposal to introduce a fee, are summarised below:

- a. Increase the staff hourly rate for administrators and residential technical officers from \$172 per hour to \$187 per hour
- b. Increase the staff hourly rate for commercial technical officers from \$210 per hour to \$225 per hour
- c. Change the fee for Project Information Memorandums from \$320 to a rate of \$364
- d. Include a system fee per consent based on the estimated value of the works:
  - » A \$80 fee for works up to \$10,000 in value
  - » \$132 for works between \$10,001 and \$600,000 in value and
  - » \$264 for works over \$600,000 in value
- e. Increase the earthquake prone building fees in the schedule (application for exemption, extension of time for a heritage building and assessment of information relating to a building's status) from a \$650 deposit to a \$697 deposit.
- f. Increase the quality assurance levy from \$3.15 to \$3.38 per \$1,000 of the estimated value of the works (applies when the value of works is \$20,000 and over and is capped at \$10 million)
- g. Increase the insurance levy from \$1.60 to \$1.72 per \$1,000 of the estimated value of the works (applies when the value of works is \$20,000 and over and is capped at \$10 million)
- h. Introduce a new Land Information Memorandum (LIM) cancellation fee

#### Consideration under the relevant legislation

This statement of proposal to amend the fees and charges under the Building Act 2004 has been prepared in accordance with the following legislation:

- Building Act 2004, sections 219 and 281A
- Local Government Act 2002 sections 83 and 101(3)

#### 8.2 Issues and Options

In exercising its discretion about what fees and charges to impose, Council should ensure charges are cost-effective, with the purpose of recovering the reasonable costs incurred by the Council in respect of the activity to which the charge relates, and with those gaining the benefit from the regulatory service paying the reasonable cost for that service.

#### Options Analysis

##### Option 1 – Amend the fees and charges as proposed on pages 62 to 67 and above

In addition to the reasons set out above, this option will help to achieve improved proportionality in terms of costs associated with building consents and performance of other Council functions under the Building Act 2004 being met by building customers rather than ratepayers. Council is incurring increased costs in providing building services and the proposed amendments will help achieve a higher rate of recovery for those costs. Council considers the proposed changes better reflects the average time taken to perform tasks and reduces the potential for large increases to fees and charges in the future.

Some of the increased costs incurred include the staff time and training required to prepare for and meet the requirements of the national audit. While staff are involved in this process contractors are needed to meet statutory processing timeframes and also increases costs to Council.

Council appreciates that an increase to fees and charges may cause dissatisfaction to some customers. However, it considers that the proposed increases more fairly reflect the actual costs



## Statement of proposal

incurred by Council (currently met through rates), costs associated with processing, inspecting and compliance duties.

### Option 2 – Retain the current fees

While customers would not face increased fees and charges, many current fees and charges do not reflect the average time to perform that activity. In addition customers obtaining the benefit of building services are not currently meeting the actual costs to Council in providing these services. If no increases are made to fees and charges now, Council may need to impose a higher increase in the future. There will need to be an increase in funding from rates to meet the increase in actual costs.

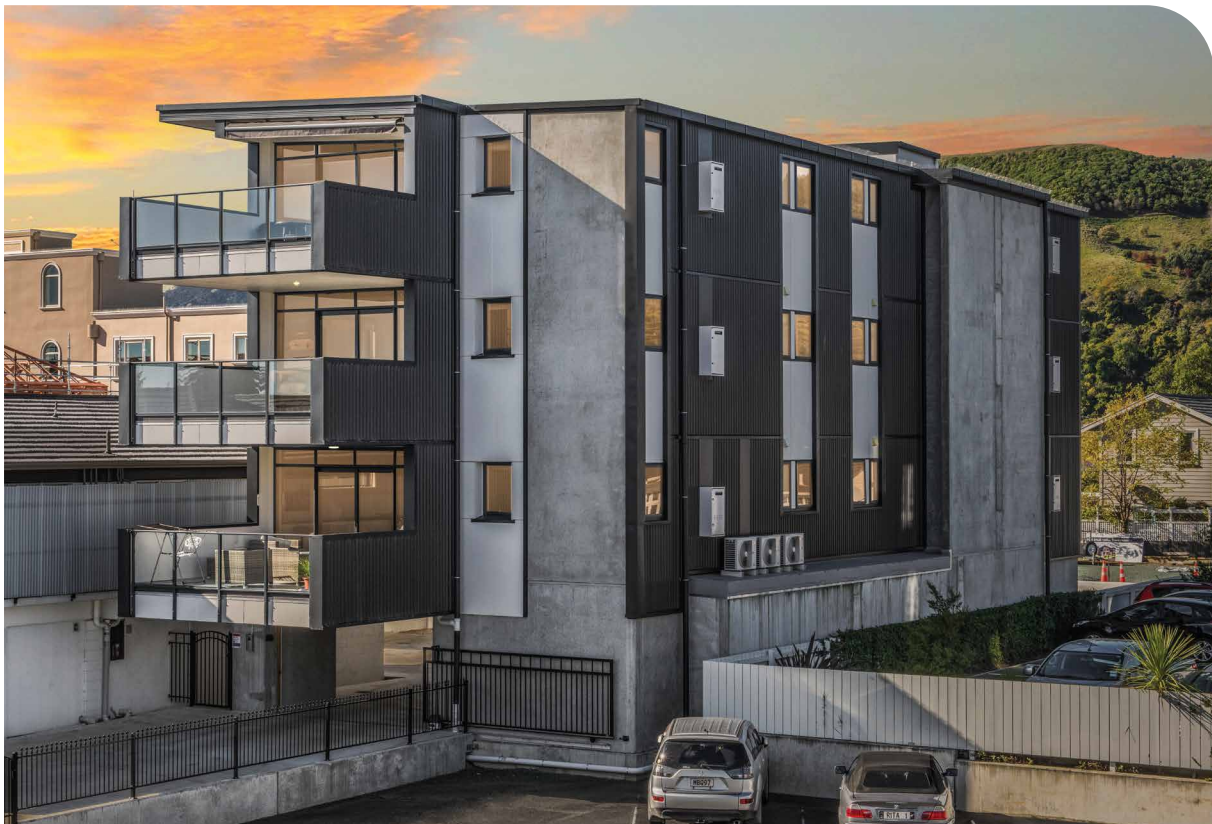
### Option 3 – Increase fees by CPI

This option means a lesser increase to fees and charges, however the cost of the activity will not be sufficiently covered by the income from charges and a more significant increase to charges may be needed at a later date.

### Preferred Option

#### Option 1 — Amend the fees and charges as proposed on pages 62 to 67 and above

Reasons: In addition to the reasons set out above, this option will help to achieve improved proportionality in terms of costs associated with building consents and performance of other Council functions under the Building Act 2004 being met by building customers rather than ratepayers. Council is incurring increased costs in providing building services and the proposed amendments will help achieve a higher rate of recovery for those costs.



## Statement of proposal

### 9. Proposed amendments to environmental health licence fees

#### 9.1 The Proposal

Analysis of the issues and options is set out in section 9.2 of this proposal. The charges schedule with all proposed changes is included on page 68, and the proposed amendments are summarised below:

- a. Increase the hairdressers annual licence fee from \$170 to \$205 and if paid after 31 July increase from \$204 to \$245
- b. Increase the offensive trades annual licence fee from \$255 to \$305 and if paid after 31 July increase from \$306 to \$365
- c. Increase the hourly charge out rate for animal control (other than dog control) from \$170 per hour to \$187 per hour
- d. Identify the staff hourly rate for processing Site Marine Oil Spill Contingency Plans as being \$187 per hour
- e. Identify the staff hourly rate for maritime oil spill responses is \$187 per hour and other disbursement charges will apply at cost

#### Consideration under the relevant legislation

This statement of proposal to amend the Environmental Health (including Maritime) fees and charges has been prepared in accordance with the following legislation:

- Health Act 1956 sections 120 and 120B and the Health (Registration of Premises) Regulations 1966
- Impounding Act 1955 Parts 4 and 7
- Maritime Transport Act 1994 sections 33R, 270 and Part 130B of the Maritime Protection Rules
- Local Government Act 2002 sections 83 and 150

### 9.2 Issues and Options

#### Options Analysis

##### Option 1 – Amend the fees and charges as proposed on page 68 and above

The proportional cost of the services is better met by applicants and consent holders than ratepayers. It will prevent a larger increase at a later date, and there will be less of an impact on rates.

##### Option 2 – Increase the charges by CPI

The cost of the activity is not sufficiently covered by income from the charges. There would be an additional rates burden if expected costs are not better met by applicants.

##### Option 3 – Don't increase the charges

Likely to require larger increases in the future. The cost of the activity is not sufficiently covered by income from the charges.

#### Preferred Option

##### Option 1 — Amend the fees and charges as proposed on page 68 and above

Reasons: The proposed increases will better cover the actual costs for the services. It is also consistent with other regulatory hourly rates.

# Proposed schedule of fees and charges changes for 2023/24

Please note all charges listed in this schedule are GST inclusive unless otherwise stated.

## Resource Management Act 1991

Resource Consent Processing and Monitoring, Designations, Plan Changes, all other activities under the Resource Management Act 1991 (RMA) will attract an initial charge (deposit) payable at the time of lodging an

application as per Section 1 below.

Where the cost of processing the consent is not fully covered by the initial fixed charge (deposit), additional charges will be applied (under Section 36(5) of the RMA). Only additional charges can be objected to under Section 357B of the RMA.

Section 2 below lists the various methods of how costs may be charged to a consent.

## 1. Initial fixed charges (deposits)

Activity		Current Charge	Proposed charge
1.1	All activities (other than listed below)	\$1575	\$1860
1.2	Subdivision 1-3 lots	\$1575	\$1860
	Subdivision 4 plus lots	\$2625	\$3095
1.3	Bore permits; Certificate of Compliance; Change of consent notice; Culverts, weirs and other minor structures on the bed of watercourses; Existing Use Certificate; Extension of lapsing period; Fast track consents (controlled status only); Fences; Flats Plan update and check; Outline Plan approvals; Relocate building; Removal or trimming of trees listed in the Nelson Resource Management Plan (supported and carried out by a suitably qualified arborist); Right of Way approval; Signs; Simple consent process; Transfer/part transfer of Permits	\$525	\$620
1.4	Issue of a notice confirming a boundary (or a marginal or temporary) activity is a permitted activity (no additional charges or refunds apply)	\$505	\$595



## Statement of proposal

### 1. Initial fixed charges (deposits) (continued)

Activity	Current Charge	Proposed charge
1.5 NOTIFIED APPLICATIONS: Additional charges for applications requiring notification/ limited notification. (This charge must be paid prior to notifying the application and is in addition to the initial charge paid when the application is lodged).	\$7345	\$8665
1.6 Removal of trees listed in the Nelson Resource Management Plan that are confirmed in writing by a qualified arborist (level 5 NZQA or equivalent), as diseased or a threat to public safety.	No charge	No charge
1.7 Heritage Buildings: Non-notified application to conserve and restore heritage building, place or object listed in the Nelson Resource Management Plan.	No charge	No charge
1.8 Private Plan changes (Note: Council's policy is to recover 95% of the costs involved for the whole process from the applicant).	\$10,490	\$12375
1.9 Heritage Orders	\$3670	\$4330

- **1.10** Where an application involves multiple consents the initial charge is payable at the higher rate plus \$255.00 for each accompanying application.
- **1.11** Where all or part of any initial charge (deposit) is not paid at application time, the Council reserves the right to not process that application.



## Statement of proposal

### 2. Costs Charged to a Consent (less the initial fixed sum of money paid in accordance with section 1 above)

	Details	Current charge	Proposed charge
2.1	Council Staff – all staff time inclusive of overhead component associated with processing and assessing applications.	\$170 per hour	\$197 per hour
2.2	Hearings Panel Charges:		
	- per Councillor as Commissioner (rate set by Remuneration Authority)	\$80 per hour	\$93 per hour
	- Councillor as Chairperson (rate set by Remuneration Authority)	\$100 per hour	\$116 per hour
	- Independent Commissioner (requested by applicant)	Cost	Cost
	- Independent Commissioner (requested by submitter)	Cost less Councillor rate (applicant pays the Councillor rate)	Cost less Councillor rate (applicant pays the Councillor rate)
2.3	Legal advisors and consultants engaged by Council, or reports commissioned, after discussion with the applicant, to provide expertise not available in-house under s.92(2) RMA.	Cost plus administration charges	Cost plus administration charges
2.4	Experts and consultants engaged by Council to undertake assessment of an application where the complexity of the application necessitates external expertise, or where resource consent processing is required to be outsourced due to conflict of interest issues (this is not a s92(2) RMA commissioning).	Cost plus administration charges	Cost plus administration charges
2.5	All disbursements, such as telephone calls, courier delivery services, all public notification costs, postage for notified applications and document copying charges.	Cost plus administration charges	Cost plus administration charges
2.6	Consultants engaged by the Council where skills are normally able to be provided by in-house staff or when Council staff workloads are unusually high.	\$170 per hour	\$197 per hour
2.7	Urban Design Panel reviews a proposal before a resource consent application is lodged (except for circumstances identified in 2.8 below).	No charge	No charge
2.8	The applicant agrees (as per 2.3 above) to the Urban Design Panel reviewing the proposal after a resource consent application is lodged; or	Cost plus administration charges (an estimate of costs is available on request)	Cost plus administration charges (an estimate of costs is available on request)
2.9	Where the applicant requests under s357AB independent commissioner(s) for an objection under s357A(1)(f) or (g), the applicant will meet the costs for that hearing.	Cost plus administration charges	Cost plus administration charges

## Statement of proposal

### Monitoring Charges

- **2.11.1:** If monitoring is required, a one-off charge of \$197.00 will be invoiced as part of the consent cost. Any extra work that is required to monitor compliance with the consent conditions will be charged at the hourly charge out rate for Council staff in 2.1 above and separately invoiced.
- **2.11.2:** Monitoring charges associated with review of information required to be provided by a condition of resource consent will be charged for at the appropriate hourly charge out rate for Council staff or actual cost for specialist consultant.
- **2.11.3:** Where the applicant is required or authorised to monitor the activity, the Council's costs in receiving and assessing the monitoring information will be charged directly to the consent holder at the appropriate hourly charge out rate for Council staff or actual cost of the specialist involved.
- **2.11.4:** Where permitted activity monitoring is able to be charged under legislative provisions (such as the National Environmental Standards for Plantation Forestry), the time taken by Monitoring Officers will be invoiced at the hourly charge out rate for Council staff in 2.1 above.
- **2.11.5:** Where annual monitoring is required up to half an hour of staff time per year, a higher initial monitoring fixed fee up front may be charged, or the consent may identify regular intervals when monitoring charges will be invoiced calculated on anticipated staff time multiplied by a stated number of years for these types of consents.



## Statement of proposal

### Administration Charges

	Details	Current charge	Proposed charge
2.12.1	Insurance levy – for each resource consent.	\$30	\$30
2.12.2	Street naming and numbering (costs of reporting to Hearings Panel and advising all statutory agencies).	Council hourly charge out rate in 2.1 above	Council hourly charge out rate in 2.1 above
2.12.3	Street numbering – application for alteration.	\$130	\$150
2.12.4	Documents for execution – removal of building line restrictions; easement documents, caveats, covenants and other documents to be registered with LINZ presented after subdivision processed or where not associated with a subdivision application.	\$185	\$210
2.12.5	Certificate under Overseas Investment Act.	\$405	\$445
2.12.6	Confirmation of compliance with the Nelson Resource Management Plan for NZ Qualifications Authority.	\$405	\$445
2.12.7	Confirmation of compliance with the Nelson Resource Management Plan for alcohol licence applications.	\$75	\$85
2.12.8	Section 357 Administration charge.	\$335	\$390
2.12.9	Private right-of-way – review against existing names and advising all statutory agencies where appropriate.	\$335	\$390
2.12.10	Authentication report for small-scale solid-fuel burning appliance or open fire.	\$125	\$140
2.12.11	Removal of designation.	\$320	\$370
2.12.12	Swing Mooring annual charge (monitoring costs are additional, refer 2.10.3 above).	\$80	\$90
2.12.13	Transfer of Consents to new owner (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) Resource Management Act)	\$250	\$295
2.12.14	Claiming a swing mooring the Council removed from the Coastal Marine Area that did not have a coastal permit	\$315	\$365
2.12.15	Claiming a vessel that was towed and hauled out of the Coastal Marine Area as it was tied to a non- consented mooring that was uplifted	Cost for tow and haul out	Cost for tow and haul out

## Statement of proposal

### Discount for Late Consents

- **2.13.1** Where statutory processing timeframes have not been met a discount of 1% of the total of the administrative charges imposed for every working day on which the application remains unprocessed beyond the time limit, up to a maximum of 50 working days will apply.

### 3. Invoicing

- **3.1:** Where processing costs exceed the level of the initial charge (deposit), monthly invoices for any additional charges may be sent to the applicant.
- **3.2:** Annual swing mooring charges shall be due on 1 December. The initial payment is due within 30 days of the mooring being installed. Moorings installed 1 December to 1 June will incur the full annual charge. Moorings installed from 1 June to 30 November will be charged half of the annual charge. The Council reserves the right to agree to other arrangements in writing.
- **3.3:** The Council has no obligation to perform any action on any application until the charges for the action have been paid in full; such payment will be required by the 20th of the month following invoice.
- **3.4:** Where any interim invoice is disputed, work on processing the application will be stopped until the matter is resolved at the discretion of the Manager Consents and Compliance.
- **3.5:** The option of monthly invoices only, in lieu of initial charges, may be available on strict credit conditions as follows:
  - a. The consent process, or Council involvement in the project, is likely to extend over a period in excess of 6 months; and
  - b. The total amount for invoices is likely to exceed \$5,000; and
  - c. The applicant is in good financial standing with a satisfactory credit record and agrees to abide by the Council's usual credit terms or
  - d. The applicant is a regular customer of the Council's Resource Consents Business Unit, is

in good financial standing with no record of unpaid invoices, who agrees to pay each and every invoiced charge by the 20th of the month following the date of issue of the invoice.

Any disputes relating to an invoiced charge must be resolved after the invoice has been paid. Failure to meet these criteria will result in the option of monthly invoices, in lieu of initial charges plus monthly invoices being withdrawn.

The decision on whether to waive the required charge and institute a system of monthly invoicing shall be made by the Manager Consents and Compliance or Group Manager Environmental Management, having regard to the above criteria.

### 4. Pre-Application Charges

Detail	Charge
Pre-application discussion with staff on feasibility of a proposal that may not proceed to resource consent.	First half hour – no charge. Additional time charged on an hourly basis at the Council charge out rate as per 2.1.

### 5. Resource Management Planning Documents

Copies of Plans	Cost
Nelson Resource Management Plan - Text (hard copy)	\$150
Nelson Resource Management Plan - Maps (hard copy)	\$150
CD ROM – combined Nelson Resource Management Plan and Nelson Air Quality Plan – updated annually in Spring	\$15 annually
Nelson Resource Management Plan - hard copy updates issued as required	\$25 annually for text \$25 annually for maps
Nelson Air Quality Plan	\$50
Land Development Manual	\$100

# Annual Environmental Science and Monitoring Charges

Annual charges shall be due on 1 October or on the 20th of the month following the date of invoicing, whichever is the later, unless otherwise agreed in writing by Council. No charge will apply when a consent is deemed by the Council as not currently given effect to and the ability to give effect is not

currently present.

In the case of consents for temporary or short-term activities, charges shall only apply once the consent is given effect to, and only for the year/s the activity occurs, until the activity is completed, and not from the date of issue of the consent.

Activity	Existing charge	Proposed charge from 1 July 2023 (7.2% CPI increase rounded down)
Air discharge - small (eg abrasive blasting; commercial wood-fired pizza ovens)	\$60	\$64
Air discharge - medium (appliances <1000kW)	\$400	\$428
Air discharge - large (appliances >1000kW)	\$600	\$643
Discharge to land or water <20m3/day	\$60	Recommend charge is revoked
Discharge to land or water 20 -100m3/day	\$400	\$428
Discharge to land or water >100m3/day	\$600	\$643
Gravel/sand extraction <2000m3/annum	\$60	\$64
Gravel/sand extraction 2000m-10,000m3/annum	\$300	\$321
Gravel/sand extraction >10,000m3/annum	\$400	\$428
Quarry/other earthworks	\$150	\$160
Earthworks from subdivision	\$150	\$160
Forestry/woodlot harvest <100ha	\$60	\$64
Forestry harvest >100-200ha	\$100	\$107
Forestry harvest >200ha	\$200	\$214
Works in river/stream bed	\$150	\$160



## Statement of proposal

# Annual Environmental Science and Monitoring Charges (continued)

Activity	Existing charge	Proposed charge from 1 July 2023 (7.2% CPI increase rounded down)
Water take surface water <5 l/s, or groundwater <100,000m <sup>3</sup> /year	\$60	\$64
Water take surface water 5-25 l/s, or groundwater 100,000 - 200,000m <sup>3</sup> /year	\$200	\$214
Water take surface water >25 l/s - <60 l/s, or groundwater > 200,000 m <sup>3</sup> - <400,000m <sup>3</sup> /year	\$700	\$750
Water take surface water >60 l/s, or groundwater > 400,000 m <sup>3</sup> /year	\$1,000	\$1,072
Coastal consents (other than takes or discharges)	\$100	\$107
Dredging	\$200	\$214

## Statement of proposal

# Food Act 2014

Activity	Current charge	Proposed charge
New Registration Food control plan	\$267 initial fee  Plus \$170 per hour after the first 1½ hours	\$300 initial fee  Plus \$187 per hour after the first 1½ hours
New Registration National programme	\$170 initial fee Plus \$170 per hour after the first hour	\$204 initial fee Plus \$187 per hour after the first hour
Renewal	\$85 initial fee Plus \$170 per hour after the first ½ hour	\$102 initial fee Plus \$187 per hour after the first ½ hour
Amendment to Registration	\$85 initial fee Plus \$170 per hour after the first ½ hour	\$102 initial fee Plus \$187 per hour after the first ½ hour
Voluntary suspension	\$85 initial fee Plus \$170 per hour after the first ½ hour	\$102 initial fee Plus \$187 per hour after the first ½ hour
Verification	\$170 per hour	\$187 per hour
Compliance	\$170 per hour	\$187 per hour
Monitoring (where there is compliance)	No charge	No charge

## Statement of proposal

# Fees under the Navigation Safety Bylaw

Fee	Description	2022/23 fee	Proposed 2023/24 fee
<b>Marina Berths</b>			
Annual Licence	Fee per metre LOA of vessel or part there of per annum, or berth size, whichever is the greater (GST excl).	\$255	\$280.50 (10% increase)
Annual Licence Pile Mooring	Per metre LOA of vessel (GST excl).	\$154.00	\$169.40 (10% increase)
Temporary Berth	Per metre LOA of vessel, or part thereof per day. The charge applies only to those waiting for an imminent permanent berth. No living aboard allowed. No long term availability (GST excl).	\$1.30	\$1.56 (20% increase)
Multi-Hull	Multi-hull vessels in designated berths will be charged at 1.5 - 2.0 x single berth rate for a vessel of the same size, plus GST. The applicable rate will be determined by the Marina Supervisor on of the same size, plus GST. The applicable rate will be determined by the Marina Supervisor on length and width of vessel or berth whichever is the greater.	1.5 - 2.0 x single berth rate	1.5 - 2.0 x single berth rate
<b>Commercial Recreational Berths</b>			
Commercial Recreational Berths	A commercial or charter berth or storage park, if provided, shall be charged at a rate per metre (GST excl).	\$411.00	\$452.10 (10% increase)
<b>Live Aboard Charges</b>			
Live Aboard Charge	Per month plus annual mooring fee to licensed live-aboard vessels (excl GST).	\$165.00	\$181.50 (10% increase)

## Statement of proposal

# Fees under the Navigation Safety Bylaw (continued)

Fee	Description	2022/23 fee	Proposed 2023/24 fee
<b>Marina Berths – Visitor Rates</b>			
Less than 14 metres:	Per day (incl GST)*	\$33.00	\$40.00 (20% increase)
14 metres to 18 metres	Per day (incl GST)*	New Charge	\$55.00
18 metres - 20 metres:	Per day (incl GST)*	\$50.00	\$60.00 (20% increase)
More than 20 metres	Per metre of vessel per day (incl GST).	\$5.00	\$5.00 (No change)
Multi-hulls	Charged at 1.5 - 2.0 x single berth visitor Rate (incl GST).	1.5 - 2.0 x single berth	1.5 - 2.0 x single berth
*Surcharge	Surcharge per person, per day, will apply where a vessel is carrying more than two persons over the age of ten years. The surcharge will apply only to the additional persons carried.	\$5.00	\$5.00 (No change)
<b>Public Boat Ramp</b>			
Annual Launching Permit, valid until 30 June	1 July – 30 June (incl GST)	\$105.00	\$125.00 (20% increase)
	1 Oct – 30 June (incl GST)	\$96.00	\$105.00 (20% increase)
	1 Jan – 30 June (incl GST)	\$83.00	\$90.00 (20% increase)
	1 Apr – 30 June (incl GST)	\$71.00	\$78.00 (20% increase)
Casual use	Per launch, pay at meters (incl GST)	\$5.00	\$6.00 (20% increase)



# Fees under the Urban Environments Bylaw

	2022/23 Fees	2023/24 (Proposed increase of 20%)
<b>Burial Plots</b>		
Adult Plot	\$2,486	\$2983
Child Plot (1 – 12)	\$1,355	\$1626
Infant Plot - up to 1 year including stillborn	No charge	No change
<b>Ash Plots</b>		
Lawn Ash Plot	\$676	\$811
Standard Ash Plot (up to two urns)	\$755	\$906
Family Ash Plot (up to eight urns)	\$1,355	\$1,626
Plaque Only Plot	\$286	\$343
<b>Burial Interments</b>		
Adult Burial	\$1,084	\$1,300
Child Burial (1-12 years)	\$620	\$744
Infant burial (up to 1 year including stillborn)	\$300	\$360
Disinterment	\$3,014	\$3,617
Reinterment	\$1,279	\$1,535
<b>Ashes Interments</b>		
Ash Interment	\$234	\$281
Ash Interment - Double	New fee	\$393 (70% of double interment)
Ash Disinterment	\$234	\$281
Weekend additional fee on any plot (Sat and Sun, 10am – 2pm)	\$229	\$275

## Fees under the Urban Environments Bylaw (continued)

	2022/23 Fees	2023/24 (Proposed increase of 20%)
<b>Additional Fees</b>		
Out of District– Non-Nelson Resident (Burial Plot)	\$1,733	\$2,080
Out of District – Non-Nelson Resident (Ash Plot)	\$603	\$724
Weekend Burial	\$263	\$316
Weekend Ash interment	\$229	\$275
Public Holiday – Ash Interment	\$297	\$356
Public Holiday – Burial	\$679	\$815
Late fee p/hr	\$299	\$359
Transfer of interest: For transfer of interest in any purchase of exclusive right of burial in any plot.	\$151	\$181
Approval of installation of plaque: Plaques are to meet the Council's specifications and bylaws.	\$91	\$109
Records: Genealogical Research - the first hour is free, thereafter a single charge per hour is due.	\$77	\$92

## Statement of proposal

# Crematorium

	2022/23 Fees	2023/24 (Proposed increase of 20%)
<b>Hire</b>		
Adult Cremation	\$684	\$821
Oversize Casket cremation	\$891	\$1,069
Child Cremation (1-12 years)	\$548	\$658
Infant Cremation	No charge	No change
<b>Additional Cremation Fees</b>		
Out of Hours - Adult Cremation	\$137	\$164
Out of Hours - Child Cremation	\$70	\$84
Saturday – Adult Cremation	\$137	\$164
Saturday – Child Cremation	\$70	\$84
Sunday or public holiday – Adult Cremation	\$343	\$412
Sundays or public holiday – Child Cremation	\$136	\$163
Chapel Hire – Service (30 minutes to 2 hours)	\$326	\$391
Chapel Hire – Committal (up to 30 minutes)	\$66	\$79

# Building

## All applications are subject to the following fees:

1. Deposits are non-refundable as listed in the following tables. Payment is due upon application. Where costs incurred are not fully covered by the deposit, additional charges will be applied at the hourly rate. Deposit includes system fee.

System fees based on value of work: Provider will increase system fees to:

- » \$132 from \$125 as of 30 June 2023
- » \$80 for up to \$10,000 – was \$75
- » \$132 for \$10,001 to \$600,000 – was \$125
- » \$264 for over \$600,000 – was 250

2. Upon granting of building consent - additional costs will be invoiced and must be paid prior to issue of building consent. These include specialist fees, staff time at hourly charge out rate above deposit, plus estimated inspections fees, all levies and development contributions as applicable.
3. Before issue of code compliance certificate – all costs will be reconciled against payments made and the difference will be invoiced, to be paid prior to code compliance certificate issue.

Development Contributions - Building consents may also incur development contributions, see website information: [nelson.govt.nz/developmentcontributions](https://nelson.govt.nz/developmentcontributions)

The table below applies to all applications: commercial, residential, new, alteration and additions .

Building Consent Value of Work	Deposit 2022/23	Proposed deposit 2023/24 Plus system fee increase
<b>Hire</b>		
Up to \$5,000	\$787	\$900
\$5,001 to \$10,000	\$1,049	\$1,198
\$10,001 to \$20,000	\$1,752	\$1,998
\$20,001 to \$50,000	\$2,549	\$2,904
\$50,001 to \$100,000	\$2,790	\$3,178
\$100,001 to \$200,000	\$3,252	\$3,703
\$200,001 to \$400,000	\$4,196	\$4,775
\$400,001 to \$600,000	\$5,245	\$5,967
\$600,001 to \$800,000	\$6,294	\$7,157
\$800,001 to \$1,200,000	\$7,343	\$8,359
\$1,200,001 to \$4,000,000	\$7,868	\$8,956
\$4,000,001 or more	\$9,966	\$11,340
<b>Amendment to issued building consent</b>	<b>\$450</b>	<b>\$515</b>
<b>Minor variation</b>	<b>\$84</b>	<b>\$95</b>



## Statement of proposal

### Building (continued)

Levies - fixed and required under Building Act 2004 - fee based on value of work. <i>Note: An amendment that adds value to the original consent may cause it to incur (additional) levies</i>	2022/23 levy fees	2023/24 proposed Levy fees
BRANZ Levy - Building Research Association New Zealand Levy where estimated value is \$20,000 and over	\$1.00 per \$1,000	No change
MBIE Levy - Ministry of Business, Innovation and Employment Levy where estimated value is \$20,444 and over	\$1.75 per \$1,000	No Change
Insurance Levy - where estimated value is \$20,000 and over (capped at value of \$10,000,000)	\$1.60 per \$1,000	\$1.72 per \$1,000
QA Levy - Quality Assurance/Building Consent Authority Levy - where estimated value is \$20,000 and over	\$3.15 per \$1,000	\$3.38 per \$1,000

Hourly charge out rates for staff, meetings, and external contractors	2022/23 proposed hourly chargeout rates	2023/24 proposed hourly chargeout rates
Building Control Administrators and Residential Building (Technical) Officers	\$172	\$187
Commercial Building (Technical) Officers (includes any commercial meeting with customer/project managers etc.)	\$210	\$225
Any other meeting with Building Unit Staff or Duty Building Officer - chargeable after first 30 minutes.	\$172	\$187
External contractors or specialists engaged by Council	At cost	At Cost
Debt recovery Applicant shall be liable for all costs incurred by Council as a result of debt recovery. In making an application to Council you agree to abide by the Council Debtor Terms and Conditions: <a href="http://www.nelson.govt.nz/assets/Our-council/Downloads/working-with-council/customer-accounts/Debtor-Terms-Conditions.pdf">www.nelson.govt.nz/assets/Our-council/Downloads/working-with-council/customer-accounts/Debtor-Terms-Conditions.pdf</a>	Hourly rate	Hourly rate

### Building (continued)

Minor works	2022/23 deposit	Proposed 2023/24 deposit
Swimming pool fencing application	\$472	\$506
Solid fuel burner/Space heater	\$450	\$482
Inbuilt burner/heater requiring extra cavity inspection	\$625	\$670
Demolition work	\$661	\$709
Marquee – Private/Residential > 100m2	\$399	\$428
Marquee: Any size in place for more than one month, commercial/ private	\$661	\$709
Express Service for Commercial Marquees (less than 20 working days' notice)	\$1,385	\$1,574
Swimming Pool Application	\$1,101	\$1,180
Bathroom Alterations including wet area shower	\$1,254	\$1,344
Proprietary Garage (value under \$20,000)	\$1,747	\$1,873
Any Relocated dwelling	\$2,444	\$2,727

Works for which a Building Consent is Not Required	2022/23 deposit	Proposed 2023/24 deposit
Notification of Exempt Work - Schedule 1 (except clause 2) No assessment by Territorial Authority, filed on Property File. One-off fixed fee	\$267	\$286
Application for Discretionary Exemption – Schedule 1 (2) only. Requires Territorial Authority assessment and decision.	\$336	\$382
Unauthorised building works report (works prior to 1991) to file	\$267	\$286

## Statement of proposal

### Building (continued)

Certificate of Acceptance (COA)	2022/23 levy fees	2023/24 proposed Levy fees
<p>In addition to an application fee of \$1,194, the following costs will be applied:</p> <ul style="list-style-type: none"> <li>any applicable fees (including processing, inspections, administration at current hourly rates) and levies that would have been payable had building consent been applied for BEFORE carrying out the work</li> <li>Any specialist input, where applicable, will be charged out at cost.</li> </ul> <p>All building work completed without a building consent or exemption will require a COA. If a COA is not applied for, a Notice to Fix will be issued.</p>	<p>\$1,050</p> <p>At current rates</p> <p>At cost</p>	<p>\$1,194</p> <p>At current rates</p> <p>At cost</p>

Notice to Fix (NTF) and Other Enforcement	Deposit	Proposed 2023/24 deposit
Notice to fix (each) issue	\$545	\$584
Other notices (each) issued under Building Act 2004	\$184	\$197
Section 124 notices for Dangerous or Insanitary Buildings (except where issued as a result of a natural disaster)	\$545	\$584
Building Officer time and monitoring of notices issued	Hourly rate	Hourly rate

Registration of Documents with Land Information New Zealand	Deposit	Proposed 2023/24 deposit
Section 73 Building Act 2004	\$477	\$542
Section 75 Building Act 2004	\$477	\$542
Removal of section 73 or 75 (or equivalent under Building Act '91)	\$477	\$542

## Statement of proposal

### Building (continued)

Other Services Provided by the Building Unit	Deposit	Proposed 2023/24 deposit
Project Information Memorandum (PIM) Only required if the PIM application is not part of a building consent application	\$320	\$364
Compliance schedule - New	\$420	\$477
Compliance schedule - Amendment	\$262	\$295
Building Warrant of Fitness (BWof) renewal	\$189	\$205
BWof back flow preventer only. Any additional time to review 12A forms at hourly charge out rate	\$52	\$56
BWof audit	\$189	\$215
Swimming pool barrier audit	\$189	\$205
Determinations, lapsing consents, extension of time, code compliance decision	Hourly rate	Hourly rate
Certificate for public use (CPU)	\$425	\$480
CPU extension of time	\$640	\$700
Minor variation	\$84	\$90
Amendment to issued building consent	\$450	\$490
Building code clause modifications or waivers. e.g., B2 Mod-Durability	\$199	\$225
Historic building consent - file review	\$250	\$270
Certificate of compliance (District Licensing Agency) Building code compliance assessment for fire safety and sanitary facilities in a building, prior to an alcohol license application	\$168	\$190
Commercial report of Monthly Building Consents Issued - Annual Fee	\$273	\$310
Commercial report of Monthly & Mid-monthly Building Consents Issued - Annual Fee	\$577	\$650

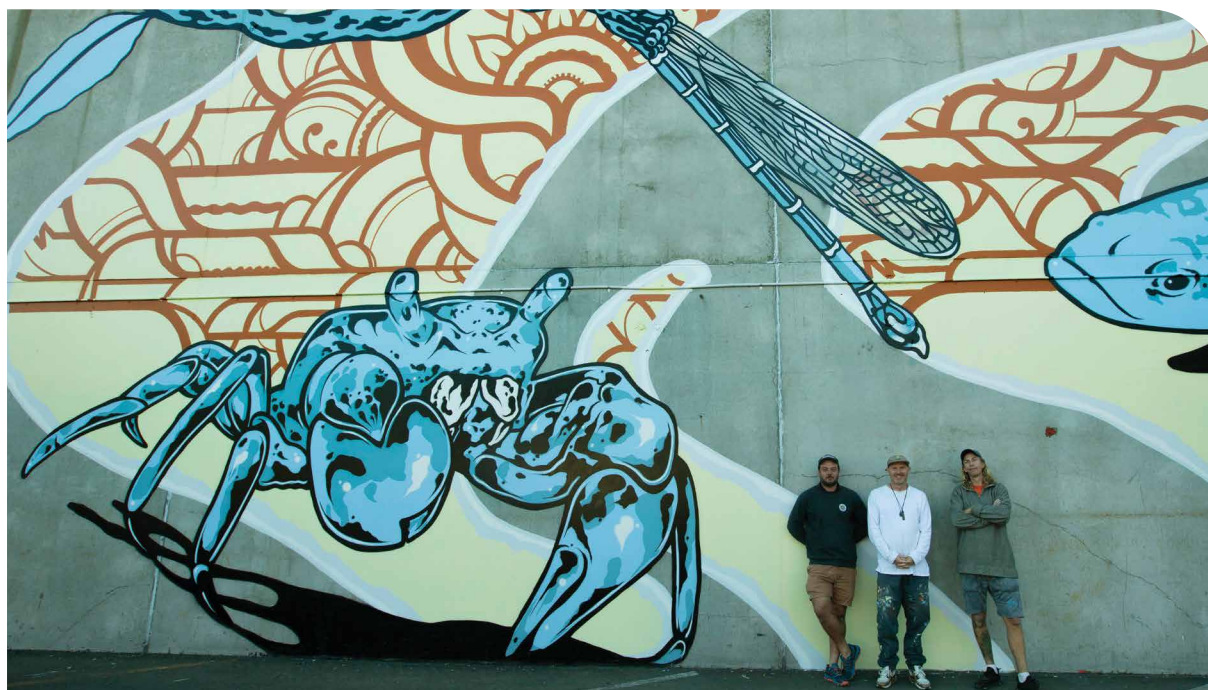


## Statement of proposal

### Building (continued)

Earthquake Prone Buildings	Deposit	Proposed 2023/24 deposit
Application for Exemption, for an Earthquake Prone (EQP) Building	\$650	\$697
Application for Extension of time for Heritage Earthquake Prone Building	\$650	\$697
Assessment of information related to a Building's EQP status	\$650	\$697

LIMS	Deposit	Proposed 2023/24 deposit
Residential	\$315	\$338
Commercial	\$483	\$518
Multiple titles charged at hourly rate	Hourly rate	Hourly rate
Proposed LIM Cancellation Fee – New Fee made up of EIL charges \$81.33, Administration time and Finance processing time to provide refund	New fee	\$123



# Environmental health licence fees

Licence and Activity Fees	\$if paid on or before 31 July	\$if paid on or before 31 July	\$if paid after 31 July	\$if paid after 31 July
Hairdressers	\$170	\$205	\$204	\$245
Offensive trades	\$255	\$305	\$306	\$365
Camping grounds	\$283	\$340	\$340	\$405
Funeral directors	\$178	\$215	\$235	\$280
Transfer of registration	\$79 per transfer	\$95 per transfer	\$79 per transfer	\$95 per transfer
Inspection of non-commercial support base	\$79 per inspection	\$95 per inspection	\$94 per inspection	\$112 per inspection
Animal control (other than dogs) time taken at hourly charge out rate	\$170 per hour	\$187 per hour	\$170 per hour	\$187 per hour
Processing site marine contingency plans	\$170 per hour	\$187 per hour	\$170 per hour	\$187 per hour
Pollution response – hourly charge out rate – disbursements	\$170 per hour	\$187 per hour	\$170 per hour	\$187 per hour

## Submission form

# How to have your say Whakahoki Kōrero mai

### We want to hear from you

Please look through what we propose, consider your priorities, and let us know what you think. You can write a submission on the enclosed form or online at [nelson.govt.nz](https://nelson.govt.nz) by 30 April 2023.

### Consultation documents are available from:

- Our Customer Service Centre at the corner of Trafalgar and Halifax Streets
- The public libraries in Nelson, Tāhunanui and Stoke
- Online at [nelson.govt.nz](https://nelson.govt.nz)

### More information

Online: Supporting information is available on our website at [nelson.govt.nz](https://nelson.govt.nz)

Talk to a person: Call us on 03 546 0200 to answer your questions or send you more information

Social Media: Join the conversation at [facebook.com/nelsoncitycouncil](https://facebook.com/nelsoncitycouncil)



# Submission Form

## Puka whakahoki kōrero

### Annual Plan 2023/24 Consultation Document and Statement of Proposal on changes to fees and charges

Name \_\_\_\_\_

Organisation represented: (if applicable) \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_

Do you wish to speak at the hearing? **Yes / No**

If you do not circle either, we will assume you do not wish to be heard. If you wish to present your submission at the hearing in Te Reo Māori or New Zealand sign language please include this information in your submission.

Have you ever taken part in a Nelson City Council consultation before? **Yes / No**

**Public Information:** All submissions (including your name and contact details) will be provided to Council officers for administration and analysing feedback, and to those who are involved in decision making on the consultation. All submissions, including submitter names (unless you request otherwise) but not contact details, will be publicly available online. Note, Council is subject to the Local Government Official Information and Meetings Act 1987 and a request for official information may cover your submission, including your address and other contact details.

You do not have to answer every question.

#### Submissions can be made:

-  Online at **nelson.govt.nz**
-  Dropping off to Civic House, 110 Trafalgar Street, Nelson City Council
-  By post to Nelson City Council, PO Box 645, Nelson 7040, Freepost 76919, or email **submissions@ncc.govt.nz**

#### Comments on the Consultation Document

**Question 1:** Do you support Council's steps to minimise the rates rise to an average of 7.2%

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_





**Question 2:** Do you agree we should fund the August 2022 severe weather event recovery work over ten years?

**Question 3:** Do you agree with us reducing 2023/24 funding from \$17.8 million to \$200,000 and a new focus to investigate opportunities for a community hub, including a library, in a new city centre location?

**Question 4:** Do you agree we should be accelerating infrastructure upgrades in the city centre to enable central city living and receive central government funding?

**Question 5:** Do you agree we should allocate funding in 2023/24 of \$606,000 to undertake pre-planning work on the utility and transport connections to the proposed Maitahi Bayview Development subdivision (Maitai Valley) to inform consultation in the Long Term Plan 2024-34?

**General comments**

**Comments on the Statement of Proposal on changes to fees and charges**

Feedback on proposed changes to fees and charges

*Please attach additional sheets if needed.*

**Have your say!**

Civic House, 110 Trafalgar St,  
Nelson PO Box 645, Nelson, 7040  
[enquiry@ncc.govt.nz](mailto:enquiry@ncc.govt.nz)

03 546 0200

[nelson.govt.nz](http://nelson.govt.nz)

## Discuss our proposed changes

Mayor Nick Smith and other elected members will be at the Nelson Market every Saturday throughout the consultation period.

If you have any questions about the proposed changes or making a submission please come and say hello.

- Saturday 1 April
- Saturday 8 April
- Saturday 15 April
- Saturday 22 April
- Saturday 29 April












# Contact us

## Contact information

 Civic House, 110 Trafalgar Street, Nelson City Council

 PO Box 645, Nelson, 7040

 [enquiry@ncc.govt.nz](mailto:enquiry@ncc.govt.nz)

 03 546 0200

 [nelson.govt.nz](https://nelson.govt.nz)

**Remember to get your  
feedback in by 30 April 2023.**