



# An even better place to live

PLANNING  
NELSON'S FUTURE

Consultation Document  
for Nelson City *Draft*  
Annual Plan 2017/2018

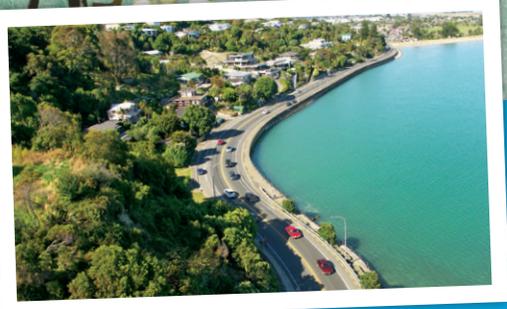
Variations to year three of Nelson's  
Long Term Plan 2015-25



**YOUR NELSON**  
*Your Say*

 Nelson City Council  
te kaunihera o whakatū

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VARIATIONS TO  
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THE FINANCIALS:  
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HOW YOUR  
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IS SPENT



# THE DRAFT ANNUAL PLAN 2017/18 IS OPEN FOR SUBMISSIONS

Council's draft Annual Plan outlines what Council plans to do differently in 2017/18 to what was approved in the Long Term Plan 2015-25.

It is what is known as an exceptions document and contains changes to Year Three (2017/18) of the Long Term Plan 2015-25.

In this Consultation Document, you can read a summary of the draft Annual Plan 2017/18 and see the main changes at a glance. A more complete list of changes and financial tables is contained in the full draft Annual Plan 2017/18. This is available from Civic House, all Nelson City Council Public Libraries, or online at [www.nelson.govt.nz](http://www.nelson.govt.nz).

Submissions on the draft Annual Plan 2017/18 can be made online or by using the submission form at the back of this document. **Submissions need to be received by 5pm 18 April 2017.**

As part of the consultation on the draft Annual Plan 2017/18, there will be public drop-in sessions as follows:

- Monday 27 March, 5-6pm, Elma Turner Library.
- Wednesday 29 March, 12-1pm, Stoke Library.
- Saturday 1 April, 8am- 1pm, Nelson Market, Montgomery Square.
- Sunday 9 April, 1-2pm, Nightingale Library Memorial.



## MAYOR'S MESSAGE

### Welcome to the Consultation Document for the Draft Annual Plan 2017/18.

I am pleased that this Annual Plan will continue the momentum of our Long Term Plan and deliver on a programme of works that builds a platform for success to support our growing region.

In our long term planning, we outlined significant investment in core infrastructure and this work continues as part of this Plan. We are committed to supporting our city's development and protecting our private and public assets.

For the 2017/18 year, the capital programme is proposed to be \$47.3m. Projects include important stormwater and flood protection projects at York Stream and Saxton Creek; walking and cycling projects throughout the city; and Neale Park pump station upgrade.

We are also working to ensure our community is well supported through high quality facilities and this year we will see the completion of Greenmeadows Community Centre. There will also be more engagement with residents of Stoke over the year as we work on a range of initiatives to support our fastest growing suburb, Stoke.

In 2017/18, we will continue work on the development of the Haven Precinct. This is an important land activation project that aims to make the most of our city to sea linkage and beautiful natural and recreational assets. It's an opportunity to think about our future as a city; about how we want to enjoy our public spaces; and how we want to grow as a community.

The Church Street precinct is a project we will see come to life, as part of this Annual Plan. We have been collaborating with Church St business owners and landowners on a plan to transform

the inner city lane into an active public space.

Partnerships are a cornerstone of our Long Term Plan. They stretch resources further and help us to achieve our goals as a community.

Another example of this is the role that the Brook Waimarama Sanctuary plays in achieving biodiversity gains in our region. Council has set aside funds to support the Sanctuary as it works towards achieving the objectives of a fenced sanctuary for Nelsonians and visitors to experience.

The Nelson Regional Development Agency will receive funding for a programme to attract investment, visitors and talent to our region. I am proud to call Nelson home and look forward to encouraging more people to work with us to make Nelson an even better place.

Enjoying the outdoors is something our community is very passionate about. We have been working closely with the mountain biking community to deliver on planned projects that will enhance the Nelson surrounds and create world class mountain biking facilities.

Two new mountain bike tracks to link the Maitai to the Tantragee Saddle are planned in the next year as well as design work for a new mountain bike hub in the Maitai Valley. These projects not only help us to enjoy our beautiful environment, but also afford us an opportunity to encourage more visitors to our region.

Our Council is committed to ensuring clarity for our community, and I have asked for this regarding the Nelson Southern Link Investigation. Providing a plan for our arterial transport network is critical to enhancing our waterfront and how we plan to grow as a city.

This Annual Plan must balance the commitments made as part of our Long Term Plan, with

the evolving needs and aspirations of our community. Setting priorities is critical and each year we need a deliverable plan that achieves as much as possible, with the resources we have available. Some of the projects we have considered will be looked at as part of next year's Long Term Plan, while others which were planned for this year, have been re-prioritised in future years.

We know that while there is a need for investment to ensure we achieve our goals as a community, balancing this need with affordability for you, our ratepayers, is just as important.

We are proposing a rates increase of 2.8% in 2017/18 – in line with what we said we would deliver in our Long Term Plan.

Your feedback on what is proposed in this document is important as we all have a part to play in creating a great place to live, work and play. I want to hear your thoughts on the budgets and plans for the next 12 months and the years ahead. Are there projects you think should be removed? Are there projects you want brought forward? Are there new projects you want included?

I look forward to hearing your thoughts and ideas.

**Rachel Reese**  
Mayor of Nelson



# VARIATIONS TO THE 2017/18 WORK PROGRAMME

The following sections cover a *selection* of changes in activity areas from what was stated in Year Three (2017/18) of the Long Term Plan 2015-25. More changes are included in the draft Annual Plan 2017/18.

## TRANSPORT

### Maitai Valley Road Shared Path

As a result of the Council decision in December 2016 to make the Maitai Path between the Nile and Cloustone Bridges for pedestrians only, there is a need to improve cycling connections between the Nile Street Shared Path and Branford Park. This work builds on Council's adoption of the Out and About On Tracks Strategy and \$150,000<sup>1</sup> is proposed in this Annual Plan for the project.

### Maitai Shared Path to Anzac Park

In addition to the Maitai Path to eastern residential areas project, Council also proposes to include funding of \$50,000<sup>2</sup> in 2017/18 for a strategic business case and design and development for the Maitai Shared Path to Anzac Park. Design in 2017/18 will mean that this section of the shared path can be funded for construction through the Long Term Plan 2018-28. This section (Anzac Park to Maitai) would complete the temporary alignment for the Great Taste Trail. In the long term, the Nelson Tasman Cycle Trail Trust's desire is to continue the trail around the coast through Urban Cycleway Projects which are currently under development.

### Saltwater Creek Bridge

Preliminary design work has been carried out on the replacement of the existing narrow Saltwater Creek Bridge. That design work has shown that the current budget is insufficient to deliver a new bridge that works functionally by providing shallow grades that are easy to walk and cycle, as well as being aesthetically pleasing. The expected cost in 2017/18 is \$750,000 and this is proposed in the Annual Plan 2017/18. This is an increase of \$387,000 from what was originally included. This project is co-funded with NZTA and the Urban Cycleways Fund.

### Stoke Bus Loop-reduction in coverage and frequency

The Stoke Bus Loop, introduced in December 2015, has had very poor patronage. As a result, Council proposes to reduce the operating budget to \$80,000 and the frequency and network coverage in the Stoke area to better match the demand that currently exists. Patronage from the reduced service, along with public and user feedback will provide Council with information about which services in the Stoke area can be successful. As part of the development of the Nelson Regional Public Transport Plan in 2017/18, Council will carry out a review of all bus services, including those in Stoke.

### Central city enhancement

As part of the Long Term Plan 2015-25, Council set aside \$894,000 over the four years from 2015/16 to 2018/19 for capital projects to enhance the central business district. Enhancements in Church Street have been identified as a project that would benefit the city and where there are willing partners to collaborate with Council. \$500,000 is allocated from this funding in 2017/18 and the partnership approach has seen discussions with Church Street businesses about contributing to the project.

### Conversion to LED lights

This is the start of a bigger, city-wide project to look at converting Nelson's streetlights from old mercury vapour and high pressure sodium lights to more efficient and cost effective light-emitting diode (LED) lighting. Budget allocated in 2017/18 for this work (\$53,000)<sup>3</sup> is reallocated from savings in other transport projects, and will provide funding for the finalisation of the business case, tender, procurement and fitting trials. It is expected that LED lighting will lead to significant power savings, with a payback period of 5-8 years. International experience has shown that white light is also a factor in crime prevention, delivers greater comfort and security, and improves visibility and reaction times for drivers and pedestrians, resulting in fewer vehicle crashes and injuries.

## UTILITIES (WATER SUPPLY, WASTEWATER, STORMWATER AND FLOOD PROTECTION)

### Atawhai Number 2 Reservoir

This project, to identify and purchase a site for a future reservoir for the Atawhai area, was deferred during the Annual Plan 2016/17, for resourcing reasons, and is now scheduled in 2017/18 and 2018/19, with budget of \$190,000 included in 2017/18 and \$111,000 moved to 2018/19. Construction of the reservoir is not planned until 2021-2023 and will not be impacted by this timing change.

### York Stream channel upgrade

This project is to upgrade the level of flood protection to infrastructure and properties adjacent to York Stream. This is a multi-year project with some stages already completed. In order to complete the last stage of the pipework, from Bishopdale Reserve to Kawai Street, plus the installation of the intake structure in Bishopdale Reserve before the resource consent expires, \$529,000 has been brought forward from 2018/19 to 2017/18. The total budget in

2017/18 will be \$1.06 million. The staging of this project was changed slightly to allow the work under Waimea Road to proceed first, in order for the road resurfacing works to keep to schedule.

### Water treatment plant membranes

The membranes at the water treatment plant are used to filter the water and provide the highest quality of water to Nelson residents. Train five has recently been commissioned to provide greater operational flexibility. The remaining membranes in the other four trains are older, and although they have been functioning well beyond their ten year expected life, they are now showing signs of degradation. To address this, and to continue to provide the city with good quality water, Council is proposing to replace two trains of membranes each year over two years, rather than the four years as was provided for in the Long Term Plan. The Works and Infrastructure Committee has recommended the change which provides an adjusted budget of \$2.02 million in 2016/17 and \$467,000 in 2017/18. This includes an additional \$352,000<sup>4</sup> in funding as a result of the most recent pricing for the membranes being used.

### Neale Park pump station

This multi-year project to redevelop and upgrade the pump station at Neale Park, to reduce odour and provide peak flow pumping requirements, has had changes due to the timing of tendering and construction. The unspent budget in 2016/17 (\$2 million) will be shifted to 2017/18 and an additional \$404,000 has been allocated in 2017/18 to complete the project. The additional \$404,000 is as a result of updated construction estimates which project a shortfall and was approved by Council in December 2016. The total budget for the project in 2017/18 is now \$5.564 million.

### Saxton Creek

\$190,000 has been included in 2017/18 for design of the stormwater upgrade from Main Road Stoke to the sea as part of the Saxton Creek upgrade. This funding has been brought forward from 2022/23 and is for the section of Saxton Creek, from the culverts under Main Road Stoke, through the Wakatu Industrial Estate, and under the state highway at Wakatu Drive to the sea. The additional \$190,000 is to allow the design and resource consent to be completed during 2017/18. The timing of the construction will be reconsidered through the Long Term Plan 2018-28. This change was recommended by Works and Infrastructure Committee in February 2017.

Council resolved in December 2016 to move \$500,000 from 2016/17 to 2017/18 as a result of construction timing changes and landowner

<sup>1</sup> Funded by cash surpluses from depreciation.

<sup>2</sup> Funded by NZTA subsidy and by cash surpluses from depreciation, and debt which is serviced from the general rate.

<sup>3</sup> Funded by NZTA subsidy and by cash surpluses from depreciation, and debt which is serviced from the general rate.

<sup>4</sup> Funded by cash surpluses from depreciation, and debt which is serviced from the water rates and volumetric charges.



negotiations for this Saxton Creek upgrade programme. This will bring the total budget in 2017/18 to \$2.08 million for this section of the project.

### Awatea Place wastewater

Council has purchased a site from Nelson Airport to construct a single new pump station at the end of Awatea Place. There are two pump stations on Parkers Road which handle wastewater from the Annesbrook and Tahunanui areas and both are reaching the end of their service life and would need full renewal in the next five to ten years, so it is more cost effective to replace them with a single pump station. Design work is underway and is scheduled to extend into 2017/18. There will be unspent budget from 2016/17 which will be carried forward (\$200,000) to align with the scheduled delivery programme. This change was approved by Council in December 2016. The total budget for 2017/18 is proposed to be \$253,000.

### Preparing for growth and hazards

#### Network capacity confirmation for growth areas (stormwater and wastewater)

Two projects to check the capacity of the stormwater and sewer network downstream of potential growth areas require additional work due to increased development. The budget has been increased by a total of (\$60,000) to reflect this, which will help to ensure that Council and the community are informed of servicing constraints to growth.

#### Natural hazards risk assessment (wastewater and water supply)

Two projects to identify the risks to the wastewater and water networks from natural hazards were deferred through the Annual Plan 2016/17, while central government (through Treasury) undertook a similar project for Nelson. Council proposes to continue this risk assessment in 2017/18, to complement the work that has already been completed by central government, at a total cost of \$92,000.

### Timing changes

In the Long Term Plan 2015-25, Council agreed to a significant programme of works for improvements to the stormwater network throughout the city. The total budget for expenditure in the stormwater activity, over the ten years of the Long Term Plan 2015-2025, was \$73.7 million (uninflated). To ensure there are adequate resources to complete projects to a high standard, a number of lower priority projects have had timing changes. The stormwater projects that are rescheduled in this draft Annual Plan are smaller projects with lower levels of risk, those that are best carried out in conjunction with other projects to minimise cost and disruption, or projects that have since been assessed as a lower priority than originally thought. The rescheduling to future years does not impact on Council's commitment to providing an adequate stormwater network to the city but makes best use of existing resources.

Council has deferred the following stormwater projects as a result of the prioritisation exercise:

- **Nayland Road/Galway** - to address localised flooding to a small number of properties.
- **Montcalm/Arrow/Washington Valley/Hastings** - to complete design and then construct an upgraded stormwater system for Washington

Valley. The first stage of the project was completed in 2015/16.

- **Kauri Street** - to install stormwater pipes in areas where there are none currently.
- **Vanguard Street stormwater** - to review the capacity of St Vincent and Vanguard Streets stormwater and secondary flow paths.
- **Renwick/Wellington Street/Waimea Road** - to upgrade stormwater.
- **Kauri/Matai/Titoki/Ranui** - to install stormwater pipes at Matai/Titoki/Ranui streets.
- **Karaka** - to install stormwater pipes.
- **Coleridge Place** – secondary flow path - to deal with issues that occur during high rainfall.
- **Ashdonleigh Grove Stormwater** - to carry out further investigations on improvements on Ashdonleigh Grove.
- **Annesbrook Drive Stormwater** - to upgrade stormwater.
- **Marsden Road stormwater** - to consider improvements on a section of Marsden Road.
- **Railway Reserve (Bishopdale to St Vincent)** – stormwater improvements.
- **Nile Street East right of way** - to investigate providing a public stormwater drain at the Nile Street East right of way.

Please contact our Customer Service Centre (546 0200), if you want more information on any of the above projects affected by timing change.

## ENVIRONMENT

### Woodburner behaviour change programme

Council budgeted funding as part of the Annual Plan 2016/17 for a behaviour change programme to assist with helping people to use their woodburners better, identified during the Woodburner Plan Change. An additional \$40,000 funding for the programme is proposed in 2017/18, bringing the total air quality promotion budget to \$56,000. Air quality promotion includes the Good Wood Scheme, and an extended community education programme to improve how people operate their woodburners, including advice from Council's Eco-Design Adviser.

### Healthy streams projects

This project is to deliver catchment based projects to continue the critical work that Project Maitai/Mahitahi has started. It was included in Year Three of the Long Term Plan 2015-25, but it has been proposed to commence this in 2018/19, on completion of Project Maitai/Mahitahi (\$105,000).

## SOCIAL

### Spotlight on Stoke

There will be further engagement with the Stoke community in 2017/18 about developments in Stoke.

The Stoke Greenmeadows Community Centre is under construction currently. Some budget for the project will be carried forward to 2017/18 to allow completion. The total budget for this project is \$6.49 million, with \$1.3 million now included in 2017/18. The Stoke Greenmeadows Community Centre is due for completion in November 2017



and operational costs for this facility are included from this date.

A new pedestrian refuge<sup>5</sup> will be installed in 2017/18 to ensure a strong connection between the Greenmeadows Community Centre facility and the business and retail heart of Stoke.

### Festivals

In the Long Term Plan 2015-25, Council decided to look at options for external governance of the Nelson Arts Festival, including the Readers and Writers Festival and Masked Parade, and budgets were allocated on the assumption that the festival would be provided under an external governance structure. The Transition Group is yet to report back and is still considering options. A transition plan for the preferred option would need to be prepared, therefore changes will not come into effect in 2017/18 and the festival will still be run in-house.

### Refinery Gallery

Council resolved that the Refinery Gallery building be strengthened during 2017/18. Council now considers that the strengthening and extension should be deferred from 2017/18 until further decision on the Refinery site is made. In the meantime, \$75,000 is proposed to be included in the draft Annual Plan 2017/18, for insulation and heating improvements, to allow the Gallery to be used as a community arts space throughout the winter.

Related to this, a grant was provided to the Arts Council Nelson for management of the Refinery Gallery as a community arts space in 2016/17 and this will be continued in 2017/18 (\$30,000).

### Suter Gallery grant

The Suter Gallery has recently undergone a full redevelopment and as a result does not need \$108,000 maintenance funding from Council in 2017/18. Managing the new building brings greater operational costs however, and Council proposes to increase the operating grant by \$62,000<sup>6</sup> in 2017/18 to a total of \$550,000. Overall, the funding provided to the Suter is reduced by \$46,000 in 2017/18.

### Nightingale Library Memorial

Council has brought forward funding for the Nightingale Library Memorial refurbishment and development as a community hub from 2021/22. Construction is scheduled for 2017/18 with a budget of \$245,000, which is partially funded by a bequest of \$134,000.

### Community housing

Council tendered the contract for management of community housing in 2016 and included new requirements aimed at ensuring the needs of tenants are being well provided for. This reflects the importance to Council of ensuring its tenants are safely and comfortably housed. An additional \$80,500 in 2017/18 is provided from rates to support this work. This decision was made by Council in December 2016.

<sup>5</sup> Funded by cash surpluses from depreciation, and debt which is serviced from the general rate.

<sup>6</sup> Funded from the general rate.

## PARKS AND ACTIVE RECREATION

### Brook Waimarama Sanctuary grant

As a result of delays caused by a range of factors (weather events, compliance with consent conditions, completion of pest-proof flood gate), the start of the removal of pest species from the sanctuary has been delayed a year. This has meant there is an additional, unplanned year of general operations. Council proposes to support the Trust to ensure the Brook Waimarama Sanctuary can deliver against its objectives. Additional funding of \$178,000<sup>7</sup> (operational expenditure) is proposed to be provided in the Annual Plan 2017/18 for this work and is conditional on an adjusted business model. This will bring the total provided to the Trust in 2017/18 to \$250,000.

### Rutherford Park play space

Funding for a play space near the Maitai shared path in Rutherford Park was included in the Long Term Plan 2015-25, to attract families to the central city and to support increasing activity levels in the park. During the Annual Plan 2016/17, the budget for this play space (\$614,000) was moved to the 2017/18 financial year while partner funding was explored, recognising that a high quality play space requires a significant investment. Council now proposes to move this funding from 2017/18 to allow activation of Rutherford Park in a logical manner, taking into account other projects in the area including the Elma Turner library redevelopment. Budget of \$527,000 for a toilet block near the play space has also moved from 2017/18 to allow this to be integrated appropriately with the playground project design. These projects will be further considered through the Long Term Plan 2018-28.

### Marina

Council proposes to include \$40,000<sup>8</sup> for a development plan to be prepared once the Marina Strategy has been agreed. This work will be carried out in 2017/18 and will inform future development at the marina.

The delivery of the water sports launch ramp renewal and water sports building is both reliant on the development and agreement of the Marina Strategy, which Council is preparing during 2016/17 and the Marina Development Plan in 2017/18. Once the Strategy and Development Plan is completed, they will guide the location of both facilities. As a result, there are phasing changes to the water sports building, to ensure that budget is aligned to the years that the work will occur. \$150,000 remains in 2017/18, with \$377,000 moved to 2018/19. There is still an expectation of partner funding for this water sports building. In addition, \$60,000<sup>9</sup> has been included in 2017/18 for the renewal of the launch ramp which is a component of the water sports building.

### Trafalgar Centre and Theatre

Council included funding in the Annual Plan 2016/17 for a theatre at the Trafalgar Centre. Planning work is in progress and implementation is planned for 2017/18. In addition to this, funding of \$120,000<sup>10</sup> is proposed to be included in the Annual Plan 2017/18 to provide for storage

at the Centre. Council is also proposing to bring forward funding to 2017/18 from 2020/21 for carpet at the Trafalgar Centre which will provide protection to the basketball court when it is not in use. Acoustic advice is that a theatre can be successfully established.

### Mountain biking hub and tracks

Following on from work completed in 2016/17 on mountain bike tracks and the development of the Off-Road Tracks and Trails strategy, Council proposes to include \$60,000 in the Annual Plan 2017/18 for the development of two grade 2 or 3 mountain bike tracks to link the Maitai to the Tantragee Saddle to give access to Fringed Hill and \$20,000 to carry out preparation of a concept design for a mountain bike hub.<sup>11</sup>



## ECONOMIC

### Nelson Regional Development Agency (NRDA)

As part of the Long Term Plan 2015-25, Council had budgeted for savings of \$200,000 to be made as a result of the merger between Nelson Tasman Tourism and the Economic Development Agency. During the transition to the new organisation (called the Nelson Regional Development Agency (NRDA)), Council received advice that the proposed budget was not sufficient to deliver the desired outcomes for the region. After consulting through the Annual Plan 2016/17, Council decided to allocate an additional \$300,000 of core funding to the NRDA in 2016/17, and proposes to continue this level of core funding in 2017/18.

A further \$100,000<sup>12</sup> is proposed to be provided in 2017/18 to carry out a programme of work to attract and retain visitors, talent and investment. Council proposes to provide this funding through the Annual Plan 2017/18, conditional on the NRDA being able to leverage \$150,000 from other non-local government partners.

In light of the extra investment, the separate Economic Development Fund is being discontinued from 2017/18 (\$57,000).

### China Week

Council ran a China Week in September 2015 and proposes to include funding of \$25,000 in the Annual Plan 2017/18 so that a second China Week series of events can be held in late 2017. Preparation for this event will commence in 2016/17 with funding of \$25,000 in that financial year. This project will be funded out of an existing Special Economic Projects budget.

## CORPORATE

### National Policy Statement – Urban Development Capacity

The National Policy Statement – Urban Development Capacity (NPS-UDC) took effect on 1 December 2016 and requires Council to provide enough land for new housing and business development. There is a need to work jointly with Tasman District Council to achieve the requirements of the NPS-UDC and the work needs to ensure infrastructure project funding and timing delivers on providing for housing and business growth. As a result, there will be a need for growth modelling and capacity assessment, economic analysis, prioritising growth areas, targeted consultation and reporting and \$175,000<sup>13</sup> is proposed in this Annual Plan for the required staff resource and specialist consultancy and legal advice.

### Haven Precinct

Council included \$150,000 in the Annual Plan 2016/17 to develop early concept designs for Nelson's Haven, the 'Haven Precinct'. Now that designs have been prepared, \$600,000<sup>14</sup> is included in the Annual Plan 2017/18 to develop designs around the Reliance Building and adjacent sites including the cycle and walkways, and to investigate a parking area within the northern end of the precinct. Some preparatory work will be undertaken ahead of this in 2016/17. \$50,000 of this funding is operational, with \$550,000 for capital expenditure.

### Information Technology projects

\$890,000 of additional capital is included in 2017/18 for Council IT capital projects (a net \$326,000 is reallocated from other years). The remaining is made up of \$150,000 provision for building systems upgrade, \$80,000 for records management and \$60,000 for HR system upgrades. This includes additional funding required to achieve a solution for the Council Chamber audio visual and sound system in 2017/18 (\$112,000 additional, \$80,000 carry forward from 2016/17)<sup>15</sup>.

### Freedom camping bylaw

An additional \$15,000<sup>16</sup> is proposed to be included in 2017/18 to allow development of the proposed freedom camping bylaw to be completed. This project began in 2016/17.

### Nelson City Brass

Nelson City Brass was funded in 2016/17 to attend Civic events. Council intends to support this service during 2017/18 and the funding is \$12,000. The band are celebrating 160 years of service in 2017, and Council proposes to support this by providing \$20,000 as a contribution towards new uniforms<sup>17</sup>.

### Christmas display

Council proposes to undertake work in order to provide an improved Christmas display for 2017. This work starts in 2016/17 in order to be in place by Christmas 2017. \$100,000<sup>18</sup> is proposed to fund this in 2017/18 which would include budget for design and capital works.

7 Funded from the general rate.

8 Funded from user charges.

9 Funded by cash surpluses from depreciation.

10 Funded by debt, serviced from the general rate.

11 Funded by debt, serviced from the general rate.

12 Funded by the general rate.

13 Funded from the general rate.

14 \$250,000 is funded by debt serviced by the general rate, \$50,000 is funded by the general rate.

15 Funded by cash surpluses from depreciation, and debt which is serviced from the general rate.

16 Funded from the general rate.

17 Funded from the general rate.

18 Funded from the general rate, and debt serviced from the general rate.



# THE FINANCIALS

For the full set of financial statements, please refer to the full Draft Annual Plan 2017/18.

## WHAT HAS CHANGED?

	Annual Plan 2016/17 (\$000)	Long Term Plan 2017/18 (\$000)	Draft Annual Plan 2017/18 (\$000)	Difference to Long Term Plan 2017/18 (\$000)
Total Income	101,579	109,308	111,987	2,679
Total Operating Expenditure	97,317	100,479	97,951	(2,528)
Capital expenditure	44,725	39,296	47,280	7,984

## WHAT WILL MY NEW RATES BE?

Council proposes the overall increase in rates required for 2017/18 to be 2.8%.

Following a community consultation period running from 17 March to 18 April, Council will make decisions about the final Annual Plan 2017/18. Any changes resulting from consultation may affect the final rates and charges. For further information on how Council sets its rates and charges, please refer to the Funding Impact Statement section of the draft Annual Plan 2017/18.

## Examples of proposed rates for 2017/18

To further clarify the rates changes from 2016/17 to those for the 2017/18 rating year, a selection of properties has been shown to provide a guide. The following table is GST inclusive.

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

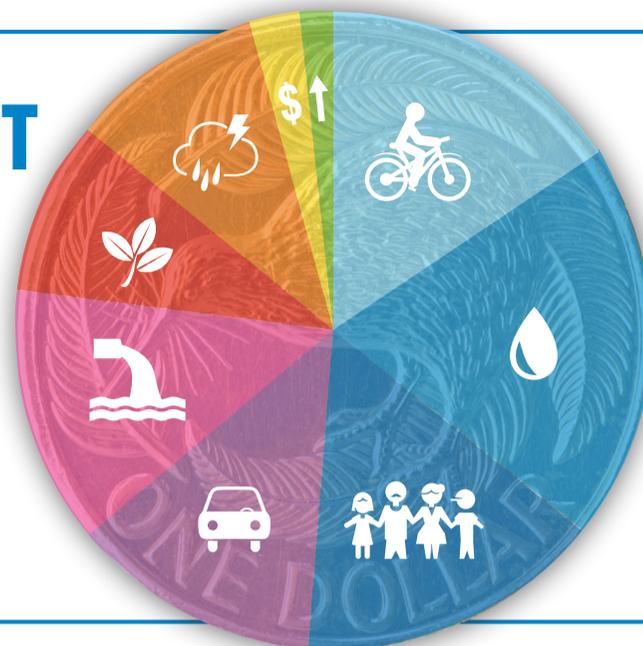
Property Type	2015 Land Value	2016/17 Rates	2017/18 Rates							
			General Rate	UAGC	Stormwater/ Flood Protection	Waste water	Water Annual Charge	Total Rates	% increase on 2016/17	\$ increase on 2016/17
Residential	\$90,000	\$1,875	\$620	\$430	\$294	\$414	\$190	\$1,948	3.86	\$72
	\$105,000	\$1,976	\$723	\$430	\$294	\$414	\$190	\$2,051	3.77	\$74
	\$125,000	\$2,111	\$861	\$430	\$294	\$414	\$190	\$2,189	3.67	\$77
	\$147,000	\$2,259	\$1,012	\$430	\$294	\$414	\$190	\$2,340	3.58	\$81
	\$210,000	\$2,683	\$1,446	\$430	\$294	\$414	\$190	\$2,774	3.37	\$91
	\$200,000	\$2,616	\$1,377	\$430	\$294	\$414	\$190	\$2,705	3.40	\$89
	\$230,000	\$2,818	\$1,583	\$430	\$294	\$414	\$190	\$2,912	3.31	\$93
	\$255,000	\$2,987	\$1,756	\$430	\$294	\$414	\$190	\$3,084	3.25	\$97
	\$315,000	\$3,391	\$2,169	\$430	\$294	\$414	\$190	\$3,497	3.13	\$106
	\$330,000	\$3,492	\$2,272	\$430	\$294	\$414	\$190	\$3,600	3.10	\$108
	\$445,000	\$4,266	\$3,064	\$430	\$294	\$414	\$190	\$4,392	2.94	\$126
\$580,000	\$5,175	\$3,993	\$430	\$294	\$414	\$190	\$5,321	2.82	\$146	
Multi Residential (Two flats - Two UAGC & Wastewater Charges)	\$220,000	\$3,897	\$1,666	\$860	\$294	\$828	\$380	\$4,028	3.37	\$131
	\$800,000	\$7,998	\$6,058	\$860	\$294	\$828	\$190	\$8,230	2.90	\$232
Empty Residential Section (Water annual charge included if water meter is installed)	\$82,000	\$1,237	\$565	\$430	\$294			\$1,289	4.19	\$52
	\$220,000	\$2,361	\$1,515	\$430	\$294		\$190	\$2,429	2.86	\$67
	\$405,000	\$3,607	\$2,788	\$430	\$294		\$190	\$3,702	2.64	\$95
Small Holding (Water annual charge included if water meter installed)	\$280,000	\$2,382	\$1,735	\$430	\$294			\$2,459	3.25	\$77
	\$385,000	\$3,213	\$2,385	\$430	\$294		\$190	\$3,300	2.69	\$86
Rural (Water annual charge included if water meter installed)	\$790,000	\$3,871	\$3,535	\$430				\$3,965	2.42	\$94
	\$1,940,000	\$9,100	\$8,681	\$430			\$190	\$9,301	2.21	\$201
Commercial - Outside Inner City / Stoke - 1 Unit	\$365,000	\$7,088	\$6,362	\$430	\$294	\$103	\$190	\$7,380	4.12	\$293
Commercial - Outside Inner City / Stoke - 2 Units	\$355,000	\$7,626	\$6,188	\$860	\$294	\$207	\$380	\$7,929	3.98	\$303
	\$335,000	\$7,096	\$5,839	\$860	\$294	\$207	\$190	\$7,391	4.15	\$294
Commercial - Stoke - 1 Unit	\$35,000	\$1,590	\$844	\$430	\$294	\$103	\$0	\$1,671	5.11	\$81
Commercial - Inner City - 2 Units	\$290,000	\$8,501	\$7,325	\$860	\$294	\$207	\$190	\$8,876	4.42	\$375
	\$330,000	\$9,468	\$8,335	\$860	\$294	\$207	\$190	\$9,887	4.42	\$418
Commercial - Inner City - 1 Unit	\$1,160,000	\$29,029	\$29,300	\$430	\$294	\$103	\$190	\$30,318	4.44	\$1,289

This table does not include water charges based on consumption. This is charged at \$1.970 per cubic meter and an average residential ratepayer uses 160 m<sup>3</sup> costing \$315.20 (GST Incl)

# HOW YOUR RATES DOLLAR IS SPENT

## Makeup of the Average Annual Rates Bill (\$2,940 incl GST)

- Parks and Active Recreation: \$466
- Water Supply: \$505
- Social: \$477
- Transport: \$404
- Wastewater: \$414
- Environment: \$278
- Stormwater and Flood protection: \$294
- Economic: \$62
- Corporate: \$40



### General rate

The general rate is 0.68844 cents in the land value dollar (including GST) for the 2017/18 rating year for the base differential category. An explanation of the differential categories, the relative differentials for each category and the amount in the land value dollar for each category is set out in the funding impact statement in the draft Annual Plan 2017/18.

This compares to the previous year's rate of 0.67343 in the land value dollar in the 2016/17 rating year for the base differential category.

### Uniform Annual General Charge (UAGC)

The UAGC is \$430.03 including GST per separately used or inhabited part of a rating unit for the 2017/18 rating year. The 2017/18 charge is \$16.76 higher than the charge of \$413.27 for 2016/17.

### Stormwater and flood protection charge

The stormwater and flood protection charge is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 per rating unit and is \$294.26 for the 2017/18 rating year. It recovers the funding required by Council for stormwater and flood protection purposes. It is payable by all ratepayers excluding:

- Rural rating units
- Rating units east of the Gentle Annie saddle
- Saxton's Island
- Council's stormwater network

The charge for 2017/18 is \$22.79 higher than the charge of \$271.47 for the 2016/17 rating year.

### Wastewater charge

The wastewater charge for residential, multi-residential, rural and smallholding properties is \$413.90 per separately used or inhabited part of a rating unit including GST for the 2017/18 rating year compared to the previous year's rate of \$389.54.

The wastewater charge for commercial properties is set at \$103.48 per separately used or inhabited part of a rating unit being 25% of the charge for the residential, multi-residential, rural and smallholding properties.

Commercial properties are also assessed wastewater charges based on Council's Trade Waste Bylaw. These charges are set out in the Commercial Wastewater Charge – Trade Waste Charges section of the Annual Plan 2017/18.

### Water rates

Nelson's water rates are targeted rates for water supply set under sections 16 and 19 of the Local Government (Rating) Act 2002 which together recover the funding required by Council to supply water.

#### Water annual charge

A fixed annual charge set under Section 16 of the Local Government (Rating) Act 2002 is payable by all ratepayers per water meter installed on the property.

The annual rate for 2017/18 is \$189.89 per connection including GST compared with \$194.99 in the previous year.

#### Water volumetric rate

A charge for the quantity of water provided set under Section 19 of the Local Government (Rating) Act 2002 according to the following scale. These charges are invoiced separately from the rates invoices.

The cost per cubic metre is set out in the table below:

#### Water charges – residential, commercial and industrial including GST

Amount/type	Cost (\$ per m <sup>3</sup> ) 2016/17	Cost (\$ per m <sup>3</sup> ) 2017/18
Usage up to 10,000m <sup>3</sup> per year	2.036	1.970
Usage from 10,001 to 100,000m <sup>3</sup> per year	1.517	1.556
Usage over 100,000m <sup>3</sup> per year	1.198	1.228
Summer irrigation usage over 10,000m <sup>3</sup> per year	1.776	1.763

The water rates represent an average decrease of 3% for the 2017/18 year for an average water user.

*NOTE: An average residential water user uses 160m<sup>3</sup> per annum.*



## SUBMISSIONS

Submit online at [nelson.govt.nz](http://nelson.govt.nz) or use the submission form at the back of this document. Submissions need to be received by 5pm on Tuesday 18 April 2017.

#### Submissions can be made:

- Online at [nelson.govt.nz](http://nelson.govt.nz)
- By post to PO Box 645 Nelson 7010
- By dropping off to Civic House, 110 Trafalgar Street

