

INTERIM REPORT

For the six months ended 31 December 2022



PORT  NELSON

Mā te tika, mā te pono, me te māramatanga, ka tutuki pai ai te kaupapa.
Through following a sound process, through determination and clarity of thought, anything is possible.

E aronui ana ki ō tātou tāngata kei te manawa pātuki o Whakatū, me mihi ka tika hoki.
Mai i ngā pae maunga ki Tangaroa takapou whāriki, Papatūānuku e hora ake nei.
Ko tā tātou i Te Taihu, he tautoko i ngā wawata, he hāpai anō hoki i te oranga o te hapori.
E kōkiri whakamua ana te kounga hei painga mā ō tātou kiritaki.
E aronui ana ki te taiao, kia tū, kia oho, kia mataara ki te anamata.
E kaha whakaputa mai ana i ngā hua mā te hunga whaipānga.
E mahi ngātahi ana, e aro ngātahi ana 'ki te hāpai i te puawaitanga ā-rohe'.

We acknowledge our people, who are at the heart of Port Nelson.
We honour the mountains, the sea and the land under, in, and upon which we operate.
We recognise our role within Te Taihu and support the aspirations and wellbeing of our community.
Driving excellence across the supply chain for our customers.
Respecting the environment in which we operate and pushing towards a sustainable future.
Delivering strong and sustained returns for our shareholders.
Working and striving together 'to facilitate regional prosperity'.





Contents

| | |
|---|----|
| Performance Commentary | 4 |
| Statement of Corporate Intent Measures | 6 |
| Statement of Comprehensive Income | 8 |
| Statement of Changes in Equity..... | 9 |
| Statement of Financial Position | 10 |
| Statement of Cash Flows | 11 |
| Summary of Significant Accounting Policies..... | 12 |



Performance Commentary



The first six months of the 2023 financial year reflect the headwinds experienced by many export-orientated businesses: covid impacts continue to cause volatility and disruption to container shipping; weather events have disturbed transportation links; and inflationary forces have driven up costs faster than revenue increases.

Our Customers

Total cargo volumes were 1.5 million tonnes, down 6% on budget. Container throughput was down 8% on budget at 50,000 TEU.

The main driver for the negative variance for cargo was reduced volumes for sawn timber, general import/exports, fish and logs. On the positive side, a consequence of container number shortages at the end of last financial year saw a strong tail to the 2022 apple export season, which lifted the first six months of this year.

We expect shipping reliability to improve steadily over the rest of the year and look forward to a strong pip fruit and wine season for the 2023 financial year. Log volumes are forecast to recover, although there remains a high level of vulnerability to the China market.

Our Environment

From a non-carbon environmental impact perspective, there have been no significant stormwater, dust, or spill events. Noise challenges have developed around vessels with low-frequency generator noise. The Port is working with shipping lines on a programme of works to rectify the issue. Improvement works are ongoing in all these areas, including: improving monitoring of stormwater, dust and noise emissions; training in oil spill response; and improved management of logyard debris.

From a carbon emissions perspective, diesel efficiency (litres/revenue tonne) has improved 12% on last year. Work continues in a number of areas to explore options for reducing emissions, including: hydrogen injection into heavy diesel plant; an increased electrical supply to the site to support future electrification of cranes and possible powering of vessels while berthed; and identification of the pathway for replacing our fleet with alternative fuels.

Our People

A strong recruitment drive over the last year has seen a reduced number of vacancies at Port Nelson, resulting in increased capacity within teams. A heightened training focus is enabling greater flexibility of our people across different roles.



Safety continues to receive a high level of focus, particularly in the critical risk areas. An external audit in February 2023 will provide a valuable independent insight. Two health and safety surveys were carried out during the reporting period. One initiated by Maritime NZ and one by Port Nelson. Both surveys recognised the strong safety culture at Port Nelson and that we compare favourably with other ports.

Our Community

A successful charity golf day was held in November 2022. The generosity of Port Nelson's suppliers, customers and port-users, contributed \$24k to LifeLinc.

Improving the Port's engagement with Te Taihū iwi remains a focus, this includes actioning a 3-5 year Māori Strategy and Action Plan that will enable the Port to be a more inclusive employer and partner.

After a number of delays the Port has confirmed funding from Central Government for the redevelopment of the Nelson Slipway into a travel lift facility, capable of lifting vessels up to 550t. Design is progressing towards a construction start mid-2023.

Our Shareholders

An interim Net Profit After Tax for the half year of \$2.7m was achieved. This is \$1.1m (28%) down on budget and \$1.9m (41%) down on last year.

The key drivers of the negative variance were lower log and container numbers. In addition, increased finance, fuel, and payroll costs impacted the business.

Looking at the second half of the year, we are forecasting a recovery in the Port's operating profit position towards budget. Contributing factors will include; stabilised shipping; log volumes returning to budget; and a strong forecast for apple and wine related cargo. On the downside is the potential for write-downs for property related assets. The Port remains on track to meet its forecast dividend payment for the 2023 financial year.

This year's capital investment budget focused on pavement upgrades and mechanical plant replacements. During the first half of the year, a resilience review of our plant has allowed replacement decisions to be postponed. This has the benefit of deferring expenditure and allowing manufacturers to prove the alternative fuel options they intend to pursue.

Two technology projects are progressing this year. The Pelorus logistic application is being expanded to provide more functionality to users. In addition, digitisation of data transfer between wine exporters, transportation, warehousing and packing, and the container terminal, enables improved data security and removes inefficiencies.

Statement of Corporate Intent Measures

Purpose

To facilitate regional prosperity/kia āhei ki te kōkiri whakamua ki te taumata ā-rohe.

Goals

The company's purpose of facilitating regional prosperity is interpreted through five stakeholders; customers, environment, people, community, and shareholders.



Performance Targets

| Performance Measure | Financial Year June 2023 | |
|---|--------------------------|----------------|
| | Full Year Target | Interim Result |
| Customers | | |
| Cargo volumes (revenue tonnes) | 3,308 | 1,506 |
| Container throughput (TEU - twenty-foot equivalent units - thousands) | 114 | 50 |
| Vessel visits | 781 | 367 |
| Revenue growth QuayConnect (\$m) | 1.5 | on target |
| Average container crane rate per hour | >20 | 20 |
| Improved cont. truck waiting time (mins) | 70% | on target |

| Performance Measure | Full Year Target | Interim Result |
|---|------------------|----------------|
| Environment | | |
| Gross reduction on FY19 scope 1 and 2 carbon emissions (cumulative) | 15% | on target |
| Gross reduction on FY19 levels in scope 3 carbon emissions (PNL originated) | 80% | on target |
| Significant noise events & events >85dBH at the noise monitor | 0 & 5 | 0 & 12 |
| Dust events external complaint | 0 | 0 |
| Monitoring of stormwater discharges completed | 4 | 0 |
| Port substance spills >10L reach harbour | 0 | 0 |
| Team environmental awareness training complete | 50% | on target |
| People | | |
| High risk events | <=2 | 0 |
| Lost time injuries (LTI) greater than 5 days off work | <=2 | 2 |
| Lost time injury frequency rate (LTIFR) | <=1.3 | 1.3 |
| Critical risk verification reviews | 44 | 14 |
| Visible safety leadership events | 400 | 165 |
| Community | | |
| Utilisation of slipway - (Calwell) | 85% or 310 days | 77% |
| Sponsorship as a percentage of NPAT | > 1.2% | on target |
| Effective iwi engagement events | 4 | 2 |
| Dividend \$ (% (NPAT) ex. prop. reval.) | 4.0 (51%) | on target |
| Shareholders | | |
| Underlying* revenue | \$76m | \$41.5m |
| Underlying* earning before interest and taxes | \$14m | \$5.6m |
| Underlying* net profit after tax | \$7.8m | \$2.7m |
| Underlying* return on assets | 2.0% | 1.6% |
| Underlying* return on equity | 2.9% | 2.2% |
| Gearing percentage | 21.9% | 20.4% |

*UNDERLYING FINANCIAL PERFORMANCE EXCLUDES RECOGNITION OF INVESTMENT PROPERTY REVALUATION

Statement of Comprehensive Income

For the six months ended 31 December 2022

| | Unaudited 6 months Dec 2022 | Unaudited 6 months Dec 2021 |
|---|-----------------------------------|-----------------------------------|
| | \$000 | \$000 |
| Revenue | | |
| Port operations | 38,157 | 34,524 |
| Property | 3,320 | 2,969 |
| Total revenue | 41,477 | 37,493 |
| Expenses | | |
| Employee benefit expenses | 12,411 | 11,243 |
| Other operational and property expenses | 18,366 | 13,538 |
| Earnings before interest, tax, depreciation and amortisation | 10,700 | 12,712 |
| Depreciation and Amortisation | 5,147 | 4,772 |
| Earnings before interest and tax | 5,553 | 7,940 |
| Net financing costs | 1,716 | 1,479 |
| Net profit before income tax | 3,837 | 6,461 |
| Income tax | 1,125 | 1,817 |
| Net profit after income tax | 2,712 | 4,644 |
| Other comprehensive income | | |
| Movements in hedging reserve | 1,568 | 2,001 |
| Total other comprehensive income | 1,568 | 2,001 |
| Total comprehensive income | 4,281 | 6,645 |

→ Statement of Changes in Equity

For the six months ended 31 December 2022

| | Unaudited 6 months Dec 22 | Audited 12 months Jun 22 |
|--|---------------------------------|--------------------------------|
| | \$000 | \$000 |
| Balance at 1 July | 272,824 | 261,699 |
| Total comprehensive income | 4,281 | 6,645 |
| Dividends | - | 4,860 |
| Total equity at the end of the period | 277,104 | 272,824 |

Statement of Financial Position

As at 31 December 2022

| | Unaudited Dec 22 | Audited Jun 22 |
|--|---------------------|-------------------|
| | \$000 | \$000 |
| Current assets | | |
| Cash and cash equivalents | 825 | 389 |
| Trade and other receivables | 11,553 | 10,242 |
| Inventories | 833 | 707 |
| Prepayments and accruals | 1,911 | 885 |
| Derivatives - cash flow hedges | 49 | 49 |
| Total current assets | 15,170 | 12,272 |
| Non-current assets | | |
| Property, plant and equipment | 323,203 | 324,745 |
| Intangible assets | 4,235 | 4,372 |
| Investment properties | 37,089 | 37,085 |
| Derivatives - cash flow hedges | 3,687 | 2,611 |
| Total non-current assets | 368,214 | 368,812 |
| Total assets | 383,384 | 381,085 |
| Current liabilities | | |
| Trade and other payables | 5,928 | 4,488 |
| Employee benefit entitlements | 3,067 | 2,910 |
| Tax payable | (518) | 971 |
| Dividend payable | - | 2,800 |
| Noise mitigation | 103 | 110 |
| Current portion of bank loans | 73,250 | 40,000 |
| Total current liabilities | 81,829 | 51,279 |
| Non-current liabilities | | |
| Employee benefit entitlements | 295 | 259 |
| Deferred tax liability | 18,742 | 19,226 |
| Term loan | 4,100 | 36,700 |
| Derivatives - cash flow hedges | - | 8 |
| Noise mitigation | 321 | 321 |
| Lease liabilities | 993 | 469 |
| Total non-current liabilities | 24,451 | 56,982 |
| Total liabilities | 106,280 | 108,261 |
| Shareholders' funds | | |
| Issued capital | 6,046 | 6,046 |
| Retained earnings | 93,250 | 90,540 |
| Asset revaluation reserve | 174,276 | 174,276 |
| Hedging reserve | 3,532 | 1,962 |
| Total shareholders' funds | 277,104 | 272,824 |
| Total shareholders' funds and liabilities | 383,384 | 381,085 |

Statement of Cash Flows

For the six months ended 31 December 2022

| | Unaudited 6 months Dec 22 | Unaudited 6 months Dec 21 |
|--|---------------------------------|---------------------------------|
| | \$000 | \$000 |
| Cash flows from operating activities | | |
| Cash was provided from: | | |
| Receipts from customers | 36,847 | 35,237 |
| Rent received | 3,320 | 2,969 |
| Interest received | - | 1 |
| | 40,167 | 38,207 |
| Cash was applied to: | | |
| Payments to suppliers and employees | 30,607 | 26,384 |
| Interest paid | 1,716 | 1,480 |
| Taxes paid | 2,614 | 2,709 |
| Net GST paid/(received) | (318) | (204) |
| Purchase of assets held for sale | - | 2,223 |
| | 34,619 | 32,593 |
| Net operating cash inflows | 5,548 | 5,614 |
| Cash flows from investing activities | | |
| Cash was provided from: | | |
| Sale of property, plant and equipment | 7 | 74 |
| | 7 | 74 |
| Cash was applied to: | | |
| Purchase of property, plant and equipment | 2,773 | 8,277 |
| Purchase of intangibles | 2 | 7 |
| Purchase of investment properties | 4 | - |
| | 2,780 | 8,283 |
| Net investing cash inflows/(outflows) | (2,773) | (8,210) |
| Cash flows from financing activities | | |
| Cash was provided from: | | |
| Loans borrowed | 650 | 6,530 |
| | 650 | 6,530 |
| Cash was applied to: | | |
| Dividend paid | 2,800 | 3,060 |
| Payment of lease liabilities | 190 | 178 |
| | 2,990 | 3,238 |
| Net financing cash inflows | (2,340) | 3,292 |
| Net increase/(decrease) in cash held | 435 | 697 |
| Cash and cash equivalents at 1 July | 389 | 374 |
| Cash at 31 December | 825 | 1,070 |



Summary of Significant Accounting Policies

About this report

Reporting Entity

The financial statements presented are for Port Nelson Limited (the Company) and its subsidiaries (Port Nelson or the Group). Port Nelson is a for-profit Entity and the Company is incorporated under the Companies Act 1993 and created pursuant to the Port Companies Act 1988.

Port Nelson provides marine services, cargo logistics including warehousing and distribution, investment properties, supply chain and 4PL solution services at Port Nelson and within the wider Nelson/Marlborough region.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Accounting Standard 34 Interim Financial Reporting ('NZ IAS 34'). In complying with NZ IAS 34 they comply with International Accounting Standard 34 Interim Financial Reporting and consequently do not include all the information required for full financial statements and should be read in conjunction with the financial statements and related notes as presented in the Port Nelson Limited Annual Report for the year ended 30 June 2022.

The interim financial statements are for the six month period ended 31 December 2022 and are unaudited.

Basis of Measurement

The financial statements have been prepared under the historical cost method, modified by the revaluation of land, buildings, wharves, investment property and financial instruments. They are presented in New Zealand dollars rounded to the nearest thousand.

Judgements and Estimates

In preparing these financial statements, estimates and assumptions concerning the future are made, which may differ from the subsequent actual results. The estimates and assumptions utilised in these interim financial statements are consistent with the annual financial statements for the year ended 30 June 2022.

There are no estimates and assumptions in the view of the Directors that have a risk of causing a significant adjustment to the carrying amounts of assets and liabilities within the next financial year.

Foreign Currency

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. Monetary items outstanding at balance date are converted at the exchange rate ruling at balance date or the forward exchange contract rate where derivatives have been used to hedge the exposure.



Notes to the Financial Statements

Standards and Interpretations Issued and Not Yet Adopted

Port Nelson has applied all new and revised accounting standards and interpretations that are effective in the period. This did not result in a material impact on the financial statements.

Accounting Policies

The accounting policies used for the interim period are consistent with those used in the annual financial statements for the year ended 30 June 2022.

Significant accounting policies are outlined below.

Revenue and Expenses

Port operations revenue is recognised over-time as Port Nelson performs the service and the client simultaneously benefits from that service. Progress towards complete satisfaction of each service is estimated based on the service portion performed to the customer, determined using the percentage completion method.

Revenue is measured based on the service price

specified in the specific customer contract. Due to the way our contracts are negotiated and structured, the stated contract price for each service performed reflects the value transferred to the customer.

Property lease revenue is accounted for on an straight line basis. Rentals are payable in advance.

Administration and Other Expenses

Administration and other expenses are recognised as an expense when they are incurred.

Impairment of Assets

Port Nelson regularly reviews the carrying amount of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Port Nelson has assessed that there have been no significant indicators of impairment since the annual review at 30 June 2022.

Financing Costs

Net financing costs include interest income and finance costs. Interest income is recognised on a time proportionate basis using the effective interest method. Finance costs are expensed as incurred unless related

to the acquisition and development of a qualifying asset, in which case they are capitalised.

Taxation

Income tax expense is the tax payable on the current financial years taxable income based on the income tax rate and adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised at the rate expected to apply when the assets are recovered or liabilities are settled.

Deferred tax is charged or credited to the profit or loss, except where it relates to items charged or credited directly to equity, in which case the tax is dealt with in other comprehensive income.

Property, Plant and Equipment and Depreciation

Property, Plant and Equipment is initially measured at cost and subsequently measured at fair value. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefit will flow to Port Nelson and the items can be reliably measured. Dredging is not amortised. The cost of maintaining the dredged depth is expensed. Port Nelson measures all Property, Plant and Equipment as a single unit using the income-based approach. Port Nelson has assessed that there has been no material movement in the fair value of Property, Plant and Equipment from the amounts reported in the annual financial statements for the year ended 30 June 2022.

Depreciation is written off depreciable assets on a straight-line basis over the estimated economic lives of the assets, ranging as follows:

| Asset | Depreciation Rate |
|--------------------------------|-------------------|
| Plant, Furniture and Equipment | 4 to 51 years |
| Infrastructural Assets | 10 to 51 years |
| Wharves and Berths | 3 to 76 years |
| Buildings | 8 to 56 years |

Intangible Assets

Intangible assets, comprised of software and licences and Goodwill. Software and licences have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. Goodwill is measured at cost less any accumulated impairment losses.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by Port Nelson are recognised as intangible assets only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and if Port Nelson intends to and has sufficient resources to complete development and to use or sell the asset. Directly attributable costs that are capitalised as part of the software include employee costs.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Subsequent to initial recognition, development costs are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight line basis over a period of 3-14 years.

The amortisation expense of intangible assets is included in the depreciation and amortisation expense total disclosed in the Statement of Comprehensive Income.

Investment Properties

Investment Property is property held to earn rentals and capital appreciation and is measured at its fair value. Gains or losses from changes in the fair value of investment property are included in the profit or loss in the period in which they arise.

Valuation Basis

Investment properties are revalued every year. Investment properties were valued on 30 June 2022 by Ian McKeage, Registered Valuer, FNZIV, FPINZ of Telfer Young. The valuer's have recent experience in the location and category of the item being valued.

Financial Risk Management

Port Nelson's operations expose it to a variety of financial risks which it seeks to manage through the application of its Treasury Policy. This policy provides guidance to management on carrying out appropriate financial risk management activities including the use of derivative financial instruments to manage this risk. Port Nelson does not enter into speculative trades.

Interest rate risk

Port Nelson is exposed to interest rate risk on the cash flows arising from its variable rate borrowings. The Board does not consider there is any significant exposure to interest rate risk on its investments.

Port Nelson's interest rate exposures are managed in accordance with specific borrowing parameters outlined in the Treasury Policy which requires the fixing of interest rates for specified portions of borrowings based

upon the term remaining and outlines the approved derivative instruments that can be used to do this. Port Nelson currently manages this risk by using Interest Rate Swaps (IRS) which swap the floating rate exposure on a notional amount of borrowings for a fixed rate.

Financial Derivatives

Port Nelson utilises floating-to-fixed IRS as derivatives to hedge the cashflows associated with interest rate risks. These derivatives are recognised at fair value and qualify as cashflow hedges.

In using floating-to-fixed swaps Port Nelson agrees with counter parties to exchange at agreed intervals the difference between the fixed contract rates and the floating contract rates as referenced to a notional principal. This results in an effective net fixed interest payment.

Assessment of hedge effectiveness is done at inception of the hedge, at each subsequent reporting date (30 June and 31 December) and upon a significant change in the circumstances affecting the hedge effectiveness requirements.

The effective portion of changes in the fair value of the derivative financial instruments that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to any ineffective element is recognised immediately in the profit or loss. There was no hedge in-effectiveness in the period.

Credit Risk

Port Nelson is exposed to credit risk on its cash and cash equivalents and trade receivables from the possibility of counter-parties failing to perform their obligations. This risk is represented by the carrying value in the Statement of Financial Position. We consider this risk to be immaterial given the credit worthiness of the debtors.

Trade and Other Receivables

Trade and Other Receivables arise in the ordinary course of Port Nelson's business and are initially valued at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment. Port Nelson invoices for services as they are performed, generally on a monthly basis. They are non-interest bearing and have payment terms of generally the 20th of the month of receipt of invoice but vary on a case-by-case basis between 7 to 45 days.

The Provision for Expected Credit Loss represents impairment losses on contracts with customers.

Currency Risk

Port Nelson is exposed to currency risk on purchases of plant and equipment from overseas which it undertakes from time to time. Management actively monitor the currency risk exposure and will enter into forward foreign exchange contracts to hedge this risk where required by the Treasury Policy.

Liquidity Risk

Liquidity risk is the risk that Port Nelson will encounter 'difficulty' raising funds to meet commitments as they fall due. Liquidity risk is managed by maintaining sufficient cash. This is achieved by ensuring the availability of funding through an adequate amount of

committed credit facilities and the ability to close out market positions.

Multi-Option Credit Facility

Port Nelson has financing arrangements with Westpac Banking Corporation totalling \$100,000,000 for a multi-option credit facility made up of a three facility agreement. The first is for a funding facility of \$40,000,000 commencing July 2021 and expiring July 2023. The second is for a funding facility of \$40,000,000 commencing July 2021, expiring December 2023. The third is for a funding facility of \$20,000,000 commencing July 2021, expiring July 2024.

Security for the multi-option credit facility is by a first and exclusive debenture charge over the assets and undertakings of Port Nelson.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method where this differs from face value. Port Nelson classifies its borrowings as non-current unless it does not have the right defer payment for over 12 months, in which case they are classified as current.

Trade and other payables are recognised at fair value on receipt of goods and services. Payment normally occurs within 30 days. These are non-interest bearing.

Fair Value of Financial Instruments

Port Nelson considers that the carrying values of financial assets and financial liabilities recorded in these financial statements approximate their fair values.

The financial instruments carried at fair value are the IRS which are fair valued at a total asset of \$3,736m, (2022: Assets of \$2.652m) at balance date.

These are considered a Level 2 valuation in the Fair Value Hierarchy. The valuation of IRS is derived from the New Zealand Financial Markets Association closing rates on the revaluation date. From these rates the mark to market is calculated to reflect the net present value of the remaining fixed and floating cash flow obligations.

Provisions

Employee Entitlements

Provisions for wages, salaries, annual leave and long service are made when earned by the employee. Provision for gratuities are recognised as expenses when employees have rendered services entitling them to the contributions.

Annual leave and long service leave provisions have been calculated on an actual entitlement basis at current rates of pay. Retirement gratuities are calculated at current rates of pay assuming the payment will be made upon retirement.

Noise Mitigation

Port Nelson reviews its Noise Mitigation provision each year as the mitigation work is undertaken. The provision relates to Stages One, Two and Three. The Noise Variation within the Nelson City Resource Management Plan became operative on the 23 February 2012. Port Nelson has quantified the costs of its obligation to be \$423,000 as at 31 December 2022 (2022: \$430,000).

Port Nelson recognises it has an obligation to assist with noise mitigation works for noise-affected properties adjacent to the port. Noise mitigation costs may include building work, professional fees, building consents, preparation of drawings and project management.

Noise-affected properties are separated into three stages based on the level of port noise received. For properties in Stage One, those properties that are exposed to night time Ldn (day/night average sound level) from port generated noise of 65 dBA or more, Port Nelson is required to make offers to either fully fund noise mitigation work or to purchase the properties. There are 15 properties designated Stage One properties, seven properties have had this obligation met with Acoustic Certificates Issued. For properties in Stage Two, those properties that are exposed to night time Ldn from port generated noise of between 60 to 64.9 dBA area, Port Nelson has offered to contribute up to 50% of noise mitigation costs. There are 70 properties designated Stage Two properties and four of them have been granted with Acoustic Certificates. For properties in Stage Three, those properties that are exposed to night-time Ldn from port generated noise of between 55 to 59.9 dBA, property owners can request Port Nelson to provide technical advice and a contribution of up to 50% of noise mitigation costs. There are 218 Stage Three properties and two of them have been granted with Acoustic Certificates. There is no obligation on Port Nelson to make offers for the purchase of either Stage Two or Stage Three properties.

Events after Balance Date

Holding Company

Infrastructure Holdings Limited was incorporated on 17 January 2023. Resolutions were passed by both Nelson City Council and Tasman District Council to establish a holding company to hold the two councils shareholdings in Port Nelson Limited and Nelson Airport Limited. No financial impact is expected on either subsidiary through the incorporation of Infrastructure Holdings Limited, however a number of future benefits are expected including potential reduced borrowing costs through the use of the Local Government Funding Agency.

There were no other significant events after balance date.





PORT  NELSON

Port Nelson
Nelson 7010, New Zealand