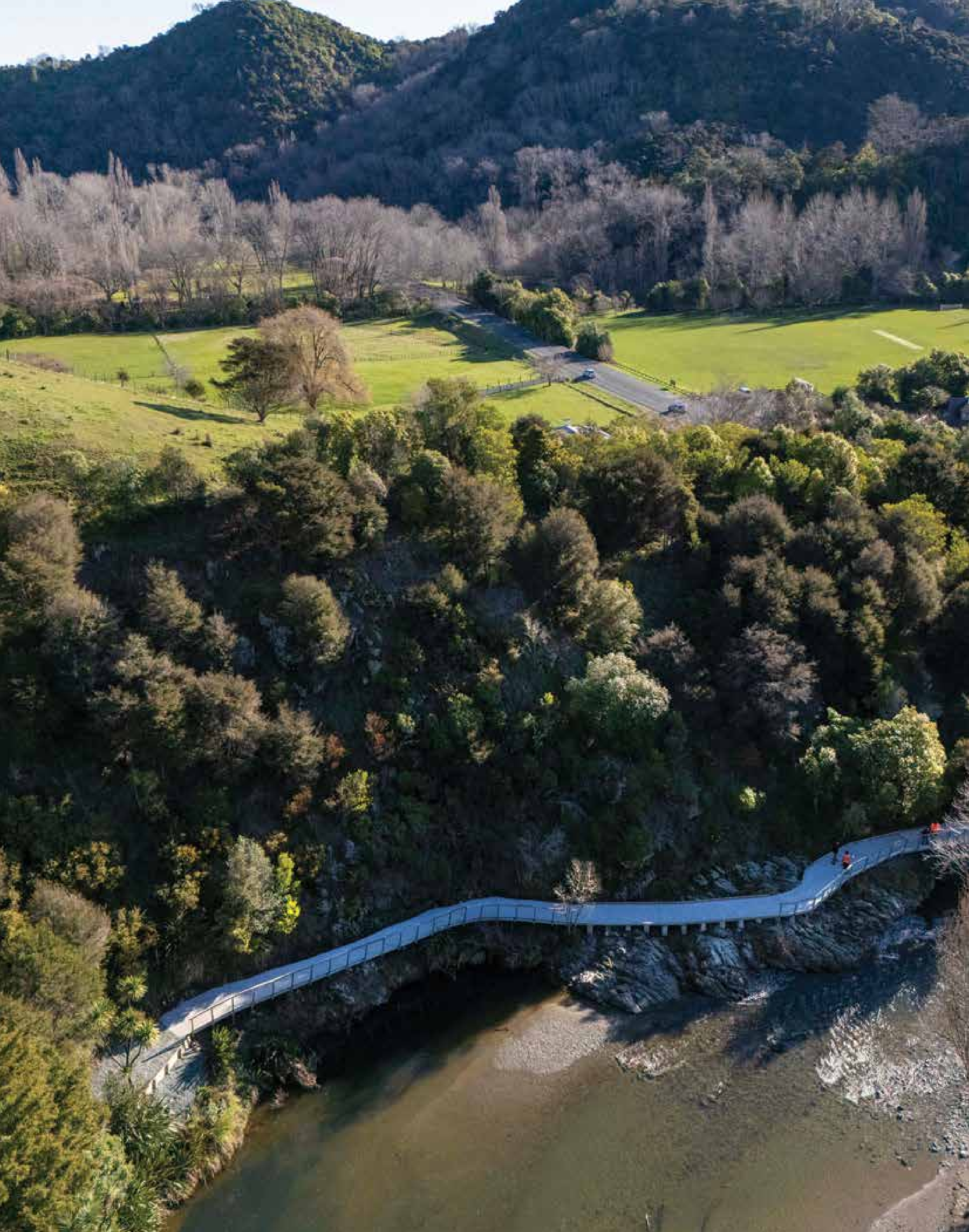
Nelson City Council | Te Kaunihera o Whakatū

Annual Plan 2025/26

Variations to Year Two of the Long Term Plan 2024-2034



Welcome

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Kia ora, Nelsonians

Introduction and context

Nelson is a great place to live and play with our enviable climate and beautiful natural environment. We have a diverse economy and a unique advantage as New Zealand's seafood capital. Our creative arts sector and heritage facilities give our city character, and we are a safe, caring and inclusive community.

Council's main responsibility is to maintain and improve vital infrastructure for our community, building on and maintaining the wise investments made by our predecessors. This includes providing key services such as water, waste management and buses. We also have an important role in providing recreational and arts facilities for the city, planning development and managing the environment, facilitating and supporting growth of the economy and being an advocate to central government for critical public services for our city.

The context of this year's Annual Plan is that everyone – households, businesses, community groups and Government – are feeling the financial squeeze from the post-Covid recession. Central government is trying to reduce its huge deficits, so it is tightening funding to local government and has imposed extra costs on councils such as new water levies. Housing growth has slowed so we are receiving less income in development fees and fewer new ratepayers. We have faced difficult choices in how to offset these extra costs and reduced income while maintaining the services that make Nelson a great place to live.

Managing cost pressures and rates

Our Annual Plan 2025/26 is in keeping with what we forecast for year two of our Long Term Plan 2024-34, with an average 6.5% rate increase. The decision to keep to the Long Term Plan saved an estimated $140,000 in costs for the planning and consultation process that would have been required if significant changes were made. It has required that we find savings to offset some of the unexpected costs that have arisen since we approved the Long Term Plan.

The rate increases for individual properties are complicated by the recently published new valuations. The process of revaluations occurs every three years and Nelson rates are based on land value. These increased an average 73% at the last valuation in 2021 but have dropped an average 16% in 2024.

There are wide variations around those average changes in valuations, meaning there will also be wide variations for ratepayers from the average 6.5% rate increase.

This 6.5% average rate increase for Nelson for 2025/26 is among the lowest across New Zealand's 78 councils. We also have the advantage that, as a unitary council, our ratepayers do not face an additional rates bill from a regional council as is the case in most areas of New Zealand.

City revitalisation becomes top priority

Council's top priority over the past two years has been the massive repairs required after the August 2022 storm, the worst natural disaster to hit Nelson in more than 50 years. We have made great progress in fixing the damaged water infrastructure, roads and pathways, clearing the rivers of sediment, stabilising the dozens of landslides and resolving the issue of houses that were uneconomic to make safe.

Council's top priority in this Annual Plan shifts to city revitalisation and builds on the work of the City Revitalisation Summit held in March 2024. Key work being advanced in 2025/26 includes projects such as Bridge to Better, the new transport hub at Millers Acre, a new playspace in Rutherford Park and the establishment of a new Arts Development Agency.

Major works on Bridge to Better, a $78 million project to enhance the lower central city, get underway in early 2026. This project is about upgrading the dated water, sewer and stormwater infrastructure, which will enable new development.

It will also help prevent the flooding of Wakatu Square Carpark during king tides. It makes sense, when the street must be ripped up for this underground work, to also refresh the streetscape. Council is working hard to simultaneously attract new private-sector investment to this part of the city.

The 2025/26 year will also bring the next steps in enhancing our bus services. We will be building the new Nelson transport hub at Millers Acre, providing an integrated base for the eBus, InterCity and other bus services. This project involves the relocation of the current eBus depot from Bridge Street before the disruption of the Bridge to Better works. Another enhancement with the eBus service is an upgrade in technology from the current Bee Card to Motu Move, which will enable contactless debit or credit cards, Apple Pay and Google Pay to be used on the eBuses.

Council will also in 2025/26 start building Playspace Whakatū, a substantial new playground in Rutherford Park. This exciting project is being led by Ngā Iwi o Te Tauihu in collaboration with Council, making use of $2.4 million awarded to Council from central government. Council is also committing just over $600,000 to the project.

Another dimension to the revitalisation of the city is growing Nelson's arts sector. An Arts Development Agency is set to begin on 1 July 2025, which is consistent with He Tātai Whetū, the Whakatū Nelson Arts and Creativity Strategy. Council is also pursuing UNESCO Creative City status for Nelson as a City of Craft.

Strengthening Nelson's links with the sea

Nelson is blessed to have a stunning waterfront so close to its CBD. Work will soon be completed on the five-metre-wide Marina Promenade from Akersten Street to Jetty F alongside Nelson Marina – the first stage of the Nelson Marina Masterplan. This promenade will make the marina area including the sea scouts, sports clubs and Ruby's Espresso cafe more accessible for cyclists, walkers, runners and users of mobility scooters and wheelchairs. It will also make it easier for visiting boaties to come into the city from the marina.

On July 1, Nelson Marina will become an asset-owning Council Controlled Organisation with an independent board that will guide the delivery of the Marina Masterplan.

This includes upgrading Nelson Marina's capacity for repair work with a new 110-tonne travel lift, due for completion in late 2025, and increasing the boat repair yard from eight to 23 berths. The installation this year of a new 550-tonne travel lift at Port Nelson will also enable an expansion of our heavy marine engineering capacity.

Design work will be advanced in 2025/26 on the redevelopment of the Haven Road-Wakefield Quay precinct encompassing 10 parcels of land Council owns to enhance the public's enjoyment of this stunning waterfront area. We have difficult decisions ahead of us about which buildings to retain, which to deconstruct and how to enhance parking and public access in this iconic spot.

The building of a new Nelson Surf Life Saving Club building at Tāhunanui Beach is a further project to strengthen Nelson's links with the sea. Council agreed through the Long Term Plan to provide $1.65 million for this important project and $1.6 million has been secured from Government.

Conclusion

I wish to acknowledge the dedicated Councillors and Council officers who have worked hard to deliver this Annual Plan 2025/26. It navigates a balanced path of sufficient investment to ensure we secure a prosperous future for the city while ensuring we are not so ambitious that we impose an unsustainable burden on current ratepayers. The next challenge is to translate this plan into the practical work that delivers for the people of Nelson.

Ngā mihi nui

Hon Dr Nick Smith
Mayor of Nelson | *Te Koromatua o Whakatū*

About this Annual Plan

Welcome to Council's Annual Plan 2025/26

While Council's major planning document is the Long Term Plan 2024-2034, the Annual Plan 2025/26 is an exceptions document, outlining the key changes to year two of the Long Term Plan and the overall impact those changes will have on the rates and level of debt. All other information on Council's work programme for 2025/26 is outlined in year two of the Long Term Plan.

The Long Term Plan sets out Council's priorities and spending for the 10 years from July 2024. Annual Plans are produced for the years between long term plans, giving an opportunity to make necessary changes to projects and services, update budgets, and set the rates for that year.

Under the Local Government Act 2002, councils aren't required to consult on an Annual Plan if there are no significant or material changes from what was set out for that year in the Long Term Plan. This avoids involving the community in a time-consuming consultation process when there is little ability to change projects agreed through the Long Term Plan. It allows councils to redirect the time and resources that would have gone into a consultation process, to be used to deliver other projects and services to the community, as set out in the Long Term Plan.

Layout of this Annual Plan

Following the introduction, you will find:

- Information on rates for 2025/26
- The vision and priorities that guide our work
- The main variations to what was included in the Long Term Plan
- Financial information and tables setting out planned expenditure for 2025/26.

Find more information on Council's activities, services and supporting policies in the Long Term Plan linked here: Long Term Plan 2024-2034

You can also view copies at Council's Customer Service Centre at 110 Trafalgar Street or any of our public libraries.

All budget figures in this Annual Plan contain an allowance for inflation, and all figures are GST exclusive. This is with the exception of rates, which are GST inclusive. Any exceptions are stated.

Your rates

What will my rates be?

The overall increase in rates that is required by Council in 2025/26 is 6.5%, including an allowance for growth. This aligns with the forecast for year two of the Long Term Plan. The actual change in rates for individual properties will vary, depending on the mix of components making up the rates bill and three-yearly property revaluation. Examples of how rates may be affected for different land uses and property values can be found on page 28 of this document.

The actual 2025/26 rates for each property are available on Council's website at nelson.govt.nz/rates

Rating revaluation – what does it mean for me?

Every three years properties in Nelson city are revalued. The latest valuations are based on the value of properties on 1 September 2024 (not including chattels such as curtains and carpets). The new values have been used as the basis for setting general and flood protection rates from 1 July 2025.

The revaluation does not generate any additional revenue for Council, it simply adjusts how rates are distributed among ratepayers.

What were the overall changes in values over the past three years?

Since the 2021 revaluation, Nelson's property market has experienced notable fluctuations. Initially, values rose rapidly due to record low interest rates, but this upward trend reversed in late 2022, leading to an initial sharp decline, and then a moderate decline, that had mostly stabilised by 2024.

The latest valuations reflect ongoing economic pressures, including high interest rates, inflation and a slowing economy. The impact of the 2022 weather event is also evident, with continued buyer caution in affected areas.

On average, residential land values have decreased by 16% to an average of $405,000. There are areas where values have changed significantly from the average. Land valuations in areas affected by the 2022 weather event have dropped by more than the average, while forestry land has increased, and values of industrial and commercial properties have shown modest growth.

If your land value has decreased more than 16%, your rates increase will generally be lower than the average of 6.5%. If your land value has decreased less than 16%, you can expect a higher-than-average rates increase.

Assistance to pay rates

You may qualify for financial help:

- Nelson City Council, on behalf of the Department of Internal Affairs, administers a rates rebate scheme. There is a base income level, however if your income is more than this you may still qualify, depending on the number of dependents you have and the total cost of your rates.
- If you are over 65, you may consider applying to postpone payment of part or all of your rates. Rates postponement allows eligible older ratepayers to defer their rates for the rest of their life, or until they sell their house. Rates owed are paid when the property is sold.
- Nelson City Council has a rates remission policy that covers situations and properties where rates remissions may apply – meaning some of your rates could be refunded.

For more information on options for rates relief and rebates visit Council's website: nelson.govt.nz/rates/rates-relief-and-rebates

Council's vision, priorities and outcomes
He whakakitenga, he whakaarotau

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

Our vision

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

Our priorities

Our priorities are to:

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

Community outcomes
Ngā putanga hapori

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

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

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

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

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

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

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

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

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

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

Variations from year two of the Long Term Plan 2024-2034

Preparing the Annual Plan in a tight fiscal environment

Council recognises the cost-of-living crisis continues to place pressure on our community. Although inflation is easing, the financial environment remains challenging, particularly with higher-than-expected insurance costs, tighter central government spending and lingering impacts of high inflation rates in recent years.

Against this economic backdrop, Council has remained committed to keeping the rates increase at 6.5%, as forecast in the Long Term Plan. Achieving this has required Council to carefully consider project budgets, work programmes and timelines. As a result, minor adjustments have been made to ensure we still meet expectations set out in the Long Term Plan.

This section outlines the key changes to planned projects and budgets for 2025/26.

Capital budget changes

The majority of changes to capital budgets involved rephasing funding within the 10-year Long Term Plan period. These adjustments do not affect the levels of service provided to the community.

Details of projects with a variance of $1 million or above for 2025/26 is provided below.

Infrastructure – Te Tūāpapa

Maitahi and Bayview subdivision – enabling infrastructure works

Council has committed to progressing key enabling infrastructure upgrades for the Maitahi and Bayview development, with funding included in the Long Term Plan from 2024/25 to 2031/32.

The Long Term Plan included $4.1 million towards the public wastewater infrastructure for the Maitahi development in 2025/26. Of this, $2 million has been deferred to 2026/27 to allow for the developer and Council to begin detailed design of the infrastructure and agree on the upgrade stages. Despite this deferral, the works will be constructed ahead of the projected demand for the services.

New Zealand Transport Agency – Waka Kotahi (NZTA) National Land Transport Programme

NZTA contributes funding to councils to share the cost of the land transport network, in recognition of the local and national benefits such investment provides. Government provides direction for this funding through the Government Policy Statement for Land Transport. NZTA uses this direction to determine funding for each local authority through the National Land Transport Programme, which provides a three-year view of prioritised activities for New Zealand's land transport system.

After Nelson's Long Term Plan was finalised, NZTA confirmed its funding contribution to Council for a set of projects and renewals towards Nelson's local road transport and public transport systems. Based on contribution levels in previous years, Council had prepared budgets on the basis it would receive a funding share of 51% through its Funding Assistance Rate (FAR) for approved programmes and projects, while also acknowledging this was an area of uncertainty. When NZTA released its

National Land Transport Programme, whilst Nelson retained its 51% FAR, the overall funding was less than Council had forecast, resulting in a shortfall of approximately $4.9 million. Council made a series of changes to the Long Term Plan budgets to address this shortfall, including reprioritising some projects. NZTA co-funded budgets are prioritised towards core services, maintenance and renewals in accordance with the government direction.

Regional bus hub at Millers Acre

Funding of $3.6 million was included across years one and two of the Long Term Plan for a regional bus hub, subject to a funding share from NZTA. Following notification after the release of the National Land Transport Programme that NZTA would not be funding the project, and confirmation of full project costs, Council approved an increased budget of $4.2 million in 2025/26 (a variance of $3.3 million to the Long Term Plan budget) to make up the shortfall and ensure the project proceeds as planned.

Infrastructure Acceleration Fund – water supply works on Halifax Street

Council has revised the construction timing of the new water supply trunkmain on Halifax Street and Bridge Street - with the works for Halifax Street due to be completed in 2024/25 rather than 2025/26. As a result, the $1.25 million that was included in the Long Term Plan has been brought forward to 2024/25 with no budget required in 2025/26.

Quarantine Road wastewater upgrades

The Long Term Plan included $1 million for works associated with the upgrade of the Quarantine Road Pump Station in 2024/25. This funding has been moved out one year in order to complete preliminary work which is not expected to be finalised until early 2025/26.

Haven/St Vincent Culvert stormwater renewal and upgrade

This is a major stormwater project planned to be undertaken between 2024/25 and 2026/27. The culvert carries stormwater flows from Washington Valley and a short section of St Vincent Street, to discharge into Saltwater Creek.

$2.3 million of the $3 million included in year one of the Long Term Plan has been moved out a year as construction is now due to start in the first part of 2025/26.

York Terrace stormwater

This stormwater upgrade runs from Clarence Drive to Boundary Road via the Railway Reserve and York Terrace. It provides for growth up Clarence Drive and reduces flood risk to downstream Waimea Road properties. Construction is due to get underway in early 2025/26, and $1.3 million of funding has been moved from 2024/25 to allow for this.

Flood resilience works – Regional Infrastructure Fund

Council secured $9 million from central government's Regional Infrastructure Fund for several projects that are part of the August 2022 flood recovery programme. The projects seek to address flood protection issues including stormwater backflows caused by high river flood levels and blockage of stream intakes. The Ministry of Business, Innovation and Employment requires work to be completed by June 2027. To achieve this timeframe, Council has moved forward some funding as well as reallocating funding from flood protection to the stormwater activity.

Jenkins and Arapiki (airport) flood protection works

Flood protection works are planned for the stopbank beside Jenkins Creek and $1.2 million was included in the Long Term Plan for 2025/26. To allow Nelson airport to install a proposed new bridge across Jenkins Creek first, $1 million of this has been deferred to 2027/28.

Social – Te Pāpori

Archives, Research and Collections (ARC) Facility – Nelson Provincial Museum

Budget of $3.04 million was set aside in 2024/25 and 2025/26 of the Long Term Plan for a new ARC facility. In December 2024, Council approved deferring most of this budget to 2028/29 to give the Nelson Provincial Museum more time to secure funding for the project.

In early 2025, the Museum put forward a proposal to change the scope of the new ARC facility. The funding required by Council for the revised project is similar to what was included in the Long Term Plan, but has been delayed by one year, with a total of $3.04 million included in 2025/26 and 2026/27. This aligns with the phasing Tasman District Council has in its budget for the project and will give the two councils time to work with the Museum to determine next steps before engaging with the public on a revised proposal.

Parks and Active Recreation –
Ngā Papa Rēhia, Mahi Rēhia hoki

General reserves – land purchases

Council has a budget set aside for land purchases to develop and improve parks and reserves.
A budget of $1.4 million has been moved from 2025/26 to 2026/27, which still leaves $1.5 million for potential land purchases in 2025/26.

Operational budget changes

Changes to operational budgets for 2025/26 are largely due to the introduction of new water levies by central government, revaluation of infrastructure assets (and the resulting additional depreciation) and debt funded operational expenditure (including reclassification of the Nelson Surf Life Saving Club funding from capital expenditure to a capital grant).

Introduction of central government water levies

Council will be required to pay two annual levies to recover the costs of new regulation of New Zealand's water services by the Commerce Commission and Taumata Arowai – the Water Services Authority. The levies will be charged from 1 July 2025.

The levy is allocated based on the share of the population living in the regulated supplier district (based on the 2023 Census data). For Nelson, the two levies have a combined estimated cost of approximately $290,000 per year. The proposal for the new levies was introduced after the adoption of the Long Term Plan but budgets have been adjusted to accommodate the new charges.

Climate change
Te āhuarangi hurihuri

We are already seeing the impacts of a changing climate in Nelson, with increased frequency of storms, eroding coastlines and more variable rainfall and temperatures.

The encouraging news is that options are available for addressing climate change and that businesses and households are already adopting some of these measures. But we need to do more, and we all share the responsibility of getting it right for future generations.

Climate change mitigation and adaptation is a key objective of many of Council's work programmes and is embedded in Council's Long Term Plan. Projects such as the East-West cycleway and the development of the new bus hub will encourage forms of transport that help reduce transport emissions (which make up around 60 per cent of Nelson's emissions). Upgrades to stormwater and flood protection will increase our resilience to a changing climate.

Development of a Whakatū Nelson Climate Change Strategy

A draft Whakatū Nelson Climate Change Strategy (including an Action Plan) was released for public consultation in March 2025. The Strategy sets new greenhouse gas emissions reduction targets for Council and the community. This whole-of-community strategy sets the direction for climate action in Nelson out to 2050, by leveraging off existing initiatives and drawing upon the collective expertise of our community.

The Strategy focuses on key areas where both Council and the Nelson community can make a significant impact, including low-emissions transport, a resilient built environment and a zero-waste society.

The action plan outlines key climate related projects that align with the Strategy's objectives. It is the start of a pathway to meeting our climate goals and targets that are set in the Strategy.

Partnerships with Māori and iwi
He Waka Hourua

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

Kia Kotahi Te Tauihu, Together Te Tauihu Partnership Agreement and agreed priorities

Council signed a partnership agreement with the eight iwi and neighbouring councils of Te Tauihu in December 2023. The agreement promotes collaborative work on matters of mutual interest and addresses broader strategic and regional challenges and aspirations.

In early 2025, representatives from the three Te Tauihu Councils and eight iwi met to discuss the partnership agreement and agreed on key strategic priorities across the eleven partners. The agreed priorities are:

1. Increased regional investment and economic development
2. Strengthening community resilience through infrastructure and preparedness
3. Improved access to, supply of, and affordability of housing
4. Enhanced protection and restoration of te taiao (environment), with more investment and improved systems/processes
5. Embedding critical awareness of tangata whenua culture, knowledge, and language.

Other initiatives to build capability and support engagement

Actions planned for 2025/26 include:

- Continuing to support community events and activities to promote te reo Māori me ōna tikanga within Whakatū Nelson, including Te Rā o Waitangi, Matariki, regional and national kapa haka, and Te Wiki of Te Reo Māori (Māori Language Week) celebrations
- Providing opportunities for meaningful engagement with Te Tauihu iwi
- Supporting staff competency development through Te Puāwaitanga Cultural Competency Framework.

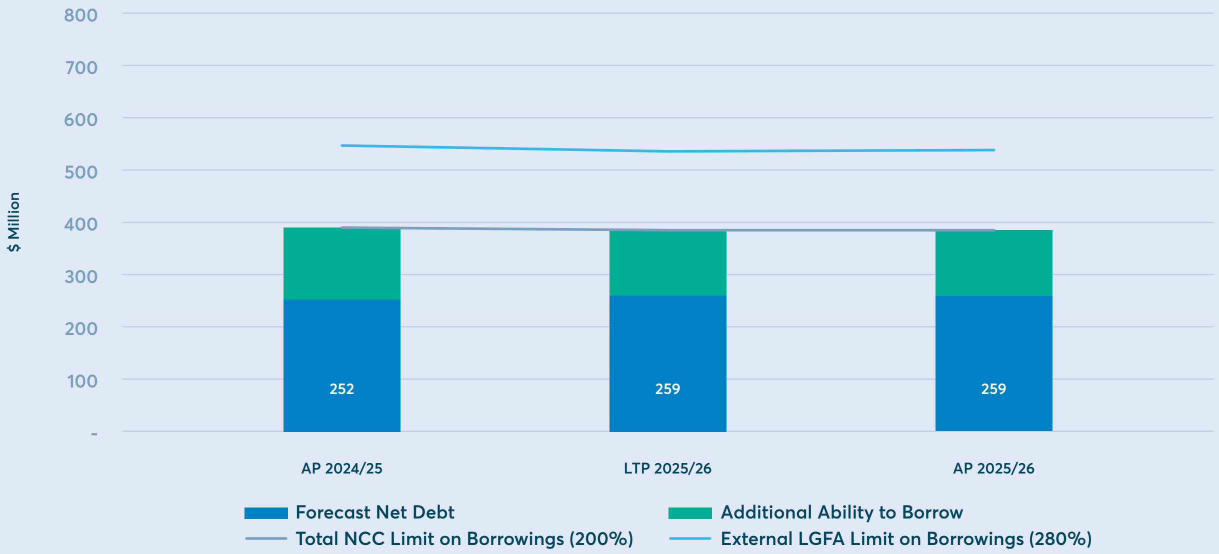
Financial summary
Whakarāpopototanga ahumoni

Forecast capital expenditure is expected to be $88.4 million (excluding vested assets, staff costs, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit), which is $7.2 million more than planned for 2025/26 in the Long Term Plan. Net debt is forecast to be $259.1 million, which is $0.3 million lower than the $259.4 million in the Long Term Plan. The debt/revenue ratio is 135%, compared with 136% in the Long Term Plan.

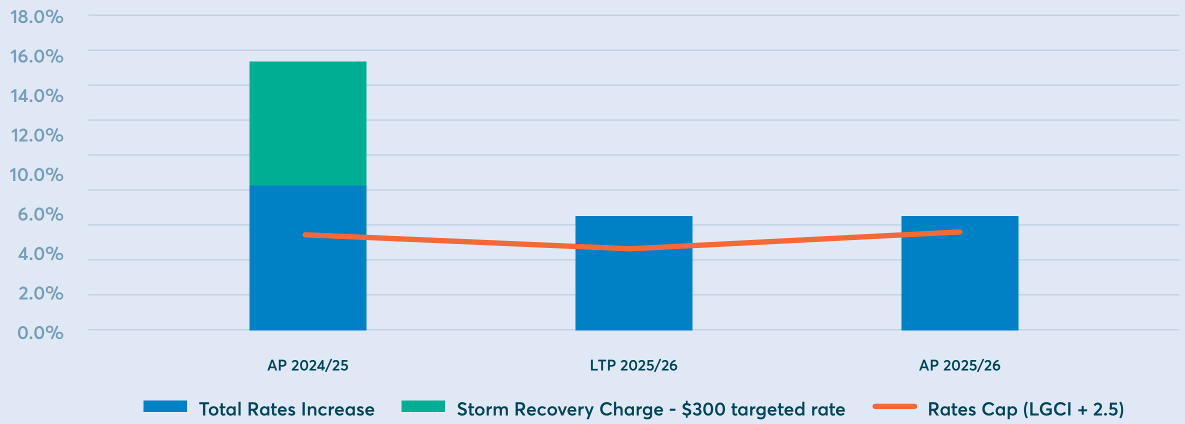
The Long Term Plan sets out a busy work programme focused on our priorities. The changes to the capital works programme have been outlined in previous sections of this document (pages 10-12).

The changes allow for an efficient work programme to meet the community's current circumstances – with no impact on the levels of service provided.

Comparing LTP to AP Forecast Debt Levels



Comparing LTP to AP Annual Rates Increase versus Rates Cap



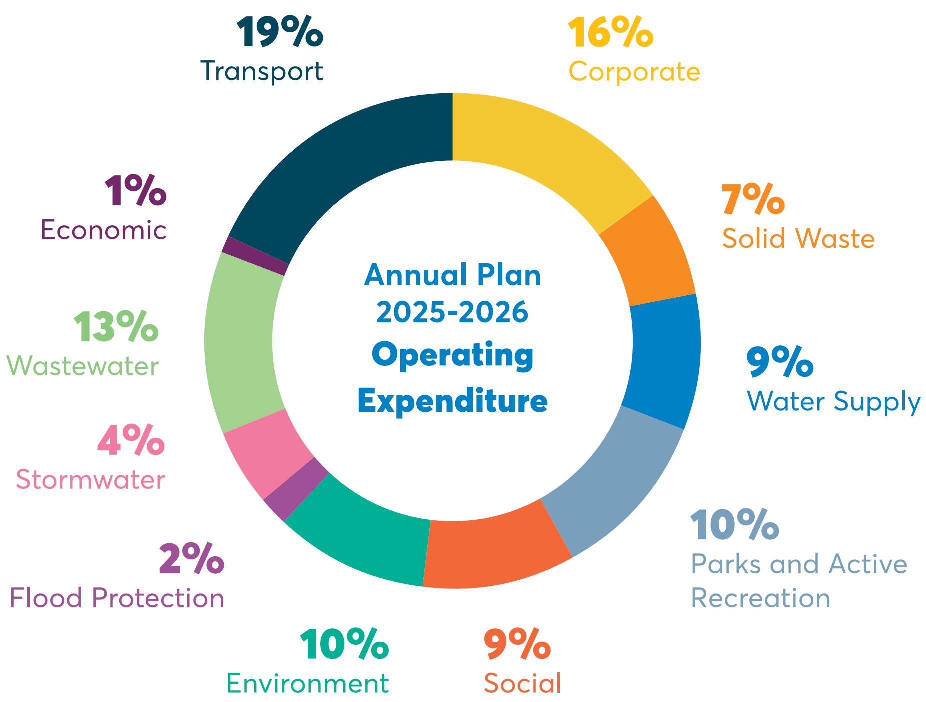
Where will the money be spent

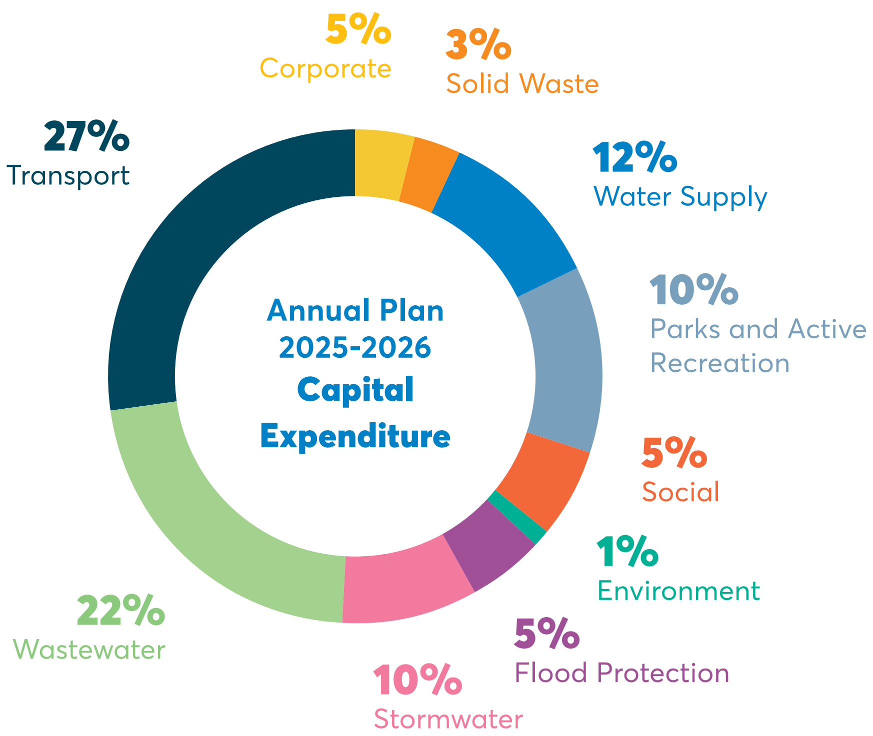
Capital works programme and operating costs

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.

Nelson's infrastructure of transport, water, stormwater, wastewater and flood protection will make up approximately 76% of Council's capital expenditure in 2025/26. This infrastructure is important to businesses and residents' health, and the social, economic, environmental, and cultural wellbeing of the community.

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 0.09% from the 2024/25 year, or to put it another way, 1% of rates in 2025/26 is $1,184,000. 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.


19%
Transport
16%
Corporate
7%
Solid Waste
9%
Water Supply
10%
Parks and Active Recreation
9%
Social
10%
Environment
2%
Flood Protection
4%
Stormwater
13%
Wastewater
1%
Economic
Annual Plan 2025-2026 Operating Expenditure


5%
Corporate
3%
Solid Waste
12%
Water Supply
10%
Parks and Active Recreation
5%
Social
1%
Environment
5%
Flood Protection
10%
Stormwater
22%
Wastewater
27%
Transport
Annual Plan 2025-2026 Capital Expenditure

Accounting information
Pārongo ahumoni

How we plan to fund the 2025/26 work programme

This section outlines Council's Financial Strategy for the 2025/26 year.

Under the Local Government Act 2002 Council must manage its assets, expenses, revenues, investments, liabilities and general financial dealings prudently and 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, while balancing the financial impacts and challenges Council faces. The following table summarises the Annual Plan 2025/26 values against the limits agreed in the Long Term Plan 2024-2034.

Benchmark	Limit	Planned	Met
Rates affordability benchmark -increases	5.7%	6.5%	No
Debt affordability benchmark	<200%	135%	Yes
Balanced budget benchmark	>100%	100%	Yes
Essential services benchmark	>100%	174%	Yes
Debt servicing benchmark	<10%	6.1%	Yes

Council does not meet the rates affordability benchmark, as the planned increase of 6.5% is above the quantified limit of 5.7% set in the Long Term Plan (Local Government Cost Index plus 2.5%). In the Long Term Plan we had forecast to breach our rates limit in years one and two due to the ongoing impact of inflation and the need to repay the August 2022 severe weather event.

The overall net debt for 2025/26 is forecast to increase to $259.1 million by June 2026 (from $222.9 million in June 2024) which will impact Council's interest costs. The $259.1 million of net debt equates to 135% of revenue, which is well within our debt affordability benchmark of 200%, as set in the Long Term Plan.

Total revenue for Council is forecast to be $205.7 million, which is $1 million lower than budgeted in the Long Term Plan. The main contributors to these variances are:

- Income from subsidies and grants is forecast to be $1 million lower than budgeted for in the Long Term Plan. This is due to a reduction in the New Zealand Transport Agency subsidy of $5.3 million and reduced funding for the Nelson Lifesaving Club facility of $0.8 million. However, this has been offset to some extent by additional central government funding of $5.4 million from the Regional Infrastructure Fund and funding towards the August 2022 weather event recovery.
- Fees and charges, including metered water, is forecast to be $1.5 million higher than what was budgeted for in the Long Term Plan.
- The forecast for other gains and losses has been adjusted from a $0.5 million gain in the Long Term Plan to a $1.5 million loss for 2025/26 due to a movement in interest rate swaps.

Total operating expenditure is forecast to be $192 million, which is $7.8 million higher than budgeted in the Long Term Plan. The main contributors to Long Term Plan variances are:

- Reduced finance costs – $1 million driven by lower than expected interest rates and a lower forecast debt level at June 2025.
- Additional depreciation – $1.5 million driven by the June 2024 revaluation of Infrastructure assets.
- Debt funded operating expenditure of $3.7 million:
  - $3 million (to be fully offset by efficiency gains) is funding to progress Council's Shaping Our Future transformation programme to modernise how it operates – making services more efficient, responsive, and centred on the needs of Nelson's community

  - $0.7 million is the reclassification of the Nelson Surf Lifesaving Club Facility from capital expenditure to a capital grant due to agreed ownership of the building
- Poleford Bridge Maintenance $0.4 million already rate funded for in 2024/25
- Insurance $0.3 million
- Central government water services levies $0.3 million
- Nelson Regional Landfill $0.8 million
- Offset by a reduction of $1.9 million for external regulatory costs being reclassified to personnel costs due to the regulatory functions coming in-house.
- Variations to personnel costs of $4.1 million. The main drivers of this are:
  - $1.9 million of external regulatory costs reclassified to personnel costs due to the regulatory functions previously contracted out, now being undertaken by Council staff (from 1 July 2024) at reduced cost
  - $1.9 million reduced vacancy provision – Council makes an assumption about the level of vacancies in a year and reduces the personnel cost budget to reflect this. However, Council has been able to maintain a more stable workforce due to the tighter job market and loss of roles in central government, so the assumption about vacancies has been updated.

Financial levers used to minimise the rating increase for 2025/26 are:

- Instead of fully funding the additional depreciation caused by the June 2024 infrastructure asset revaluation, we are phasing the funding in over 10 years
- There are numerous other small operating reductions.

Capital expenditure is proposed to be $88.4 million in 2025/26 (excluding vested assets, staff costs, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit), compared to the Long Term Plan budget of $81.3 million. Changes to capital budgets mainly consist of moving funds within the 10-year Long Term Plan period – these movements do not impact on levels of service for the community. Further details of the changes can be viewed in prior sections of this document.

Uniform annual general charge (UAGC)

Council will collect 8.7% of rates, excluding water annual charge and water volumetric rate, through the UAGC. The UAGC is $368.75 including GST per separately used or inhabited part of a rating unit for the 2025/26 rating year. The charge for 2025/26 is $24.52 higher than the charge of $344.23 for the 2024/25 rating year.

Commercial differential

Council adopted a policy that commercial rates are set to collect a specific percentage of the total rates collected, excluding water and voluntary targeted rates. The commercial differential recognises the additional services that businesses receive, such as extra rubbish collection, street cleaning and the investment in events and economic development to support retail and hospitality activities.

In 2024/25 commercial rates were set at 22.6% of Council's total rates revenue. The Long Term Plan states that each year Council will consider whether to retain or reduce the proportion of rates collected from commercial properties and that any reduction would not exceed 0.5% per year. This Annual Plan sets the differential at 22.3%, a reduction of 0.3% from the 2024/25 year.

Council has assessed the relative rating contributions to find a suitable balance between commercial and residential properties. By reducing the commercial differential by 0.3% this means that both the average commercial and residential rates increase by about 6.5%.

What has changed

	Annual Plan 2024/25 ($000)	Long Term Plan 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to Long Term Plan 2025/26 ($000)
Total income	205,622	206,742	205,732	(1,010)
Total operating expenditure	185,568	184,145	191,968	7,823
Total capital expenditure*	92,273	81,277	88,438	7,161

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

What will my new rates be?

The overall increase in rates required for 2025/26 will be 6.5% plus an allowance for growth. Further information on how Council has calculated the proposed rates is available in the Funding Impact Statement and financial information section of this Annual Plan.

Funding Impact Statement

How much will my rates cost?

Total rates on each property in Nelson include payment for territorial authority (City Council) and Regional Council services. Council is a unitary authority combining both of these functions. The final figure is made up of a combination of whichever of the following apply to your rating unit(s):

- General rate, which includes the uniform annual general charge (UAGC)
- Stormwater charge
- Flood Protection rate
- Storm Recovery charge
- Wastewater charge
- Water annual charge
- Water volumetric rate.

If part of the rates postponement scheme:

- Postponement application charge
- Postponement administration charge
- Postponement interest.

Differentials

Some rates are set on a differential basis, which adjust rates upwards or downwards, typically depending on whether more or less Council services are provided, for example commercial, rural or multi-unit properties.

Rates and charges

The 'funding impact statement' sets out the rates and charges that are planned for the next year. Unless otherwise stated, rates and charges are shown including GST.

Rating units

The projected number of rating units within Nelson at 30 June 2025 is 23,304.

The projected total capital value of rating units within Nelson at 30 June 2025 is $22,735,902,200.

The projected total land value of rating units within Nelson at 30 June 2025 is $11,230,853,250.

Rating of separately used or inhabited parts (SUIP) of a rating unit

Definition:

A separately used or inhabited part of a rating unit includes any part separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, license or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used' by the owner for this separate purpose. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

The following are considered to be separately used or inhabited parts of a rating unit where the above requirements are met.

- Flats or apartments (including flats that share kitchen or bathroom facilities)
- Separately leased commercial areas of a rating unit
- Where there is multiple use of a single rating unit, such as a shop with a dwelling.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- A bed and breakfast room with or without kitchen facilities
- Individual offices or premises of business partners
- Individually leased carparks
- Storage units
- Properties subject to statutory declarations for unoccupied or second residential units not being used as separate units.

Examples of Rates for 2025/26

To further clarify the rates changes from 2024/25 to those for the 2025/26 rating year, a selection of properties has been shown to provide a guide. The following table is GST inclusive.

The actual 2025/26 rates for each property are available on Council's website at nelson.govt.nz

Examples of total impact of general and targeted rates on different land uses and values (GST inclusive)

Property Type	2021 Land value	2024 Land value	2024/25 rates	General rate
Residential	265,000	225,000	3,102	1,184
	305,000	260,000	3,281	1,369
	380,000	340,000	3,615	1,790
	430,000	365,000	3,837	1,921
	475,000	405,000	4,038	2,132
	500,000	410,000	4,149	2,500
	540,000	460,000	4,327	2,421
	560,000	475,000	4,417	2,500
	590,000	510,000	4,550	2,685
	625,000	510,000	4,706	2,685
	670,000	550,000	4,907	2,895
	870,000	710,000	5,798	3,737
	1,200,000	980,000	7,268	5,159
	1,500,000	1,220,000	8,604	6,422
Multi Residential (Two flats - Two UAGC & Wastewater Charges)	510,000	435,000	5,938	2,519
	1,550,000	1,350,000	10,744	7,817
Empty Residential Section (Water annual charge included if water meter is installed)	200,000	170,000	1,847	895
	470,000	380,000	3,376	2,000
	860,000	730,000	5,113	3,843
Small Holding (Water annual charge included if water meter installed)	550,000	510,000	2,870	2,416
	700,000	650,000	3,729	3,079
Rural (Water annual charge included if water meter installed)	1,380,000	1,290,000	4,820	4,414
	2,230,000	2,230,000	7,644	7,630
Commercial - Outside Inner City / Stoke - 1 Unit	600,000	720,000	10,042	9,186
Commercial - Outside Inner City / Stoke - 1 Unit	630,000	820,000	10,472	10,462
Commercial - Outside Inner City / Stoke - 3 Units	260,000	310,000	5,973	3,955
Commercial - Stoke - 1 Unit	53,000	63,000	2,108	949
Commercial - Inner City - 2 Units	385,000	440,000	10,003	8,793
Commercial - Inner City - 2 Units	435,000	500,000	11,011	9,992
Commercial - Inner City - 1 Unit	1,530,000	1,760,000	32,270	35,172

2025/26 Rates									
UAGC @ 8.7%	Storm recovery charge	Stormwater charge	Flood protection rate (LV)	Waste water	Water annual charge	Total rates	$ increase on 2023/24 rates	% increase	Land movement
369	300	408	85	709	273	3,328	226	7.30%	-15.10%
369	300	408	98	709	273	3,526	245	7.50%	-14.80%
369	300	408	128	709	273	3,977	362	10.00%	-10.50%
369	300	408	138	709	273	4,118	281	7.30%	-15.10%
369	300	408	153	709	273	4,344	306	7.60%	-14.70%
369	300	408	179	709	273	4,739	589	14.20%	-18.00%
369	300	408	174	709	273	4,654	327	7.50%	-14.80%
369	300	408	179	709	273	4,739	322	7.30%	-15.20%
369	300	408	193	709	273	4,936	386	8.50%	-13.60%
369	300	408	193	709	273	4,936	230	4.90%	-18.40%
369	300	408	208	709	273	5,162	255	5.20%	-17.90%
369	300	408	268	709	273	6,064	267	4.60%	-18.40%
369	300	408	370	709	273	7,588	320	4.40%	-18.30%
369	300	408	461	709	273	8,941	337	3.90%	-18.70%
Average Residential Land Value is $405,000									
738	600	408	164	1,417	547	6,393	455	7.70%	-14.70%
738	600	408	510	1,417	273	11,763	1,019	9.50%	-12.90%
369	300	408	64			1,972	125	6.80%	-15.00%
369	300	408	143		273	3,494	119	3.50%	-19.10%
369	300	408	276		273	5,469	356	7.00%	-15.10%
369	300	0	193			3,277	407	14.20%	-7.30%
369	300	0	245		273	4,267	538	14.40%	-7.10%
369	300		487			5,570	749	15.50%	-6.50%
369	300		842		273	9,414	1,770	23.20%	0.00%
369	300	408	272	177	273	10,985	943	9.40%	20.00%
369	300	408	310	177	273	12,299	1,827	17.40%	30.20%
738	600	408	117	354	273	6,446	473	7.90%	19.20%
369	300	408	24	177	0	2,227	119	5.60%	18.90%
738	600	408	166	354	273	11,333	1,329	13.30%	14.30%
738	600	408	189	354	273	12,554	1,543	14.00%	14.90%
369	300	408	665	177	273	37,364	5,094	15.80%	15.00%

This table does not include water charges based on consumption. For occupied residential properties, this is charged at $2.764 per cubic meter and an average useage of 160 m3 costing $442.24 (GST Incl).

General rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 is based on the rateable value of the land. General rates are set at different rates in the dollar of rateable value for different categories of rateable land. The general rate is 0.52638 cents in the land value dollar (including GST) for the 2025/26 rating year for the base differential category.

This compares to the previous year's rate of 0.40825 in the land value dollar in the 2024/25 rating year for the base differential category.

Uniform annual general charge

A uniform annual general charge (UAGC) is set under section 15 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit.

It is assessed:

- As a charge for services which have an equal element of benefit irrespective of property value
- To ensure a minimum charge on all properties
- To reduce the extremes of rates paid by the highest and lowest valued rating units
- In recognition that land valuation-based rating does not necessarily reflect a ratepayer's ability to pay.

Council will collect 8.7% of rates, excluding water annual charge and water volumetric rate, through the UAGC.

The UAGC is $368.75 including GST per separately used or inhabited part of a rating unit for the 2025/26 rating year. The charge for 2025/26 is $24.52 higher than the charge of $344.23 for the 2024/25 rating year.

The rates revenue sought from the uniform annual general charge and certain targeted rates set as a fixed amount is 19.23% of the total revenue from all rates sought by Council. This is well within the 30% limit set by section 21 of the Local Government (Rating) Act 2002.

Differentials

Differentials are adjustments to the rates of particular property types to better reflect the services provided by Council. Commercial properties pay higher rates to reflect additional services such as street cleaning and car parks. Properties classified as rural have a negative differential to reflect the fewer Council services provided to those properties.

Categories of differentials based on land use

These differential categories are defined in accordance with the provisions of Schedule 2 of the Local Government (Rating) Act 2002. The same definitions are also used to calculate the liability for some other rates. The differential categories used by Council are as follows:

General rate

- Residential – all rating units that are used primarily for residential purposes.
- Residential – Empty Section – all rating units that are undeveloped but will be used primarily for residential purposes.
- Multi Residential – all rating units that contain more than one residential dwelling that are capable of being used primarily for residential purposes.
- Commercial – any rating unit which is used primarily for commercial use.
- Inner City Commercial – any rating unit which is used primarily for commercial use that is located within the Inner City Zone, as defined in the Nelson Resource Management Plan.
- Stoke Commercial – any rating unit which is used primarily for commercial use that is located within the Stoke commercial zone, as defined in the Nelson Resource Management Plan.
- Rural – any rating unit having an area greater than 15 hectares which is used primarily for dairy, fattening and grazing, quarries, forestry or horticultural use.

- Small Holding – any rating unit which is primarily used as a small holding and having an area greater than 0.5 hectares but is less than 15 hectares.
- Forestry – all rating units that are used primarily for forestry purposes.
- Properties that have more than one use identified above will be placed into a rating category subject to the rating units majority use as determined by Council.

Differential rates

Council has adopted the following differentials:

- Multi Residential have a plus 10% general rate differential.
- Rural have a minus 35% general rate differential.
- Small holdings have a minus 10% general rate differential.

Commercial differential

Commercial rates are set to collect 22.3% of Council's total rates revenue, excluding water annual charge, water volumetric rate and rates postponement charges.

The 22.3% proportion is 0.3% less than 2024/25 which was set at 22.6%.

Of the total commercial rates collected, 22.124% of this is funded from inner city commercial properties, 1.619% from Stoke commercial properties, and 76.257% is funded from the balance of commercial properties.

This results in commercial properties paying a total of $25,901,529.25 (including water annual charge and storm recovery charge) in rates for the 2025/26 rating year compared to $24,374,853 the previous year.

The commercial zones of inner city and Stoke are defined in the Nelson Resource Management Plan.

Differential rates for the general rate

Council's general rate is assessed on a differential basis, as follows:

Category 2025/26	Differential %	Cents in the dollar
Residential – single dwelling	0.0	0.52638
Residential - empty section	0.0	0.52638
Multi Residential	10.0	0.57902
Forestry	0.0	0.52638
Rural	-35.0	0.34215
Small holding	-10.0	0.47374

Category 2025/26	Differential %	Cents in the dollar
Commercial – excluding Inner City and Stoke		
Commercial	142.38	1.27584
Commercial – Inner City		
Commercial	279.65	1.99840
Commercial - Stoke		
Commercial	186.1	1.50597

The categories that are to be used for applying the general rate differential and the amount of total revenue (excluding volumetric water) to be collected from each category, for 2025/26, is as follows:

Category	Total Revenue to be collected ($)
Residential	84,309,770
Multi Residential	8,670,393
Commercial (Inner City, Stoke and other)	25,901,529
Rural	668,746
Small holding	2,394,722
Forestry	163,172

Properties that have more than one use identified above will be placed into a rating category subject to the rating unit's majority use as determined by Council. The neutral base from which differentials are calculated is a residential property with a single dwelling.

Note: Objections to the Rating Information Database under section 29 of the Local Government (Rating) Act 2002 will be reviewed by Council and Council is the sole determiner of rating categories.

Stormwater charge

The stormwater charge is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 per rating unit and is $408.24 for the 2025/26 rating year. It recovers the funding required by Council for stormwater purposes. It is assessed on all rating units excluding:

- Rural rating units.
- Saxton's Island.
- Council's stormwater network.

Flood protection rate

The flood protection rate is a targeted rate set under Section 16 of the Local Government (Rating) Act 2002 and is based on the rateable value of the land. The flood protection rate is 0.03776 cents in the land value dollar (including GST) for the 2025/26 rating year. It recovers the funding required by Council for flood protection purposes. This rate is assessed on all rating units excluding Saxton's Island and Council's Stormwater Network.

Storm recovery charge

The storm recovery charge is a uniform targeted rate set under Section 16 of the Local Government (Rating) Act 2002 and is $300.00 per separately used or inhabited part of a rating unit for the 2025/26 rating year. It recovers the funding required by Council to recover the costs of the August 2022 severe weather event. This charge is assessed on all rating units.

Wastewater charge

A targeted rate is set under section 16 of the Local Government (Rating) Act 2002 to recover the costs required for Council's wastewater and sewage disposal system. This charge is assessed to all rating units to which Council's wastewater and sewage disposal service is connected either directly or through a private drain to a public wastewater drain.

The wastewater charge for residential, multi residential, rural, forestry and smallholding properties is $708.57 per separately used or inhabited part of a rating unit including GST for the 2025/26 rating year compared to the previous year's rate of $640.09. The same definition of the differential categories for the general rate is used for the wastewater charge.

The wastewater charge for commercial properties is set at $177.14 per separately used or inhabited part of a rating unit being 25% of the charge for the residential, multi residential, rural, forestry and smallholding properties. Commercial properties are also assessed for wastewater charges based on Council's Trade Waste Bylaw. These charges are detailed on pages 38–42 of this document.

Water rates

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

Water annual charge

A fixed annual charge set per connection under section 16 of the Local Government (Rating) Act 2002 on all rating units where a water meter is installed for the property.

The annual rate for 2025/26 is $273.42 per connection including GST compared with $251.66 in the previous year.

Water volumetric rate

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

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

Water charges – residential, commercial and industrial including GST

Amount/type	Cost ($ per m3) 2024/25	Cost ($ per m3) 2025/26
Usage up to 10,000m³ per year	2.626	2.764
Usage from 10,001 to 100,000m³ per year	2.232	2.349
Usage over 100,000m³ per year	1.838	1.935
Summer irrigation usage over 10,000m³ per year	2.442	2.570

The water rates represent an average increase of 6.5% for the 2025/26 year for an average water user.

Note: an average residential water user uses 160m³ per annum.

Lump sum contributions will not be invited in respect of any targeted rate.

Payments, penalties and discounts

Payment methods for rates

Payment for rates can be made by Cash, EFTPOS, Direct Debit, Direct Credit, Internet Banking, Telephone Banking and Credit Card.

Penalty on unpaid rates (excluding water volumetric rates)

In accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 10% is added to each instalment or part thereof that is unpaid after the last date for payment. The penalty dates are 26 August 2025, 26 November 2025, 26 February 2026 and 26 May 2026. Previous year's rates that remain unpaid will have a further 10% penalty added on 9 July 2025 and 9 January 2026.

Funding Impact Statement

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	63,665	69,152	68,980	(172)
Targeted rates including water by meter	46,345	49,052	49,258	206
Subsidies and grants for operating purposes	14,675	11,567	11,960	393
Fees and charges	34,091	33,284	34,550	1,266
Interest and dividends from investments	2,889	3,756	4,268	512
Local authorities fuel tax, fines, infringement fees, and other receipts	4,432	5,454	5,522	68
Total Operating Funding	**166,097**	**172,265**	**174,537**	**2,272**
Applications of operating funding				
Payments to staff and suppliers	128,740	124,525	131,907	7,382
Finance costs	11,485	12,823	11,798	(1,025)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**140,225**	**137,348**	**143,705**	**6,357**
Surplus (Deficit) of operating funding	**25,873**	**34,917**	**30,832**	**(4,084)**
Sources of capital funding				
Subsidies and grants for capital	28,199	18,577	17,234	(1,343)
Development and financial contributions	6,444	9,669	9,669	0
Increase (decrease) in debt	42,102	30,216	44,708	14,492
Gross proceeds from sale of assets	4,610	34,076	34,326	250
Lump sum contributions	0	0	0	0
Total sources of capital funding	**81,355**	**92,537**	**105,937**	**13,400**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	20,749	26,564	28,320	1,756
- to improve level of service	48,542	34,705	38,517	3,812
- to replace existing assets	34,487	30,987	33,459	2,472
Increase (decrease) in reserves	436	360	289	(71)
Increase (decrease) in investments	3,011	34,837	36,183	1,346
Total applications of capital funding	**107,226**	**127,453**	**136,768**	**9,315**
Surplus (Deficit) of capital funding	**(25,872)**	**(34,916)**	**(30,832)**	**4,084**
Funding balance	**0**	**0**	**0**	**0**

Reconciliation between the surplus in the Statement of Comprehensive Revenue and Expense and Surplus (Deficit) of operating funding in the Funding Impact Statement

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	25,872	34,916	30,832	(4,084)
Subsidies and grants for capital expenditure	28,199	18,577	17,234	(1,343)
Development and financial contributions	6,444	9,669	9,669	0
Vested Assets	5,640	5,764	5,764	0
Gains on sale	0	0	0	0
Depreciation	(45,342)	(46,797)	(48,262)	(1,465)
Other non-cash income	(758)	468	(1,473)	(1,941)
Other non-cash expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Statement of Comprehensive Revenue and Expense	**20,054**	**22,597**	**13,764**	**(8,833)**

Commercial wastewater charge – Trade waste charges
Te utu para wai

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

Three methods are used for commercial properties:

Method A: Method A is applied to the largest trade waste contributor and the charge is calculated on both discharge rates and effluent strength. Charges are highest for the most concentrated and larger volumes. Method A applies where a trade waste customer's water usage is over 10,000m3 per year or where trade waste BOD5 testing shows loads greater than 1.5kg/m3 and the cost of monitoring, testing and calculating the charges is likely to be less than half the trade waste charge for this category.

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

The default for estimating discharge will be 80% of water measured into the site from all sources unless another figure is agreed by Council's Chief Executive - based on an auditable trail of evidence for any alternative.

Method B customers can also install the appropriate effluent volume measuring equipment and become a Method 'A' wastewater contributor if they choose to. The volume and effluent strength charges will be as per method A. The volume and BOD charges will then be as per trade waste Method A. Method B applies where a trade waste customer's water usage is over 6,000m3 per year or where BOD5 testing shows loads greater than 1.5kg/m3 and the cost of monitoring, testing and calculating the charges as per Method A is likely to be more than half the trade waste charge for Method A.

Method C: applies to all other trade waste contributors, of which there are approximately 1400. The charge is calculated on the estimated volume of effluent discharged. The estimate assumes the amount of wastewater is 80% of the volume of incoming water. The trade waste charge is then calculated using a combined conveyance and treatment rate.

Total trade waste revenue for 2025/26 is estimated to be $4,010,000. For 2025/26 the GST inclusive trade waste charges will be:

- Trade waste A and B conveying charge $1,315.58 per litre per minute
- Trade waste A and B treatment charge $1,838.95 per kg BOD* per day
- Trade waste C combined charge $4.50 per m3
- Wastewater charge $177.14 per year.

*BOD is the biochemical oxygen demand, or effluent strength.

For the previous year, 2024/25, the GST inclusive trade waste charges were:

- Trade waste A and B conveying charge $1,176.45 per litre per minute.
- Trade waste A and B treatment charge $1,806.07 per kg BOD* per day.
- Trade waste C combined charge 4.09 m3
- Wastewater charge $160.02 per year.

Method A: quality/quantity approach

The largest commercial contributors are monitored every three months and the waste stream sampled over four days to measure the discharge rate and effluent strength as BOD, the biochemical oxygen demand. The trade waste charge is then calculated using the unit cost of conveyance, which is the amount discharged, and unit cost of treatment rates. from the method of charging schedule. These rates are determined annually. The conveyance rate is calculated by dividing the estimated conveyance costs for the coming financial year by the average of the previous three year's average flows. The treatment rate is calculated by dividing the estimated treatment costs for the coming financial year by the average of the previous three year's BOD loadings.

The 2025/26 charges compared with the previous year's charges are:

Conveying ($/annum/litre/minute), including GST

Year	Total Cost ($)	Average Flow Rate (litres/minute)	Cost/Litre/ Minute ($)
2024/25	14,126,700	12,008	1,176.45
2025/26	15,331,701	11,654	1,315.58

Treatment ($ / kg BOD / day), including GST

Year	Total Cost ($)	Average BOD Loading (kg/day)	Cost/kg/ BOD/day ($)
2024/25	8,336,076	4,616	1,806.07
2025/26	8,630,060	4,693	1,838.95

Method B: quality/quantity approach

The next largest commercial or service contributors are monitored every three months and the waste stream sampled over four days to measure the effluent strength as BOD, the biochemical oxygen demand. This effluent volume is calculated by multiplying the volume of water supplied into the premises by a correlation factor. The correlation factor is usually set at 0.8 unless another figure is agreed by the Chief Executive. It is assumed that 80% of the water that is distributed to a commercial or service property is subsequently discharged as wastewater.

The trade waste charge is then calculated using the conveyance, which is the amount discharged, and treatment rates from the Trade Waste 'A' method of charging schedule. These rates are determined annually. The conveyance rate is calculated by dividing the estimated conveyance costs for the coming financial year by the average of the previous three year's average flows. The treatment rate is calculated by dividing the estimated treatment costs for the coming financial year by the average of the previous three year's BOD loadings.

For a limited number of activities – typically those where it is not possible to use a single % of 'water in' to reflect categories owing to very high levels of water used for processing or irrigation and highly variable levels of on-site wastewater produced Council will work with the activity owner and make an assessment of the expected discharge of effluent from the site. This will be charged at the closest appropriate rate taken from the trade waste 'A'/'B'/'C' charges. Agreed volumes will need to be based on verifiable results and any activities in this category will need to be approved by the Chief Executive. Initially, all trade waste ratepayers pay the wastewater rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

The 2025/26 charges compared with the previous year's charges are:

Conveying ($/annum/litre/minute), including GST

Year	Total Cost ($)	Average Flow Rate (litres/minute)	Cost/Litre/ Minute ($)
2024/25	14,126,700	12,008	1,176.45
2025/26	15,331,701	11,654	1,315.58

Treatment ($/kg BOD/day), including GST

Year	Total Cost ($)	Average BOD Loading (kg/ day)	Cost/kg/ BOD/day ($)
2024/25	8,336,076	4,616	1,806.07
2025/26	8,630,060	4,693	1,838.95

Method C: quantity approach

For all other trade waste contributors, of which there are approximately 1400 in Nelson City, the trade waste charge is simply based on the volume of effluent assessed as being discharged from the premises.

This effluent volume is calculated by multiplying the volume of water supplied into the premises by a correlation factor. The correlation factor is usually set at 0.8 unless another figure is agreed. It is assumed that 80% of the water that is distributed to a commercial or service property is subsequently discharged as wastewater. The trade waste charge is then calculated using a combined conveyance and treatment rate. This rate is determined annually by dividing the estimated cost of operating the sewerage system for the coming financial year by the average of the previous three year's total effluent volume. To arrive at the final rate the calculation above is then increased by 15% to reflect the greater complexity of trade waste discharges when compared to residential discharges.

For a limited number of activities – typically those where it is not possible to use a single % of 'water in' to reflect categories owing to very high levels of water used for processing or irrigation and highly variable levels of on-site wastewater produced Council will work with the activity owner and make an assessment of the expected discharge of effluent from the site.

This will be charged at the closest appropriate rate taken from the trade waste 'A'/'B'/'C' charges.

Agreed volumes will need to be based on verifiable results and any activities in this category will need to be approved by the Chief Executive.

Initially, all trade waste ratepayers pay the wastewater rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

The 2025/26 charges compared with the previous year's charges are:

Conveying and treatment, including GST

Year	Total Cost ($)	Total effluent volume (m3)	Cost/m3 ($)
2024/25	22,462,776	6,311,329	4.09
2025/26	23,961,761	6,125,306	4.50

Temporary Hardship Concession for Trade Waste Customers

Customers in trade waste methods 'A' and 'B' who are experiencing significant financial hardship will be able to apply to the Chief Executive for consideration of a temporary reduction of the trade waste charges. Any application must be supported by auditable evidence of significant financial hardship that threatens the commercial viability of the business. The policy is restricted to a temporary reduction of charges only and will be based on allowing a time - based transition to full trade waste charges for the appropriate category over a maximum of three financial years.

Funding impact statement - Transport

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	14,792	16,073	16,183	110
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	8,276	8,749	8,764	15
Fees and charges	2,850	2,876	2,829	(47)
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,214	1,248	1,248	0
Total Operating Funding	**27,131**	**28,946**	**29,024**	**78**
Applications of operating funding				
Payments to staff and suppliers	21,596	22,393	22,645	252
Finance costs	0	0	120	120
Internal charges and overheads applied *	975	1,122	824	(298)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**22,570**	**23,515**	**23,589**	**74**
Surplus (Deficit) of operating funding	**4,561**	**5,431**	**5,435**	**4**
Sources of capital funding				
Subsidies and grants for capital	13,154	14,193	8,947	(5,246)
Development and financial contributions	294	819	819	0
Increase (decrease) in debt	5,761	6,593	11,302	4,709
Gross proceeds from sale of assets	860	0	860	860
Lump sum contributions	0	0	0	0
Total sources of capital funding	**20,070**	**21,605**	**21,928**	**323**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	6,334	5,413	9,144	3,731
- to improve level of service	5,983	9,668	8,171	(1,497)
- to replace existing assets	12,314	11,955	10,047	(1,908)
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**24,631**	**27,036**	**27,363**	**327**
Surplus (Deficit) of capital funding	**(4,561)**	**(5,431)**	**(5,435)**	**(4)**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	4,561	5,431	5,435	4
Subsidies and grants for capital expenditure	13,154	14,193	8,947	(5,246)
Development and financial contributions	294	819	819	0
Vested Assets	1,251	1,279	1,279	0
Gains on sale	0	0	0	0
Depreciation	(12,409)	(12,986)	(14,141)	(1,155)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**6,851**	**8,736**	**2,339**	**(6,397)**

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

Funding impact statement - Water Supply

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	16,192	17,250	17,574	324
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	57	58	58	0
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	**16,249**	**17,309**	**17,633**	**324**
Applications of operating funding				
Payments to staff and suppliers	8,903	9,259	9,650	391
Finance costs	0	0	0	0
Internal charges and overheads applied *	1,582	1,594	1,583	(11)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**10,485**	**10,854**	**11,233**	**379**
Surplus (Deficit) of operating funding	**5,764**	**6,455**	**6,399**	**(56)**
Sources of capital funding				
Subsidies and grants for capital	879	169	273	104
Development and financial contributions	617	978	978	0
Increase (decrease) in debt	1,499	1,925	1,030	(895)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**2,995**	**3,072**	**2,282**	**(790)**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	3,156	4,404	3,539	(865)
- to improve level of service	4,304	3,291	2,515	(776)
- to replace existing assets	1,300	1,833	2,627	794
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**8,759**	**9,528**	**8,681**	**(847)**
Surplus (Deficit) of capital funding	**(5,764)**	**(6,455)**	**(6,399)**	**56**
Funding balance	**0**	**0**	**0**	**0**

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

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	5,764	6,455	6,399	(56)
Subsidies and grants for capital expenditure	879	169	273	104
Development and financial contributions	617	978	978	0
Vested Assets	1,577	1,611	1,611	0
Gains on sale	0	0	0	0
Depreciation	(7,997)	(8,314)	(8,258)	56
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**840**	**900**	**1,004**	**104**

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

Funding impact statement - Wastewater

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	12,508	13,301	13,970	669
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	8,003	8,814	8,986	172
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	(1,265)	(1,325)	(1,345)	(20)
Total Operating Funding	**19,246**	**20,790**	**21,611**	**821**
Applications of operating funding				
Payments to staff and suppliers	11,647	12,188	12,609	421
Finance costs	0	0	0	0
Internal charges and overheads applied *	320	338	384	46
Other operating funding applications	0	0	0	0
Total applications of operating funding	**11,967**	**12,526**	**12,993**	**467**
Surplus (Deficit) of operating funding	**7,279**	**8,264**	**8,618**	**354**
Sources of capital funding				
Subsidies and grants for capital	378	224	224	0
Development and financial contributions	1,134	1,839	1,839	0
Increase (decrease) in debt	2,377	6,124	4,602	(1,522)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**3,889**	**8,187**	**6,666**	**(1,521)**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,700	9,405	6,955	(2,450)
- to improve level of service	5,250	3,085	4,334	1,249
- to replace existing assets	4,219	3,962	3,994	32
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**11,168**	**16,451**	**15,283**	**(1,168)**
Surplus (Deficit) of capital funding	**(7,279)**	**(8,264)**	**(8,618)**	**(354)**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	7,279	8,264	8,618	354
Subsidies and grants for capital expenditure	378	224	224	0
Development and financial contributions	1,134	1,839	1,839	0
Vested Assets	1,189	1,215	1,215	0
Gains on sale	0	0	0	0
Depreciation	(10,612)	(11,066)	(11,420)	(354)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(632)**	**477**	**477**	**0**

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

Funding impact statement - Stormwater

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	7,663	8,376	8,123	(253)
Subsidies and grants for operating purposes	70	0	15	15
Fees and charges	5	5	5	0
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	**7,738**	**8,381**	**8,143**	**(238)**
Applications of operating funding				
Payments to staff and suppliers	2,207	2,209	2,293	84
Finance costs	0	0	0	0
Internal charges and overheads applied *	1,657	1,756	1,421	(335)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**3,864**	**3,965**	**3,714**	**(251)**
Surplus (Deficit) of operating funding	**3,875**	**4,416**	**4,430**	**14**
Sources of capital funding				
Subsidies and grants for capital	301	721	2,431	1,710
Development and financial contributions	1,009	1,746	1,746	0
Increase (decrease) in debt	3,794	3,278	8,794	5,516
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**5,105**	**5,744**	**12,971**	**7,227**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	1,804	1,299	3,219	1,920
- to improve level of service	3,696	2,034	5,490	3,456
- to replace existing assets	3,480	6,826	8,692	1,866
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**8,979**	**10,160**	**17,400**	**7,240**
Surplus (Deficit) of capital funding	**(3,875)**	**(4,416)**	**(4,430)**	**(14)**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,875	4,416	4,430	14
Subsidies and grants for capital expenditure	301	721	2,431	1,710
Development and financial contributions	1,009	1,746	1,746	0
Vested Assets	1,623	1,659	1,659	0
Gains on sale	0	0	0	0
Depreciation	(4,983)	(5,230)	(5,228)	2
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,825**	**3,312**	**5,037**	**1,725**

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

Funding impact statement - Flood Protection

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	5,782	5,944	5,410	(534)
Subsidies and grants for operating purposes	0	0	360	360
Fees and charges	0	0	0	0
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	**5,782**	**5,944**	**5,770**	**(174)**
Applications of operating funding				
Payments to staff and suppliers	1,270	1,146	1,042	(104)
Finance costs	0	0	0	0
Internal charges and overheads applied *	2,529	2,510	2,199	(311)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**3,799**	**3,657**	**3,242**	**(415)**
Surplus (Deficit) of operating funding	**1,983**	**2,287**	**2,528**	**241**
Sources of capital funding				
Subsidies and grants for capital	0	0	2,235	2,235
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	1,678	3,104	1,286	(1,818)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**1,678**	**3,104**	**3,521**	**417**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	60	350	0	(350)
- to improve level of service	3,601	5,041	6,050	1,009
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**3,661**	**5,391**	**6,050**	**659**
Surplus (Deficit) of capital funding	**(1,983)**	**(2,287)**	**(2,528)**	**(241)**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,983	2,287	2,528	241
Subsidies and grants for capital expenditure	0	0	2,235	2,235
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(893)	(999)	(779)	220
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,090**	**1,289**	**3,984**	**2,695**

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

Funding impact statement - Solid Waste

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	1,081	1,105	1,125	20
Fees and charges	9,900	10,615	10,856	241
Interest and dividends from investments	(507)	(543)	(568)	(25)
Internal charges and overheads recovered *	3,035	2,460	3,469	1,009
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	373	373
Total Operating Funding	**13,509**	**13,637**	**15,255**	**1,618**
Applications of operating funding				
Payments to staff and suppliers	9,150	9,034	10,574	1,540
Finance costs	0	0	0	0
Internal charges and overheads applied *	3,108	2,530	3,539	1,009
Other operating funding applications	0	0	0	0
Total applications of operating funding	**12,258**	**11,563**	**14,113**	**2,550**
Surplus (Deficit) of operating funding	**1,251**	**2,074**	**1,142**	**(932)**
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	595	1,159	1,914	755
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**595**	**1,159**	**1,914**	**755**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	479	479
- to improve level of service	1,598	2,487	2,426	(61)
- to replace existing assets	581	1,089	486	(603)
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	(332)	(343)	(336)	7
Total applications of capital funding	**1,846**	**3,233**	**3,056**	**(177)**
Surplus (Deficit) of capital funding	**(1,251)**	**(2,074)**	**(1,142)**	**932**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,251	2,074	1,142	(932)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,223)	(1,306)	(1,373)	(67)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**29**	**768**	**(231)**	**(999)**

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

Funding impact statement - Environment

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	12,693	13,051	13,064	13
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	971	641	641	0
Fees and charges	6,916	7,054	7,949	895
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	54	55	55	0
Local authorities fuel tax, fines, infringement fees, and other receipts	56	57	51	(6)
Total Operating Funding	**20,691**	**20,859**	**21,760**	**901**
Applications of operating funding				
Payments to staff and suppliers	26,328	22,373	22,883	510
Finance costs	0	0	0	0
Internal charges and overheads applied *	569	628	589	(39)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**26,897**	**23,001**	**23,471**	**470**
Surplus (Deficit) of operating funding	**(6,207)**	**(2,142)**	**(1,711)**	**431**
Sources of capital funding				
Subsidies and grants for capital	125	2,300	1,725	(575)
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	7,375	2,953	2,904	(49)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**7,500**	**5,253**	**4,629**	**(624)**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	1,241	2,982	2,698	(284)
- to replace existing assets	52	129	219	90
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**1,294**	**3,111**	**2,917**	**(194)**
Surplus (Deficit) of capital funding	**6,207**	**2,142**	**1,711**	**(431)**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(6,207)	(2,142)	(1,711)	431
Subsidies and grants for capital expenditure	125	2,300	1,725	(575)
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(223)	(313)	(271)	42
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(6,305)**	**(155)**	**(258)**	**(103)**

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

Funding impact statement - Social

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	17,292	17,919	17,420	(499)
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	483	236	236	0
Fees and charges	2,062	2,075	2,096	21
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	261	267	322	55
Total Operating Funding	**20,098**	**20,497**	**20,074**	**(423)**
Applications of operating funding				
Payments to staff and suppliers	16,693	16,898	16,980	82
Finance costs	0	0	0	0
Internal charges and overheads applied *	1,863	2,042	1,594	(448)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**18,556**	**18,940**	**18,574**	**(366)**
Surplus (Deficit) of operating funding	**1,542**	**1,557**	**1,500**	**(57)**
Sources of capital funding				
Subsidies and grants for capital	26	27	27	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	6,248	2,677	3,411	734
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**6,274**	**2,704**	**3,438**	**734**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	602	613	622	9
- to improve level of service	1,699	1,848	1,865	17
- to replace existing assets	4,163	473	1,723	1,250
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	1,352	1,327	728	(599)
Total applications of capital funding	**7,816**	**4,261**	**4,938**	**677**
Surplus (Deficit) of capital funding	**(1,542)**	**(1,557)**	**(1,500)**	**57**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,542	1,557	1,500	(57)
Subsidies and grants for capital expenditure	26	27	27	0
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,423)	(1,467)	(1,454)	13
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**145**	**117**	**73**	**(44)**

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

Funding impact statement - Parks & Active Recreation

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	16,479	19,101	18,068	(1,033)
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	2,799	79	79	0
Fees and charges	3,739	1,243	1,265	22
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,145	1,097	1,093	(4)
Total Operating Funding	**24,162**	**21,521**	**20,506**	**(1,015)**
Applications of operating funding				
Payments to staff and suppliers	19,387	16,344	16,704	360
Finance costs	0	0	0	0
Internal charges and overheads applied *	3,450	2,944	2,219	(725)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**22,838**	**19,289**	**18,923**	**(366)**
Surplus (Deficit) of operating funding	**1,324**	**2,232**	**1,583**	**(649)**
Sources of capital funding				
Subsidies and grants for capital	1,334	943	372	(571)
Development and financial contributions	3,390	4,286	4,286	0
Increase (decrease) in debt	16,302	4,314	5,942	1,628
Gross proceeds from sale of assets	0	29,486	28,876	(610)
Lump sum contributions	0	0	0	0
Total sources of capital funding	**21,026**	**39,029**	**39,475**	**446**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	6,724	4,691	3,972	(719)
- to improve level of service	10,814	3,823	4,261	438
- to replace existing assets	4,812	3,262	3,950	688
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	29,486	28,876	(610)
Total applications of capital funding	**22,350**	**41,261**	**41,058**	**(203)**
Surplus (Deficit) of capital funding	**(1,324)**	**(2,232)**	**(1,583)**	**649**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,324	2,232	1,583	(649)
Subsidies and grants for capital expenditure	1,334	943	372	(571)
Development and financial contributions	3,390	4,286	4,286	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(3,711)	(3,482)	(3,495)	(13)
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**2,337**	**3,979**	**2,745**	**(1,234)**

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

Funding impact statement - Economic

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	2,002	2,328	2,346	18
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	336	359	342	(17)
Fees and charges	0	0	0	0
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered *	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
Total Operating Funding	**2,338**	**2,686**	**2,688**	**2**
Applications of operating funding				
Payments to staff and suppliers	2,232	2,585	2,598	13
Finance costs	0	0	0	0
Internal charges and overheads applied *	104	99	90	(9)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**2,336**	**2,685**	**2,688**	**3**
Surplus (Deficit) of operating funding	**2**	**2**	**0**	**(2)**
Sources of capital funding				
Subsidies and grants for capital	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(2)	(2)	0	2
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**(2)**	**(2)**	**0**	**2**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding	**0**	**0**	**0**	**0**
Surplus (Deficit) of capital funding	**(2)**	**(2)**	**0**	**2**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	2	2	0	(2)
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(2)	(2)	0	2
Other non-cash income / Expenditure	0	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**0**	**0**	**0**	**0**

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

Funding impact statement - Corporate

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	406	679	1,897	1,218
Targeted rates including water by meter	4,200	4,181	4,181	0
Subsidies and grants for operating purposes	660	398	398	0
Fees and charges	559	543	506	(37)
Interest and dividends from investments	3,395	4,300	4,835	535
Internal charges and overheads recovered *	15,714	15,645	13,126	(2,519)
Local authorities fuel tax, fines, infringement fees, and other receipts	3,021	4,109	3,780	(329)
Total Operating Funding	**27,956**	**29,855**	**28,725**	**(1,130)**
Applications of operating funding				
Payments to staff and suppliers	9,326	10,096	13,929	3,833
Finance costs	11,485	12,823	11,678	(1,145)
Internal charges and overheads applied *	2,647	2,597	2,209	(388)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**23,458**	**25,516**	**27,817**	**2,301**
Surplus (Deficit) of operating funding	**4,498**	**4,339**	**908**	**(3,431)**
Sources of capital funding				
Subsidies and grants for capital	12,000	0	1,000	1,000
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(3,527)	(1,908)	3,524	5,432
Gross proceeds from sale of assets	3,750	4,590	4,590	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**12,223**	**2,682**	**9,114**	**6,432**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	370	389	391	2
- to improve level of service	10,357	447	706	259
- to replace existing assets	3,567	1,458	1,721	263
Increase (decrease) in reserves	436	360	289	(71)
Increase (decrease) in investments	1,992	4,367	6,914	2,547
Total applications of capital funding	**16,721**	**7,021**	**10,021**	**3,000**
Surplus (Deficit) of capital funding	**(4,498)**	**(4,339)**	**(908)**	**3,431**
Funding balance	**0**	**0**	**0**	**0**

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

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	4,498	4,339	908	(3,431)
Subsidies and grants for capital expenditure	12,000	0	1,000	1,000
Development and financial contributions	0	0	0	0
Vested Assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,864)	(1,634)	(1,842)	(208)
Other non-cash income / Expenditure	(758)	468	(1,473)	(1,941)
Net Surplus (Deficit) before taxation in Cost of Service Statement	**13,876**	**3,174**	**(1,407)**	**(4,581)**

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

Accounting policies
Mahi kaute

Reporting entity

The Nelson City Council Group consists of Nelson City Council, its subsidiaries, associates and joint ventures. The information provided in these prospective financial statements includes the operation of Nelson City Council ('Council') only, as Council considers that this provides the clearest and most relevant information about the cost of services provided to ratepayers and consequently the rates income that is required to fund those services. The level of rates funding required to provide core services is not affected by other members of the group except to the extent that Council receives distributions from, or further invests in, those other members. The effects of such transactions are included in the prospective financial statements of the Council.

Basis of preparation

These prospective statements of Nelson City Council are for the year from 1 July 2025. The draft forecast information was authorised for issue by Council on 5 June 2025.

This prospective financial information is based on the financial statements as published in the June 2024 Annual Report and adjusted to incorporate updated assumptions and Council decisions made for the purpose of this Annual plan. Actual financial results are likely to be different from these Prospective Financial Statements, and that difference may be material.

Statement of compliance

This forecast information has been prepared in accordance with the requirements of the Local Government Act 2002. With the exception of the Funding Impact Statements (FIS) this forecast information has also been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) as it relates to prospective financial information and PBE FRS 42 – prospective financial statements. The prospective financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS), and other applicable financial reporting standards, as appropriate for public benefit entities.

The prospective financial statements have been prepared in accordance with Tier 1 PBE standards.

The FIS do not comply with GAAP as they do not recognise depreciation and movements in the valuation of assets and also they do not show capital income (Subsidies and Development Contributions) as operating income. A reconciliation is provided between the FIS surplus/(deficit) of operating funding and the Statement of Comprehensive Revenue.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the Council is New Zealand dollars.

Summary of significant accounting policies

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets. The following particular accounting policies, which materially affect the anticipated results, have been applied.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Exchange and non-exchange transactions

An exchange transaction is one in which Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Non-exchange transactions are where Council receives value from another entity without giving approximately equal value in exchange.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. All rates with the exception of water by meter are non-exchange transactions. Water by meter charges are exchange transactions. Rates revenue is recognised when payable.

Government grants

Council receives government grants primarily from the New Zealand Transport Agency Waka Kotahi, which subsidises part of Council's costs in maintaining the local roading infrastructure.

The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Government grants are generally non-exchange transactions.

Provision of commercially based services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. These are exchange transactions and include rents and resource and building consents.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained. This is non-exchange revenue.

Sales of goods

Revenue from sales of goods is recognised when a product is sold to a customer. Sales of goods are exchange transactions.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are paid. This is non-exchange revenue.

Interest and dividends

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established. Interest and dividends are considered income from exchange transactions.

Development contributions

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such a time as the Council provides, or is able to provide, the service. Development contributions are exchange transactions.

Expenditure

Borrowings costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ$ (the functional currency) using the spot rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Grants

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award in receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant. Council's grants awarded have no substantive conditions attached.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Any lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Receivables

Short term debtors and other receivables are recorded at their face value, less an allowance for expected credit losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Derivative financial instruments

The Council uses derivative financial instruments (interest rate swaps) to minimise its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and subsequently re-measured to fair value at balance date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The valuation at balance date is performed by Hedgebook Limited.

Swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are taken directly to the surplus or deficit for the year.

The fair value of interest rate swaps is determined by reference to market values for similar instruments. The net differential paid or received on interest rate swaps is recognised as a component of interest expense or interest revenue over the period of the agreement.

Swaps are classified as non-current if the remaining maturity is more than twelve months, and as current if the remaining maturity is less than twelve months.

The Council does not apply hedge accounting for its derivative financial instruments.

Fixed assets

Property, plant and equipment consist of the following categories:

- **Operational Assets** – these include land, buildings, improvements, landfill including estimated post closure, motor vehicles, plant and equipment, library books, forestry and the marina.
- **Restricted Assets** – restricted assets are land, buildings and improvements, which are owned by Council but which benefit or service the community and cannot be disposed of because of legal or other restrictions.
- **Heritage Assets** – Heritage Assets include museum artefacts, collections and historical buildings and monuments.
- **Infrastructure Assets** – infrastructure assets are the fixed utility systems owned by Council. These include the roading, water, sewer and stormwater networks.

Revaluation

All asset classes are carried at depreciated historical cost with the exception of infrastructure assets (apart from land under roads and operational and restricted land classes). These are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years for infrastructural assets and five years for land.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference then those asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class of asset basis. The net revaluation results are credited or debited to other comprehensive revenue or expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

New Council assets that are added between valuations are recorded at cost except when acquired through a non-exchange transaction. Where an asset is acquired through a non-exchange transaction, such as vested assets, it is recognised at fair value as at the date of acquisition. Vested assets are infrastructural assets such as roads, sewers and water mains, paid for by subdividers and vested in the city on completion of the subdivision. The fair value is based on the actual quantities of infrastructure components and the current "in the ground" cost of providing identical services.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When re-valued assets are sold or otherwise disposed of, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation has been provided on a straight line basis on all fixed assets, other than forestry, heritage, operational land, restricted land, land under roads and the marina basin at rates that will write off the cost or valuation of the assets to their estimated residual values over their useful lives. Assets' depreciable lives are as follows:

Asset	Depreciable Life (years)
Operational	
Buildings	50–100
Improvements	Nil-20
Motor vehicles	7
Plant and equipment	2–30
Library books	3–10
Marina	30–50
Restricted	
Buildings	50–100
Improvements	Nil-20
Roading	
Roads formation	n/a
Sub-base	n/a
Basecourse	5–80
Surfacing (sealed)	1–50
Surfacing (unsealed)	n/a
Bridges	20–100
Retaining/sea walls	30–100
Box culverts	60–90
Footpaths	5–100
Streetlights	20–60
Signs	15
Water Supply	
Pipeline	55–120
Manholes	58–110
Pump stations	10–50
Oxidation pond	15–151
Stormwater	
Pipeline	40-120
Bank protection	25–100
Manholes	90
Solid Waste	
Retaining walls	30–100
Ponds and dam	100
Gas flare	20
Resource consents	24

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired, and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

For assets not carried at revalued amount, the total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss on revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Other fixed assets including biological assets, intangible assets, investment property, and work in progress

Biological assets

Forestry assets are valued annually at fair value less estimated costs to sell for one growth cycle. The valuation methodology adopted is net present value based on the age and condition of the trees. The valuation was undertaken by PF Olsen on 30 June 2024. Changes in the valuation of the forestry assets are recognised in the surplus or deficit. The valuation does not include any value in respect of carbon trading.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Surrender Liability

The Council effectively recognises the ETS credit surrender liability on harvest of forestry (encumbered) on acquisition of the carbon credits as an offset.

Financial Risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need to active financial risk management.

Emissions trading scheme

Landfill carbon credits

Emissions Trade Scheme (ETS) credits are held to meet the landfill liability.

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Forestry carbon credits

Council earns ETS credits over time as the forest grows in exchange for the carbon absorbed from the atmosphere by these trees. Therefore, the number of ETS credits held by Council increases as the plantation forestry grows.

Council distinguishes its ETS credits into two categories:

- Encumbered credits: the ETS credits Council expects to be surrendered after its trees are harvested
- Unencumbered units: the ETS credits which are deemed to be surplus to future harvest obligations

The Council recognises all forestry ETS credits as "encumbered credits" at a net nil, as the surrender value on harvest offsets the value of these credits.

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each period is recognised in the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Intangible asset	Useful life (years)	Amortisation rate
Computer software	3–10	10–33%

Inventory

Inventories are valued at cost or net realisable value, whichever is lower. For the purposes of arriving at the cost, the weighted average cost method is used.

Work in progress

Profits on contracts are recognised progressively over the period of each contract. The contract amount included in the surplus or deficit, and the value of work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

When it is intended at the inception of the contract that contract costs are to be fully recovered from the parties to that contract, foreseeable losses on contracts are recognised immediately.

Investment property

Investment property is valued initially at its cost, including transaction costs.

Council's investment property is valued annually at fair value as at 30 June. Investment properties were valued based on open market evidence. The latest valuation was performed by Telfer Young (Nelson) Limited and changes in valuation are recognised in the surplus or deficit.

Other financial assets

Financial assets are initially recognised at fair value. They are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. They are then classified as, and subsequently measured under, the following categories:

- Amortised cost;
- Fair value through other comprehensive revenue and expense (FVTOCRE); or
- Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council does not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Instruments in this category include the Council's derivative instruments.

Expected credit loss allowance (ECL)

The Council recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans to subsidiaries and associates.

Borrowings

Borrowings are initially recognised at their face value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least twelve months after balance date.

Creditors and other payables

Short term creditors and other payables are recorded at the amount payable their face value.

Employee entitlements

Provision is made in respect of the Council's liability for annual leave, long service leave and retirement gratuities. Provision has been made for annual leave due and retirement gratuities calculated on an actual entitlement basis at current rates of pay. The provision for long service leave is based on an actuarial calculation at balance date.

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as non-current liability.

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost and is included in "finance costs".

As the NTRLBU is the operator of the York Valley and Eve's Valley landfills, it has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. This provision is calculated on the basis of discounting closure and post closure costs into present day values. The calculation assumes no change in the resource consent conditions for closure and post closure treatment. Council's 50% share of this provision is recognised in the parent accounts.

Income tax

Income tax expense comprises both current tax and deferred tax and is calculated using tax rates that have been enacted or substantively enacted by balance date. Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST except for debtors and creditors which are presented on a GST inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds
- Restricted reserves
- Council created reserves
- Property revaluation reserves.

Reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be:

Restricted reserves

Restricted reserves are those subject to specific conditions accepted as binding by Council, and which may not be revised by Council without reference to the courts or a third party. Transfer from these reserves may be made only for certain specified purposes or if certain specified conditions are met.

Council created reserves

Part of the accumulated balance established at the will of Council. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Revaluation reserves

The results of revaluing land, infrastructural assets are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve for any class of asset, this is expensed in the surplus or deficit. To the extent that increases in value offset previous decreases debited to the surplus or deficit, the increase is credited to the surplus or deficit.

Statement of cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Council and record the cash payments made of the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of noncurrent assets. Financing activities comprise activities that change the equity and debt capital structure of Council.

Changes in accounting policies

PBE IPSAS Leases sets out principles for the recognition, measurement, presentation, and disclosure of leases to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective reporting date is 1 January 2025, and the Council does not plan to early adopt this standard.

Critical accounting estimates and assumptions

In preparing this forecast information Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or underestimating the annual deprecation charge recognised as an expense in the surplus or deficit. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.
- The revaluation of infrastructural assets is carried out in-house between Council accountants and Council engineering staff and is then peer-reviewed by experienced independent valuers.

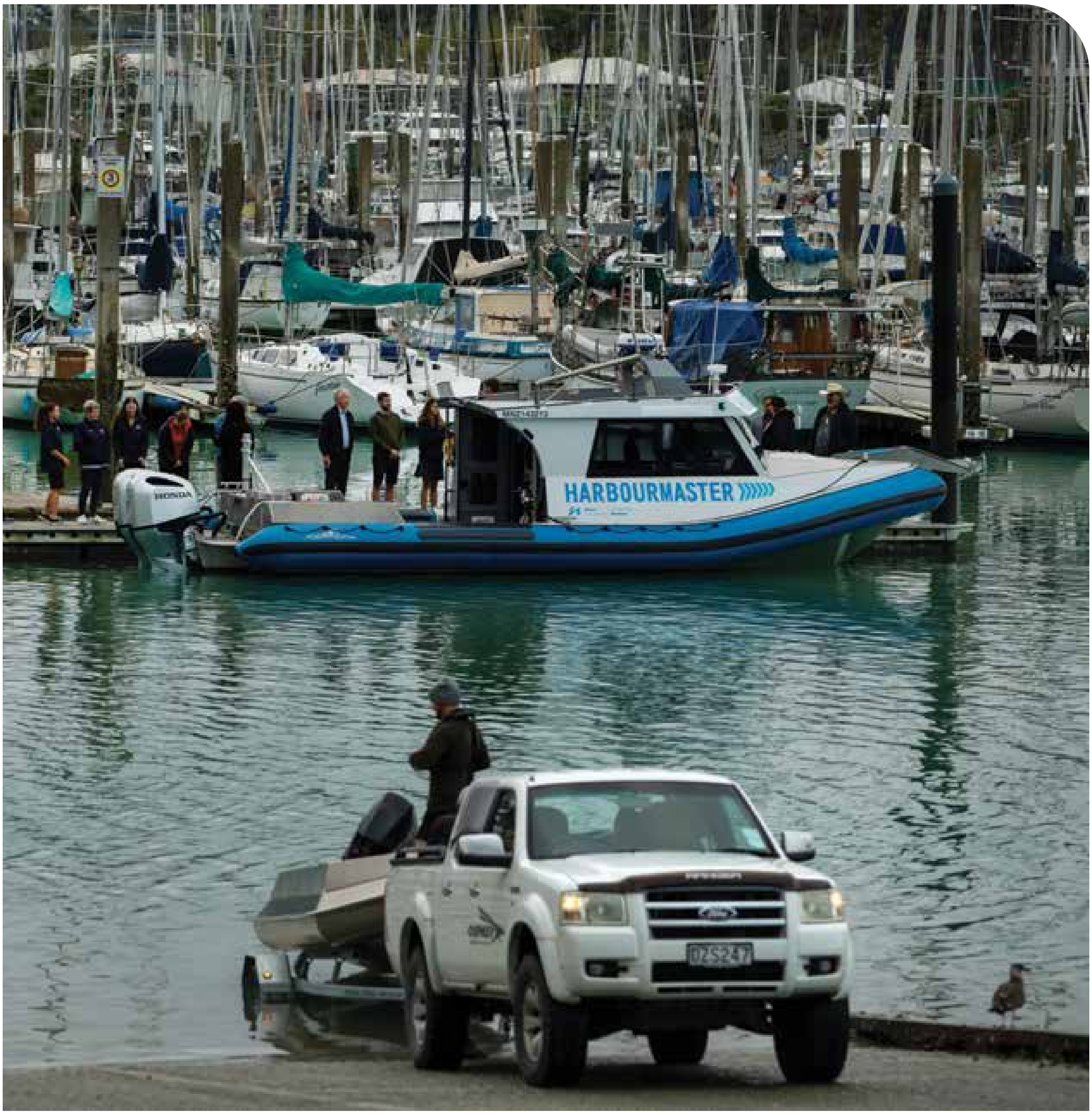
Financials

Council's Annual Plan 2025/26 covers the period 1 July 2025 to 30 June 2026. It incorporates operating and capital expenditure for the period for the core Council entity – consolidated statements have not been prepared to include subsidiaries.

In this section, financial information is provided at a summary level.

This Annual Plan achieves the following:

- Maintains the Long Term Plan 2024-2034 levels of service for each of the Council activities
- A capital programme of $88.4 million, which is $7.2 million more than what was planned for in year two of the Long Term Plan 2024-2034
- Forecast net debt of $259.1 million at the end of June 2026.



Statement of comprehensive revenue and expenses

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Revenue				
Rates other than metered water, net of remissions	98,792	106,252	106,060	(192)
Subsidies and grants	42,874	30,144	29,194	(950)
Fees and charges including metered water	45,309	45,235	46,728	1,493
Other Revenue	12,716	13,620	13,606	(14)
Development/financial contributions	6,444	9,669	9,669	0
Interest received	245	1,354	1,948	594
Other gains/losses	(758)	468	(1,473)	(1,941)
Total Revenue	**205,622**	**206,742**	**205,732**	**(1,010)**
Expenses				
Personnel costs	32,411	33,134	37,215	4,081
Finance costs	11,485	12,823	11,798	(1,025)
Depreciation and amortisation	45,342	46,797	48,262	1,465
Other expenses	96,330	91,391	94,693	3,302
Total Expenses	**185,568**	**184,145**	**191,968**	**7,823**
Net Surplus/(Deficit) before Taxation	20,054	22,597	13,764	(8,833)
Taxation	0	0	0	0
Net Surplus/(Deficit)	**20,054**	**22,597**	**13,764**	**(8,833)**
Increase in asset revaluation reserves	46,663	35,939	35,824	(115)
Total Other Comprehensive Revenue and Expense	**46,663**	**35,939**	**35,824**	**(115)**
Total Comprehensive Revenue and Expense	**66,717**	**58,536**	**49,588**	**(8,948)**

Statement of changes in net assets/equity

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Equity at beginning of year	2,226,431	2,293,148	2,288,325	(4,823)
Total comprehensive revenue and expense	66,717	58,536	49,588	(8,948)
Equity at end of year	**2,293,148**	**2,351,684**	**2,337,913**	**(13,771)**

The Annual Plan 2025/26 equity at the beginning of the year is based on 2023/24 Annual Report closing balance plus a forecast for 2024/25.

Statement of financial position

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Current Assets				
Cash and cash equivalents	7,520	7,289	4,448	(2,841)
Inventories	0	0	0	0
Trade and other receivables	24,960	24,792	23,186	(1,606)
Other financial assets	291	216	1,134	918
Taxation	0	0	0	0
Derivative financial instruments	437	445	0	(445)
Total Current Assets	**33,208**	**32,742**	**28,768**	**(3,974)**
Non Current Assets				
Trade and other receivables	0	0	0	0
Investments accounted for using the equity method	38,183	51,552	50,168	(1,384)
Investment in subsidiaries	8,200	8,200	8,200	0
Investment properties	980	980	950	(30)
Other financial assets	7,937	31,574	29,987	(1,588)
Intangible assets	7,151	6,794	6,332	(462)
Biological assets	4,577	5,027	4,259	(768)
Property, plant, and equipment	2,501,532	2,554,619	2,548,936	(5,683)
Derivative financial instruments	1,691	1,724	0	(1,724)
Total Non Current Assets	**2,570,251**	**2,660,471**	**2,648,832**	**(11,639)**
Total Assets	**2,603,458**	**2,693,213**	**2,677,600**	**(15,613)**

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Statement of financial position (continued)

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
Current Liabilities				
Bank overdraft	0	0	0	0
Trade and other payables	31,156	31,571	30,067	(1,504)
Employee benefit liabilities	2,763	2,805	2,982	177
Provisions	251	251	218	(33)
Taxation payable	0	0	0	0
Current portion of borrowings	30,563	35,479	55,382	19,903
Derivative financial instruments	0	0	1,020	1,020
Total Current Liabilities	**64,733**	**70,105**	**89,669**	**19,563**
Non Current Liabilities				
Trade and other payables	5,376	5,376	2,452	(2,924)
Provisions	3,174	3,236	3,344	109
Employee benefit liabilities	160	163	163	0
Derivative financial instruments	1,203	1,227	6,394	5,166
Non-current portion of borrowings	235,664	261,422	237,665	(23,757)
Total Non-Current Liabilities	**245,577**	**271,424**	**250,018**	**(21,406)**
Total Liabilities	**310,310**	**341,529**	**339,687**	**(1,843)**
Net Assets	**2,293,148**	**2,351,684**	**2,337,913**	**(13,770)**
Ratepayer's Equity				
Accumulated comprehensive revenue and expense	477,956	502,411	471,018	(31,393)
Other reserves	1,815,192	1,849,273	1,866,895	17,622
Total Ratepayer's Equity	**2,293,148**	**2,351,684**	**2,337,913**	**(13,771)**

The Annual Plan 2025/26 balances at the beginning of the year are based on 2023/24 Annual Report closing balances plus a forecast for 2024/25.

Cashflow statement

	Annual Plan 2024/25 ($000)	LTP 2025/26 ($000)	Annual Plan 2025/26 ($000)	Difference to LTP 2025/26 ($000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from rates revenue	110,010	118,204	118,238	34
Subsidies and grants received	42,874	30,144	29,194	(950)
Receipts from other revenue	37,857	37,278	38,570	1,292
Development and financial contributions	6,444	9,669	9,669	0
Interest Received	245	1,354	1,948	594
Dividends Received	3,150	4,029	3,955	(74)
	200,580	**200,678**	**201,574**	**896**
Cash was disbursed to:				
Payments to suppliers	98,734	90,913	96,076	5,163
Payments to employees	32,359	33,090	37,171	4,081
Interest Paid	11,485	12,823	11,798	(1,025)
Tax Paid/(refund)	0	0	0	0
	142,578	**136,826**	**145,045**	**8,219**
Net Cash Flows from Operating Activities	**58,002**	**63,852**	**56,529**	**(7,323)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Other Investments	0	0	0	0
Sale of Investments and properties for resale	0	0	0	0
Repayment of LGFA borrower notes	990	580	580	0
Sale of biological assets	0	0	0	0
Sale of fixed assets	4,610	0	34,326	34,326
Repayment of community loans and advances	152	177	177	0
	5,752	**757**	**35,083**	**34,326**

Continued on next page

Cashflow statement (continued)

Cash was disbursed to:				
Investments in LGFA borrower notes	1,971	1,268	1,596	328
Community loans advanced	0	0	0	0
Other investments	243	1,399	34,608	33,209
Purchase of biological assets	1,177	946	1,120	174
Purchase of intangible assets	(332)	(357)	(350)	7
Purchase of fixed assets:	0	0	0	0
Renewals	34,487	30,987	33,459	2,472
New works - growth	20,749	26,564	28,320	1,756
New works - Increased level of service	48,542	34,705	38,517	3,812
	106,837	**95,512**	**137,270**	**41,758**
Net Cash Flows from Investing Activities	**(101,085)**	**(94,755)**	**(102,187)**	**(7,432)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Proceeds from borrowings	88,084	55,674	69,708	14,034
Cash was applied to:				
Repayment of borrowings	45,000	25,000	25,000	0
Net Cash Flows from Financing Activities	**43,084**	**30,674**	**44,708**	**14,034**
Net Increase/(Decrease) in Cash Held	0	(231)	(953)	(722)
Add Opening Cash Balance	7,520	7,520	5,401	(2,119)
Closing Balance	**7,520**	**7,289**	**4,448**	**(2,841)**
Represented by:				
Cash and Cash Equivalents	**7,520**	**7,289**	**4,448**	**(2,841)**

The Annual Plan 2025/26 opening cash balance is based on 2023/24 Annual Report closing balance plus a forecast for 2024/25.

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Corporate				
Admin & Meeting Support				
HRIS System	-	-	215,000	215,000
Civic house				
Civic House Roof Cladding	711,124	-	-	-
Civic House roof and structure	646,130	-	-	-
Civic House Renewal Program	444,828	432,012	432,012	-
Civic House Ceiling Tiles	1,223,452	-	-	-
Rental properties				
Anchor building strengthening	44,226	267,968	312,196	44,228
Slip effected property purchases	9,339,700	-	200,000	200,000
Strategic Building Purchases	1,726,004	-	-	-
Administration				
Capital: Motor Vehicles	105,000	153,300	158,579	5,279
Computer Hardware - Client devices	110,000	97,203	97,203	-
Asset Management System enhancements	100,000	28,810	28,810	-
Aerial Photography and LiDAR	89,826	120,963	120,963	-
Building Systems Upgrade	105,678	-	-	-
Core Systems enhancement	304,448	311,146	311,146	-
Meeting / Agenda / Action Mgmt System	105,678	-	-	-
IRIS Next Gen	-	238,775	238,775	-
Corporate Projects under $100,000	**805,492**	**877,336**	**972,685**	**95,349**
Total Corporate	**15,861,586**	**2,527,513**	**3,087,369**	**559,856**
Scope Adjustment	(1,568,349)	(233,844)	(269,456)	(35,612)
Total Corporate Less Scope Adjustment	**14,293,237**	**2,293,669**	**2,817,913**	**524,244**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Environmental Management				
Monitoring the Environment				
Renewals: Monitoring Equipment	53,552	11,529	111,529	100,000
Plant & Equipment Monitoring The Environment	170,000	173,740	373,740	200,000
Healthy Streams	149,900	124,627	184,007	59,380
City Development				
3W-BOF-City Centre Playspace	125,000	2,350,600	1,775,600	(575,000)
CBD Enhancements	599,110	664,866	664,866	-
Dog Control				
EIL Equipment	220,000	-	-	-
Navigation Safety				
Renewal: Boat/Trailer	-	127,750	127,750	-
Environmental Management Projects under $100,000	**95,267**	**3,850**	**3,850**	**-**
Total Environmental Management	**1,412,829**	**3,456,962**	**3,241,342**	**(215,620)**
Scope Adjustment	(119,283)	(345,697)	(324,135)	21,562
Total Environmental Management Less Scope Adjustment	**1,293,546**	**3,111,265**	**2,917,207**	**(194,058)**

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Flood Protection				
IAF Flood Gate Upgrade	55,000	342,881	-	(342,881)
Maitai flood management	300,000	511,000	198,200	(312,800)
Jenkins & Arapiki (airport) - Flood Protection	167,000	1,226,400	326,400	(900,000)
Wakapuaka Flats Stormwater Network Upgrade	150,000	153,300	253,300	100,000
Flood Recovery Channel Bank protection	1,600,000	1,124,200	961,055	(163,145)
Flood Recovery 2022 River Stream Improvements	500,000	1,277,500	-	(1,277,500)
RIF Funded - Hanby Park - Clouston Terrace Stop bank	-	-	511,000	511,000
RIF Funded Flood Recovery 2022 - Oldham Creek Repairs	-	-	602,900	602,900
RIF Funded Flood Recovery 2022 - Hillwood Stream Floodway	-	-	263,300	263,300
Saxton Creek Stage 4 Upgrade	200,000	-	-	-
RIF Funded Flood Recovery 2022 - Seafield Terrace drainage d	-	-	343,400	343,400
RIF Funded Flood Recovery 2022 - Todd Valley Culvert Upgrade	-	-	1,219,200	1,219,200
RIF Funded - Clouston Bridge Floodwall	-	-	817,600	817,600
Brook Stream Catchment Improvements	100,000	408,800	108,800	(300,000)
Inventory of Urban Streams	100,000	153,300	149,996	(3,304)
Flood Protection Projects under $100,000	**831,257**	**725,715**	**882,135**	**156,420**
Total Flood Protection	**4,003,257**	**5,923,096**	**6,637,286**	**714,190**
Scope Adjustment	(342,200)	(532,002)	(587,779)	(55,777)
Total Flood Protection Less Scope Adjustment	**3,661,057**	**5,391,094**	**6,049,507**	**658,413**

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Parks and Active Recreation				
Neighbourhood Parks				
Land Purchase: General Reserve	1,500,000	2,883,222	1,500,630	(1,382,592)
Reserve Development Programme	354,415	165,622	442,299	276,677
Conservation Reserves				
Slip 0: Brook Street	582,603	-	750,000	750,000
Slip 3 Halifax Street	267,004	-	-	-
Slip 4 Milton Street	374,100	-	-	-
Slip 7 Miro Street	560,000	-	-	-
Slip 12 Allan Street	827,000	-	-	-
Slip 14 Tukuka Street	124,000	-	-	-
Slip 16 Endeavour Street	2,090,000	-	100,000	100,000
Slip 17 Lauria Way	110,000	-	-	-
Slip 18 Collingwood Street	769,000	-	-	-
Planting - General RTRP Recommendation 16	1,093,000	1,117,046	1,045,584	(71,462)
Planting - ETS RTRP Recommendation 16	369,500	766,500	766,500	-
Planting - Maitai RTRP Recommendation 17	258,500	-	-	-
Planting - Marsden RTRP Recommendation 19	422,222	-	422,222	422,222
Landscape Reserves				
Retired forestry block conversion programme	292,681	371,483	371,483	-
Renewal: Landscape Reserves Accessways and Tracks	87,120	122,273	122,273	-
Botanical Hill Drainage Upgrade (above Lauria Way)	20,000	102,200	102,200	-
Capital: Mountainbike Tracks	12,854	123,123	123,123	-
Marsden Valley MTB Hub	480,000	-	-	-
Grampians Brook acquisition: access & development	100,000	-	20,000	20,000
Esplanade & Foreshore				
Glenduan Reserve wetland development	247,989	-	273,170	273,170
Sports Parks				
Renewals: Services Sports Parks	200,000	53,206	153,206	100,000
Sportsground lighting improvements	33,568	554,055	593,881	39,826
Renewals: Access/Carparks	11,276	106,412	187,105	80,693
Capital: Trafalgar Park Stand Removal	-	185,058	185,058	-
Nelson Surf Lifesaving Club Facility	200,000	1,533,000	-	(1,533,000)
Capital: Minor Development Sports Parks	11,276	242,062	242,062	-
Rutherford Park Toilets	-	20,440	500,780	480,340

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Parks and Active Recreation (continued)				
Trafalgar Centre				
Renewals: Minor Assets Trafalgar Centre	112,758	115,239	115,239	-
Northern Extension Exterior Tiles	-	153,300	153,300	-
Saxton Field Stadium				
LED Lighting Upgrade Saxton Field Stadium	5,000	102,200	107,200	5,000
Pools				
Riverside Pool water heating system renewal	797,918	-	25,000	25,000
Renewals: Minor Assets	88,693	70,202	119,425	49,223
Capital - Riverside Pool upgrades	150,000	30,660	30,660	-
Capital - Nayland Pool upgrades	50,000	817,600	817,600	-
Play Facilities				
Renewals: Play Equipment	150,498	117,019	117,019	-
Playground Development Programme	38,563	258,559	484,351	225,792
City Play Space	-	613,200	613,200	-
Macrocarpa play structure	104,373	-	-	-
Marina				
Travel Lift renewal	2,508,020	-	-	-
Marina Master Plan Marine centre	350,000	-	-	-
Marina Master Plan Marina extension	250,004	-	-	-
Capital: Minor Development Marina	104,000	-	-	-
Water Sports Building	4,200,000	-	-	-
Marina Public Promenade	2,025,000	-	-	-
Marina Hardstand LOS improvements	150,000	-	-	-
Saxton Field				
Saxton Oval surface renewal	-	-	315,185	315,185
Capital: General Development	15,852	16,201	116,201	100,000
New cycle/path development	-	153,300	8,620	(144,680)
Parks & Active Recreation Projects under $100,000	2,278,649	2,231,530	2,557,395	325,865
Total Parks & Active Recreation	24,777,436	13,024,712	13,481,971	457,259
Scope Adjustment	(2,427,553)	(1,249,287)	(1,299,394)	(50,107)
Total Parks & Active Recreation Less Scope Adjustment	22,349,883	11,775,425	12,182,577	407,152

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Social				
Managing Heritage & Arts				
Art Works Programme	234,066	93,456	349,896	256,440
Arts Hub Facility	-	1,635,200	1,615,200	(20,000)
Isel House				
Renewal: structures	47,838	27,128	138,776	111,648
Broadgreen House				
Renewal:Structures	80,000	12,960	109,160	96,200
Broadgreen Glasshouse Restoration	-	-	100,000	100,000
Founders park				
Energy centre venue development	101,000	-	100,000	100,000
Nelson Library				
Renewals: Specialised Lib Equip	160,000	12,831	12,831	-
Book Purchases	310,000	316,820	316,820	-
Stoke Library				
Stoke Library structural improvements	469,229	-	-	-
Nellie Nightingale Library Memorial				
Nightingale roof repair	245,577	-	-	-
Toilets (Free)				
Toilets (Free) Renewals Program	686,907	97,202	684,109	586,907
Toilets (Charge)				
Montgomery Sq Toilet renewal	694,932	-	-	-
Community Properties				
Refinery Deconstruction and Future Use	1,387,000	-	35,000	35,000
Maitai Camp				
Maitai Campground Wastewater Renewal Project	1,325,683	-	-	-
Social Projects under $100,000	1,387,303	1,009,709	1,166,954	157,245
Total Social	7,129,535	3,205,306	4,628,746	1,423,440
Scope Adjustment	(665,076)	(270,877)	(418,928)	(148,051)
Total Social Less Scope Adjustment	6,464,459	2,934,429	4,209,818	1,275,389

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Solid Waste				
Joint Landfill Upgrade	2,178,000	2,517,953	3,391,789	873,836
Transfer Station				
New kiosk building	-	613,200	-	(613,200)
Freight Bins	-	306,600	-	(306,600)
Landfill				
Renewals: 1920 to 84 Landfill	-	255,500	-	(255,500)
Solid Waste Projects under $100,000	-	-	-	-
Total Solid Waste	2,178,000	3,693,253	3,391,789	(301,464)
Scope Adjustment	-	(117,530)	-	117,530
Total Solid Waste Less Scope Adjustment	2,178,000	3,575,723	3,391,789	(183,934)

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Stormwater				
Stormwater Renewals	50,000	102,200	102,200	-
Haven/St Vincent Culvert renewal & upgrade	3,000,000	6,643,000	8,921,549	2,278,549
Atawhai SH6 Stormwater Culverts	100,000	102,200	102,200	-
Stormwater Pump Station Renewals & upgrades	300,000	51,100	101,100	50,000
York Terrace	1,500,000	766,500	2,716,500	1,950,000
IAF Stormwater Pipeline Upgrade	330,000	562,100	712,100	150,000
Stormwater Network Models	100,000	102,200	142,196	39,996
RIF Funded Flood Recovery 2022 - Cleveland Terrace Intake	-	-	1,284,000	1,284,000
RIF Funded Flood Recovery 2022 - Devenish Place Intake	-	-	541,000	541,000
Capital: Freshwater Improvement Programme	100,000	102,200	40,000	(62,200)
Washington Valley Stormwater Upgrade	14,174	102,200	102,200	-
Airlie St	342,223	-	374,428	374,428
Tahunanui Hills Stormwater Catchment 9 - Moana Ave to Rocks	150,000	511,000	361,000	(150,000)
Minor Stormwater Improvements Programme	100,000	102,200	100,000	(2,200)
Strawbridge Sq Stormwater improvements	531,572	102,200	2,200	(100,000)
Murphy / Emano Street upgrade	100,000	102,200	122,200	20,000
Tahunanui Hills Stormwater Catchment 2 - Moncrieff Avenue	412,000	-	312,000	312,000
Flood Recovery Minor Stormwater Improvements	300,000	306,600	485,886	179,286
RIF Funded - Queens Gardens drainage diversion	-	-	1,092,000	1,092,000
RIF Funded Flood Recovery 2022 - Nile Street East drainage	-	-	153,300	153,300
Bisley Avenue	364,000	-	332,828	332,828
Flood Recovery Intakes Resilience	200,000	306,600	306,600	-
Flood Recovery 2022 Intakes Resilience Cleveland Terrace	750,000	-	-	-
Flood Recovery 2022 Intakes Resilience Devenish Place	200,000	204,400	-	(204,400)
Vested assets				
Vested Assets Stormwater	1,623,395	1,659,110	1,659,110	-
Stormwater Projects under $100,000	950,843	1,034,299	850,935	(183,364)
Total Stormwater	11,518,207	12,862,309	20,917,532	8,055,223
Scope Adjustment	(915,397)	(1,043,462)	(1,858,083)	(814,621)
Total Stormwater Less Scope Adjustment	10,602,810	11,818,847	19,059,449	7,240,602

Project	Annual Plan 2022/23 ($000)	LTP 2023/24 ($000)	Annual Plan 2023/24 ($000)	Difference to LTP 2023/24 ($000)
Transport				
Subsidised roading				
WC 224 Atawhai and Whakatu Cycle path Renewals	20,000	122,640	122,640	-
WC 111 Sealed Pavement Heavy Works	330,000	337,260	246,711	(90,549)
WC 214 Sealed Road Pavement Rehabilitation	3,496,860	3,900,052	1,112,988	(2,787,064)
WC 212 Sealed Road Resurfacing	2,242,854	2,490,004	1,418,851	(1,071,153)
WC 215 Jenner Road Retaining Wall Renewal	-	-	400,000	400,000
WC 224 Cyclepath renewals	105,678	108,003	72,297	(35,706)
WC141 Maori Road Flood Repair	310,000	-	-	-
WC141 Flood Recovery - Minor Works	145,000	112,420	-	(112,420)
WC141 Slip Repair Maitai Road	500,000	-	-	-
WC141 Cable Bay Road slip repairs	100,000	-	-	-
WC 141 Glen Creek washout repairs	100,000	-	-	-
WC141 Teal Valley Road flood repairs	100,000	817,600	817,600	-
WC141 Arrow Street Retaining Wall Slip Protection	250,000	-	-	-
WC 141 35 Konini Street	430,000	-	-	-
WC141 Iwa Road flood repairs	350,000	-	320,000	320,000
WC141 333 Wakefield Quay	150,000	-	-	-
WC 213 Drainage Renewals	500,000	511,000	511,000	-
WC 215 Structures component replacement - Bridges	50,000	245,280	275,280	30,000
WC215 Structure replacement	280,000	459,900	129,900	(330,000)
WC 222 Streetlight renewals	610,000	613,200	613,200	-
WC225 Renewals: Footpaths	2,100,000	2,197,300	494,644	(1,702,656)
WC 222 Traffic Service Renewals - Signs, markings and deline	110,000	112,420	112,420	-
WC 222 Traffic Service Renewals - Signals	200,000	204,400	204,400	-
WC341Z Speed Limit changes speed signs	281,996	204,400	426,396	221,996
WC341 Maitai Bayview Growth programme	100,000	1,022,000	-	(1,022,000)
WC 452 Nile Street cycle facilities	-	102,200	-	(102,200)
WC 111: Pre Seal Programme	400,000	459,900	459,900	-
WC 341Z Haven/Halifax Intersection Improvements	100,000	10,220	-	(10,220)
Nile St/Maitai Rd intersection (Bayview/Maitai) Subsidised Roading	100,000	204,400	-	(204,400)
WC 324 Quarantine/Nayland intersection upgrades	200,000	-	-	-
WC 341Z Toi Toi/Vanguard intersection upgrade	225,000	20,440	225,000	204,560
WC 341L Waimea Road Franklyn Street intersection improvement	110,000	1,839,600	-	(1,839,600)
WC341 Stoke School speed zone upgrade	100,000	459,900	459,900	-

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Transport (continued)				
WC341L Traffic calming to support speed reduction	100,000	102,200	-	(102,200)
WC341Z St Vincent Street Toi Toi Street raised roundabout	300,000	-	-	-
WC 341Z - Gloucester Vanguard intersection safety	-	817,600	-	(817,600)
WC341Z - Gloucester St Vincent intersection safety	-	817,600	-	(817,600)
WC341Z - Hardy Vanguard intersection safety	800,000	-	-	-
WC 341 L Nayland Songer intersection	800,000	-	-	-
WC 341L IAF Active Linear Corridor	50,000	970,900	-	(970,900)
WC 341L Quarantine/Pascoe Intersection Improvements	-	102,200	-	(102,200)
WC341L Road Drainage Improvements	100,000	102,200	102,200	-
WC 341L Structure Improvements	-	-	1,099,968	1,099,968
WC 341L Streetlight Improvement	100,000	102,200	102,200	-
WC 341 Cross Town Links Brook to Central Programme	-	408,800	-	(408,800)
WC341 St Vincent Street separated cycle facility improvements	200,000	122,640	-	(122,640)
Unsubsidised roading				
Renewals Footpaths Utilities	-	-	150,000	150,000
Sealed Road Pavement Rehabilitation	-	-	2,423,022	2,423,022
Sealed Road Resurfacing	-	-	524,865	524,865
Renewals: Footpaths	-	-	288,633	288,633
Land Purchase	450,000	-	-	-
Maitai Bayview Growth programme	249,996	-	872,000	872,000
IAF Active Linear Corridor Unsubsidised Roading	2,903,135	3,372,600	4,072,600	700,000
Street Garden Dev	186,499	153,300	103,300	(50,000)
Paru Paru Road Carpark	150,000	1,124,200	1,124,200	-
Nile Street cycle facilities	-	-	102,200	102,200
Slip 13 Cleveland Terrace	975,000	-	42,253	42,253
Nile St/Maitai Rd intersection (Bayview/Maitai)	-	-	304,400	304,400
Traffic calming to support speed reduction	-	-	102,200	102,200
Toi Toi/St Vincent intersection upgrade	-	-	366,198	366,198
IAF Active Linear Corridor	-	-	970,900	970,900
Quarantine/Pascoe Intersection Improvements	-	-	102,200	102,200
Road Drainage Improvements	-	-	175,000	175,000
Cross Town Links Brook to Central Programme	-	-	408,800	408,800
Hill Street Investigation	99,996	-	100,000	100,000
St Vincent Street separated cycle facility improvements	-	-	122,640	122,640

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Transport (continued)				
Parking and CBD enhancement				
Renewal: CBD aesthetic elements	100,000	102,200	102,200	-
CBD Carpark Resurfacing	100,000	102,200	120,000	17,800
New Car parks	690,000	1,941,800	1,631,800	(310,000)
Public transport				
WC 531 Integrated Ticketing GRETS	-	204,400	204,400	-
WC 532 Millers Acre Interchange	2,700,000	919,800	4,173,206	3,253,406
WC 531: PT Signals priority	100,000	102,200	99,996	(2,204)
WC 532 Bus Shelter Lighting	50,000	102,200	152,204	50,004
WC532 PT Minor Improvements	20,000	102,200	121,584	19,384
Vested assets				
Vested assets	1,251,001	1,278,523	1,278,523	-
Transport projects under $100,000	1,913,042	1,574,789	1,598,615	23,826
Total Transport	28,486,057	31,181,291	31,565,434	384,143
Scope adjustment	(2,604,087)	(2,867,170)	(2,924,140)	(56,970)
Total Transport less scope adjustment	25,881,970	28,314,121	28,641,294	327,173

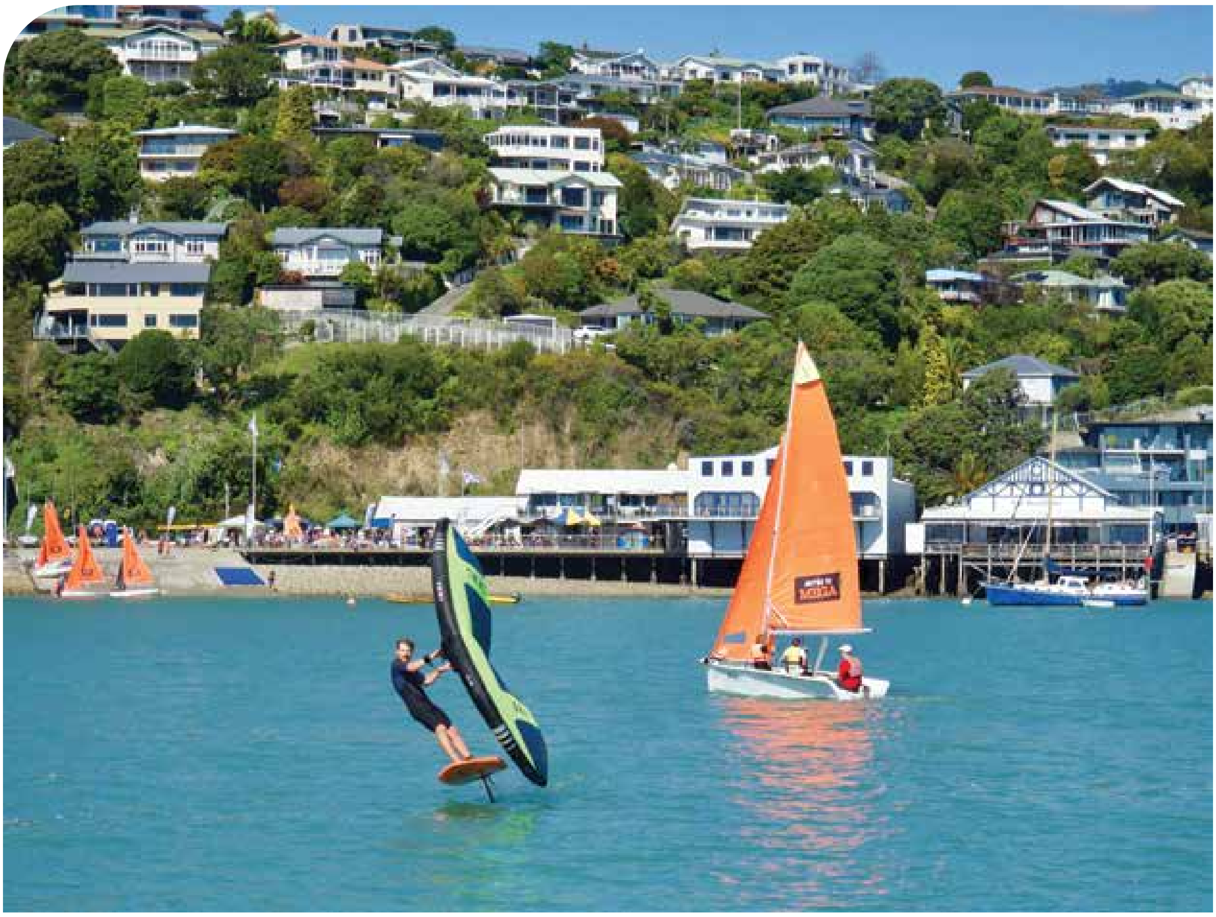
Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Wastewater				
Wastewater Pipe Renewals & upgrades	500,000	511,000	511,000	-
York Terrace WasteWater Upgrade	-	-	137,528	137,528
Atawhai Rising Main renewal & upgrade - Stage 1	637,965	1,022,000	988,997	(33,003)
Renewals & upgrades Swallow Rising Main Watercourse Crossing	200,000	511,000	111,000	(400,000)
Renewals Pump stations	350,000	357,700	403,081	45,381
NWWTP renewals	330,000	337,260	385,482	48,222
NWWTP Wetlands Plant renewal	200,000	20,440	20,440	-
NWWTP Resource Consent Renewal	761,500	102,200	227,757	125,557
Mahitahi Development	740,000	4,088,000	2,088,000	(2,000,000)
IAF Wastewater Pipeline Upgrade	467,500	4,705,901	5,005,901	300,000
IAF Paru Paru PS Upgrade	500,000	429,240	29,240	(400,000)
NWWTP Replacement	-	613,200	100,000	(513,200)
Nelson Regional Sewerage	4,768,303	3,729,566	4,032,450	302,884
Quarantine Rd Sewer PS/Catchment Upgrades	1,000,000	-	1,000,000	1,000,000
Overflow Reduction/I&I Capital Works	100,000	102,200	102,200	-
Pump station resilience improvement programme	100,000	102,200	138,384	36,184
NWWTP Minor Upgrades	100,000	109,354	109,354	-
System Performance Improvements (Overflow Reduction / I&I)	100,000	102,200	102,200	-
Vested assets				
Vested assets	1,189,073	1,215,233	1,215,233	-
Wastewater projects under $100,000	982,389	978,090	1,001,457	23,367
Total Wastewater	13,026,730	19,036,784	17,709,704	(1,327,080)
Scope Adjustment	(669,196)	(1,370,155)	(1,211,127)	159,028
Total Wastewater Less Scope Adjustment	12,357,534	17,666,629	16,498,577	(1,168,052)

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Water Supply				
Water Treatment Plant Renewals	165,000	127,750	127,750	-
Renewals & Upgrades: Water Pipes	285,000	1,313,270	1,313,270	-
Nayland Rd - Aldinga to Songer	200,000	-	-	-
Torlesse Street Watermain Renewal	-	-	700,000	700,000
Renewals: Commercial Meters	150,000	153,300	303,300	150,000
Reservoir Refurbishment Programme	136,000	90,958	90,958	-
Thompson Terrace Reservoir Refurbishment - Electrical/Bldg/V	250,000	102,200	102,200	-
Maitahi Development Growth project	270,000	102,200	102,200	-
Bayview Development Growth project	50,000	153,300	153,300	-
Future growth and Intensification Projects	150,000	51,100	201,100	150,000
IAF Bridge St	385,000	1,686,300	1,686,300	-
IAF Collingwood St	859,100	-	-	-
IAF Halifax St	1,226,150	1,253,483	-	(1,253,483)
IAF Rutherford St	22,000	929,151	929,151	-
Water Treatment Plant Upgrades	245,000	388,360	388,360	-
Capital: Atawhai Res & pump Ma	-	-	173,996	173,996
Headworks Upgrades	215,000	255,500	255,500	-
Capital: Backflow Prevention	100,000	102,200	182,200	80,000
Capital: Atawhai Trunkmain	50,000	153,300	294,288	140,988
Water Loss Reduction Programme	100,000	102,200	102,200	-
Natural Hazards Risk Remediation	100,000	102,200	2,200	(100,000)
Maitai Pump Station upgrade	100,000	51,100	151,096	99,996
WTP Fluoride Dosing	287,331	-	-	-
Capital: Atawhai No.2 Reservoir	750,000	1,533,000	941,635	(591,365)
Dam Upgrades	2,173,723	511,000	48,368	(462,632)
Taumata Arowai - Contractor access to mains	100,000	102,200	102,200	-
Flood Recovery 2022 - WTP	150,000	153,300	153,300	-
Flood Recovery 2022 - Headworks	150,000	102,200	102,200	-
Flood Recovery 2022 - Reticulation	100,000	102,200	102,200	-
Vested Assets				
Vested Assets Water Supply	1,576,711	1,611,399	1,611,399	-
Water Supply Projects under $100,000	932,006	932,414	906,811	(25,603)
Total Water Supply	11,278,021	12,165,585	11,227,482	(938,103)
Scope Adjustment	(941,980)	(1,026,359)	(935,109)	91,250
Total Water Supply Less Scope Adjustment	10,336,041	11,139,226	10,292,373	(846,853)

Summary of capital expenditure over $100,000 in any one year

Project	Annual Plan 2024/25	LTP 2025/26	Annual Plan 2025/26	Difference to LTP 2025/26
Total Capital	**109,418,537**	**98,020,428**	**106,060,504**	**8,040,076**
Less Total Vested Assets	5,640,180	5,764,264	5,764,264	-
Total Capital Per Funding Impact Statement	**103,778,357**	**92,256,164**	**100,296,240**	**8,040,076**
Less Total Joint Comittees	6,946,303	6,247,519	7,424,239	1,176,720
Total Capital - Excluding Vested and Joint Committees	**96,832,054**	**86,008,645**	**92,872,001**	**6,863,356**



Financial reserves estimates

The Local Government Act 2002 requires that councils provide a summary of the restricted reserves that it holds.

Name	Activity	Purpose	Projected balance July 2025 ($)	Deposits ($)	Withdrawals ($)	Balance June 2026 ($)
Nelson Institute Funds	Nelson Library	Bequest to Nelson Institute	9,424	386		9,810
L C Voller Bequest (ETL)	Nelson Library	Youth Section of Elma Turner Library	26,317	1,079		27,396
Nelson 2000 Trust	Esplanade Reserves	Wakefield Quay Development	164,607			164,607
Insurance Reserve	Investment Management	To fund Insurance claim excess	1,241,772	443,014		1,684,786
Health & Safety Reserve	Admin and Meeting Support	OSH Compliance	33,967	1,392		35,359
Roading Contributions	Roading	Financial Contribution for capital works	117,486			117,486
Walker bequest	Parks		10,793	443		11,236
Dog Control Reserve	Dog Control	Self funded activity balance	(204,511)	4,748		(199,763)
Sport & Rec Grants Reserve	Physical Activity Fund	Ex Hillary Commission fund for Sport and Recreation	8,499			8,499
Art Council Loan Fund	Physical Activity Fund	Ex Sport & Rec Grants	10,000			10,000
Housing Reserve	Community Housing	Self funded activity balance	7,850,000		1,875,000	5,975,000
Founders Park Reserve	Founders	Founders development	409,494	77,155		486,649
Forestry Fund	Forestry	Self funded activity balance	(1,236,245)		670,165	(1,906,410)
Landfill	Solid Waste	Share of development of new landfill when required	4,899,791	200,892		5,100,683
Solid Waste	Solid Waste	Self funded activity balance	(18,084)		90,631	(108,715)

Annual Plan Disclosure Statement

For year ending 30 June 2026

What is the purpose of this statement?

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Limit	Planned	Met
Rates affordability benchmark – increases	5.7%	6.5%	No
Debt affordability benchmark	<200%	135%	Yes
Balanced budget benchmark	>100%	100%	Yes
Essential services benchmark	>100%	174%	Yes
Debt servicing benchmark	<10%	6.1%	Yes

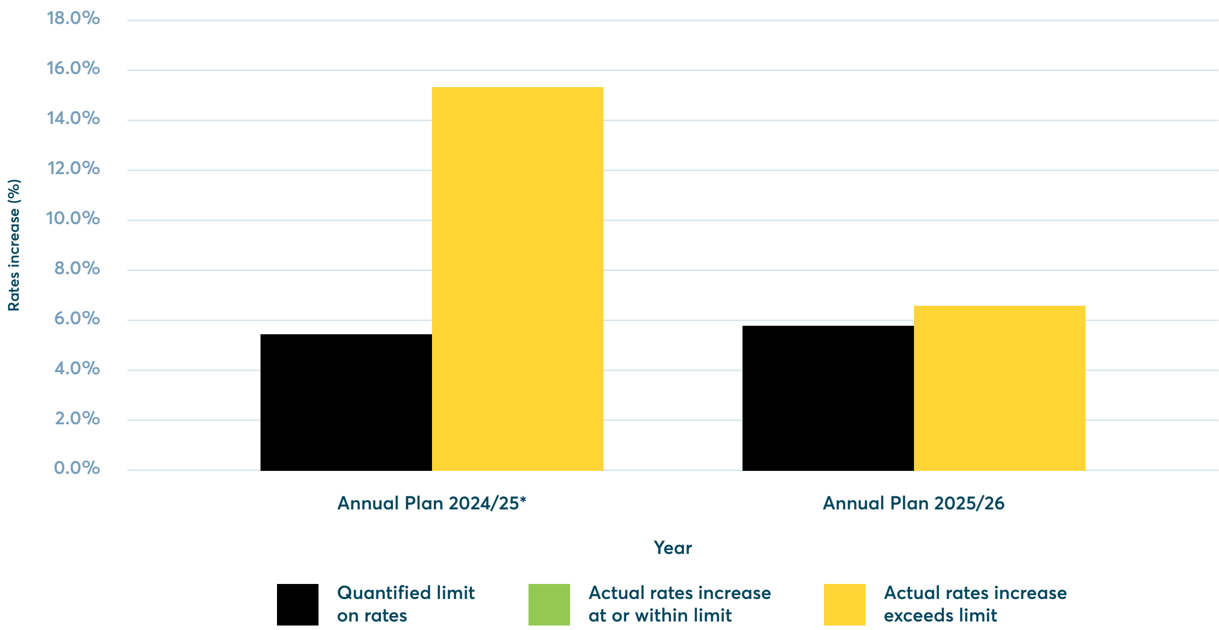
Rates affordability benchmark

Council meets the rates affordability benchmark if:

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (increases) affordability

The following graph compares Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the Long Term Plan 2024-2034. The quantified limit is the local government cost index plus 2.5% for each year of the Long Term Plan.

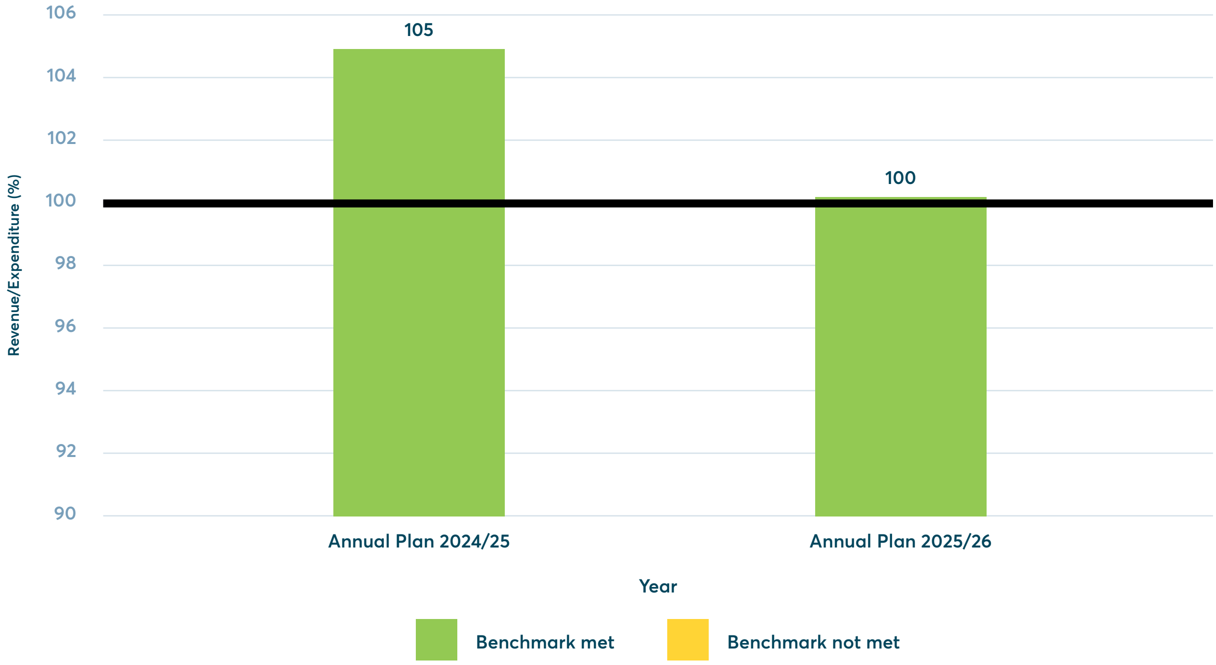


**The 2024/25 average rates rise would be 8.2% plus a $300 (including GST) storm recovery charge*

Balanced budget benchmark

The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.



Debt affordability benchmark

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in the Long Term Plan. The quantified limit is that net external borrowings are not to exceed 200% of revenue. Net external borrowings are defined as external debt and overdraft less cash balances, term deposits and borrower notes.

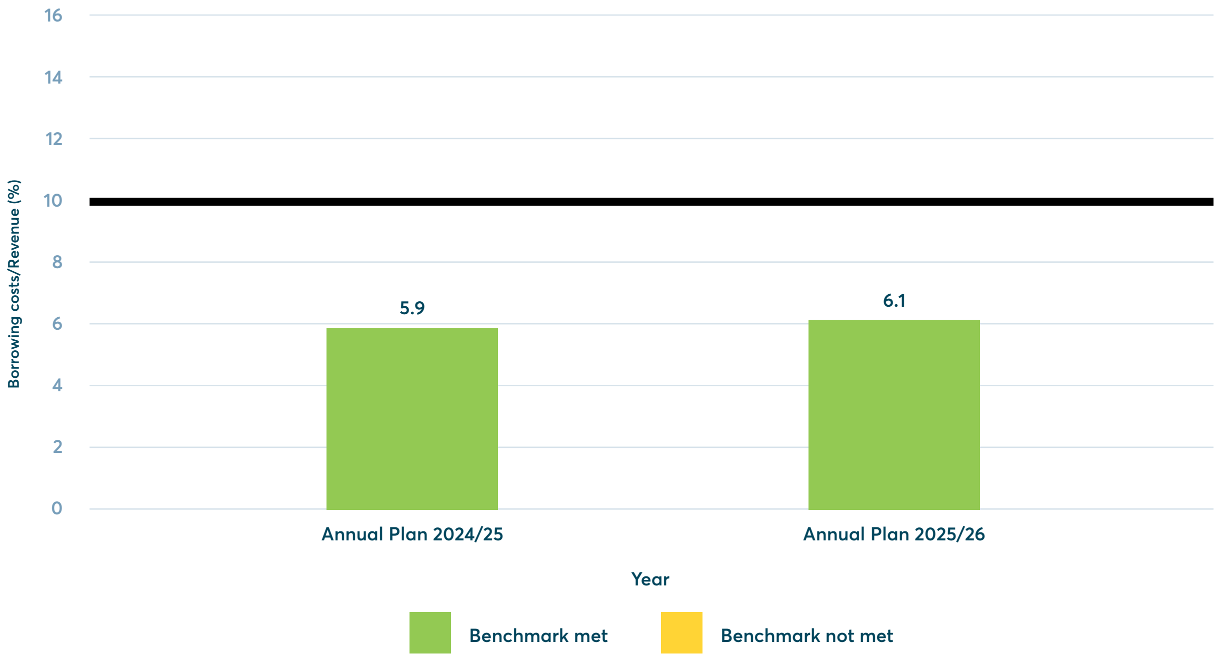
Essential services benchmark

The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt servicing benchmark

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

A local authority meets the debt servicing benchmark for a year if its borrowing costs for the year equal or are less than 10% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) for the year.



Council Controlled Organisations (CCO)
Hinonga Kaunihera

Council is involved with several organisations that deliver strategic outcomes or public benefit for the city. These are listed below.

Infrastructure Holdings Ltd (IHL)

Established in June 2023 and owned equally by both Nelson City Council and Tasman District Council, IHL is a council-controlled trading organisation (CCTO) that is the investment arm for Port Nelson and Nelson Airport. As an investor in two of the region's strategic assets, IHL's core purpose is to provide a funding vehicle to enable reduction in finance costs and an increase in Shareholder returns from Port Nelson Limited and Nelson Airport Limited. This means that both councils agreed to sell their shares in these organisations.

- Port Nelson (owned by IHL)
- Nelson Airport (owned by IHL)

Controlled by Nelson City Council

- Nelmac Ltd (CCTO)
- Nelson Regional Development Agency (CCO)
- Suter Art Gallery Te Aratoi o Whakatū Trust (CCO)
- Tasman Bays Heritage Trust (joint CCO with Tasman District Council)
- Nelson Marina (intended to be an asset-owning CCO from 1 July 2025)
- City of Nelson Civic Trust (CCO)

Council Organisations

- The Nelson Centre of Musical Arts
- Nelson Festivals Trust

Further details on these organisations can be found in the Long Term Plan under the section "Further Information".

Contact us
Whakapā mai

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Council Customer Service Centre

Open from 8.30am to 5.00pm weekdays (9.00am on Wednesdays) in Civic House, corner Halifax and Trafalgar Streets, Nelson.

Nelson City Council
Te Kaunihera o Whakatū