Nelson City Council | Te Kaunihera o Whakatū

Annual Plan 2026/27

Variations to year three of the Long Term Plan 2024–2034

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Kia ora, Nelsonians

Introduction and context

Nelson is a great place to live with our enviable climate and beautiful natural environment. We have a diverse economy, are home to New Zealand's largest fishing port and have the highest concentration of scientists in the country. 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, 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, Government and Council – is feeling the financial squeeze from a cost-of-living crisis and rising fuel prices, driven by the conflict in Iran. Council is limited in what it can do about the hike in fuel prices. Our own budgets are being hit hard with bitumen prices increasing 75% in a very short period and fuel costs pushing up civil construction prices. There are also indirect effects such as Air New Zealand's decision to cut some Nelson flights, which reduces the income to Nelson Airport that Council owns 50/50 with Tasman District Council.

Nelson started 2026 with solid momentum, with the city's economy going ahead of the national average in the year to March 2026. The Iran conflict, hike in fuel prices and inflationary effects have stalled our recovery. Global uncertainty is expected to continue through 2026 and 2027, affecting operating costs and investment confidence.

Council is also facing massive central government reform and higher costs to deliver services and infrastructure. These pressures mean we must carefully balance keeping rates affordable with maintaining services and planning for Nelson's future needs.

Managing cost pressures and rates

Our Annual Plan 2026/27 is in keeping with what we forecast for year three of our Long Term Plan 2024–2034, with an average 4.7% 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. Keeping the average rate increase to 4.7% has required that we find savings to offset some of the unexpected costs that have arisen since we approved the Long Term Plan.

Council's Shaping Our Future programme, led by our Chief Executive, is focused on ensuring Council is fit for purpose by modernising how we operate to deliver even better value for money for our community. Its focus is on improving our customer service and community engagement, making smarter use of technology, streamlining processes and better coordination across our services and infrastructure delivery.

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 steady as top priority

Council's top priority shifted to city revitalisation in 2025/26 after a focus on storm recovery for the two previous years. This shift in priority built on the work of the City Revitalisation Summit held in March 2024.

Bridge to Better is a key Council revitalisation project being advanced in 2026/27. Enabling works were carried out in 2025. The substantial construction phase started in February 2026 and is now in full swing. This phase involves the replacement of very old underground infrastructure, some of which dates back to the 19th century. While these old sewage and water pipes are being replaced, we're taking the opportunity to have the power and fibre cables upgraded and refresh the streetscape.

This work will continue into 2027 and, once completed, will provide the capacity to cater for new residential and commercial developments in the city centre and revitalise Bridge Street. Council is working hard to simultaneously attract new private-sector investment to this part of the city.

Another project to help revitalise central Nelson is the creation of a new Arts Hub in a Council-owned building at Millers Acre. This space will showcase Nelson's arts and culture, with workshops, galleries, and a new arts development agency.

The Arts Hub and arts development agency will occupy the northern sections of Millers Acre complex, adjacent to River Kitchen and the new Nelson Bus Hub, which was officially opened on 12 December 2025. Construction of the Arts Hub started in April and is expected to be completed in late August. Council is also pursuing UNESCO Creative City status for Nelson as a City of Craft.

The new playspace in Rutherford Park is on track to open over summer. Construction started in early 2026 on this development, which is inspired by the cultural narrative of Te Wheke a Muturangi. Led by Ngā Iwi o Te Tauihu in collaboration with Council, the project is being funded via $2.4 million from central government and $600,000 from Council.

Options are being prepared for public engagement this year on whether we redevelop Civic House and incorporate a library or progress a new-build combined Community Hub, Library and Civic Space.

Once a decision is made on the way forward, the project will be progressed via the next Long Term Plan 2027–2037.

Strengthening Nelson's links with the sea

Nelson is blessed to have a stunning waterfront so close to its CBD. We are making progress on the next stage of the Nelson Marina Masterplan in 2026/27 with the completion of a project to deliver a 6,000m^2 boat hardstand and new 110-tonne Cimolai boat lift.

Central government in January 2026 announced financial support of $2.4 million for this project as well as $10.5 million for a planned Marine Service Centre, which is a key stage in the masterplan for our Council-owned marina.

This development is complemented by the recent completion of the Calwell Facility at Port Nelson, which Council owns 50/50 with Tasman District Council.

The Calwell Facility, officially opened in April 2026, includes a new 550-tonne boat hoist and 7,000m^2 of hardstand space alongside the 2,400-tonne existing slipway. These investments position Nelson as the go-to place for maintenance and repair work for boats of all sizes.

Council owns 10 parcels of land between the old Powerhouse building on Wakefield Quay and Collins Street and we plan to engage with the public in 2026/27 on plans to develop this beautiful waterfront area.

The construction 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 2024–2034 to provide $1.65 million for this project and another $1.6 million has been secured from Government. The club must raise the rest. Independent commissioners granted resource consent for the building in April 2026.

Conclusion

I acknowledge the dedicated Councillors and Council officers who have worked hard to deliver this Annual Plan 2026/27. 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 2026/27

Council's main planning document is the Long Term Plan 2024–2034 which sets out what Council intends to do and spend over the 10 year period.

The Annual Plan 2026/27 focuses only on what has changed since the Long Term Plan was adopted. It allows us to update projects and budgets and set rates for the coming year. The Plan highlights key changes from year three of the Long Term Plan and explains the impacts on rates and Council's level of debt.

For full details of Council's work for 2026/27, refer to year three of the Long Term Plan.

Under the Local Government Act 2002, we are not required to consult if there are no significant or material changes from what was agreed in the Long Term Plan. This avoids asking the community to spend time on consultation where there is little room to change decisions. It lets us focus resources on delivering the agreed projects and services for Nelson.

Layout of this Annual Plan

Following the introduction, you will find:

- Information on rates for 2026/27
- The vision and priorities adopted in the Long Term Plan 2024–2034
- The main variations to what was included in the Long Term Plan
- Financial information and tables setting out planned expenditure for 2026/27.

Please note, 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

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.

Your rates

What will my rates be?

We have kept the overall rates increase to 4.7% in 2026/27. This takes into account new properties being added to the total number of properties that pay rates. This is in line with what we forecast in year three of the Long Term Plan.

Not all rating units will get the same rates increase. A rating unit is the individual property or parts of a property that is charged rates. The actual change in rates depends on your property value, how your property is used, and the different parts that make up your rates.

Examples of how rates may be affected for different land uses and property values can be found on page 22 of this document. You can look up the exact rates for your property on Council's website: www.nelson.govt.nz/3rates/rates-search

Help with paying your rates

You may be able to get financial help with your rates.

Rates rebate

Council administers a rates rebate scheme on behalf of the Department of Internal Affairs. This is income-tested, meaning your eligibility depends on your income, how many dependants you have, and how much you pay in rates. The maximum rebate for the scheme increased from $805 to $830 from 1 July 2026.

Rates postponement for people aged 65 and over (or over the age of 60 if on a benefit)

If you are 65 or older (or over the age of 60 if on a benefit), you may be able to delay paying some or all of your rates. This means the rates are paid later, usually when the property is sold.

Rates remission

Council has a policy that allows rates to be reduced or refunded in certain situations.

More information about rates relief and rebates is available on Council's website: www.nelson.govt.nz/3rates/rates-relief-and-rebates

Council's vision and priorities
He whakakitenga, he whakaarotau

Council has developed the vision and three overarching priorities outlined below, to guide the work programmes set out in the Long Term Plan 2024–2034.

Council's strategic direction continues to evolve over time and is being updated for the Long Term Plan 2027-2037.

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 outcomes that guide our overall direction.

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 three of the Long Term Plan 2024–2034

Preparing the Annual Plan in an uncertain economic and legislative environment

We recognise the cost of living pressures facing Nelson's community. Higher interest rates and rising costs continue to place strain on families, businesses, community organisations and Council.

Global uncertainty has slowed the economic recovery Nelson began to see during 2025. This uncertainty is expected to continue through 2026 and 2027, affecting confidence, investment, and operating costs. At the same time, councils are facing considerable legislative change and higher costs to deliver services and infrastructure. These pressures mean we must carefully balance keeping rates affordable with maintaining services and planning for Nelson's future needs.

With this economic backdrop, we have committed to keeping the average rates increase at 4.7% as forecast in the Long Term Plan. Achieving this increase has required us to carefully consider project budgets and work programmes which has resulted in minor adjustments to ensure we still meet the expectations set out in the Long Term Plan.

Capital budget changes

The majority of changes to capital budgets consisted of 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 2026/27 are provided below.

Infrastructure – Te Tūāpapa

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

NZTA shares the cost of the land transport network with councils. This reflects the local and national benefits of investing in transport. Government provides direction for this funding through the Government Policy Statement for Land Transport. NZTA uses this direction to determine which programmes and projects receive 51% funding through the National Land Transport Programme (the Government's three year transport funding plan).

After the Long Term Plan was finalised, NZTA approved less funding than we had forecast. Since then, NZTA has confirmed additional funding will be available in 2026/27 for some projects that improve the resilience of Nelson's roads. We have updated the 2026/27 budgets to reflect this, which means some transport projects have been moved out to future years. These include putting signals at the Toi Toi Vanguard St intersection, drainage improvements and retaining wall component replacements. The net impact of the changes for 2026/27 is under $500,000 across subsidised and unsubsidised projects.

York Terrace stormwater upgrade

This stormwater upgrade runs from Clarence Drive to Boundary Road, through the Railway Reserve and York Terrace. It supports future growth along Clarence Drive and reduces flood risk for downstream Waimea Road properties.

Work is planned over two stages with stage one of construction being completed in 2025/26. The funding of $1.7 million for stage two allocated in 2025/26 has been moved out to 2026/27, as construction is now planned to start in October 2026 after the winter period.

Regional Infrastructure Fund – flood resilience works

We secured $9 million from central government's Regional Infrastructure Fund (RIF) for several projects that are part of the August 2022 flood recovery programme, with a delivery timeframe of 30 June 2027. Adjustments have been made to the budgets to ensure the projects are on track for this deadline, with $10.9 million now set aside for these projects in 2026/27.

Tāhunanui Hills stormwater catchment 9

Another project that is part of the August 2022 flood recovery programme is upgrading several stormwater systems in the Tāhunanui Slump catchments. Early design work has started for catchment 9 – Moana Avenue to Rocks Road, with detailed design due to start in 2026/27. This change to the programme means funding for construction is being moved to 2028/29 and 2029/30 ($1 million per year), with $200,000 remaining in 2026/27.

Mahitahi Development – enabling infrastructure works

The Mahitahi Development enabling infrastructure are being delivered in two stages. The first stage includes the installation of new wastewater services from Nile Street East to the development site above Ralphine Way in the Maitai Valley. The second stage upgrades and renews the wastewater network between Nile Street East and the Weka Street pump station.

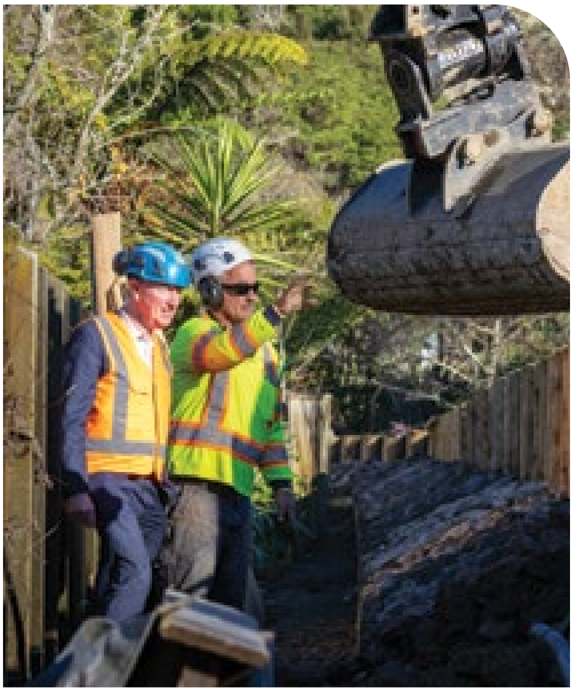
Construction of the first stage began in late 2025, with the second stage scheduled to start in 2026/27. The unspent budget from 2025/26 has been moved to 2026/27 to align with the developer's construction programme.

The variance for 2026/27 to what was included in the Long Term Plan is $3 million, with a total of $6.3 million now allocated to the work in 2026/27.

Atawhai rising main renewal

The scope of this project is to replace a large, ageing, pressurised wastewater pipe that is critical to safely transporting around half of Nelson's wastewater to the treatment plant at Wakapuaka.

The budget has been adjusted to reflect the size and complexity of the project and its planning requirements, with $654,000 in 2026/27 and the remaining $4.6 million rephased across the 10 years of the Long Term Plan to align with updated timeframes.



Infrastructure Acceleration Fund projects

The Bridge to Better and Paru Paru pump station projects are supported by central government through the Infrastructure Acceleration Fund (IAF), with set timeframes for project completion. Bridge to Better is progressing well to deliver major city centre upgrades to support resilience and future growth, with some movement in budgets to align with construction timeframes. Cost estimates to upgrade the Paru Paru wastewater pump station are higher than originally budgeted for. Following early design work, the costs were revised by the contractor, and these are now reflected in the budgets.

The 2026/27 budgets for the IAF projects have been adjusted by $4.3 million overall to account for these movements.

Maitai pump station upgrade

The Maitai pump station, located adjacent to the south end of the Maitai Campground, needs to be upgraded to allow the duplicate pipeline from the Maitai Dam (installed in 2013/14 as a resilience project) to deliver a greater quantity of water to the treatment plant in emergencies.

To allow for a detailed review of construction options, the full funding of $1.05 million has been moved from 2026/27 to the next Long Term Plan.

Variations from year three of the Long Term Plan 2024–2034

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

Saxton Oval surface renewal

In May 2026, Nelson City and Tasman District Councils agreed to $1.3 million in 2026/27, made up of additional funding and reallocating existing funding to complete renewal works at Saxton Field, including irrigation, drainage and sand carpet turf. Renewal of the outfield will enable Saxton Oval to achieve its warrant of fitness, meaning the minimum standard required to continue hosting international cricket matches.

Corporate – Te Rangapū

Community Hub, Library and Civic Space development

This project is progressing work on options for the Elma Turner Library, which is nearing end-of-life, and Civic House, which requires substantial investment to make it fit-for-purpose.

We continue to explore development options, with $2.5 million rephased to 2026/27 to enable work to progress.

Waterfront improvement works

In 2025, we progressed plans to improve access to car parking to parts of the Haven Waterfront on Council owned land. This included purchasing the Custom House, approving a land swap with the Port, and removing the Reliance Engineering building. The remaining Long Term Plan budget has been consolidated into a single project to remove the second building at 250 Haven Road (the old Four Seasons building). $1.02 million has been allocated in 2026/27 with the remaining budget spread across 2027/28 and 2028/29.

Deconstruction work on the building at 250 Haven Road is scheduled to begin in July. Other project work is paused until the outcome of the Waterfront Masterplan consultation.

Ngā Iwi o Te Tauihu and Māori partnerships
He waka hourua

The Long Term Plan 2024–2034 sets out our Statement on Fostering Māori Participation in Council Decision-Making. We are committed to strengthening our partnerships with Ngā Iwi o Te Tauihu and Māori and providing opportunities for involvement in a meaningful way.

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

The partnership agreement with the eight iwi and neighbouring councils of Te Tauihu 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 agreed on key strategic priorities across the 11 partners. The agreed partnership 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.

Playspace Whakatū

An example of a partnership project between iwi and Council is Playspace Whakatū. This project is led by Ngā Iwi o Te Tauihu, in partnership with Council, to deliver a playspace in Rutherford Park that celebrates the identity and culture of Whakatū. This space is set to open in the summer of 2026/27 and supports efforts to revitalise the city centre.

Other initiatives to build capability and support engagement

Actions planned for 2026/27 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, and Te Wiki o Te Reo Māori (Māori Language Week) celebrations
- Providing opportunities for improved engagement with iwi
- Supporting staff competency development through Te Puāwaitanga Cultural Competency Framework.

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 many businesses and households are already taking action. 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 our work programmes. Projects underway, such as the East-West cycleway, will encourage forms of transport that help reduce transport emissions (which make up around 60 per cent of Nelson's emissions). Installation of solar panels on five Council buildings will reduce emissions from greenhouse gases and increase energy resilience across Nelson. Upgrades to stormwater and flood protection will increase our resilience to a changing climate.

Whakatū Nelson Climate Change Strategy

We adopted the Whakatū Nelson Climate Change Strategy in July 2025, which sets the direction for how Nelson can respond to climate change out to 2050, by building on existing initiatives and drawing on the collective expertise of our community. The Strategy makes it clear that everyone has a part to play and that achieving the targets will require collaboration across Council, iwi, businesses, community groups, landowners and individuals.

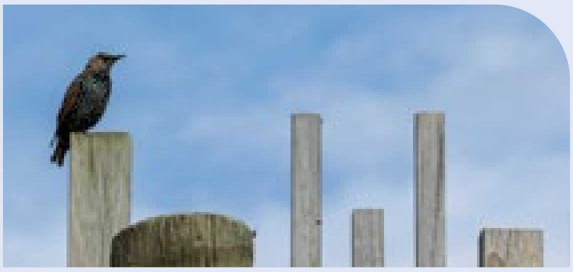
The Strategy has three goals:

- A low emissions regenerative economy
- An informed and empowered community
- A healthy natural environment.

We are coordinating the implementation of the Strategy, supporting actions across eight key areas (e.g. active travel) and partnering with community groups like the Nelson Tasman Climate Forum. The action plan helps connect people and projects, supports information sharing, and enables community-led and joint initiatives. It will be updated over time to reflect new actions by Council and others, including businesses and central government, to reduce emissions and prepare for climate impacts.

Financial summary
Whakarāpopototanga ahumoni

In 2026/27 we expect to spend $107.2 million in capital costs, which is $11.9 million more than planned. This excludes vested assets[1], Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit. We also expect net debt to reach $314.4 million, which is $26.5 million higher than the $287.9 million forecast in the Long Term Plan. This means our debt/revenue ratio will be 149%, compared with 135% in the Long Term Plan, which is well within our debt affordability benchmark of 200%.

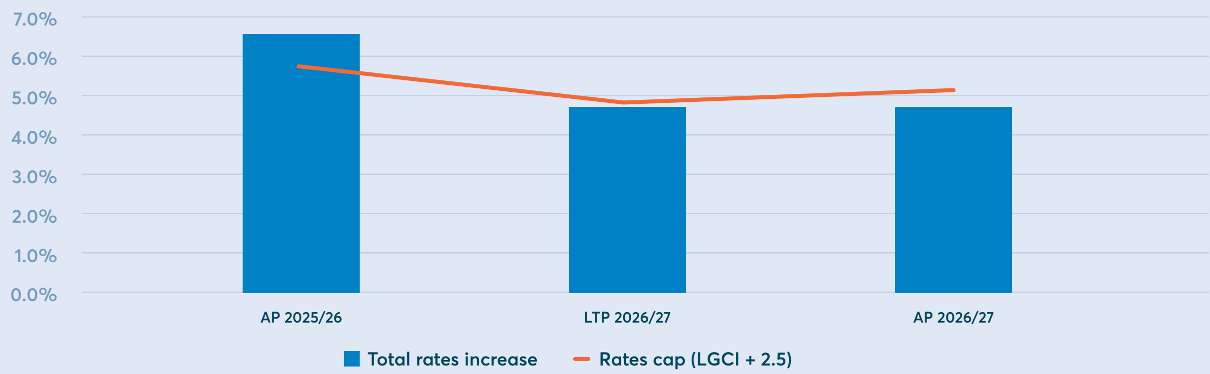


The Long Term Plan sets out a busy work programme focused on our priorities.

The changes to the capital works programme have been outlined in previous sections of this document (pages 10–12). The changes let us deliver an efficient work programme to meet the community's current needs – with no impact on the levels of service provided.

Comparing Long Term Plan to Annual Plan forecast debt levels

Comparing Long Term Plan to Annual Plan annual rates increase versus rates cap



1. Vested assets are assets such as roads, pipes, or other infrastructure that are built by a developer and then transferred to Council at no cost, so Council owns and maintains them.

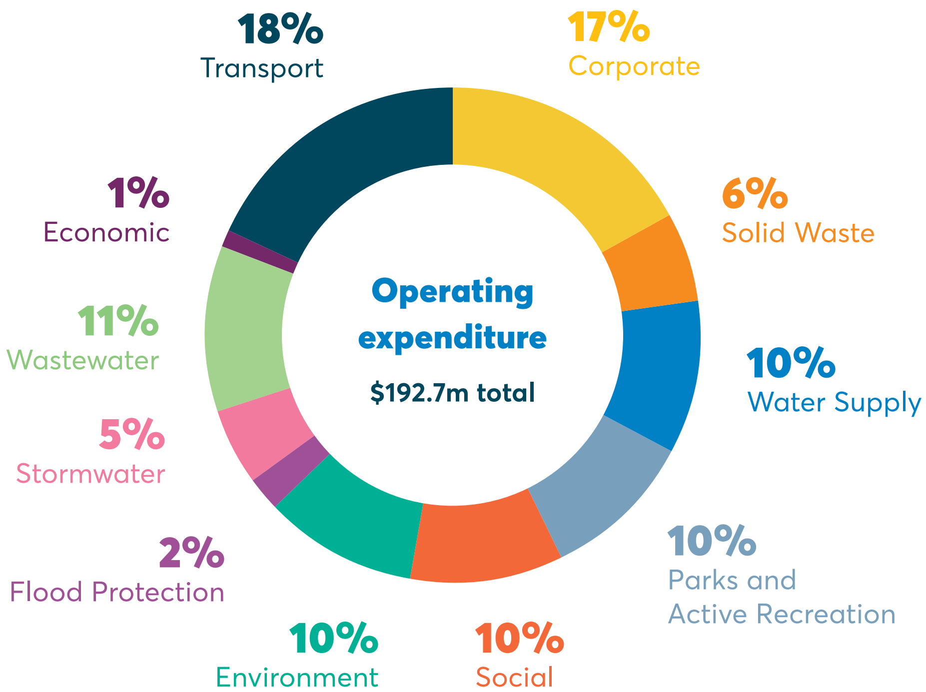
Where will the money be spent

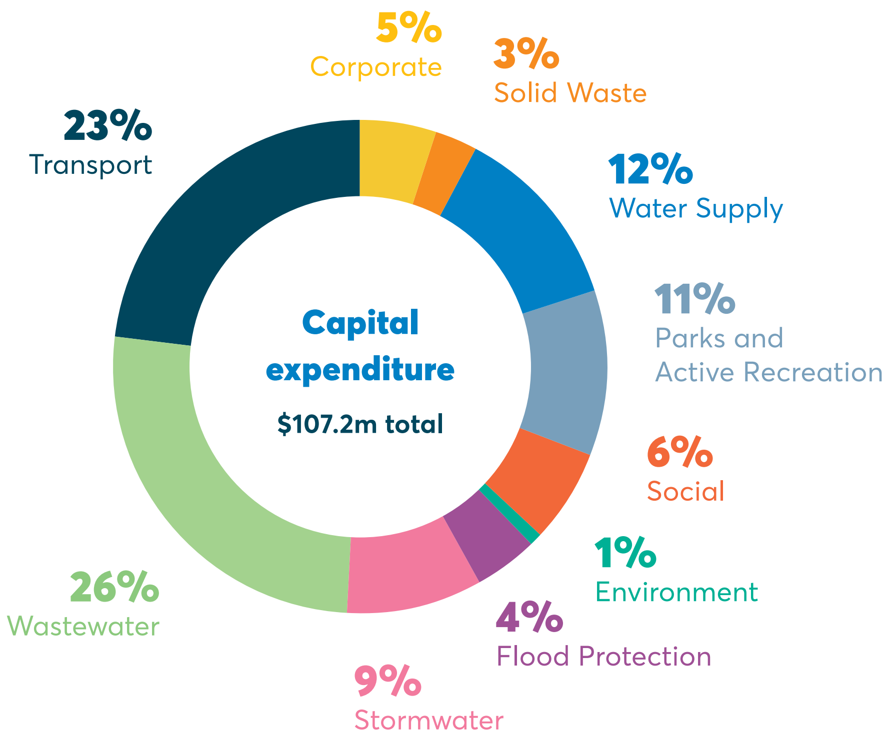
Capital works programme and operating costs

Capital expenditure is generally expenditure on assets that are expected to last more than one year. An increase of $1 million in capital spending increases rates by between $100,000 and $250,000 per annum. This covers interest, depreciation, maintenance and running costs for the asset. The cost varies depending on the type of asset. For example, library books wear out much faster than underground pipes which can last over 80 years.

Approximately 76% of our capital spending in 2026/27 will go toward Nelson's infrastructure, such as transport, water, stormwater, wastewater and flood protection. These services are essential for public health, safety and the day-to-day functioning of the city.

Operating costs include day-to-day expenses 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 0.08% from the 2025/26 year, or to put it another way, 1% of rates in 2026/27 is $1,254,000. By looking at the impact of increases or decreases in Council spending, it's possible to see how changes to our work programme will affect rates.


18%
Transport
17%
Corporate
1%
Economic
6%
Solid Waste
11%
Wastewater
Operating expenditure
$192.7m total
10%
Water Supply
5%
Stormwater
2%
Flood Protection
10%
Parks and Active Recreation
10%
Environment
10%
Social


5%
Corporate
3%
Solid Waste
23%
Transport
12%
Water Supply
11%
Parks and Active Recreation
Capital expenditure
$107.2m total
6%
Social
1%
Environment
26%
Wastewater
4%
Flood Protection
9%
Stormwater

Accounting information
Pārongo ahumoni

How we plan to fund the 2026/27 work programme

This section outlines our financial strategy for the 2026/27 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 us 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 2026/27 values against the limits agreed in the Long Term Plan 2024–2034. Council plans to meet all benchmarks in the Annual Plan 2026/27.

Benchmark	Limit	Planned	Met
Rates affordability – increases	5.1%	4.7%	Yes
Debt affordability	<200%	149%	Yes
Balanced budget	>100%	110%	Yes
Essential services	>100%	229%	Yes
Debt servicing	<10%	6.7%	Yes

Net debt

The overall net debt for 2026/27 is forecast to increase to $314.4 million by June 2027 ($26.5 million higher than the $287.9 million forecast in the Long Term Plan) which will impact our interest costs. The $314.4 million of net debt equates to 149% of revenue, which is well within our debt affordability benchmark of 200%, as set in the Long Term Plan.

The higher projected level of net debt is largely due to prior Council decisions and timing differences for projects. The change in timing of projects takes advantage of central government funding, which includes contributions via the Regional Infrastructure Fund towards flood resilience works and the Infrastructure Acceleration Fund towards the Bridge to Better project.

Revenue

Total revenue is forecast to be $223 million, $6 million lower than budgeted in the Long Term Plan. The main contributors to this variance, aside from changes in accounting treatment[2], are:

- Development/financial contributions are forecast to be $4.4 million lower than what was budgeted for in the Long Term Plan based on latest estimates of the timing of future developments.
- Council's 50% portion of the Nelson Tasman Regional Landfill Business Unit fees have increased by $1 million.
- Commercial forestry harvesting income is set to increase by $1.7 million.

Operating spend

Operating spend is forecast to be $192.7 million, $2.3 million higher than budgeted in the Long Term Plan. The variation is primarily due to reclassifications, updated assumptions and changes in accounting treatment[3].

In addition, there has been rephasing of previously approved spend into the 2026/27 year, which is either debt funded or the result of carry forwards that have already been rate funded for in prior years. These are:

- Poleford Bridge maintenance $0.3 million
- Nelson Surf Lifesaving Club Facility grant $1.7 million
- Housing reserve grants $1.9 million
- Shaping our future costs $1.1 million

2. **Subsidies and grants:** $4 million of recoveries has been reclassified as other revenue to align with the approach adopted in our Annual Report 2024/25. **Other revenue:** $4 million of recoveries has been reclassified from Subsidies and grants to Other Revenue to align with the approach adopted in our Annual Report 2024/25. Changes in the accounting approach to consolidation of our 50% portion of the regional services has resulted in an increase of $1 million. **Fees and charges including metered water:** Changes in the accounting approach to consolidation of our 50% portion of the regional services has resulted in a reduction of $6.6 million.

3. **Other expenses:** Changes in accounting approach to consolidation of our 50% portion of the regional services has resulted in a reduction of $5.6 million.

How we plan to fund the 2026/27 work programme

Capital spend

Capital spend is expected to be $107.2 million in 2026/27, compared to the Long Term Plan budget of $95.4 million. This excludes vested assets, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit. Changes 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.

We have reviewed how unspent budgets carried forward from previous years affect our ability to deliver the 2026/27 capital programme. To better align with realistic delivery timing, we have increased the scope adjustment from 10% to 15%. Staff will continue to review the programme to identify where projects may need to be delayed into future years, and this will be reflected in activity management plan budgets for the Long Term Plan 2027–2037. At the same time, we are strengthening our organisational capability to improve programme planning and delivery, ensuring we invest in the right projects, at the right time, and achieve value for the community.

What has changed

	Annual Plan 2025/26 ($000)	Long Term Plan 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to Long Term Plan 2026/27 ($000)
Total income	205,732	229,013	223,001	(6,012)
Total operating expenditure	191,968	190,350	192,675	2,325
Total capital expenditure*	88,438	95,365	107,224	11,859

*Excludes vested assets, 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 2026/27 will be 4.7%. This takes into account new properties being added to the total number of properties that pay rates. 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
Pānga pūtea

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 any rates are postponed a postponement fee will apply, which is made up of:
    - » 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 2026 is 23,561.

The projected total capital value of rating units within Nelson at 30 June 2026 is $23,011,858,250.

The projected total land value of rating units within Nelson at 30 June 2026 is $11,301,300,800.

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 or inhabited 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 2026/27

To further clarify the rates changes from 2025/26 to those for the 2026/27 rating year, a selection of properties has been shown to provide a guide. The following table is GST inclusive. The actual 2026/27 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)

The average residential land value is $405,000

Property type	2024 land value	2025/26 rates	General rate
Residential	$225,000	$3,328	$1,217
	$260,000	$3,526	$1,407
	$340,000	$3,977	$1,840
	$395,000	$4,287	$2,137
	$405,000	$4,344	$2,191
	$475,000	$4,739	$2,570
	$510,000	$4,936	$2,760
	$550,000	$5,162	$2,976
	$710,000	$6,064	$3,842
	$980,000	$7,588	$5,303
	$1,200,000	$8,829	$6,493
Multi Residential (two flats – two UAGC and wastewater charges)	$435,000	$6,393	$2,589
	$1,350,000	$11,763	$8,035
Residential – Empty Section (water annual charge included if water meter is installed)	$170,000	$2,036	$920
	$360,000	$3,381	$1,948
	$730,000	$5,469	$3,950
Small Holding (water annual charge included if water meter installed)	$510,000	$3,277	$2,484
	$650,000	$4,267	$3,165
Rural (water annual charge included if water meter installed)	$1,290,000	$5,570	$4,537
	$1,830,000	$7,895	$6,436
Commercial – outside Inner City / Stoke – one unit	$720,000	$10,985	$9,726
Commercial – outside Inner City / Stoke – one unit	$1,150,000	$16,634	$15,534
Commercial – outside Inner City / Stoke – two units	$310,000	$6,446	$4,187
Commercial – Stoke – one unit	$63,000	$2,227	$1,001
Commercial – Inner City – two units	$455,000	$11,638	$9,637
Commercial – Inner City – one unit	$1,300,000	$27,998	$27,534

2026/27 rates								
UAGC @ 8.7%	Storm recovery charge	Stormwater charge	Flood protection rate (LV)	Waste water	Water annual charge	Total rates	$ increase on 2025/26 rates	% increase on 2025/26
$386	$300	$455	$87	$768	$295	$3,509	$180	5.42%
$386	$300	$455	$101	$768	$295	$3,711	$186	5.27%
$386	$300	$455	$132	$768	$295	$4,175	$198	4.99%
$386	$300	$455	$153	$768	$295	$4,494	$207	4.82%
$386	$300	$455	$157	$768	$295	$4,552	$208	4.80%
$386	$300	$455	$184	$768	$295	$4,958	$219	4.63%
$386	$300	$455	$197	$768	$295	$5,161	$225	4.56%
$386	$300	$455	$213	$768	$295	$5,393	$231	4.48%
$386	$300	$455	$275	$768	$295	$6,321	$256	4.22%
$386	$300	$455	$379	$768	$295	$7,886	$298	3.93%
$386	$300	$455	$464	$768	$295	$9,161	$333	3.77%
$773	$600	$455	$168	$1,536	$589	$6,710	$317	4.97%
$773	$600	$455	$522	$1,536	$295	$12,216	$453	3.85%
$386	$300	$455	$66	$0	$0	$2,127	$91	4.48%
$386	$300	$455	$139	$0	$295	$3,523	$142	4.20%
$386	$300	$455	$283	$0	$295	$5,669	$200	3.66%
$386	$300	$0	$197	$0	$0	$3,367	$90	2.74%
$386	$300	$0	$252	$0	$295	$4,398	$131	3.06%
$386	$300	$0	$499	$0	$0	$5,722	$153	2.75%
$386	$300	$0	$708	$0	$295	$8,125	$231	2.92%
$386	$300	$455	$279	$192	$295	$11,632	$647	5.89%
$386	$300	$455	$445	$192	$295	$17,607	$973	5.85%
$773	$600	$455	$120	$384	$295	$6,814	$368	5.71%
$386	$300	$455	$24	$192	$0	$2,359	$133	5.95%
$773	$600	$455	$176	$384	$295	$12,319	$681	5.85%
$386	$300	$455	$503	$192	$295	$29,665	$1,667	5.95%

This table does not include water charges based on consumption. For occupied residential properties, this is charged at $2.989 per cubic metre and an average usage of 160m^3 costing $478.24 (GST inclusive).

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 0.54108 cents in the land value dollar (including GST) for the 2026/27 rating year for the base differential category.

This compares to the previous year's rate of 0.52638 in the land value dollar in the 2025/26 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 $386.28 including GST per separately used or inhabited part of a rating unit for the 2026/27 rating year. The charge for 2026/27 is $17.53 higher than the charge of $368.75 for the 2025/26 rating year.

The rates revenue sought from the uniform annual general charge and certain targeted rates set as a fixed amount is 19.60% 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 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 the same as 2025/26 which was set at 22.3%.

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 $27,349,012 (including water annual charge and storm recovery charge) in rates for the 2026/27 rating year compared to $25,901,529.25 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 2026/27	Differential %	Cents in the dollar
Residential – single dwelling	0.0	0.54108
Residential – Empty Section	0.0	0.54108
Multi Residential	10.0	0.59519
Forestry	0.0	0.54108
Rural	-35.0	0.35170
Small Holding	-10.0	0.48697

Category 2026/27	Differential %	Cents in the dollar
Commercial – excluding Inner City and Stoke		
Commercial	149.642	1.35076
Commercial – Inner City		
Commercial	291.433	2.11797
Commercial – Stoke		
Commercial	193.711	1.58921

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 2026/27, is as follows:

Category	Total revenue to be collected ($)
Residential	89,111,073
Multi Residential	9,109,192
Commercial (Inner City, Stoke and other)	27,349,012
Rural	688,291
Small Holding	2,493,462
Forestry	167,684

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 $455.33 for the 2026/27 rating year. It recovers the funding required by Council for stormwater purposes.
It is assessed on all rating units excluding:

- Rating units defined as rural in the Nelson Resource Management Plan.
- Rating units on Saxton Island.
- Council-owned rating units on which the Council's stormwater network is located.

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 0.03870 cents in the land value dollar (including GST) for the 2026/27 rating year. It recovers the funding required by Council for flood protection purposes. This rate is assessed on all rating units excluding Saxton Island.

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 2026/27 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 $767.94 per separately used or inhabited part of a rating unit including GST for the 2026/27 rating year compared to the previous year's rate of $708.57. 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 $191.99 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 page 29 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 2026/27 is $294.50 per connection including GST compared with $273.42 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 2025/26 ($ per m^3)	Cost 2026/27 ($ per m^3)
Usage up to 10,000m^3 per year	2.764	2.989
Usage from 10,001 to 100,000m^3 per year	2.349	2.541
Usage over 100,000m^3 per year	1.935	2.092
Summer irrigation usage over 10,000m^3 per year	2.570	2.780

The water rates represent an average increase of 8% for the 2026/27 year for an average water user.

Note: An average residential water user uses 160m^3 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 2026, 26 November 2026, 26 February 2027 and 26 May 2027. Previous year's rates that remain unpaid will have a further 10% penalty added on 2 July 2026. A further penalty of 10% will be added on 8 January 2027 to any amounts to which a penalty has been added on 2 July 2026 that remain unpaid.

Whole of Organisation
Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	68,980	71,933	71,985	52
Targeted rates including water by meter	49,258	52,935	53,167	232
Subsidies and grants for operating purposes	11,960	12,517	9,205	(3,312)
Fees and charges	34,550	34,633	31,087	(3,546)
Interest and dividends from investments	4,268	3,648	5,358	1,710
Local authorities fuel tax, fines, infringement fees, and other receipts	5,522	6,140	10,034	3,894
Total operating funding	**174,537**	**201,019**	**180,836**	**(20,183)**
Applications of operating funding				
Payments to staff and suppliers	131,907	127,611	129,615	2,004
Finance costs	11,798	14,294	14,104	(190)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**143,705**	**161,117**	**143,719**	**(17,398)**
Surplus/(deficit) of operating funding	**30,832**	**39,902**	**37,117**	**(2,784)**
Sources of capital funding				
Subsidies and grants for capital	17,234	30,940	29,601	(1,339)
Development and financial contributions	9,669	9,894	5,528	(4,366)
Increase/(decrease) in debt	44,708	34,189	53,188	18,999
Gross proceeds from sale of assets	34,326	0	5,250	5,250
Lump sum contributions	0	0	0	0
Total sources of capital funding	**105,937**	**75,023**	**93,567**	**18,544**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	28,320	41,038	54,305	13,267
- to improve level of service	38,517	38,294	35,108	(3,186)
- to replace existing assets	33,459	30,894	32,349	1,455
Increase/(decrease) in reserves	289	333	286	(47)
Increase/(decrease) in investments	36,183	4,366	8,636	4,270
Total applications of capital funding	**136,768**	**114,925**	**130,684**	**15,759**
Surplus/(deficit) of capital funding	**(30,832)**	**(39,902)**	**(37,117)**	**2,785**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	30,832	39,902	37,117	(2,785)
Subsidies and grants for capital expenditure	17,234	30,940	29,601	(1,339)
Development and financial contributions	9,669	9,894	5,528	(4,366)
Vested assets	5,764	5,902	5,903	1
Gains on sale	0	0	0	0
Depreciation	(48,262)	(48,443)	(48,956)	(513)
Other non-cash income	(1,473)	469	1,133	664
Other non-cash expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Statement of Comprehensive Revenue and Expense	**13,764**	**38,663**	**30,326**	**(8,337)**

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. For the full description of the methods and formulas please refer to the Long Term Plan: Long Term Plan 2024–2034.

Total trade waste revenue for 2026/27 is estimated to be $4,095,000. For 2026/27 the GST inclusive trade waste charges will be:

- Trade waste A and B conveying charge $1,376.76 per litre per minute
- Trade waste A and B treatment charge $1,985.82 per kg BOD* per day
- Trade waste C combined charge $4.72 per m^3
- Wastewater charge $191.99 per year.

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

For the previous year, 2025/26, the GST inclusive trade waste charges were:

- 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 m^3
- Wastewater charge $177.14 per year.

Funding Impact Statement – by activity

Corporate

Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,897	254	1,753	1,499
Targeted rates including water by meter	4,181	4,165	4,380	215
Subsidies and grants for operating purposes	398	380	60	(320)
Fees and charges	506	450	2,279	1,829
Interest and dividends from investments	4,835	4,409	6,037	1,628
Internal charges and overheads recovered*	13,126	16,629	15,089	(1,540)
Local authorities fuel tax, fines, infringement fees, and other receipts	3,780	4,912	3,507	(1,405)
Total operating funding	**28,725**	**31,198**	**33,104**	**1,906**
Applications of operating funding				
Payments to staff and suppliers	13,929	10,447	11,505	1,058
Finance costs	11,678	14,294	13,984	(310)
Internal charges and overheads applied*	2,209	2,390	2,420	30
Other operating funding applications	0	0	0	0
Total applications of operating funding	**27,817**	**27,131**	**27,909**	**778**
Surplus/(deficit) of operating funding	**908**	**4,067**	**5,195**	**1,128**
Sources of capital funding				
Subsidies and grants for capital	1,000	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	3,524	4,049	2,596	(1,453)
Gross proceeds from sale of assets	4,590	0	5,250	5,250
Lump sum contributions	0	0	0	0
Total sources of capital funding	**9,114**	**4,049**	**7,846**	**3,797**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	391	392	373	(19)
- to improve level of service	706	593	921	328
- to replace existing assets	1,721	1,958	4,661	2,703
Increase/(decrease) in reserves	289	333	286	(47)
Increase/(decrease) in investments	6,914	4,838	6,800	1,962
Total applications of capital funding	**10,021**	**8,115**	**13,041**	**4,926**
Surplus/(deficit) of capital funding	**(908)**	**(4,067)**	**(5,195)**	**(1,128)**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	908	4,067	5,195	1,128
Subsidies and grants for capital expenditure	1,000	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	(1,842)	(1,485)	(1,949)	(464)
Other non-cash income/expenditure	(1,473)	469	1,133	664
Net surplus/(deficit) before taxation in Cost of Service Statement	**(1,407)**	**3,051**	**4,379**	**1,328**

*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 Funding Impact Statement.

Solid Waste
Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($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	1,125	1,130	1,151	21
Fees and charges	10,856	10,990	10,216	(774)
Interest and dividends from investments	(568)	(761)	(679)	82
Internal charges and overheads recovered*	3,469	2,527	3,207	680
Local authorities fuel tax, fines, infringement fees, and other receipts	373	18	0	(18)
Total operating funding	**15,255**	**13,904**	**13,895**	**(9)**
Applications of operating funding				
Payments to staff and suppliers	10,574	9,435	8,430	(1,005)
Finance costs	0	0	0	0
Internal charges and overheads applied*	3,539	2,594	3,276	682
Other operating funding applications	0	0	0	0
Total applications of operating funding	**14,113**	**12,029**	**11,706**	**(323)**
Surplus/(deficit) of operating funding	**1,142**	**1,875**	**2,190**	**315**
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	1,914	4,405	3,377	(1,028)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**1,914**	**4,405**	**3,377**	**(1,028)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	479	0	5,578	5,578
- to improve level of service	2,426	5,914	102	(5,812)
- to replace existing assets	486	722	51	(671)
Increase/(decrease) in reserves	0	0	0	0
Increase/(decrease) in investments	(336)	(355)	(165)	190
Total applications of capital funding	**3,056**	**6,281**	**5,566**	**(715)**
Surplus/(deficit) of capital funding	**(1,142)**	**(1,875)**	**(2,190)**	**(315)**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	1,142	1,875	2,190	315
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	(1,373)	(1,460)	(1,508)	(48)
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**(231)**	**415**	**682**	**267**

*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 Funding Impact Statement.

Water Supply
Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	17,574	18,648	19,220	572
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	58	60	60	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	**17,633**	**18,708**	**19,279**	**571**
Applications of operating funding				
Payments to staff and suppliers	9,650	9,719	10,111	392
Finance costs	0	0	0	0
Internal charges and overheads applied*	1,583	1,701	1,870	169
Other operating funding applications	0	0	0	0
Total applications of operating funding	**11,233**	**11,420**	**11,981**	**561**
Surplus/(deficit) of operating funding	**6,399**	**7,288**	**7,298**	**10**
Sources of capital funding				
Subsidies and grants for capital	273	0	423	423
Development and financial contributions	978	999	616	(383)
Increase/(decrease) in debt	1,030	2,861	1,455	(1,406)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**2,282**	**3,860**	**2,494**	**(1,366)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	3,539	5,612	6,162	550
- to improve level of service	2,515	4,489	2,464	(2,025)
- to replace existing assets	2,627	1,047	1,166	119
Increase/(decrease) in reserves	0	0	0	0
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding	**8,681**	**11,148**	**9,792**	**(1,356)**
Surplus/(deficit) of capital funding	**(6,399)**	**(7,288)**	**(7,298)**	**(10)**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	6,399	7,288	7,298	10
Subsidies and grants for capital expenditure	273	0	423	423
Development and financial contributions	978	999	616	(383)
Vested assets	1,611	1,650	1,650	0
Gains on sale	0	0	0	0
Depreciation	(8,258)	(8,588)	(8,433)	155
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**1,004**	**1,349**	**1,554**	**205**

*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 Funding Impact Statement.

Parks and Active Recreation

Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	18,068	20,384	19,072	(1,312)
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	79	80	80	0
Fees and charges	1,265	1,290	1,404	114
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	1,093	1,089	2,316	1,227
Total operating funding	**20,506**	**22,844**	**22,873**	**29**
Applications of operating funding				
Payments to staff and suppliers	16,704	16,512	17,835	1,323
Finance costs	0	0	0	0
Internal charges and overheads applied*	2,219	3,109	2,463	(646)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**18,923**	**19,621**	**20,298**	**677**
Surplus/(deficit) of operating funding	**1,583**	**3,223**	**2,575**	**(648)**
Sources of capital funding				
Subsidies and grants for capital	372	2,063	77	(1,986)
Development and financial contributions	4,286	4,401	2,727	(1,674)
Increase/(decrease) in debt	5,942	3,021	8,033	5,012
Gross proceeds from sale of assets	28,876	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**39,475**	**9,485**	**10,837**	**1,352**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	3,972	4,611	4,442	(169)
- to improve level of service	4,261	3,428	2,470	(958)
- to replace existing assets	3,950	4,669	6,500	1,831
Increase/(decrease) in reserves	0	0	0	0
Increase/(decrease) in investments	28,876	0	0	0
Total applications of capital funding	**41,058**	**12,708**	**13,412**	**704**
Surplus/(deficit) of capital funding	**(1,583)**	**(3,223)**	**(2,575)**	**648**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	1,583	3,223	2,575	(648)
Subsidies and grants for capital expenditure	372	2,063	77	(1,986)
Development and financial contributions	4,286	4,401	2,727	(1,674)
Vested assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(3,495)	(3,586)	(3,432)	154
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**2,745**	**6,100**	**1,947**	**(4,153)**

*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 Funding Impact Statement.

Social

Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	17,420	18,213	17,736	(477)
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	236	242	308	66
Fees and charges	2,096	2,146	2,175	29
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	322	272	275	3
Total operating funding	**20,074**	**20,873**	**20,493**	**(380)**
Applications of operating funding				
Payments to staff and suppliers	16,980	17,147	17,434	287
Finance costs	0	0	0	0
Internal charges and overheads applied*	1,594	2,140	1,654	(486)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**18,574**	**19,287**	**19,088**	**(199)**
Surplus/(deficit) of operating funding	**1,500**	**1,586**	**1,406**	**(180)**
Sources of capital funding				
Subsidies and grants for capital	27	28	39	11
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	3,411	107	3,236	3,129
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**3,438**	**135**	**3,275**	**3,140**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	622	1,059	875	(184)
- to improve level of service	1,865	216	461	245
- to replace existing assets	1,723	564	1,343	779
Increase/(decrease) in reserves	0	0	0	0
Increase/(decrease) in investments	728	(118)	2,001	2,119
Total applications of capital funding	**4,938**	**1,721**	**4,680**	**2,959**
Surplus/(deficit) of capital funding	**(1,500)**	**(1,586)**	**(1,406)**	**180**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	1,500	1,586	1,406	(180)
Subsidies and grants for capital expenditure	27	28	39	11
Development and financial contributions	0	0	0	0
Vested assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(1,454)	(1,495)	(1,428)	67
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**73**	**119**	**17**	**(102)**

*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 Funding Impact Statement.

Funding Impact Statement – by activity

Environment
Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	13,064	13,458	13,557	99
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	641	279	278	(1)
Fees and charges	7,949	7,290	8,105	815
Interest and dividends from investments	0	0	0	0
Internal charges and overheads recovered*	55	57	57	0
Local authorities fuel tax, fines, infringement fees, and other receipts	51	59	52	(7)
Total operating funding	**21,760**	**21,142**	**22,049**	**907**
Applications of operating funding				
Payments to staff and suppliers	22,883	21,328	24,798	3,470
Finance costs	0	0	0	0
Internal charges and overheads applied*	589	676	694	18
Other operating funding applications	0	0	0	0
Total applications of operating funding	**23,471**	**22,004**	**25,492**	**3,488**
Surplus/(deficit) of operating funding	**(1,711)**	**(862)**	**(3,443)**	**(2,581)**
Sources of capital funding				
Subsidies and grants for capital	1,725	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	2,904	1,428	4,688	3,260
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**4,629**	**1,428**	**4,688**	**3,260**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	42	39	(3)
- to improve level of service	2,698	510	1,155	645
- to replace existing assets	219	14	49	35
Increase/(decrease) in reserves	0	0	0	0
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding	**2,917**	**566**	**1,244**	**678**
Surplus/(deficit) of capital funding	**1,711**	**862**	**3,444**	**2,582**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	(1,711)	(862)	(3,443)	(2,581)
Subsidies and grants for capital expenditure	1,725	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	(271)	(384)	(331)	53
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**(258)**	**(1,246)**	**(3,774)**	**(2,528)**

*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 Funding Impact Statement.

Flood Protection
Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	5,410	6,192	5,148	(1,044)
Subsidies and grants for operating purposes	360	0	130	130
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	**5,770**	**6,192**	**5,278**	**(914)**
Applications of operating funding				
Payments to staff and suppliers	1,042	1,116	1,297	181
Finance costs	0	0	0	0
Internal charges and overheads applied*	2,199	2,646	2,276	(370)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**3,242**	**3,762**	**3,573**	**(189)**
Surplus/(deficit) of operating funding	**2,528**	**2,429**	**1,706**	**(723)**
Sources of capital funding				
Subsidies and grants for capital	2,235	0	3,966	3,966
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	1,286	2,396	3,872	1,476
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**3,521**	**2,396**	**7,837**	**5,441**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	6,050	4,825	9,543	4,718
- 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	**6,050**	**4,825**	**9,543**	**4,718**
Surplus/(deficit) of capital funding	**(2,528)**	**(2,429)**	**(1,706)**	**723**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	2,528	2,429	1,706	(723)
Subsidies and grants for capital expenditure	2,235	0	3,966	3,966
Development and financial contributions	0	0	0	0
Vested assets	0	0	0	0
Gains on sale	0	0	0	0
Depreciation	(779)	(1,082)	(722)	360
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**3,984**	**1,347**	**4,949**	**3,602**

*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 Funding Impact Statement.

Stormwater
Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	8,123	9,080	9,066	(14)
Subsidies and grants for operating purposes	15	0	10	10
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	**8,143**	**9,085**	**9,081**	**(4)**
Applications of operating funding				
Payments to staff and suppliers	2,293	2,310	2,413	103
Finance costs	0	0	0	0
Internal charges and overheads applied*	1,421	1,855	1,787	(68)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**3,714**	**4,165**	**4,200**	**35**
Surplus/(deficit) of operating funding	**4,430**	**4,920**	**4,881**	**(39)**
Sources of capital funding				
Subsidies and grants for capital	2,431	2,162	3,541	1,379
Development and financial contributions	1,746	1,779	573	(1,206)
Increase/(decrease) in debt	8,794	(1,329)	316	1,645
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**12,971**	**2,612**	**4,430**	**1,818**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	3,219	2,650	4,005	1,355
- to improve level of service	5,490	3,581	4,124	543
- to replace existing assets	8,692	1,301	1,182	(119)
Increase/(decrease) in reserves	0	0	0	0
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding	**17,400**	**7,532**	**9,311**	**1,779**
Surplus/(deficit) of capital funding	**(4,430)**	**(4,920)**	**(4,881)**	**39**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	4,430	4,920	4,881	(39)
Subsidies and grants for capital expenditure	2,431	2,162	3,541	1,379
Development and financial contributions	1,746	1,779	573	(1,206)
Vested assets	1,659	1,699	1,699	0
Gains on sale	0	0	0	0
Depreciation	(5,228)	(5,407)	(5,357)	50
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**5,037**	**5,152**	**5,338**	**186**

*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 Funding Impact Statement.

Wastewater

Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates including water by meter	13,970	14,851	15,353	502
Subsidies and grants for operating purposes	0	0	10	10
Fees and charges	8,986	9,382	4,417	(4,965)
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	(1,345)	(1,505)	(311)	1,194
Total operating funding	**21,611**	**22,728**	**19,468**	**(3,260)**
Applications of operating funding				
Payments to staff and suppliers	12,609	12,725	9,099	(3,626)
Finance costs	0	0	0	0
Internal charges and overheads applied*	384	581	601	20
Other operating funding applications	0	0	0	0
Total applications of operating funding	**12,993**	**13,306**	**9,700**	**(3,606)**
Surplus/(deficit) of operating funding	**8,618**	**9,422**	**9,769**	**347**
Sources of capital funding				
Subsidies and grants for capital	224	3,544	2,432	(1,112)
Development and financial contributions	1,839	1,878	947	(931)
Increase/(decrease) in debt	4,602	9,891	13,465	3,574
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**6,666**	**15,313**	**16,843**	**1,530**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	6,955	13,373	18,764	5,391
- to improve level of service	4,334	2,922	2,991	69
- to replace existing assets	3,994	8,441	4,857	(3,584)
Increase/(decrease) in reserves	0	0	0	0
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding	**15,283**	**24,735**	**26,612**	**1,877**
Surplus/(deficit) of capital funding	**(8,618)**	**(9,422)**	**(9,769)**	**(347)**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	8,618	9,422	9,769	347
Subsidies and grants for capital expenditure	224	3,544	2,432	(1,112)
Development and financial contributions	1,839	1,878	947	(931)
Vested assets	1,215	1,244	1,244	0
Gains on sale	0	0	0	0
Depreciation	(11,420)	(11,386)	(11,649)	(263)
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**477**	**4,703**	**2,743**	**(1,960)**

*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 Funding Impact Statement.

Economic
Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,346	2,038	2,061	23
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	342	366	0	(366)
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	350	350
Total operating funding	**2,688**	**2,404**	**2,411**	**7**
Applications of operating funding				
Payments to staff and suppliers	2,598	2,303	2,325	22
Finance costs	0	0	0	0
Internal charges and overheads applied*	90	99	39	(60)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**2,688**	**2,402**	**2,364**	**(38)**
Surplus/(deficit) of operating funding	**0**	**2**	**46**	**44**
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	0	(2)	(46)	(44)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**0**	**(2)**	**(46)**	**(44)**
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	**0**	**(2)**	**(46)**	**(44)**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	0	2	46	44
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	0	(2)	0	2
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**0**	**0**	**46**	**46**

*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 Funding Impact Statement.

Transport

Funding Impact Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	16,183	17,587	17,806	219
Targeted rates including water by meter	0	0	0	0
Subsidies and grants for operating purposes	8,764	10,041	7,179	(2,862)
Fees and charges	2,829	3,019	2,426	(593)
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	1,248	1,294	3,846	2,552
Total operating funding	**29,024**	**31,941**	**31,257**	**(684)**
Applications of operating funding				
Payments to staff and suppliers	22,645	24,569	24,368	(201)
Finance costs	120	0	120	120
Internal charges and overheads applied*	824	1,421	1,273	(148)
Other operating funding applications	0	0	0	0
Total applications of operating funding	**23,589**	**25,990**	**25,761**	**(229)**
Surplus/(deficit) of operating funding	**5,435**	**5,951**	**5,495**	**(456)**
Sources of capital funding				
Subsidies and grants for capital	8,947	23,144	19,124	(4,020)
Development and financial contributions	819	837	665	(172)
Increase/(decrease) in debt	11,302	7,361	12,198	4,837
Gross proceeds from sale of assets	860	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	**21,928**	**31,342**	**31,986**	**644**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	9,144	13,300	14,064	764
- to improve level of service	8,171	11,815	10,878	(937)
- to replace existing assets	10,047	12,178	12,539	361
Increase/(decrease) in reserves	0	0	0	0
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding	**27,363**	**37,293**	**37,482**	**189**
Surplus/(deficit) of capital funding	**(5,435)**	**(5,951)**	**(5,495)**	**456**
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 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Surplus/(deficit) of operating funding from Funding Impact Statement	5,435	5,951	5,495	(456)
Subsidies and grants for capital expenditure	8,947	23,144	19,124	(4,020)
Development and financial contributions	819	837	665	(172)
Vested assets	1,279	1,309	1,309	0
Gains on sale	0	0	0	0
Depreciation	(14,141)	(13,567)	(14,147)	(580)
Other non-cash income/expenditure	0	0	0	0
Net surplus/(deficit) before taxation in Cost of Service Statement	**2,339**	**17,674**	**12,446**	**(5,228)**

*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 Funding Impact Statement.

Accounting policies
Mahi kaute

This section explains the basis on which the figures in the Annual Plan have been prepared. It outlines the accounting policies and assumptions applied by the Council in recognising and measuring income, expenses, assets, liabilities, and other financial information, to ensure the information is consistent, transparent, and reliable.

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 2026. The draft forecast information was authorised for issue by Council on 25 June 2026.

This prospective financial information is based on the financial statements as published in the June 2025 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 and Expense.

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
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 2025. 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

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. However, Council regularly reviews its outlook for timber prices and will actively manage financial risk (e.g. by altering harvest schedules) if market conditions are unfavourable.

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 Cash Flows

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 non-current 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 New Zealand 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 2026/27 covers the period 1 July 2026 to 30 June 2027. 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 $107.2 million, which is $11.9 million more than what was planned for in year three of the Long Term Plan 2024–2034
- Forecast net debt of $314.4 million at the end of June 2027.

Statement of Comprehensive Revenue and Expense

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Revenue				
Rates other than metered water, net of remissions	106,060	111,946	111,955	9
Subsidies and grants	29,194	43,458	38,806	(4,652)
Fees and charges including metered water	46,728	47,556	44,284	(3,272)
Other revenue	13,606	14,001	19,308	5,307
Development/financial contributions	9,669	9,894	5,528	(4,366)
Interest received	1,948	1,689	1,987	298
Other gains/losses	(1,473)	469	1,133	664
Total revenue	**205,732**	**229,013**	**223,001**	**(6,012)**
Expenses				
Personnel costs	37,215	33,609	38,210	4,601
Finance costs	11,798	14,294	14,104	(190)
Depreciation and amortisation	48,262	48,443	48,956	513
Other expenses	94,693	94,004	91,405	(2,599)
Total expenses	**191,968**	**190,350**	**192,675**	**2,325**
Net surplus/(deficit) before taxation	13,764	38,663	30,326	(8,337)
Taxation	0	0	0	0
Net surplus/(deficit)	**13,764**	**38,663**	**30,326**	**(8,337)**
Increase in asset revaluation reserves	35,824	48,347	40,398	(7,949)
Total other comprehensive revenue and expense	**35,824**	**48,347**	**40,398**	**(7,949)**
Total comprehensive revenue and expense	**49,588**	**87,010**	**70,724**	**(16,286)**

Subsidies and grants: $4 million of recoveries has been reclassified as other revenue to align with the approach adopted in our Annual Report 2024/25.

Other revenue: $4 million of recoveries has been reclassified from Subsidies and grants to Other Revenue to align with the approach adopted in our Annual Report 2024/25. Changes in the accounting approach to consolidation of our 50% portion of the regional services has resulted in an increase of $1 million.

Fees and charges including metered water: Changes in the accounting approach to consolidation of our 50% portion of the regional services has resulted in a reduction of $6.6 million.

Other expenses: Changes in the accounting approach to consolidation of our 50% portion of the regional services has resulted in a reduction of $5.6 million.

Statement of Changes in Net Assets/Equity

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Equity at beginning of year	2,288,325	2,351,684	2,308,297	(43,387)
Total comprehensive revenue and expense	49,588	87,010	70,724	(16,286)
Equity at end of year	**2,337,913**	**2,438,695**	**2,379,021**	**(59,673)**

The Annual Plan 2026/27 equity at the beginning of the year is based on 2024/25 Annual Report closing balance plus a forecast for 2025/26.

Statement of Financial Position

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Current assets				
Cash and cash equivalents	4,448	7,289	3,820	(3,469)
Inventories	0	0	0	0
Trade and other receivables	23,186	24,914	22,183	(2,731)
Other financial assets	1,134	191	757	566
Taxation	0	0	0	0
Derivative financial instruments	0	454	0	(454)
Total current assets	**28,768**	**32,848**	**26,760**	**(6,088)**
Non-current assets				
Trade and other receivables	0	0	0	0
Investments accounted for using the equity method	50,168	51,552	47,277	(4,275)
Investment in subsidiaries	8,200	8,200	8,200	0
Investment properties	950	980	925	(55)
Other financial assets	29,987	37,750	37,267	(483)
Intangible assets	6,332	6,440	6,275	(165)
Biological assets	4,259	5,477	3,793	(1,684)
Property, plant, and equipment	2,548,936	2,670,650	2,636,651	(33,999)
Derivative financial instruments	0	1,759	2,829	1,070
Total non-current assets	**2,648,832**	**2,782,808**	**2,743,217**	**(39,591)**
Total assets	**2,677,600**	**2,815,656**	**2,769,977**	**(45,679)**

Continued on next page

Statement of Financial Position (continued)

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Current liabilities				
Bank overdraft	0	0	0	0
Trade and other payables	30,067	31,983	26,777	(5,206)
Employee benefit liabilities	2,982	2,842	3,183	341
Provisions	218	251	131	(120)
Taxation payable	0	0	0	0
Current portion of borrowings	55,382	40,395	35,232	(5,163)
Derivative financial instruments	1,020	0	7	7
Total current liabilities	**89,669**	**75,471**	**65,329**	**(10,142)**
Non-current liabilities				
Trade and other payables	2,452	5,376	1,527	(3,849)
Provisions	3,344	3,306	4,330	1,024
Employee benefit liabilities	163	165	163	(3)
Derivative financial instruments	6,394	1,252	0	(1,252)
Non-current portion of borrowings	237,665	291,392	319,607	28,215
Total non-current liabilities	**250,018**	**301,491**	**325,626**	**24,136**
Total liabilities	**339,687**	**376,961**	**390,955**	**13,994**
Net assets	**2,337,913**	**2,438,695**	**2,379,021**	**(59,673)**
Ratepayer's equity				
Accumulated comprehensive revenue and expense	471,018	541,092	505,086	(36,006)
Other reserves	1,866,895	1,897,603	1,873,935	(23,668)
Total ratepayer's equity	**2,337,913**	**2,438,695**	**2,379,021**	**(59,674)**

The Annual Plan 2026/27 balances at the beginning of the year are based on 2024/25 Annual Report closing balances plus a forecast for 2025/26.

Cash Flow Statement

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Cash flows from operating activities				
Cash was provided from:				
Receipts from rates revenue	118,238	124,868	125,152	284
Subsidies and grants received	29,194	43,458	38,806	(4,652)
Receipts from other revenue	38,570	38,500	39,670	1,170
Development and financial contributions	9,669	9,894	5,528	(4,366)
Interest received	1,948	1,689	1,987	298
Dividends received	3,955	4,110	4,700	590
	201,574	**222,519**	**215,843**	**(6,676)**
Cash was disbursed to:				
Payments to suppliers	96,076	93,521	90,827	(2,694)
Payments to employees	37,171	33,569	38,170	4,601
Interest paid	11,798	14,294	14,104	(190)
Tax paid/(refund)	0	0	0	0
	145,045	**141,384**	**143,101**	**1,717**
Net cash flows from operating activities	**56,529**	**81,135**	**72,742**	**(8,393)**
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	580	1,080	1,080	0
Sale of biological assets	0	0	0	0
Sale of fixed assets	34,326	0	5,250	5,250
Repayment of community loans and advances	177	177	177	0
	35,083	**1,257**	**6,507**	**5,250**

Continued on next page

Cash Flow Statement (continued)

	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	Annual Plan 2026/27 ($000)	Difference to LTP 2026/27 ($000)
Cash was disbursed to:				
Investments in LGFA borrower notes	1,596	1,778	2,254	476
Community loans advanced	0	0	0	0
Other investments	34,608	4,519	9,236	4,717
Purchase of biological assets	1,120	1,110	99	(1,011)
Purchase of intangible assets	(350)	(355)	(165)	190
Purchase of fixed assets:				
• Renewals	33,459	30,894	32,349	1,455
• New works – growth	28,320	41,038	54,305	13,267
• New works – increased level of service	38,517	38,294	35,108	(3,186)
	137,270	**117,278**	**133,186**	**15,908**
Net cash flows from investing activities	**(102,187)**	**(116,021)**	**(126,679)**	**(10,658)**
Cash flows from financing activities				
Cash was provided from:				
Proceeds from borrowings	69,708	79,887	98,188	18,301
Cash was applied to:				
Repayment of borrowings	25,000	45,000	45,000	0
Net cash flows from financing activities	**44,708**	**34,887**	**53,188**	**18,301**
Net increase/(decrease) in cash held	(953)	0	(750)	(750)
Add opening cash balance	5,401	7,289	4,570	(2,719)
Closing balance	**4,448**	**7,289**	**3,820**	**(3,469)**
Represented by:				
Cash and cash equivalents	**4,448**	**7,289**	**3,820**	**(3,469)**

The Annual Plan 2026/27 opening cash balance is based on 2024/25 Annual Report closing balance plus a forecast for 2025/26.

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

Corporate

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Admin and meeting support				
HRIS system	215,000	0	0	0
Civic House				
Civic Hub development	0	0	2,478,573	2,478,573
Civic House renewal programme	432,012	0	66,972	66,972
Chamber sound system upgrade – Civic House	0	276,480	276,487	7
Rental properties				
Anchor building strengthening	312,196	0	312,196	312,196
Slip effected property purchases	200,000	0	0	0
Haven Waterfront Masterplan	0	0	104,600	104,600
Administration				
Capital: Motor vehicles	158,579	109,882	336,073	226,191
Computer hardware – client devices	97,203	1,491,262	1,491,302	40
Capital: Telephone system	0	0	110,595	110,595
Aerial photography and LiDAR	120,963	94,003	94,006	3
Core systems enhancement	311,146	318,605	318,613	8
IRIS Next Gen	238,775	204,068	383,155	179,087
Corporate projects under $100,000	**1,001,495**	**754,347**	**1,002,428**	**248,081**
Total Corporate	**3,087,369**	**3,248,647**	**6,975,000**	**3,726,353**
Scope adjustment	(269,456)	(305,059)	(1,019,066)	(714,007)
Total Corporate less scope adjustment	**2,817,913**	**2,943,588**	**5,955,934**	**3,012,346**

Environmental Management

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Monitoring the environment				
Renewals: Monitoring equipment	111,529	11,806	54,064	42,258
Plant and equipment	373,740	125,635	225,639	100,004
RIF tranche two Maitai FW enhancement	0	0	100,000	100,000
Healthy streams	184,007	127,614	187,618	60,004
City development				
3W BOF City centre playspace	1,775,600	0	0	0
CBD enhancements	664,866	313,950	825,958	512,008
Navigation safety				
Renewal: Boat/trailer	127,750	0	0	0
Environmental Management projects under $100,000	**3,850**	**50,256**	**70,057**	**19,801**
Total Environmental Management	**3,241,342**	**629,261**	**1,463,336**	**834,075**
Scope adjustment	(324,135)	(62,926)	(219,500)	(156,574)
Total Environmental Management less scope adjustment	**2,917,207**	**566,335**	**1,243,836**	**677,501**

Flood Protection

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Maitai flood management	198,200	523,250	0	(523,250)
Stream fish passage LoS	0	104,650	0	(104,650)
Jenkins and Arapaki (airport) – flood protection	326,400	523,250	23,264	(499,986)
Wakapuaka Flats stormwater network upgrade	253,300	0	0	0
Jenkins Stream stormwater upgrade	0	209,300	9,306	(199,994)
Flood recovery channel bank protection	961,055	1,046,500	921,146	(125,354)
Flood recovery 2022 river stream improvements	0	1,674,400	470,938	(1,203,462)
RIF funded – Hanby Park – Clouston Tce stopbank	511,000	0	3,598,455	3,598,455
RIF tranche two Jenkins Creek at airport stopbank	0	0	935,000	935,000
RIF tranche two Jenkins Creek Pascoe St stopbank	0	0	300,000	300,000
RIF funded flood recovery 2022 – Oldham Creek repairs	602,900	0	0	0
RIF funded flood recovery 2022 – Hillwood Stream floodway	263,300	0	2,093,056	2,093,056
RIF tranche two Maitai flood forecasting model	0	0	100,000	100,000
RIF funded flood recovery 2022 – Seafield Terrace drainage	343,400	0	320,000	320,000
RIF funded flood recovery 2022 – Todd Valley culvert upgrade	1,219,200	0	1,026,175	1,026,175
RIF funded – Clouston Bridge floodwall	817,600	0	104,653	104,653
Brook Stream catchment improvements	108,800	313,950	109,158	(204,792)
Inventory of urban streams	149,996	156,975	156,979	4
Flood Protection projects under $100,000	**882,135**	**740,641**	**922,001**	**181,360**
Total Flood Protection	**6,637,286**	**5,292,916**	**11,090,131**	**5,797,215**
Scope adjustment	(587,779)	(467,786)	(1,547,057)	(1,079,271)
Total Flood Protection less scope adjustment	**6,049,507**	**4,825,130**	**9,543,074**	**4,717,944**

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

Parks and Active Recreation

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Public gardens				
Open spaces – renewals	0	0	107,535	107,535
Walkway to connect Poorman Valley Stream to Greenmeadows	0	111,501	111,504	3
Neighbourhood parks				
Renewal: Underground services	10,220	156,975	156,979	4
Land purchase: General reserve	1,500,630	2,951,731	1,900,000	(1,051,731)
Land purchase: 76 Dodson Valley Rd	0	0	240,000	240,000
Reserve development programme	442,299	481,075	481,088	13
Conservation reserves				
Slip 0: Brook St	750,000	0	100,000	100,000
Slip 16 Endeavour St	100,000	0	53,134	53,134
Planting – general RTRP recommendations	1,045,584	1,143,824	1,624,439	480,615
Planting – ETS RTRP recommendation 16	766,500	0	0	0
Planting – Marsden RTRP recommendation 19	422,222	0	0	0
Landscape reserves				
Retired forestry block conversion programme	371,483	307,397	307,405	8
Renewal: Landscape reserves accessways and tracks	122,273	178,053	178,057	4
Botanical Hill drainage upgrade (above Lauria Way)	102,200	0	57,251	57,251
Capital: Mountain bike tracks	123,123	13,452	13,452	0
Esplanade and foreshore				
Open spaces – renewals – esplanade and foreshore reserves	0	0	123,782	123,782
Glen – Boulder Bank pathway (P7)	10,000	126,075	0	(126,075)
Glenduan Reserve wetland development	273,170	0	263,040	263,040
Sports parks				
Renewals: Services – sports parks	153,206	209,300	209,306	6
Sports ground lighting improvements	593,881	0	692,175	692,175
Renewals: Access/carparks	187,105	11,166	11,166	0
Trafalgar Park field renewal	0	941,850	0	(941,850)
Trafalgar Pavilion photovoltaic solar installation	0	0	362,708	362,708
Capital: Trafalgar Park stand removal	185,058	0	185,058	185,058
Nelson Surf Life Saving Club facility	0	1,569,750	0	(1,569,750)
Capital: Minor development – sports parks	242,062	42,561	0	(42,561)
Rutherford Park toilets	500,780	0	0	0

Parks and Active Recreation (continued)

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Trafalgar Centre				
Renewals: Minor assets – Trafalgar Centre	115,239	118,001	118,004	3
Northern extension exterior tiles	153,300	0	153,300	153,300
Capital: HVAC	0	837,200	837,222	22
Saxton Stadium				
Basketball hoops	33,420	606,970	640,406	33,436
LED lighting upgrade	107,200	0	0	0
Pools				
Renewals: Minor assets	119,425	165,888	165,892	4
Capital – Riverside Pool upgrades	30,660	523,250	523,264	14
Capital – Nayland Pool upgrades	817,600	31,395	798,992	767,597
Play facilities				
Renewals: Play equipment	117,019	342,729	242,729	(100,000)
Open spaces – renewals – play facilities	0	0	100,000	100,000
Playground development programme	484,351	37,823	437,824	400,001
City playspace	613,200	0	0	0
Saxton Field				
Saxton Oval surface renewal	315,185	0	1,311,134	1,311,134
Irrigation Bell Island wastewater	15,000	156,975	156,979	4
Renewal: Hockey turf #2	48,179	442,368	490,560	48,192
Capital: General development	116,201	16,589	16,590	1
Entrance development	51,500	110,592	0	(110,592)
Regional skate facility	19,900	418,600	418,611	11
Parks and Active Recreation projects under $100,000	**2,422,796**	**2,006,097**	**2,103,099**	**97,002**
Total Parks and Active Recreation	**13,481,971**	**14,059,187**	**15,692,685**	**1,633,498**
Scope adjustment	(1,299,394)	(1,351,660)	(2,280,727)	(929,067)
Total Parks and Active Recreation less scope adjustment	**12,182,577**	**12,707,527**	**13,411,958**	**704,431**

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

Social

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Managing heritage and arts				
Art works programme	349,896	95,696	380,296	284,600
Arts hub facility	1,615,200	0	200,000	200,000
Isel House				
Renewal: Structures	138,776	14,673	144,854	130,181
Broadgreen House				
Renewal: Structures	109,160	5,232	48,098	42,866
Broadgreen glasshouse restoration	100,000	0	0	0
Founders Heritage Park				
Energy Centre venue development	100,000	0	0	0
Historic cemeteries				
Wakapuaka Cemetery accessible toilet	0	156,975	156,979	4
Nelson Library				
Book purchases	316,820	324,415	324,424	9
Marsden Valley Cemetery				
Cemetery capacity development	98,270	236,901	0	(236,901)
Toilets (free)				
Toilet renewals programme	684,109	99,533	420,643	321,110
Greenmeadows Centre				
Photovoltaic solar installation	0	0	251,354	251,354
Social projects under $100,000	**1,116,515**	**1,054,199**	**1,147,478**	**93,279**
Total Social	**4,628,746**	**1,987,624**	**3,074,126**	**1,086,502**
Scope adjustment	(418,928)	(148,108)	(394,683)	(246,575)
Total Social less scope adjustment	**4,209,818**	**1,839,516**	**2,679,443**	**839,927**

Solid Waste

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Joint landfill upgrade	3,391,789	6,117,316	5,600,812	(516,504)
Transfer station				
Freight bins	0	313,950	102,400	(211,550)
Landfill				
Renewals: 1920 to 84 landfill	0	261,625	51,200	(210,425)
Solid Waste projects under $100,000	**0**	**0**	**0**	**0**
Total Solid Waste	**3,391,789**	**6,692,891**	**5,754,412**	**(938,479)**
Scope adjustment	0	(57,557)	(23,040)	34,517
Total Solid Waste less scope adjustment	**3,391,789**	**6,635,334**	**5,731,372**	**(903,962)**

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

Stormwater

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Stormwater renewals	102,200	104,650	104,653	3
Haven/St Vincent culvert renewal and upgrade	8,921,549	523,250	786,909	263,659
Atawhai SH6 stormwater culverts	102,200	523,250	255,468	(267,782)
Stormwater pump station renewals and upgrades	101,100	52,325	52,326	1
York Tce	2,716,500	0	1,724,988	1,724,988
IAF stormwater pipeline upgrade	712,100	2,621,169	2,621,239	70
Stormwater network models	142,196	104,650	154,653	50,003
RIF funded flood recovery 2022 – Cleveland Tce intake	1,284,000	0	20,534	20,534
RIF funded flood recovery 2022 – Devenish Pl intake	541,000	0	400,000	400,000
Capital: Freshwater improvement programme	40,000	104,650	104,653	3
Washington Valley stormwater upgrade	102,200	104,650	104,653	3
Capital: Mount St/Konini St	1,100	104,650	4,653	(99,997)
Airlie St	374,428	0	44,652	44,652
Tāhunanui Hills stormwater catchment 9 – Moana Ave to Rocks Rd	361,000	2,093,000	195,456	(1,897,544)
Toi Toi St upgrade	0	104,650	104,653	3
Minor stormwater improvements programme	100,000	104,650	104,653	3
Murphy St/Emano St upgrade	122,200	104,650	206,853	102,203
Tāhunanui Hills stormwater catchment 2 – Moncrieff Ave	312,000	0	476,000	476,000
Flood recovery minor stormwater improvements	485,886	313,950	365,158	51,208
RIF funded – Queens Gardens drainage diversion	1,092,000	0	1,784,845	1,784,845
RIF funded flood recovery 2022 – Nile St East drainage	153,300	0	0	0
Bisley Ave	332,828	0	0	0
Flood recovery intakes resilience	306,600	313,950	313,958	8
Vested assets				
Vested assets – Stormwater	1,659,110	1,698,883	1,698,928	45
Stormwater projects under $100,000	**852,035**	**1,003,667**	**903,085**	**(100,582)**
Total Stormwater	**20,917,532**	**9,980,644**	**12,532,970**	**2,552,326**
Scope adjustment	(1,858,083)	(749,786)	(1,522,609)	(772,823)
Total Stormwater less scope adjustment	**19,059,449**	**9,230,858**	**11,010,361**	**1,779,503**

Transport

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Subsidised roading				
WC 221 Stock effluent facility renewals	0	209,300	0	(209,300)
WC 224 Atawhai and Whakatū cycle path renewals	122,640	52,325	52,326	1
WC 111 Sealed pavement heavy works	246,711	313,950	252,617	(61,333)
WC 214 Sealed road pavement rehabilitation	1,112,988	3,130,992	1,160,215	(1,970,777)
WC 212 Sealed road resurfacing	1,418,851	2,549,696	1,765,000	(784,696)
WC 211 Unsealed road metalling	71,930	146,909	16,930	(129,979)
WC 215 Jenner Rd retaining wall renewal	400,000	0	138,720	138,720
WC 224 Cycle path renewals	72,297	110,592	115,724	5,132
WC 341 Resilience Kokoroa Rd lift levels	0	0	290,000	290,000
WC 141 Flood recovery – minor works	0	303,485	0	(303,485)
WC 141 Teal Valley Rd flood repairs	817,600	0	828,000	828,000
WC 141 Iwa Rd flood repairs	320,000	0	0	0
WC 213 Drainage renewals	511,000	837,200	183,734	(653,466)
WC 215 Structures component replacement – bridges	275,280	366,275	366,285	10
WC 215 Structure replacement	129,900	627,900	677,917	50,017
WC 222 Streetlight renewals	613,200	837,200	837,222	22
WC 225 Renewals: Footpaths	494,644	2,825,550	342,040	(2,483,510)
Unfunded NZTA share renewals	0	0	400,000	400,000
WC 222 Traffic service renewals – signs, markings and deline	112,420	156,975	206,979	50,004
WC 222 Traffic service renewals – signals	204,400	209,300	309,306	100,006
WC 341Z Speed limit changes speed signs	426,396	0	0	0
WC 341 Montreal Rd/Princes Dr intersection	0	0	186,010	186,010
WC 452 Nile St cycle facilities	0	1,465,100	0	(1,465,100)
WC 111 Pre-seal programme	459,900	470,925	470,938	13
WC 341Z Haven Rd/Halifax St intersection improvements	0	1,465,100	0	(1,465,100)
Nile St/Maitai Rd intersection (Bayview/Maitai)	0	1,569,750	0	(1,569,750)
WC 341Z Toi Toi St/Vanguard St intersection upgrade	225,000	1,831,375	230,400	(1,600,975)
WC 151 Nelson Future Access study	0	379,792	379,802	10
WC 341 Central School speed zone upgrade	0	104,650	0	(104,650)
WC 341 Stoke School speed zone upgrade	459,900	470,925	1,024,805	553,880
WC 341L Traffic calming to support speed reduction	0	104,650	0	(104,650)
WC 341Z School speed zone Haven Rd	0	156,975	0	(156,975)
WC 341L Nile Collingwood	0	837,200	0	(837,200)
WC 341L Driver information boards	0	104,650	104,653	3

Transport (continued)

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Subsidised roading (continued)				
WC 341 Resilience Little Todd roading improvements	0	20,930	435,000	414,070
WC 341 Resilience Ross Rd shift	0	0	290,000	290,000
WC 341 Resilience Todd culvert headwall	0	0	150,000	150,000
WC 341 Resilience and drainage Improvements	102,200	104,650	104,653	3
WC 341 Resilience blue rock culvert upgrade	0	0	290,000	290,000
WC 341L Structure improvements	1,099,968	0	969,943	969,943
WC 341L Streetlight improvement	102,200	104,650	104,653	3
WC 341 Resilience Atawhai Dr/Iwa Rd drainage	0	0	270,000	270,000
WC 341W – Māori Rd raised crossing	0	313,950	0	(313,950)
WC 114 Poleford Bridge prestressing system	0	0	325,379	325,379
WC 341 Cross town links Brook to central programme	0	2,197,650	0	(2,197,650)
WC 341W Cycleway and cycle lane improvements	0	261,625	0	(261,625)
Unsubsidised roading				
Renewals footpaths utilities	150,000	0	224,929	224,929
Sealed road pavement rehabilitation	2,423,022	0	3,345,551	3,345,551
Sealed road resurfacing	524,865	0	543,513	543,513
Sealed roads Atawhai Dr water main trench share	0	0	600,000	600,000
Renewals: Footpaths	288,633	0	1,157,790	1,157,790
Land purchase	0	0	457,903	457,903
Maitai Bayview growth programme (Nile St – Tory St to Domett St)	872,000	0	1,086,000	1,086,000
IAF active linear corridor – unsubsidised roading	4,072,600	14,046,217	14,046,593	376
Street garden development	103,300	156,975	109,542	(47,433)
Paru Paru Rd carpark – unsubsidised roading	1,124,200	0	0	0
Nile St cycle facilities	102,200	0	0	0
Haven Rd/Halifax St intersection improvements	10,220	0	1,365,139	1,365,139
Nile St/Maitai Rd intersection (Bayview/Maitai)	304,400	0	1,864,192	1,864,192
Traffic calming to support speed reduction	102,200	0	154,153	154,153
Toi Toi St/St Vincent St intersection upgrade	366,198	0	0	0
IAF active linear corridor	970,900	0	0	0
Quarantine Rd/Pascoe St intersection improvements	102,200	0	102,204	102,204
Road drainage improvements	175,000	0	539,994	539,994
Cross town links Brook to central programme	408,800	0	1,166,006	1,166,006
Hill St investigation	100,000	0	98,458	98,458
St Vincent St separated cycle facility improvements	122,640	0	225,040	225,040

Transport (continued)

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Parking and CBD enhancement				
Renewal: CBD aesthetic elements	102,200	104,650	104,653	3
CBD car park resurfacing	120,000	104,650	104,653	3
New car parks	1,631,800	0	0	0
250 Haven Rd deconstruction and car park	0	0	1,024,000	1,024,000
Strawbridge Sq layout and access improvement	54,001	110,592	110,595	3
Public transport				
WC 531 Integrated ticketing GRETS	204,400	209,300	209,306	6
WC 532 Millers Acre interchange	4,173,206	0	30,000	30,000
WC 531 PT signals priority	99,996	104,650	104,653	3
WC 532 Bus shelter lighting	152,204	104,650	0	(104,650)
WC 532 PT minor improvements	121,584	104,650	104,653	3
Vested assets				
Vested assets – unsubsidised roading	1,278,523	1,309,173	1,309,208	35
Transport projects under $100,000	**1,504,717**	**1,608,857**	**1,741,572**	**132,715**
Total Transport	**31,565,434**	**42,606,560**	**45,209,551**	**2,602,991**
Scope adjustment	(2,924,140)	(4,004,165)	(6,418,793)	(2,414,628)
Total Transport less scope adjustment	**28,641,294**	**38,602,395**	**38,790,758**	**188,363**

Wastewater

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Wastewater model calibration	25,550	209,300	209,306	6
Wastewater pipe renewals and upgrades	511,000	523,250	523,264	14
York Tce wastewater upgrade	137,528	0	0	0
Atawhai rising main renewal and upgrade – Stage 1	988,997	5,232,500	653,997	(4,578,503)
Renewals and upgrades swallow rising main watercourse crossing	111,000	523,250	346,264	(176,986)
Paru Paru Rd rising main upgrade	0	0	750,000	750,000
Renewals pump stations	403,081	366,275	366,285	10
NWWTP renewals	385,482	523,250	523,264	14
NWWTP resource consent renewal	227,757	0	150,000	150,000
Generator renewal	91,540	156,975	156,979	4
Mahitahi development	2,088,000	2,629,854	5,592,301	2,962,447
IAF wastewater pipeline upgrade	5,005,901	2,239,447	2,239,507	60
IAF Paru Paru pump station upgrade	29,240	8,390,628	12,142,879	3,752,251
Pump station upgrades	51,100	261,625	261,632	7
NWWTP replacement	100,000	784,875	910,413	125,538
Quarantine Rd sewer pump station/catchment upgrades	1,000,000	0	0	0
Overflow reduction/I&I capital works	102,200	104,650	104,653	3
Pump station resilience improvement programme	138,384	104,650	104,653	3
NWWTP minor upgrades	109,354	111,976	111,978	2
System performance improvements (overflow reduction/I&I)	102,200	104,650	104,653	3
Nelson Regional Sewerage Business Unit	4,032,450	3,912,264	4,393,600	481,336
Vested assets				
Vested assets – Wastewater	1,215,233	1,244,365	1,244,398	33
Wastewater projects under $100,000	**853,707**	**825,109**	**824,238**	**(871)**
Total Wastewater	**17,709,704**	**28,248,893**	**31,714,264**	**3,465,371**
Scope adjustment	(1,211,127)	(2,269,413)	(3,857,852)	(1,588,439)
Total Wastewater less scope adjustment	**16,498,577**	**25,979,480**	**27,856,412**	**1,876,932**

Water Supply

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Water treatment plant renewals	127,750	261,625	261,632	7
Renewals and upgrades: Water pipes	1,313,270	298,252	498,260	200,008
Torlesse St water main renewal	700,000	0	0	0
Renewals: Commercial meters	303,300	179,998	180,003	5
Thompson Tce reservoir refurbishment (electrical, building, valves)	102,200	209,300	209,306	6
Maitahi development growth project	102,200	680,225	680,243	18
Bayview development growth project	153,300	994,175	1,120,470	126,295
Future growth and intensification projects	201,100	1,046,500	1,197,624	151,124
IAF Bridge St	1,686,300	2,783,481	2,080,751	(702,730)
IAF Halifax St	0	0	1,223,884	1,223,884
IAF Rutherford St	929,151	0	0	0
Water pump stations – upgrades	56,721	131,336	131,339	3
Water treatment plant upgrades	388,360	253,253	253,260	7
Capital: Atawhai reservoir and pump main	173,996	0	173,996	173,996
Ngawhatu Valley high level reservoir	0	104,650	104,653	3
Headworks upgrades	255,500	144,417	144,421	4
Capital: Backflow prevention	182,200	104,650	104,653	3
Capital: Atawhai trunk main	294,288	209,300	345,431	136,131
Water loss reduction programme	102,200	104,650	104,653	3
Natural hazards risk remediation	2,200	104,650	104,653	3
Maitai pump station upgrade	151,096	1,046,500	0	(1,046,500)
Capital: Atawhai No.2 reservoir	941,635	1,726,725	1,006,768	(719,957)
Dam upgrades	48,368	523,250	123,264	(399,986)
Maitai pipeline hazard mitigation	51,100	104,650	104,653	3
Taumata Arowai – contractor access to mains	102,200	0	0	0
Flood recovery 2022 – WTP	153,300	156,975	156,979	4
Flood recovery 2022 – headworks	102,200	104,650	104,653	3
Flood recovery 2022 – reticulation	102,200	261,625	261,632	7
Vested assets				
Vested assets – Water Supply	1,611,399	1,650,028	1,650,072	44
Water Supply projects under $100,000	**889,948**	**819,009**	**794,685**	**(24,324)**
Total Water Supply	**11,227,482**	**14,003,874**	**13,121,938**	**(881,936)**
Scope adjustment	(935,109)	(1,205,756)	(1,679,988)	(474,232)
Total Water Supply less scope adjustment	**10,292,373**	**12,798,118**	**11,441,950**	**(1,356,168)**

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

Total

Project	Annual Plan 2025/26 ($)	LTP 2026/27 ($)	Annual Plan 2026/27 ($)	Difference to LTP 2026/27 ($)
Total capital	**106,060,504**	**116,128,281**	**127,665,098**	**11,536,817**
Less total vested assets	(5,764,265)	(5,902,449)	(5,902,606)	(157)
Total capital per Funding Impact Statement	**100,296,239**	**110,225,832**	**121,762,492**	**11,536,660**
Less total joint committees	7,424,239	10,029,580	9,994,412	(35,168)
Total capital excluding vested and joint committees	**92,872,000**	**100,196,252**	**111,768,080**	**11,571,828**
Total capital excluding vested, joint committees and staff costs	**88,477,492**	**95,406,745**	**107,265,786**	**11,859,041**

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 2026 ($)	Deposits ($)	Withdrawals ($)	Balance June 2027 ($)
Nelson Institute Funds	Nelson Library	Bequest to Nelson Institute	9,826	397	0	10,223
L C Voller Bequest (ETL)	Nelson Library	Youth section of Elma Turner Library	27,440	1,109	0	28,549
Nelson 2000 Trust	Esplanade Reserves	Wakefield Quay development	164,607	0	0	164,607
Insurance Reserve	Investment Management	To fund insurance claim excess	1,650,662	0	122,032	1,528,630
Health and Safety Reserve	Admin and Meeting Support	OSH compliance	35,416	1,431	0	36,847
Walker Bequest	Parks		11,390	461	0	11,851
Dog Control Reserve	Dog Control	Self funded activity balance	23,836	0	0	23,836
Sport and Rec Grants Reserve	Physical Activity Fund	Ex Hillary Commission fund for Sport and Recreation	8,921	0	0	8,921
Art Council Loan Fund	Physical Activity Fund	Ex Sport and Recreation Grants	10,000	0	0	10,000
Housing Reserve	Community Housing	Self funded activity balance	5,000,000	0	3,000,000	2,000,000
Founders Park Reserve	Founders	Founders development	375,614	77,976	0	453,590
Forestry Fund	Forestry	Self funded activity balance	(2,647,053)	594,397	0	(2,052,656)
Landfill	Solid Waste	Share of development of new landfill when required	5,108,946	206,401	0	5,315,347
Solid Waste	Solid Waste	Self funded activity balance	(80,208)	690,494	0	610,286

Annual Plan Disclosure Statement

For year ending 30 June 2027

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 – increases	5.1%	4.7%	Yes
Debt affordability	<200%	149%	Yes
Balanced budget	>100%	110%	Yes
Essential services	>100%	229%	Yes
Debt servicing	<10%	6.7%	Yes

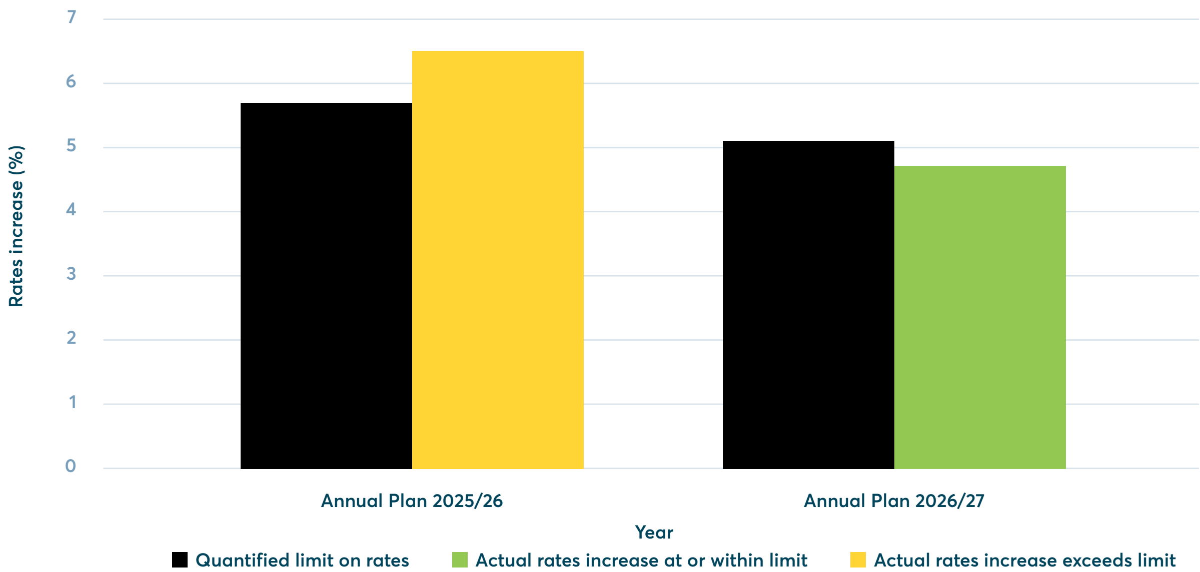
Rates affordability benchmark

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

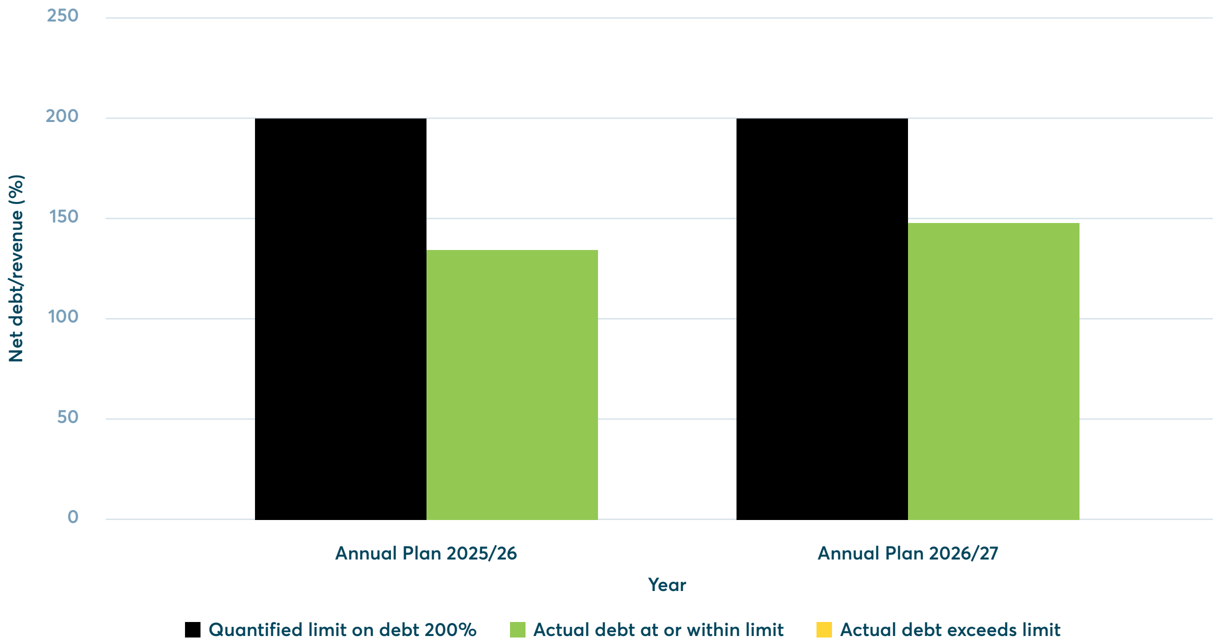
The following graph compares Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the Long Term Plan 2024–2034. The quantified limit is the local government cost index plus 2.5% for each year of the Long Term Plan.



Debt affordability benchmark

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

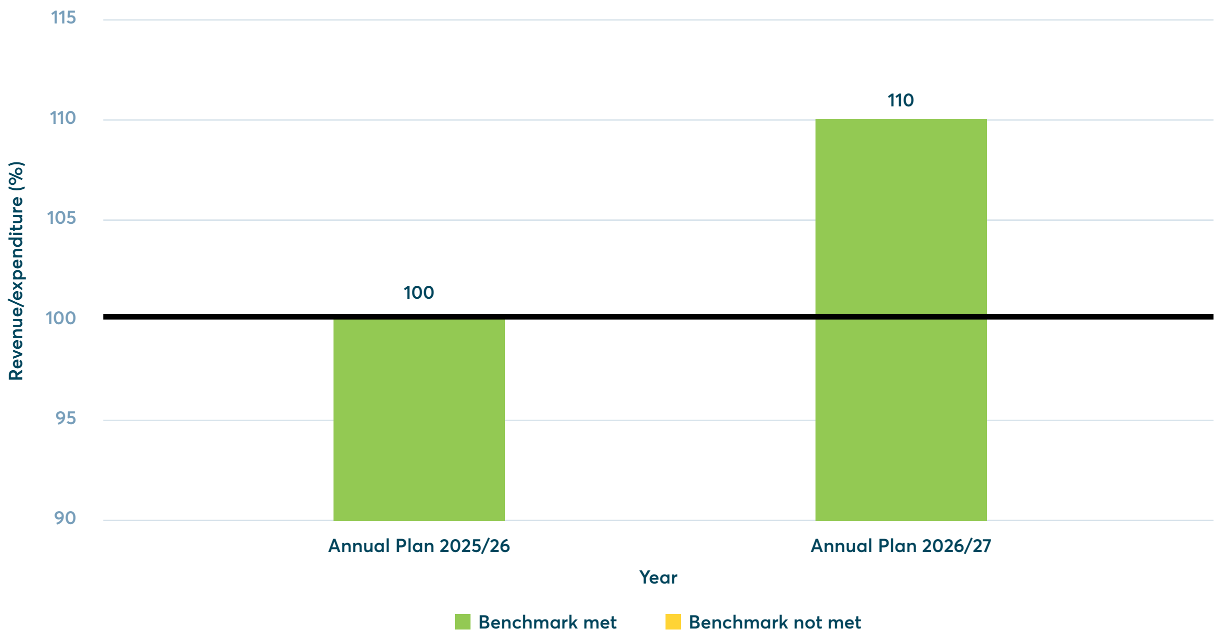
The following graph compares Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in the Long Term Plan. The quantified limit is that net external borrowings are not to exceed 200% of revenue. Net external borrowings are defined as external debt and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



Balanced budget benchmark

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

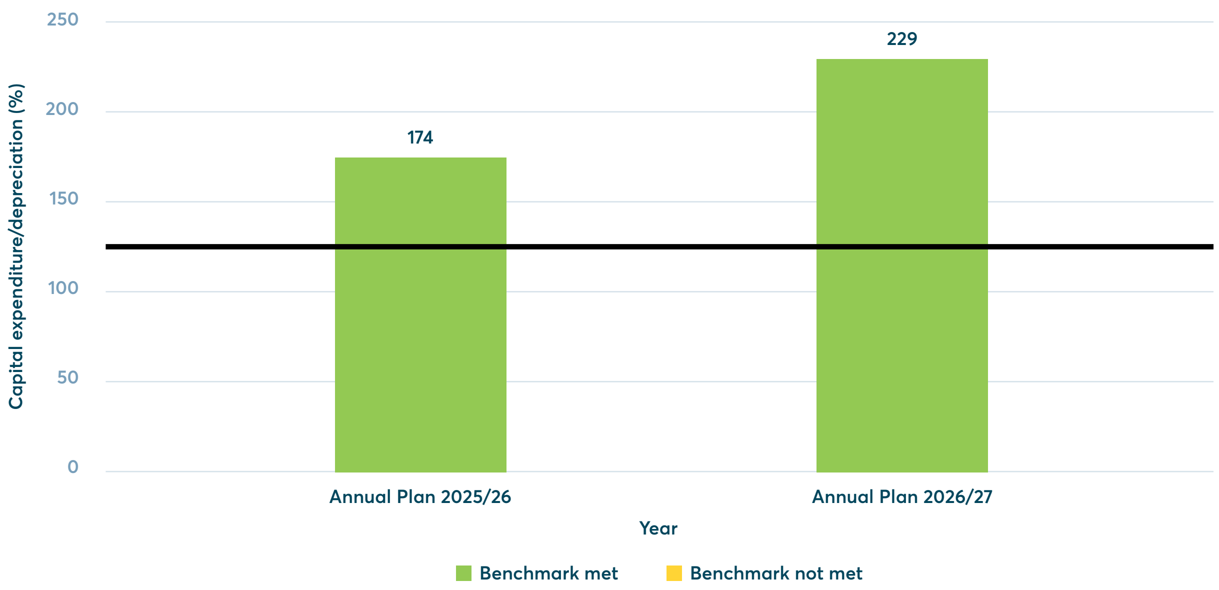
The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative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



Essential services benchmark

Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.



Debt servicing benchmark

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 for the year (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

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).

Council Controlled Organisations (CCO)
Hinonga Kaunihera

Several organisations deliver services and manage assets on Council's behalf. The main ones are listed below.

Infrastructure Holdings Ltd (IHL)

Nelson City Council and Tasman District Council set up IHL in June 2023, with Council owning half of it. 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 increase financial returns to both councils 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)

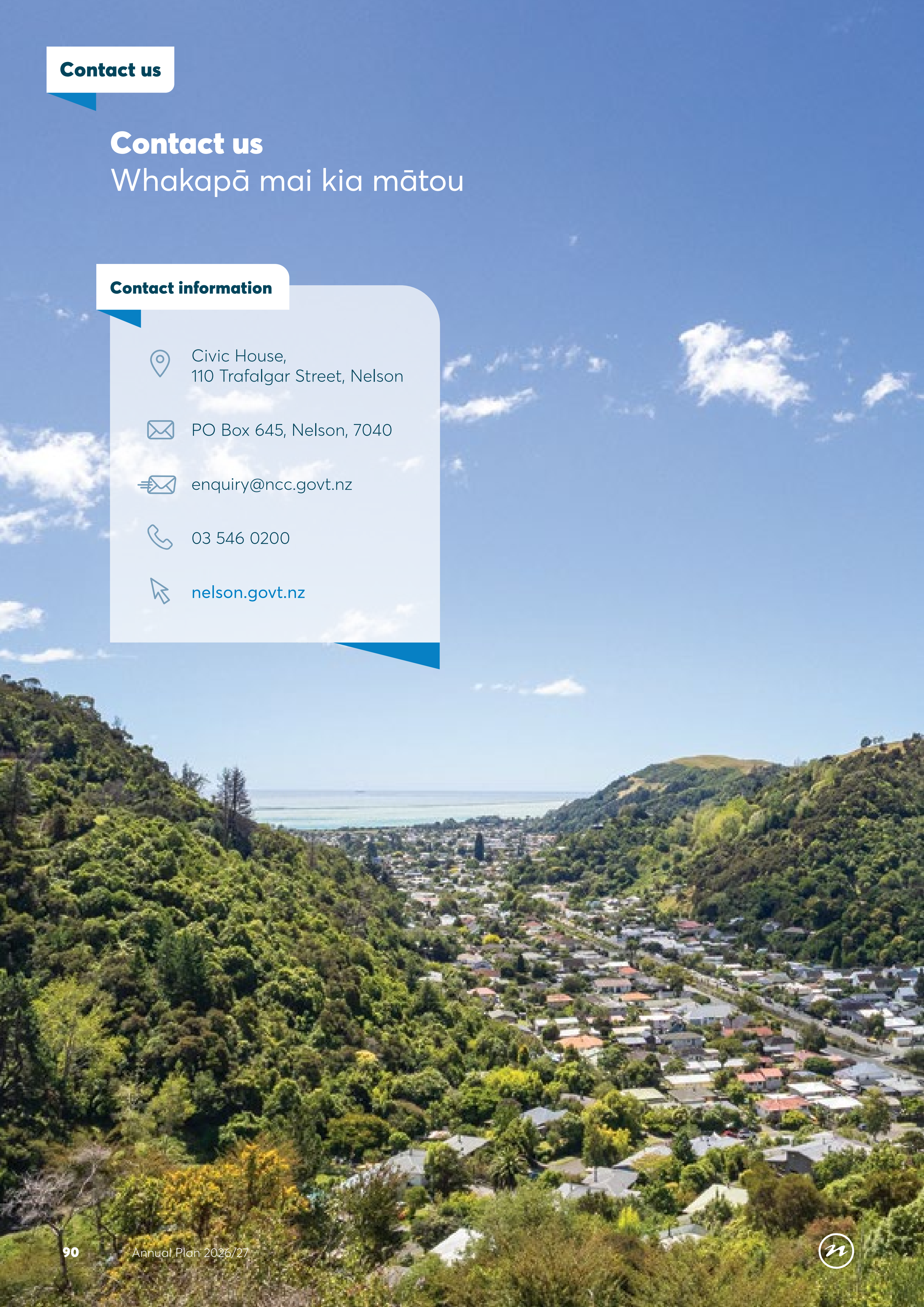
Controlled by Nelson City Council

- Kūmānu (Nelmac Limited) (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 (asset-owning CCO)
- 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 kia mātou

Contact information

Civic House,
110 Trafalgar Street, Nelson

PO Box 645, Nelson, 7040

enquiry@ncc.govt.nz

03 546 0200

nelson.govt.nz

Nelson City Council
Te Kaunihera o **Whakatū**