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Annual Report 2024/25

Pūrongo ā Tau

For the financial year ending 30 June 2025



Nelson City Council
Te Kaunihera o Whakatū

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Mayor's foreword

Kupu whakataki a te Koromatua

Nelson City Council turned 150 in 2024. We are one of New Zealand's oldest city councils; there were only five 150 years ago – Auckland, Wellington, Nelson, Christchurch and Dunedin.

The launch of a book in June 2025 covering the 50 years of Council from 1974 to 2024 was the culmination of the commemorations to mark our sesquicentennial. *Welcome to Whakatū Nelson City Council 1974-2024*, written by Paul Christoffel, follows earlier Council publications at the centenary, covering 1924 to 1974, and the 50th jubilee, covering 1874-1924.

One of the most striking features of Council's past half-century was the massive improvement in the city's infrastructure, services and environment. Our water was frequently rationed, and its quality was among the worst in NZ in the 1970s. Large investments, each controversial at the time, in the Maitai Dam in 1980s, water meters in the 1990s and the Tantragee Water Treatment Plant in 2000s ensured the supply and quality of our water is now among the best.

We've made huge environmental gains over the past 50 years with the York Valley Landfill, Pascoe St Waste Recovery Centre, Bell Island and Wakapuaka oxidation ponds, the phasing out of open fires and the creation of the Brook Waimārama Sanctuary.

Over the past year, we have continued to improve and maintain our infrastructure and services to best serve our community. Here are some of the highlights:

Storm recovery

Good progress was made in 2024/25 on the Council recovery work from the August 2022 storm. Of 16 landslides that required stabilisation works, 10 have been completed, construction is underway on two and the work is being procured for the remaining four. The broader infrastructure work is more than 60% complete.

This storm recovery work is so well advanced that it no longer requires the oversight of the Storm Recovery Taskforce, which has been dissolved. From 1 July 2025, the remaining work will be reported through the normal process of six-monthly infrastructure and annual reports.

I wish to acknowledge the high standard of work undertaken by Council staff during the past three years. Nelson is more advanced than other regions that had major storms around the same time, enabling families and the city to recover more quickly.

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Growing community housing

In September 2024, I joined in opening eight homes that form stage two of Habitat for Humanity's 22-home Shields Way development at Stoke.

Council supported this development with contributions from its Housing Reserve. The Housing Reserve was established in November 2020 with $12 million following the sale of Council's 142 community housing units to Kāinga Ora.

A total of $8.9 million from the Housing Reserve has been approved, which will help deliver 111 new homes.

Housing remains a significant issue for our city and these additional, affordable homes are helping resolve it.

Maitai Dam aeration project

The Maitai Dam was commissioned in 1987 and provides a reservoir capacity of 4 million cubic meters of water. This reservoir is an important water source for the city.

Temperature stratification during the summer period, from November to April, has long affected the dissolved oxygen levels within the reservoir and as a result, in the Maitai River south branch. This led to elevated concentrations of naturally occurring contaminants and could create complexities for the water treatment plant if water needed to be sourced from the depths of the reservoir.

To address these issues, a new aeration system was installed in the Maitai Dam. It includes a pipe with discharge nozzles that produce bubble plumes, which encourage mixing, increasing the oxygen saturation within the reservoir. This improves the water quality and habitat in the dam and the Maitai River.

The aeration system was commissioned in December 2024 and is working well. It is a good, practical example of how Council is working to improve the environment.

Bridge to Better project

The $78 million Bridge to Better project involves a massive upgrade of the infrastructure and streetscape of one of the oldest parts of central Nelson. Some of the pipes are more than a century old and the capacity is insufficient to support multistorey commercial and housing developments.

Preliminary works started last year with a new water supply ring main along Bridge St East, Halifax and Collingwood streets. The project also involves a new wastewater pump station on Paru Paru Road and a new floodgate was installed at Saltwater Creek in early September, which will help keep high tides and storm surges from pushing back into the city streets, including the Wakatu Square carpark.

Enabling works have commenced already and the main construction period will be between early February 2026 and July 2027. Everyone's patience, flexibility

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and goodwill during this time will be most appreciated as well as support for the businesses in the area. This is the largest redevelopment project in our city centre ever and is a critical part of our ambitions for city revitalisation.

Nelson Bus Hub

Work was completed in 2024/25 on plans for the new Nelson Bus Hub at Millers Acre, which will be the hub for all Nelson bus services including the InterCity, tourism and eBus services. The physical work got underway in July and is expected to be completed this summer.

This new hub will have six bus bays, compared with four at the current Bridge Street depot. The Bridge Street depot site will be used as a works yard for the Bridge to Better project whereafter Council intends to sell the property for development as part of its city revitalisation plans.

Tāhunanui Beach surf lifesaving club

Plans for a new surf lifesaving club at Tāhunanui Beach progressed over the past year after Council committed $1.65 million to the project through the Long Term Plan 2024-34. Nelson Surf Life Saving Club must raise the rest of the funding and got a huge boost in August 2024 with $1.6 million from Surf Life Saving New Zealand's Central Government Capital Fund. The next step is consents and detailed design with construction expected to start next year.

Tāhunanui Beach is one of Nelson's most precious jewels, popular with locals and tourists alike. But the surf lifesaving club's facilities are amongst the worst in the country with equipment stored in four different places. The surf lifesaving club is more than a sports club; it provides an important public service with its volunteer patrols to help keep our beach safe. It also provides valuable opportunities for youth development.

Tāhunanui Beach contaminated waste cleanup

More than 10,500 tonnes of contaminated material was removed from our iconic Tāhunanui Beach between September and December 2024 after wood waste was dumped there in the 1960s.

Thanks to my fellow Elected Members, Council staff, contractors, consultants and iwi for delivering the clean-up project on time and under the $4.89 million budget. I also acknowledge the support of Environment Minister Penny Simmonds and the Government contribution of $3.44 million towards this clean-up cost.

Climate Change Strategy

The Whakatū Nelson Climate Change Strategy including the Climate Action Plan was adopted on 3 July 2025 after consultation in March and April, hearings in May and deliberations in June.

Thanks to everyone who took part in the consultation or shared their thoughts at one of the engagement events. We received 95 submissions.

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This strategy shows the roles Council, businesses, landowners, community groups, iwi and whānau and individuals can play in reducing emissions. It is particularly important that Council shows leadership in meeting its targets for emissions reductions.

Soft plastics kerbside recycling

In October 2024, The Packaging Forum, supported by Council, started a six-month trial of the first industry-funded soft plastics kerbside recycling programme.

The trial involved 1,000 households, including mine. During that initial six-month period, more than 600,000 plastic bags/wrappers were collected and recycled – equal to 100 bags/wrappers per household per month. They were recycled by Future Post in Blenheim into fence posts, bollards and railings that are on sale at Mitre 10 Nelson.

Council in May 2025, agreed to further investigate the possibility of adding soft plastics recycling to Council's existing recycling collections. On the back of that decision, in June 2025, The Packaging Forum agreed to extend the soft plastics kerbside recycling programme trial for a further year.

Project Mahitahi

A five-year project aimed at ecosystem restoration in the Maitai/Mahitahi Valley concluded in 2024/25 with great results including the planting of over 150,000 native plants/trees.

This collaborative project was supported by Nelson City Council with funding from the Ministry for the Environment and Department of Conservation along with tree funding from Te Uru Rākau – New Zealand Forest Service and Trees That Count.

Other results included 40 hectares of weed control, 128 hectares of pest animal control, with more than 3,300 predators trapped and extensive crack willow control covering more than 17 kilometres of riverbanks along the Maitai River and Brook Stream.

International cricket

In July 2024, the Nelson and Tasman councils approved changes to the Saxton Field Reserve Management Plan that enable international cricket matches to be held at Saxton Oval.

The amendments were made because a section in the Saxton Field Reserve Management Plan 2021 banned alcohol advertising, but sponsorship deals around international cricket matches had some alcohol advertising. The amended plan allows exceptions to be granted by the Chair of the Saxton Field Committee and CEOs of the Nelson and Tasman councils for international cricket where there are existing sponsorship arrangements that include alcohol advertising.

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We had international matches involving the Black Caps and the White Ferns last summer and two Black Caps games have been announced for this November. This will be the third summer in a row we have secured international cricket in Nelson after a previous five-year drought.

Ngā mihi nui

Signed by:
Mayor Nick Smith 09-Nov-25
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Hon Dr Nick Smith

Mayor of Nelson

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Introduction

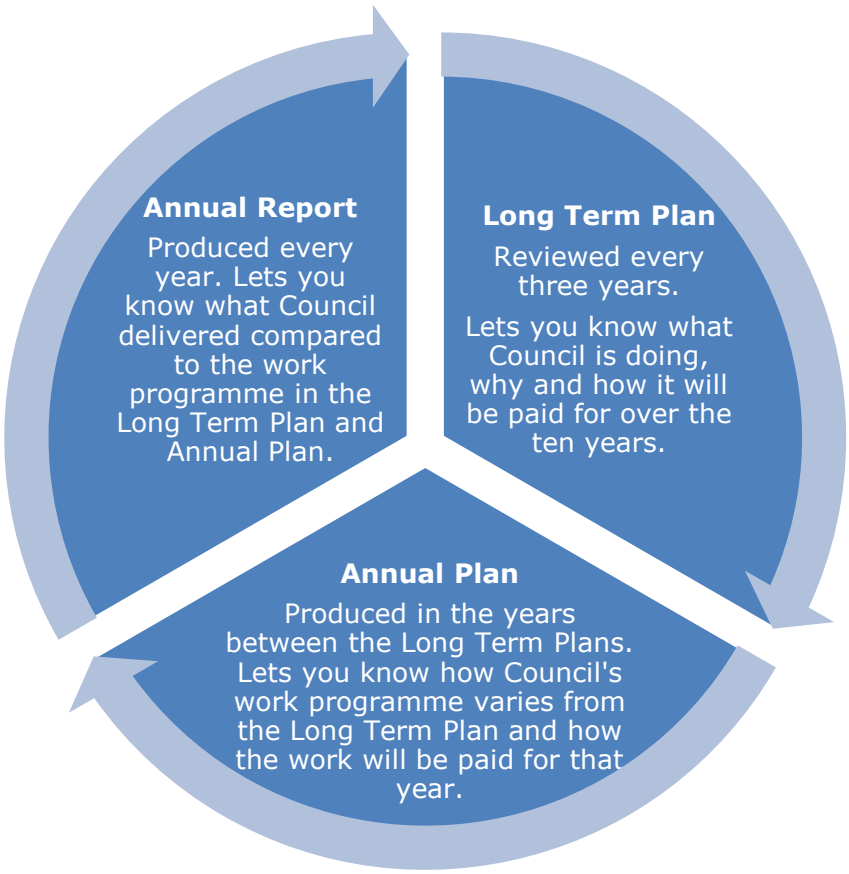
As one of six unitary authorities in New Zealand, Nelson City Council undertakes a wide variety of work to meet the combined responsibilities of as both a city and a regional council.

We manage a range of local infrastructure (such as roads) and community assets and services (such as parks and libraries). We carry out science and environment activities, land use planning, resource management functions and develop plans to meet the current and future needs of the city.

The Council structures its work programme around 11 activities, which are the broad groups of Council's services and facilities.

The local government planning cycle

The local government planning and reporting cycle is outlined in the following diagram, which describes the three key documents that contribute to the cycle, and how they link together:



This Annual Report is an important step in this planning cycle, as it outlines to the community how Council has performed against the commitments it made in its work programme for the year, as set in the Long Term Plan. The most recent Long Term Plan was adopted in 2024, and covers the next 10 years, with

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a focus on the first three years of the Plan. This Annual Report covers the first year of this Plan – i.e. 2024/25.

The first half of this Annual Report provides an overview of non-financial and financial performance, reintroduces the Council's vision, priorities and community outcomes from the Long Term Plan, provides a summary on actions undertaken in 2024/25 with reference to climate change, Māori participation in Council decision making, Local Water Done Well and the storm recovery.

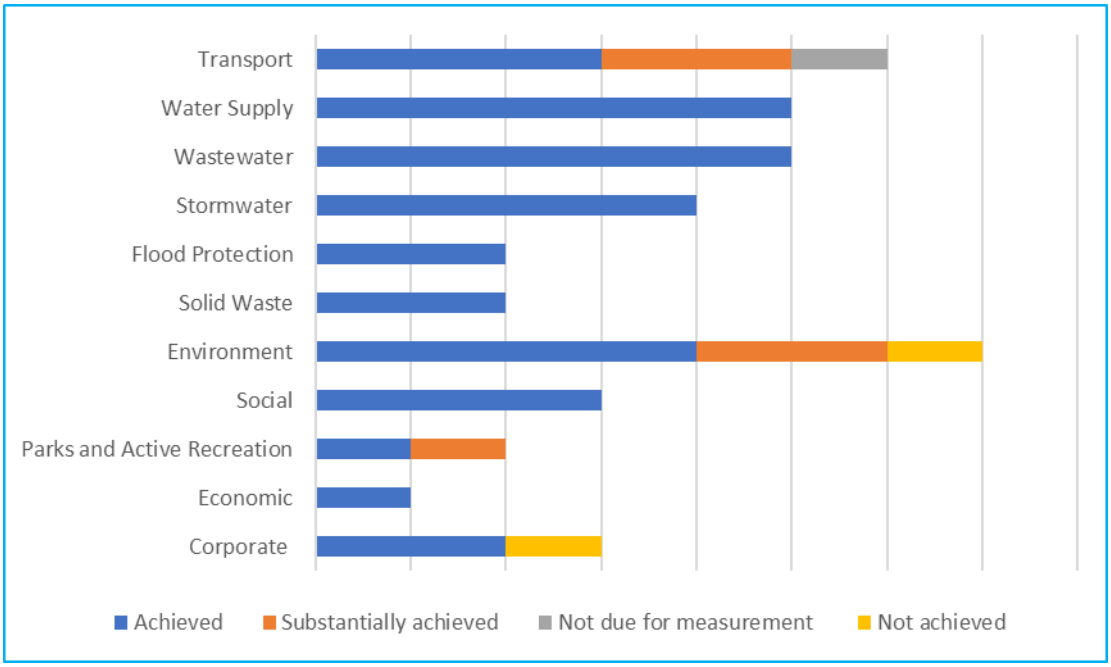
Individual activity updates regarding non-financial performance are then provided, with each update including key highlights for the 2024/25 year, as well as an evaluation of achievement against the agreed community outcomes, levels of service, performance measures and funding impact statements.

The second half of this document focuses on detailed financial performance reporting and closes with individual performance summaries of the Council's Council Controlled Organisations.

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Performance overview: year ended 30 June 2025

The Annual Report provides an update on Council's non-financial performance against key performance measures across its eleven activity areas. Council has successfully achieved 80% of its targets, with an additional 12.5% substantially achieved. The chart below provides a summary of our results by activity area:



Financial overview: year ended 30 June 2025

Council is required under the provisions of the Local Government Act 2002 (section 101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break-even).

This Annual Report shows that Council recorded a net surplus before revaluations (for the year ended 30 June 2025) of $1 million, which was $19.1 million less than budgeted surplus of $20.1 million. An explanation of this variance can be found in note 40 in the Accounts section.

The surplus is $1 million in the 2024/25 financial year, while in the 2023/24 financial year there was a $7.3 million deficit. The accounting surplus/deficit includes capital items such as road subsidies and grants relating to capital projects, revaluation and vested assets which are required to be treated as revenue for accounting purposes.

As of 30 June 2025, Council's borrowings, net of deposits and cash, were $241 million, compared to the budget of $252 million. The actual net debt is lower than the budget mainly due to movements in the capital program compared to the 2024/25 budget.

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This full Annual Report 2024/25 was prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and complies with International Public Sector Accounting Standards, and other applicable financial reporting standards, as appropriate for public benefit entities.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land, certain infrastructural assets, investment property and biological assets. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand ($000). The financial statements of Nelson City Council are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 30 October 2025.

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Council's Vision, Community Outcomes and Priorities
He Whakakitenga, He Whakaarotau

Council's Vision, Priorities and Community Outcomes for the 2024/25 year were set by Council through the Long Term Plan (LTP) 2024-2034.

The vision and three overarching priorities guide our work programmes for the next 10 years.

https://www.nelson.govt.nz/1your-council/long-term-annual-plans-and-reports/long-term-plan/2024-34-long-term-plan

Our vision

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

Our priorities

Our priorities are to:

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

Community outcomes

Ngā putanga hapori

Our eight community outcomes are broad, long-term goals that guide our overall direction. They are aligned with those of Tasman District Council (TDC) to ensure a consistent regional approach. Each council works towards achieving the outcomes in different ways, reflecting their unique communities. The community outcomes align closely with the intergenerational wellbeing outcomes of Te Tauihu Intergenerational Strategy – see more on the Strategy at tetauihu.nz.

Each activity section of this Annual Report includes a table that identifies how the activity is meeting some or all of these outcomes.

- 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

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- 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, uahatanga 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

More information on the vision, priorities and community outcomes can be found here: https://www.nelson.govt.nz/1your-council/long-term-annual-plans-and-reports/long-term-plan/2024-34-long-term-plan

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Statement on fostering Māori participation in Council decision-making

Te whakatītina I te urunga o Ngāi Māori

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

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

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

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

Other initiatives to build capability and support engagement

Actions undertaken in 2024/25 include:

- Continuing to support community events and activities to promote te reo Māori me ōna tikanga within Whakatū Nelson, including Te Rā o Waitangi, Te Huihui o Matariki, regional and national kapa haka, and Te Wiki of Te Reo Māori (Māori Language Week) celebrations
- Providing opportunities for meaningful engagement with Te Tauihu iwi such as through the Mayors and Chairs Forum, Te Tauihu iwi and council Chief Executives and General Managers, as well as operational groups Te Ohu Toi Ahurea (arts and heritage advisors) and Te Ohu Taiao (environmental practitioners)
- Supporting staff competency development through Te Puāwaitanga Cultural Competency Framework.

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Council's climate action

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

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

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

Development of a Whakatū Nelson Climate Change Strategy

One of Council's priorities for the first three years of the Long Term Plan included the adoption of a Climate Change Strategy and an updated Climate Change Plan. The Whakatū Nelson Climate Change Strategy (including an Action Plan) was released for public consultation in March 2025. The final Strategy was adopted by Council on 3 July 2025.

This whole-of-community strategy sets the direction for climate action in Nelson out to 2050, by leveraging off existing initiatives and drawing upon the collective expertise of our community. It also sets new targets for reducing community greenhouse gas emissions by 8.3% per year for all emissions excluding biogenic methane between 2025-2035, and Council emissions by 43% from the Waste and Transport sectors by 2030.

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

The action plan outlines key climate related projects that align with the Strategy's objectives. The Strategy acknowledges the significant gap between what we are doing now and where we need to get to achieve the goals and targets set out. The action plan will be updated overtime to close this gap and reflect additional actions Council and others (such as businesses and central government) are taking to reduce emissions and prepare for climate impacts.

The corporate activity also includes a new Long Term Plan performance measure that monitors Council's greenhouse gas emissions from its own activities.

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Climate change projects

Climate change mitigation and adaptation is a key objective of many of Council's work programmes. Climate-related work Council carried out in 2024/25 includes:

- Council carbon footprint inventory completed
- Nelson Tasman Climate Change Risk Assessment completed
- preparation for community engagement on adaptation options for the Wood underway
- Whakatū Nelson Climate Change Strategy adopted, including a new Climate Action Plan
- three rounds of contestable Climate Change Grants awarded.

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Local Water Done Well

Legislative Context and Council Response

Council adopted its Water Services Delivery Plan (WSDP) in August 2025 and submitted it to the Secretary for Local Government by the statutory deadline of 3 September 2025 - in accordance with the Local Government (Water Services Preliminary Arrangements) Act 2024.

This submission followed a significant period of legislative and policy change – starting in December 2023 when the newly elected Government announced the Local Water Done Well (LWDW) programme, signalling a shift away from the previous governments' Three Waters model and affirming councils' ability to retain ownership and control of water assets.

The Water Services Acts Repeal Act 2024, passed in February 2024, formally revoked the previous water services legislation. This was followed by the Local Government (Water Services Preliminary Arrangements) Act 2024, which came into force on 2 September 2024. This Act required councils to prepare and adopt a WSDP within 12 months and to consult with their communities on the preferred service delivery model.

In response, Council undertook public consultation in December 2024, presenting three delivery model options. The majority of submissions supported retaining the current in-house delivery model. Council confirmed this approach in April 2025, and it was reflected in the adopted WSDP.

While Council has chosen to retain in-house delivery, this model is now subject to significantly enhanced statutory and regulatory requirements.

The WSDP was required to demonstrate how Council will deliver water services in a way that is financially sustainable, meets regulatory standards for infrastructure and water quality, and supports housing growth. To respond to these requirements the plan included detailed baseline information on assets, operations, revenue, expenditure, pricing, and capital investment.

The final pieces of legislation are the Local Government (Water Services) Act 2025 and the Local Government (Water Services) (Repeals and Amendments) Act 2025, both of which received Royal Assent on 26 August 2025. The Local Government (Water Services) Act 2025 establishes the enduring framework for water service delivery – including structural arrangements for water services delivery, requirements for bylaws, plans and strategies, operational responsibilities of water service providers, charging for services and reporting requirements for consumer information. The Local Government (Water Services) (Repeals and Amendments) Act 2025 makes changes to related legislation to support enhanced economic regulation, consumer protection, and updated water quality standards for water services providers. While Council has chosen to retain in-house delivery we must now operate within this new regulatory environment, which introduces increased compliance obligations and greater scrutiny of service performance. Since 2023 operational performance

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has been subject to ongoing reporting of many aspects of the water services to the regulator Taumata Arowai and now financial performance will be subject to proposed new reporting requirements of the Commerce Commission. All of the new initiatives require increased input from staff and Councillors as well as a requirement to fund a share of the costs incurred by Taumata Arowai and the Commerce Commission.

For the latest information on water services policy and legislation, visit: https://www.dia.govt.nz/Water-Services-Policy-and-Legislation

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Recovery from the August 2022 severe weather event

Council has continued its extensive recovery work following the severe weather event of August 2022, focussing primarily on landslip remediation works, infrastructure repairs and flood protection projects. This includes a "build back better" approach to enhance resilience against future weather events. The recovery programme is expected to run through until 2028/29.

Land slip resilience projects, where Council land affected private properties, have been completed at various locations. These works included the construction of debris barriers and retaining walls, earthworks, stormwater controls, and replanting.

Road reinstatement and resilience projects have also been completed, including anchored retaining walls and the restoration of roadways.

More recently, Council has received central government funding from the Regional Infrastructure Fund to support further improvement works. These include the installation of floodways, floodwalls and stopbanks to reduce flood risk along the Maitai River, particularly in the section from Hanby Park to Clouston Terrace and work on detailed design and resource consents is underway.

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Council activities

Ngā mahi a te Kaunihera

The following sections are organised by activity for funding and accountability and cover everything that Council does.

For a full description of Council activities, including ten year estimates of spending, scope, assets, underlying assumptions, relevant policy documents, mitigation of any negative effects and service levels, refer to Nelson's Long Term Plan 2024-2034. Long Term Plans are prepared every three years, and this Annual Report provides an update on year one of the Long Term Plan 2024-2034.

This Plan was developed in 2023/24 and outlines Council's activities and planned programme of work for 2024/25 to 2033/34.

It is available at Nelson Public Libraries, on Council's website at nelson.govt.nz or by contacting our Customer Service Centre on 546 0200.

The activity groups of Council are:

- Transport - Te Ikiiki
- Water supply - Te Ratonga Wai
- Wastewater - Te Para Wai
- Stormwater - Te Wai Āwhā
- Flood Protection - Te Ārai Waipuke
- Solid Waste - Ngā Para Totoka
- Environment - Te Taiao
- Social - Te Pāpori
- Parks and Active Recreation - Ngā Papa Rēhia, Mahi Rēhia hoki
- Economic - Te Ohaoha
- Corporate - Te Rangapū

In 2024/25 Council, including joint committees, had an agreed Annual Plan capital works programmed of $102 million, excluding carry forwards. $66 million of the approved Annual Plan budget plus carry forwards from 2023/24 was spent across Council. The variance of $36 million against the Annual Plan budget was largely attributable to projects that were pushed to future years. Budget for these projects has been carried forward to future financial years for project delivery.

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Performance measures

Inenga mahi

The Long Term Plan sets non-financial performance measures for each activity, which are reviewed every three years.

Non-financial measures are evaluated as achieved, substantially achieved or not achieved. The Annual Report 2024/25 is the second year that Council will include the substantially achieved measure. While this will not be included in the final 'achieved' count for the year, it does allow us to recognise activities that have come very close to the target measure. This is where the measure has come within 10% of the target or if there have been other unique circumstances around the reporting and/or performance, which are explained in the relevant comments section.

Council achieved 32 out of 40 of its performance measures for 2024/25.

Activity	Measures achieved in 2024/25
Transport	3/6 achieved, 2/6 substantially achieved, 1 not due for measurement in 2024/25
Water Supply	5/5 achieved
Wastewater	5/5 achieved
Stormwater	4/4 achieved
Flood Protection	2/2 achieved
Solid Waste	2/2 achieved
Environment	4/7 achieved, 2 substantially achieved, 1 not achieved
Social	3/3 achieved
Parks and Active Recreation	1/2 achieved, 1 substantially achieved
Economic	1/1 achieved
Corporate	2/3 achieved
Total	32/40 achieved, 5 substantially achieved, 2 not achieved and 1 not due for measurement in 2024/25

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Transport
Te Ikiiki

What we do

While the New Zealand Transport Agency Waka Kotahi (NZTA) is responsible for State Highway 6 that runs through the Nelson City area, Council provides everything else – including the roads, paths and footpaths used for driving, parking, cycling, other modes and walking. The services we provide include public transport, road safety, traffic and parking control, street sweeping and litter collection, traffic lights and streetlights.

Council also regulates activities on the local roads. This includes setting speed limits, implementing the traffic and parking bylaw, processing requests to undertake work or activities on road reserve, reviewing temporary traffic management plans, granting licences for structures to be located on road reserve, and managing routes which can be used by heavy vehicles.

Why we do it

We deliver a safe, efficient, accessible transport network to enable different modes of transport and choice for all users, including active and low carbon options that support sustainable transport.

Transport systems are vital to getting people and freight around Nelson, and they need to cater for a wide range of users – be they by car, truck, bus, foot or cycle.

We recognise that Tasman residents work and play in Nelson and vice versa. That's why we have a Joint Regional Transport Committee and a combined Regional Land Transport Plan and Regional Public Transport Plan to provide integrated land transport planning and investment across the Nelson/Tasman region.

We also work collaboratively with Tasman District Council on a range of projects and initiatives that affect transport across the region, including the joint Future Development Strategy and speed management.

Key highlights and updates 2024/25

In 2024/25, capital expenditure in the transport activity was approximately $13.5 million.

Significant progress has been made across multiple transport initiatives, including the successful delivery of the reseal programme on Rata Street, Moncrieff Avenue, Larges Lane and significant sections of Brook Street/Westbrook Terrace, Cohen Place, Examiner Street, Moana Avenue, Parkers Road and Washington/St Vincent Street.

After a resilience risk rating assessment by staff additional funding ($2 million over two years) has been received from NZTA for resilience works and will be

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spent on areas affected by the 2022 flood event that didn't qualify for recovery funding from NZTA at the time.

Safety improvements have also been implemented, including the installation of a lower 80km/h speed limit on Cable Bay Road and Maori Pa Road in October 2024 and 30km/h school speed zones were installed at Auckland Point, Clifton Terrace, Nelson Christian Academy and Birchwood schools in June 2025.

After initially growing very rapidly, patronage has stabilized at around 918,393 passenger journeys taken on the joint Nelson-Tasman eBus system. In order to secure funding for the second and third years of the programme a 12-month public transport operational review was required by NZTA. The first phase of the review was completed in December 2024 which resulted in continued funding for the next two years. Phase two of the review is underway, to identify the development of short-term, mid-term and long-term measures to grow patronage and optimise the service. Engagement has also begun with NZTA project managers to initiate work on the National Ticketing System known as Motu Move.

The development of a new central city transport hub at Millers Acre will further support increased patronage on the eBus system. The hub will become the home for all buses in the region, and enable people-focused, place-based outcomes in the city centre. Construction has commenced and is expected to be completed by December 2025.

Over one kilometre of new roads were vested in Council including the final connection and opening of Clarence Drive to Princess Drive creating new resilience and connectivity for the Port Hills.

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Progress on Achieving Community Outcomes

Council's transport activities contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected.	The eBus service and cycleways promote public transport and active travel.
Our urban and rural environments are people friendly, well planned, accessible and sustainably managed.	Safety – we provide a transport system that is safe for all. Amenity – Our assets are maintained in good condition and contribute to quality neighbourhood environments.
Our region is supported by an innovative and sustainable economy.	Infrastructure resilience and maintenance supports a sustainable economy through long term infrastructure viability. The Nelson bus hub site will promote urban development and support local businesses.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	The eBus service provides access to central city and regional destinations, with cycleways providing recreation.
Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.	The Council provides leadership and fosters partnerships with local schools to encourage active and sustainable transport. These initiatives also support community engagement. A range of other initiatives are delivered in collaboration with Tasman District Council, promoting a regional approach. Among these is the eBus service, which operates across both regions and received high ratings in a customer satisfaction survey conducted as part of its service review.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Accessibility and efficiency – we provide people with access to a connected transport system.

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	Value for money – our transportation network is maintained cost effectively.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
Safety: We provide a transport system which is safe for all people regardless of transport choice or demographic.	Reducing trend in the number of death and serious injury (DSI) crashes, per financial year on the local road network from the 2020/21 base year. (Mandatory Measure 1)	A reducing trend in the number of fatal or serious injury crashes as recorded in the New Zealand Transport Agency Waka Kotahi Crash Analysis System	In 2024/25 there was a total of 13 fatal or serious injury crashes. While this represents a gradual increase from 9 in 2021/22 and 10 in 2022/23, the overall trend remains downward compared to the peak of 20 DSI crashes in the 2020/21 base year. The number of DSI crashes remained steady at 13 in both 2023/24 and 2024/25.	Substantially achieved
Amenity: Our assets are maintained in good condition and operated in a way that contributes to quality neighbourhood environments.	The average quality of ride on a sealed local road network, as measured by smooth travel exposure in the Road Asset Maintenance and Management system (RAMM).	At least 80% of all journeys are on smooth roads, when measured against the One Network Road Classification guidance every second year from 2024/25	Smooth travel exposure is 76% in 2024/25, a decrease from 82% in 2023/24 and 2022/23. Due to the increase in heavy vehicle traffic and the impact of weather events, this measure became at risk for achievement.	Substantially achieved

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	(Mandatory Measure 2)		To target these issues and build the evidence base to establish and support the appropriate level of investment Council is shifting its maintenance practices to include more heavy maintenance and renewals, in addition to traditional reseal works. It is also noted that the survey methodology for this metric has changed, and Council is awaiting the release of national data later this year to assess whether the change in methodology has impacted the measure.	
Amenity: Our assets are maintained in good condition and operated in a way that contributes to quality neighbourhood environments.	Percentage of customer service requests relating to roads and footpaths to which Council responds within fifteen working days. (Mandatory Measure 5)	70% of service requests responded to within fifteen working days	In 2024/25 83% of service requests were completed within the targeted 15 working days. As 70% is a new target for 2024/25 the result cannot be meaningfully compared to other years. The previous target in the LTP was five working days, but this did not reflect service	Achieved

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			requests that needed to be extended due to complexity or extensions that were negotiated with the customer. In 2023/24 63% of service requests were completed within five working days.	
Amenity: Our assets are maintained in good condition and operated in a way that contributes to quality neighbourhood environments.	The percentage of footpaths that fall within the level of service standard for condition of footpath, as in Activity Management Plan. (Mandatory Measure 4)	80% of the footpath network by length has a condition rating of no worse than 4 (poor) [6], measured every second year from 2025/26.	The next footpath condition survey will take place in 2025/26 as detailed in the target. In 2023/24 98% of footpaths in the condition survey were rated 1-3. A footpath condition survey was not undertaken in 2022/23, however, a complete assessment of the network was undertaken in 2021/22 which identified that 85% of the network had a condition rating better than 4. This result includes shared paths and walkways. (Footpath condition assessment criteria rates 1 as excellent, 2 as good, 3 as	Not due for measurement

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			average, 4 as poor and 5 as very poor).	
Accessibility and efficiency: We provide people with access to a connected transport system that delivers their journey needs.	The annual growth in use of passenger transport increases year on year from the 2023/24 year baseline. Measured using annual patronage data from BCard system (Nelson and Tasman).	Number of bus patrons increases each year	In 2024/25 there were 918,393 passenger journeys taken on the ebus system, which was introduced on 1 August 2023. This is a small increase from the 902,897 passenger trips taken in 2023/24. This exceeded the 746,000 target projected in the 2021 – 31 Regional Public Transport Plan, and exceeded the 454,943 result in 2022/23.	Achieved
Value for money: Our transportation network is maintained cost effectively and whole of life costs are optimised.	The percentage of the sealed local road network resurfaced each financial year, as measured in lane kilometres from RAMM data. (Mandatory Measure 3)	Not less than 3% of the network is resurfaced every year	In 2024/25 4.85% of the network was resurfaced (24 lane-km). This is an increase from 3.2% in 2023/24, and 1.3 in 2022/23, and 2% in 2021/22.	Achieved

6. If a footpath is scored as 4 (poor) then it is in the category that 20% is not meeting the standard or 80% is acceptable.

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Financial Performance – Transport

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	13,247	14,792	17,189
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	5,884	8,276	6,559
Fees and charges	1,981	2,850	2,366
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,826	1,214	3,025
Total Operating Funding	**22,938**	**27,131**	**29,139**
Applications of operating funding			
Payments to staff and suppliers	17,686	21,596	21,622
Finance costs	0	0	119
Internal charges and overheads applied *	398	975	874
Other operating funding applications	0	0	0
Total applications of operating funding	**18,083**	**22,570**	**22,615**
Surplus (Deficit) of operating funding	**4,855**	**4,561**	**6,523**
Sources of capital funding			
Subsidies and grants for capital	4,994	13,154	6,418
Development and financial contributions	329	294	603
Increase (decrease) in debt	(97)	5,761	(195)
Gross proceeds from sale of assets	0	860	0
Lump sum contributions	0	0	0
Total sources of capital funding	**5,226**	**20,070**	**6,826**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	237	6,334	2,727
- to improve level of service	4,547	5,983	1,550
- to replace existing assets	5,297	12,314	9,072
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0

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Total applications of capital funding	**10,081**	**24,631**	**13,349**
Surplus (Deficit) of capital funding	**(4,855)**	**(4,561)**	**(6,523)**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	**($000)**	**($000)**
Surplus/(Deficit) of operating funding from Funding Impact Statement	**4,855**	**4,561**	**6,523**
Subsidies and grants for capital expenditure	4,994	13,154	6,418
Development and financial contributions	329	294	603
Vested Assets	2,454	1,251	503
Gains on sale	0	0	0
Depreciation	(9,464)	(12,409)	(13,656)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	(1,462)
Net Surplus (Deficit) before taxation in Cost of Service Statement	**3,168**	**6,851**	**(1,071)**

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Water Supply

Te Ratonga Wai

What we do

Council supplies high quality water that is safe to drink to households and businesses through a piped network. The water supply system includes dams and weirs on the Maitai and Roding Rivers, the ultra-filtration water treatment plant at the Tantragee Saddle, and the network of pipes, pump stations and storage reservoirs throughout the city. User charges are based on metered water use to incentivise efficient use of water and to share costs fairly between users.

Why we do it

We all rely on the quality of our water supply for our health and to sustain our industries and tourism sector. This makes it a high priority for Council, who aims to provide a safe, reliable and efficient supply of water to residents and businesses while ensuring the ecological, recreational and cultural interests of the community in the water sources are recognised and enhanced.

Key highlights and updates 2024/25

In 2024/25, capital expenditure in the water supply activity was approximately $10.2 million

A highlight of 2024/25 was the completion of the Maitai Dam aeration project in December 2024, with testing noting an increase in dissolved oxygen in the water, as well as a reduction in the extent of temperature stratification (so the water is collectively a more consistent temperature). These are all signs of improving the health of the water in the Maitai Dam.

In response to a direction from the Director General of Health, works for the fluoridation of the city water supply were completed in early 2025.

The work on the Bridge Street East, Collingwood Street and Halifax Street watermain progressed throughout March and was completed in July 2025. This work is part of the Bridge to Better project and will provide capacity for more city centre homes.

Water reservoir investigations continued for a suitable site at the north end of the city. Once constructed the reservoir will provide a significant boost to the resilience of the water network in this area. Further work was undertaken for the water utility services to the proposed new development area in the Maitai Valley. The works will also include a new large water reservoir that will additionally serve the central city.

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Progress on Achieving Community Outcomes

Council's water supply activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected.	Projects such as the Maitai Dam aeration project improve water health.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Reliability – we provide a reliable water supply for our customers. Customer Service – we provide well built, operated and maintained water supply systems.
Our region is supported by an innovative and sustainable economy.	Watermain upgrades as part of the Bridge to Better project enable compact, efficient urban growth that aligns with sustainable development goals.
Our communities are healthy, safe, inclusive and resilient.	Quality – we provide good quality water which is safe to drink.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
Quality: We provide good quality water which is safe to drink.	The extent to which drinking water supply complies with: a) Table 1 of the drinking water standards# (Maximum acceptable values for microbiological determinands) b) Table 2 of the drinking water standards# (Maximum acceptable values for inorganic determinands) c) Table 3 of the drinking water standards# (Maximum acceptable values for organic determinands).[7] (Mandatory Performance Measure 1)	100% compliance with Tables 1,2 and 3 of the drinking water standards.	In 2024/25 Nelson City Council has met this performance measure with 100% compliance. Based on all samples taken, and per the independently assessed Nelson City Council Drinking Water Quality Assurance Report 2025, compliance was confirmed to the following standards: a) Table 1 of the drinking water standards (maximum acceptable values for microbiological determinands) b) Table 2 drinking water standards (maximum acceptable values for inorganic determinands) c) Table 3 of the drinking water standards (maximum acceptable values for organic determinands).	Achieved

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			In 2023/24 were three minor transgressions of the newly introduced Drinking Water Standards and Drinking Water Quality Assurance Rules, however no risk to public health was identified as a result of these, allowing the measure to be substantially achieved. In 2022/23 Council achieved 100% compliance with the previous drinking water standards, parts four, five and eight.	
	Total number of valid complaints per 1,000 connections about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) Council's response to the above issues[8].	No more than 50 valid complaints per 1,000 connections	In 2024/25 there have been a total of 12 valid complaints per 1,000 connections. In 2023/24 there were 14 valid complaints, and 26 in 2022/23.	Achieved

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	(Mandatory Performance Measure 4)			
Reliability: We provide a reliable water supply for our customers	Average drinking water standard consumption per day per resident[9]. (Mandatory Performance Measure 5)	Normal demand less than 500L per person per day. This includes both domestic and commercial-industrial.	In 2024/25 average drinking water standard consumption per day was 302 litres. In 2023/24 average drinking water standard consumption per day was 300 litres and in 2022/23 it was 275 litres.	Achieved
	Percentage real water loss from the system[10] (Mandatory Performance Measure 2)	Real water loss less than 25%.	In 2024/25 preliminary assessment is there was 24.9% of real water losses. In 2023/24 there was 19% of real water losses, and in 2022/23 it was 22.1%.	Achieved
Customer Service: We provide well built, operated and maintained water supply systems so that any failures can be managed and responded to quickly. (Mandatory	When attending a call-out in response to a fault or unplanned interruption to the system, the following median response times will be measured: a) attendance for urgent call-outs: from the time	a) contractor to attend urgent call-outs in a median time of 30 minutes or less. b) Contractor to resolve urgent call-outs in a median time of 480 minutes or less.	a) In 2024/25 median attendance time for urgent water call outs was 20 minutes. This was 22 minutes in 2023/24, and 22 minutes in 2022/23. b) In 2024/25 median resolution time for urgent water call outs was 261 minutes.	Achieved

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Performance Measure 3)	notification is received to the time service personnel reach the site b) resolution of urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption c) attendance for non-urgent callouts: from the time notification is received to the time service personnel reach the site d) resolution of non-urgent call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption[11] (Mandatory Performance Measure 3)	c) Contractor to attend non-urgent call-outs in a median time of 120 minutes or less. d) Contractor to resolve non-urgent call-outs in a median time of 24 hours (1,440 mins) or less.	This was 156 minutes in 2023/24 and 172 minutes in 2022/23. c) In 2024/25 median attendance time for nonurgent water call outs was 98 minutes. This was 87 minutes in 2023/24 and 100 minutes in 2022/23. d) In 2024/25 median resolution time for nonurgent water call outs was 1203 minutes. This was 1049 minutes in 2023/24 and 1113 minutes in 2022/23.	

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7. Measurement procedure: Assessed by independent drinking water assessor – Nelson.

The Department of Internal Affairs updated this mandatory performance measure after the council had published our Long Term Plan 2024 - 2034, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. The commentary in the performance measure table reflects the Long Term Plan measure, while the table below shows performance assessed against the updated measure.

Water Supply	**Performance Measure Rule**	**Treatment Plant**		**Distribution Zone**	**Commentary**
		Bacteria	Protozoa	Microbiological	
Serviced population of approximately 55000 people.	Target 100% compliance reporting against: (h) 4.10.1 T3 Bacterial Rules (i) 4.10.2 T3 Protozoal Rules; and (j) 4.11.5 D3 Microbiological Monitoring Rule	T3 Treatment Rules = Met 100%	T3 Treatment Rules = Met 100%	D3 Distribution Rules = Met 100%	100% compliance achieved

8. Measurement procedure: Report from service request system at 1 July.

9. Measurement procedure: Calculated by metered supply divided by Statistic NZ estimated population.

10. Measurement procedure: Council uses a water balance methodology developed by Water NZ to track and report on un-accounted for water.

11. Measurement procedure: Report from service request system as at 1 July.

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Financial Performance – Water Supply

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates including water by meter	13,894	16,192	16,017
Subsidies and grants for operating purposes	0	0	134
Fees and charges	39	57	58
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	9	0	(96)
Total Operating Funding	**13,942**	**16,249**	**16,112**
Applications of operating funding			
Payments to staff and suppliers	7,725	8,903	9,277
Finance costs	0	0	0
Internal charges and overheads applied *	1,045	1,582	1,993
Other operating funding applications	0	0	0
Total applications of operating funding	**8,770**	**10,485**	**11,269**
Surplus (Deficit) of operating funding	**5,171**	**5,764**	**4,843**
Sources of capital funding			
Subsidies and grants for capital	0	879	883
Development and financial contributions	455	617	559
Increase (decrease) in debt	1,293	1,499	3,866
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**1,748**	**2,995**	**5,308**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	577	3,156	3,259
- to improve level of service	2,237	4,304	4,046
- to replace existing assets	4,105	1,300	2,846
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0

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Total applications of capital funding	**6,919**	**8,759**	**10,151**
Surplus (Deficit) of capital funding	**(5,171)**	**(5,764)**	**(4,843)**
Funding balance	**(0)**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	($000)	($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**5,171**	**5,764**	**4,843**
Subsidies and grants for capital expenditure	0	879	883
Development and financial contributions	455	617	559
Vested Assets	1,380	1,577	0
Gains on sale	0	0	0
Depreciation	(5,440)	(7,997)	(8,010)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	(846)
Net Surplus (Deficit) before taxation in Cost of Service Statement	**1,567**	**840**	**(2,571)**

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Wastewater

Te Para Wai

What we do

Council operates and maintains a network of pump stations and pipes across the city that carry approximately eight million litres of wastewater per day from Stoke and Tāhunanui for treatment at the regional Bell Island Wastewater Treatment Plant, and another eight million litres per day from central Nelson and Atawhai to the Nelson Wastewater Treatment Plant (NWWTP) near Wakapuaka. Council owns and operates the NWWTP at Wakapuaka. This plant consists of a pre-treatment facility, two oxidation ponds and wetlands with discharge to Tasman Bay.

Why we do it

Providing a piped wastewater system and treatment is critical to prevent harm to people and property and to avoid contamination of the environment. The Wastewater Treatment Plant at Bell Island is managed by the Nelson Regional Sewerage Business Unit of which the Nelson City and Tasman District councils are both 50% shareholders. It consists of a pre-treatment facility and a series of five oxidation ponds which treat wastewater from Stoke, Tāhunanui, the Wakatu Industrial Estate, Richmond, Wakefield, Brightwater and Mapua, as well as trade waste from some large industrial operations.

Key highlights and updates 2024/25

In 2024/25, capital expenditure in the wastewater activity was approximately $5.4 million (excluding Nelson Regional Sewerage).

One of the priorities for the first three years of the LTP was applying for the renewal of the NWWTP Resource Consent. A new consent application was lodged in December 2023 and is currently on hold pending central government updating water quality standards. Council is able to continue to operate the treatment plant and discharge pipeline under the current consent conditions The replacement of the resource consent will ensure that the plant continues to operate in its existing location until its long term future is decided.

The detailed design of the upgrade to the Paru Paru Road wastewater pump station is currently underway, via early contractor involvement. The contractor is working with the design team to complete the design, investigate material supply, programming, constructability and pricing. This work is part of the larger Bridge to Better project and will provide a significant upgrade to the wastewater system.

Preliminary design work continued for the renewal of the large wastewater rising main from Neale Park to the Nelson Wastewater Treatment Plant. This is a major undertaking for the city and will replace the existing main that is coming to the end of its service life.

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Progress on Achieving Community Outcomes

Council's wastewater activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected.	Quality: We provide wastewater systems that aim to have minimal adverse effect on the environment.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Reliability: We provide reliable wastewater systems.
Our region is supported by an innovative and sustainable economy.	Response: We provide well built, operated and maintained wastewater systems.
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.	The renewal of the NWWTP resource consent demonstrates sustainable management of essential infrastructure with environmental oversight. Upgrades and renewals support well planned urban development.
Our communities are healthy, safe, inclusive and resilient.	Safe operation of the wastewater treatment plant protects public health and the environment. Upgrades and renewals build resilience.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
Reliability: We provide reliable wastewater systems with a minimum of odours, overflows or disturbance to the public.	Level of compliance of treatment plant with resource consent conditions[12].	Compliance with 100% of the resource consent conditions for 90% of the time.	In 2024/25 full compliance was achieved. Full compliance was also achieved in 2023/24 and 2022/23.	Achieved
	Number of dry weather overflows from the sewerage system, per 1,000 connections[13]. (Mandatory Performance Measure 1)	Fewer than 15 per 1,000 connections.	In 2024/25 there were three dry weather overflows per 1,000 connections. In 2023/24 there were four dry weather overflows and 2022/23 there were three dry weather overflows.	Achieved
Response: We provide well built, operated and maintained wastewater systems so that any failures can be managed	Median response times are measured for overflows resulting from a blockage or other fault in the sewerage system: a) attendance time: from when notification is received	a) Contractor to attend in median time of 60 minutes or less. b) Contractor to resolve issue in a median time of 480 minutes or less.	In 2024/25 median attendance time for wastewater call outs was 18 minutes, and median resolution time of 186 minutes.	Achieved

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and responded to quickly.	to the time service staff reach the site. b) resolution time: from the time of notification is received to the time service staff confirm resolution of the blockage or other fault[14]. (Mandatory Performance Measure 3)		Median response time was 20 minutes in 2023/24 and 2022/23. Median resolution time was 191 minutes in 2023/24 and 163 minutes in 2022/23.	
Quality: We provide wastewater systems that aim to have minimal adverse effect on the environment	Compliance with territorial authority's resource consents for discharge from the sewerage system measured by number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions in relation to those resource consents[15]. (Mandatory Performance Measure 2)	a) ≤2 b) ≤2 c) 0 d) 0	In 2024/25 full compliance was achieved. Full compliance was also achieved in 2023/24 and 2022/23.	Achieved

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	The total number of valid complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockage d) Council's response to issues with the sewerage system, expressed per 1,000 connections to the sewerage system[16]. (Mandatory Performance Measure 4)	No more than 20 valid complaints a year per 1,000 connections.	In 2024/25 the total number of valid complaints was 16 per 1,000 connections. The total number of valid complaints was 16 in 2023/24 and 17 in 2022/23.	Achieved

12. Measurement procedure: Council RMA infringement records at 1 July.
13. Measurement procedure: Report from service request system at 1 July.
14. Measurement procedure: Report from service request system at 1 July.
15. Measurement procedure: Council RMA infringement records at 1 July.
16. Measurement procedure: Report from service request system at 1 July.

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Financial Performance – Wastewater

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	(7)
Targeted rates including water by meter	11,075	12,508	12,549
Subsidies and grants for operating purposes	0	0	73
Fees and charges	3,363	8,003	4,705
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,617	(1,265)	(1,218)
Total Operating Funding	**16,055**	**19,246**	**16,102**
Applications of operating funding			
Payments to staff and suppliers	9,514	11,647	9,031
Finance costs	0	0	0
Internal charges and overheads applied *	107	320	393
Other operating funding applications	0	0	0
Total applications of operating funding	**9,621**	**11,967**	**9,424**
Surplus (Deficit) of operating funding	**6,434**	**7,279**	**6,678**
Sources of capital funding			
Subsidies and grants for capital	0	378	554
Development and financial contributions	704	1,134	859
Increase (decrease) in debt	1,643	2,377	2,088
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**2,346**	**3,889**	**3,501**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	452	1,700	2,061
- to improve level of service	3,828	5,250	3,432
- to replace existing assets	4,501	4,219	4,686
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0

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Total applications of capital funding	**8,781**	**11,169**	**10,179**
Surplus (Deficit) of capital funding	**(6,434)**	**(7,279)**	**(6,678)**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	($000)	($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**6,434**	**7,279**	**6,678**
Subsidies and grants for capital expenditure	0	378	554
Development and financial contributions	704	1,134	859
Vested Assets	663	1,189	13
Gains on sale	0	0	0
Depreciation	(7,040)	(10,612)	(10,880)
Other non-cash income	0	0	13
Other non-cash expenditure	0	0	(1,018)
Net Surplus (Deficit) before taxation in Cost of Service Statement	**761**	**(632)**	**(3,781)**

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Stormwater
Te Wai Āwhā

What we do

The stormwater network includes pipes, open channels and overland flow paths that convey stormwater to receiving rivers and streams, or directly to the sea. In many parts of the city a fully reticulated system is not provided and individual properties discharge stormwater to on-site soakage or to roads as part of the primary drainage system.

Why we do it

Stormwater management is important to prevent accumulation of stormwater in low-lying areas (ponding) and potentially causing harm to people or damage to buildings, property and the environment.

Key highlights and updates 2024/25

In 2024/25, capital expenditure in the stormwater activity was approximately $4.3 million

In 2024 a contractor was appointed for the next stage of the Washington Valley infrastructure upgrade which includes the replacement of the St Vincent Street box culvert. This early contractor involvement allows for the contractor to work alongside the design team to complete the design, material supply, programming, constructability and pricing. The work commenced on site in August 2025.

The upgrade of the stormwater network in Catchment 3 of the Tahunanui Hills was completed in December 2024 and aims to reduce the geotechnical risk to the stormwater services and to reduce the risk of surface flooding.

Stormwater improvements in Strawbridge Square were completed in January 2025 to upgrade the network and reduce the risk of flooding in the carpark during heavy rainfall. These works help protect nearby properties and ensure water is directed appropriately through the area.

The Washington Terrace wastewater and water pipes were replaced in March 2025. The work included replacing the connections to the property boundary.

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Progress on Achieving Community Outcomes

Council's stormwater activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected.	Environmental Protection: We provide stormwater systems that do not adversely affect or degrade the receiving environment.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Customer response: We provide well built, operated and maintained stormwater systems so that any failures can be managed and responded to quickly
Our region is supported by an innovative and sustainable economy.	The Bridge to Better and upgrade projects support economic development by enabling more housing and business activity in well-serviced areas. Early contractor involvement allows for innovation in public infrastructure delivery, ensuring long term economic value. Stormwater upgrades also minimise economic disruption from extreme weather events
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.	Well planned infrastructure and stormwater upgrades improve public spaces and essential services for the community.
Our communities are healthy, safe, inclusive and resilient.	Customer service: We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
Environmental Protection: We provide stormwater systems that do not adversely affect or degrade the receiving environment.	Compliance with resource consents for discharge from the stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) successful prosecutions received in relation to those resource consents[17]. (Mandatory Performance Measure 2)	a) ≤2 b) ≤2 c) 0 d) 0	In 2024/25 full compliance was achieved with no abatement, infringement, enforcement or prosecutions received. Full compliance also achieved in 2023/24 and 2022/23.	Achieved
Customer response: We provide well built, operated and maintained stormwater systems so that any failures can be managed	The number of valid complaints received about the performance of the stormwater system, per 1,000 properties connected to the stormwater	No more than 20 valid complaints per 1,000 connections per year.	In 2024/25 the total number of complaints was 16 per 1,000 connections. There were 10 complaints per 1,000 in 2023/24 and 20 per 1,000 in 2022/23.	Achieved

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and responded to quickly	network[18]. (Mandatory Performance Measure 4)			
Customer service: We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community	a) The number of flooding events that occur b) For each flooding event, the number of habitable floors affected per 1,000 properties connected to the stormwater network[19]. (Mandatory Performance Measure 1)	No more than 10 per 1,000 urban properties with habitable floor damage in any one year.	In 2024/25 there were no major flood events. However, in May 2025 there was a localised high intensity storm that affected urban stormwater catchments draining to the Nelson central business district. This resulted in the overwhelming of some stormwater drains triggering excess surface water. Floor level flooding for 2024/25 was 1 property per 1,000. In 2023/24 there were no major flood events. The total number of habitable floors flooded was less than 1 per 1000 connections. In 2022/23 two flood events occurred, one major event in August 2022, and another in May 2023. In 2023 there were a total of 2 properties per 1,000 connections affected.	Achieved

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	Median response time to attend a flooding event, measured from the time that notification is received to the time service personnel reach the site[20]. (Mandatory Performance Measure 3)	Median response time is less than 60 minutes.	In 2024/25 the median response time to stormwater issues was 14 minutes. Median response time to stormwater issues was 10 minutes for 2023/24, and 10 minutes in 2022/23.	Achieved

17. Measure Procedure: Council RMA infringement records at 1 July.

18. Measurement Procedure: Report from service request system at 1 July.

19. Measurement Procedure: Report from service request system at 1 July.

20. Measurement Procedure: Report from service request system at 1 July.

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Financial Performance – Stormwater

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates including water by meter	6,053	7,663	7,657
Subsidies and grants for operating purposes	0	70	50
Fees and charges	5	5	5
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	(182)
Total Operating Funding	**6,058**	**7,738**	**7,530**
Applications of operating funding			
Payments to staff and suppliers	2,174	2,207	2,271
Finance costs	0	0	0
Internal charges and overheads applied *	704	1,657	1,563
Other operating funding applications	0	0	0
Total applications of operating funding	**2,878**	**3,864**	**3,834**
Surplus (Deficit) of operating funding	**3,180**	**3,875**	**3,696**
Sources of capital funding			
Subsidies and grants for capital	0	301	386
Development and financial contributions	388	1,009	520
Increase (decrease) in debt	5,181	3,794	(342)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**5,570**	**5,105**	**563**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	193	1,804	339
- to improve level of service	8,202	3,696	2,737
- to replace existing assets	355	3,480	1,184
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0

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Total applications of capital funding	**8,749**	**8,979**	**4,260**
Surplus (Deficit) of capital funding	**(3,180)**	**(3,875)**	**(3,696)**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	($000)	($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**3,180**	**3,875**	**3,696**
Subsidies and grants for capital expenditure	0	301	386
Development and financial contributions	388	1,009	520
Vested Assets	862	1,623	480
Gains on sale	0	0	0
Depreciation	(3,654)	(4,983)	(4,962)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	(702)
Net Surplus (Deficit) before taxation in Cost of Service Statement	**776**	**1,825**	**(582)**

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Flood Protection
Te Ārai Waipuke

What we do

Council's flood protection activity covers the larger streams, culverts and constructed channels through which streams flow. Works include channel maintenance and physical upgrades to rivers and streams to increase the volume of flood water they can carry, protecting channel banks from erosion, and removing accumulated gravel where flow capacity is reduced. Council aims to undertake this work in a way that is sensitive to the freshwater environment. Council also carries out flood modelling and land use planning to identify and manage the risks to new development associated with flooding from rivers and streams during heavy rainfall events.

A new component of the flood protection activity is the assessment of, and response to, coastal hazards including inundation from storm surge, coastal erosion and sea level rise. Up until now, Council's has not undertaken flood protection activities on properties greater than 15ha in area and all properties located on the eastern side of the Gentle Annie Saddle. Council proposed a change to this approach, and extended flood protection services to rural areas and charged a flood protection rate for this service and moving this rate to be on a land value basis across the city. This is separate from the stormwater rate charged to properties which have access to stormwater services through a uniform charge.

Why we do it

The proximity of the Nelson foothills, and the location of the commercial and residential development on the flood plains and close to waterways, mean that during heavy rainfall events stream and river flows can rise rapidly and cause flash flooding to occur. The purpose of Council's flood protection activity seeks to prevent harm to people and property where this is feasible and affordable and protect the environment from harm related to in-stream protection works.

Key highlights and updates 2024/25

In 2024/25, capital expenditure in the stormwater activity was approximately $4 million.

In 2024 the Council was successful in securing Central Government Regional Infrastructure Funding for Maitai flood management works and flood repairs. The total project cost is expected to be $15M with central government funding of $9M.

The major construction works on the Saxton Creek upgrade project were completed in 2023-24. Some final planting and site amenity works were completed in the 2024-25 financial year.

Other key deliverables achieved include completion of the first stage of channel repair works on Oldham Creek, initiation of the Cleveland Terrace intake,

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completion of Oldham Creek intake improvements at Frenchay Drive and investigation and design work beginning on associated flood protection projects.

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Progress on Achieving Community Outcomes

Council's flood protection activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected.	Protection: Our flood protection structures and channels are managed to reduce the impact of flooding and erosion now and in the future.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.	
Our communities are healthy, safe, inclusive and resilient.	

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
Protection: Our flood protection structures and channels are managed to reduce the impact of flooding and erosion now and in the future.	The major flood protection and control works are maintained, repaired and renewed to the key standards defined in the Flood Protection Activity Management Plan 2024–34[21]. (Mandatory Measure 1)	No failure of flood protection in the existing stopbank system maintained by Council, below the specified design levels. Maitai River Stopbanks: • Hanby Park to Clouston Bridge = approximately 250 m3/s at Girlies Hole flow gauge, (2 % AEP[22] to 3% AEP in 2020) • Clouston Bridge flood wall = approximately 290m3/s at Girlies Hole flow gauge, (1% AEP to 2% AEP in 2020) • Clouston Terrace = approximately 170 m3/s at Girlies Hole flow gauge (10% AEP to 20% AEP in 2020) • Downstream of Trafalgar Street (Left bank) - River Flow	The largest flood in the Maitai River in 2024/25 occurred in April 2025. It was a 1:5 year event (20% AEP flood) which was close to the capacity of the Clouston Terrace stopbank. Whilst this stopbank did not fail, it sustained some damage during the event which was repaired within 1 week. Maitai Riverbed levels were surveyed as part of the regional Lidar survey in May 2025. Council reports biennially on Maitai Riverbed levels and the last report was in 2023/24. The next report will be in 2025/26. In 2023/24 the Maitai Riverbed level survey was delivered in quarter four. This extends from the estuary to upstream of Sunday Hole. Council implemented gravel removal in	Achieved

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		Capacity = approximately 450 m3/s at Avon Terrace flow gauge (1% AEP in 2090) - Coastal Inundation = 1% AEP event in 2060.	the river reach between Collingwood Street and Trafalgar Park footbridge in the fourth quarter to remediate the gravel build up and restore river channel conveyance capacity. In 2022/23 multiple interventions for gravel removal and stream/riverbank protection were made. Flood level surveys were undertaken in various catchments to inform analysis of network capacity.	
		Following major flood events: Flood event damage identified, and repair work prioritised.	In 2024/25 the damage identified above was repaired within one week. In 2023/24 there were no major flood events and no damage identified. In 2022/23 there was a major flood event in August 2022, repair work was completed as soon as practicable.	Achieved

21. Measurement procedure: Review check sheets for individual projects and GIS flood reports for properties inside flood overlay.

22. Footnote: AEP = Annual Exceedance Probability

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Financial Performance – Flood Protection

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates including water by meter	3,091	5,782	5,778
Subsidies and grants for operating purposes	0	0	698
Fees and charges	0	0	0
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total Operating Funding	**3,091**	**5,782**	**6,476**
Applications of operating funding			
Payments to staff and suppliers	968	1,270	1,002
Finance costs	0	0	0
Internal charges and overheads applied *	1,084	2,529	2,539
Other operating funding applications	0	0	0
Total applications of operating funding	**2,052**	**3,799**	**3,541**
Surplus (Deficit) of operating funding	**1,039**	**1,983**	**2,936**
Sources of capital funding			
Subsidies and grants for capital	0	0	786
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,263	1,678	233
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**1,263**	**1,678**	**1,019**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	0	60	159
- to improve level of service	2,266	3,601	3,795
- to replace existing assets	35	0	0
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0

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Total applications of capital funding	**2,301**	**3,661**	**3,955**
Surplus (Deficit) of capital funding	**(1,039)**	**(1,983)**	**(2,936)**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	**($000)**	**($000)**
Surplus/(Deficit) of operating funding from Funding Impact Statement	**1,039**	**1,983**	**2,936**
Subsidies and grants for capital expenditure	0	0	786
Development and financial contributions	0	0	0
Vested Assets	0	0	73
Gains on sale	0	0	0
Depreciation	(1,039)	(893)	(801)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**0**	**1,090**	**2,994**

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Solid Waste

Ngā Para Totoka

What we do

Council's solid waste activities are focused on avoiding or reducing the creation of waste and diversion of waste from landfill. The solid waste activity includes the delivery of the Rethink Waste Whakaarohia programme and the operation of the Nelson Waste Recovery Centre, collection of litter from on-street bins, greenwaste and transport of material to landfill and the domestic kerbside recycling collection. Funding comes via the local disposal levy given to each Council, which is derived from the jointly owned Nelson City and Tasman District Councils' landfill gate fees, central government levies and income from Pascoe Recovery fees and charges. This means the activity does not rely on rates. The activity does not include landfill management, as the landfills at York Valley and Eves Valley are owned by the two Councils and managed by the joint Nelson Tasman Regional Landfill Business Unit, on behalf of the Nelson City and Tasman District Councils. However, 50% of the impact, being our share of the joint landfill, is included in the financial tables.

Why we do it

Waste is produced by almost every activity in Nelson, and the goal of this activity is to reduce the creation of waste to landfills through reuse, recycling and reprocessing – making better use of resources, protecting the environment and minimising greenhouse gas emissions from waste.

Key highlights and updates 2024/25

In 2024/25, capital expenditure in the solid waste activity was approximately $2 million.

A key highlight of 2024/25 was the development of the draft Nelson Tasman Waste Management and Minimisation Plan which is a regional strategic document that provides direction for how we carry out effective waste management and avoid and reduce waste.

The business case for the domestic kerbside collection of organic waste has progressed and is scheduled for completion in October 2025. The business case is co-funded through the Waste Minimisation Fund, TDC and NCC. The final document will guide future Council decision making regarding the options for this service.

A new kerbside recycling contract was awarded in 2024 and commenced on 1 July 2025 ensuring that Council is continuing to support effective domestic recycling through kerbside collection. The reuse programme 'Bring It' was launched in July 2024, encouraging people to bring a clean reusable cup to participating cafes to help reduce waste and promote reuse in the community. The second phase of this initiative to encourage people to bring their own reusable containers to retailers when they are collecting a takeaway meal was

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launched on 1 July 2025. This will further promote sustainable habits, cut down on landfill waste and support businesses to make eco-friendly choices.

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Progress on Achieving Community Outcomes

Council's solid waste activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected.	We enable effective waste minimisation activities and services.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Our kerbside services are reliable, easy to use.
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.	Our kerbside services are reliable, easy to use.
Our communities are healthy, safe, inclusive and resilient.	The Waste Management and Minimisation Plan helps protect public health and the environment. The Bring It initiative encourages inclusive community engagement and builds resilience by encouraging eco-friendly practices.
Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.	Projects such as the Waste Management and Minimisation Plan support regional partnerships, and the Bring It initiative demonstrates leadership and encourages community engagement.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
We enable effective waste minimisation activities and services.	A quantifiable reduction of refuse from the Nelson Waste Recovery Centre to landfill, as measured by the tonnage carted to landfill compared to 2021/22 baseline of 4,337 tonnes (excluding waste generated from any natural event/ disaster).	Year 1: reduction of 3-5% from baseline year Year 2: further reduction of 3-5% from baseline year Year 3: further reduction of 2-3% from baseline year 4-10 further reduction of 2% from previous year[23]	This is a new measure in 2024/25. In 2024/25 (Year 1) 4171 tonnes of refuse was carted to landfill from the Nelson Waste Recovery Centre, a 6% reduction from the baseline. In 2023/24 4038 tonnes of refuse was carted and in 2022/23 it was 4332 tonnes.	Achieved
Our kerbside services are reliable, easy to use.	Recycling service is provided to all Nelson residents with less than 1% verified missed collection complaints.	Less than 1% verified missed collection complaints.	This is a new measure in 2024/25. In 2024/25 a total of 119 bins were confirmed as verified missed collection complaints. This is 0.3% of the 353,757 recycling bins collected. Comparative data for previous years is not available.	Achieved

23. The targets are designed to achieve the aim of reducing waste to landfill by 10% per person by 2030, set out in the Nelson Tasman Joint Waste Management and Minimisation Plan 2019.

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Financial Performance – Solid Waste

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	(8)
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	1,473	1,081	1,099
Fees and charges	7,289	9,900	7,142
Interest and dividends from investments	0	(507)	0
Internal charges and overheads recovered	3,102	3,035	3,191
Local authorities fuel tax, fines, infringement fees, and other receipts	3,482	0	(243)
Total Operating Funding	**15,346**	**13,509**	**11,181**
Applications of operating funding			
Payments to staff and suppliers	11,253	9,150	7,562
Finance costs	21	0	0
Internal charges and overheads applied *	3,126	3,108	3,255
Other operating funding applications	0	0	0
Total applications of operating funding	**14,400**	**12,258**	**10,817**
Surplus (Deficit) of operating funding	**946**	**1,251**	**364**
Sources of capital funding			
Subsidies and grants for capital	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(698)	595	1,620
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**(698)**	**595**	**1,620**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	237	0	795
- to improve level of service	66	1,598	850
- to replace existing assets	78	581	339
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	(134)	(332)	0

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Total applications of capital funding	**248**	**1,846**	**1,984**
Surplus (Deficit) of capital funding	**(946)**	**(1,251)**	**(364)**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	**($000)**	**($000)**
Surplus/(Deficit) of operating funding from Funding Impact Statement	**946**	**1,251**	**364**
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Vested Assets	0	0	0
Gains on sale	0	0	0
Depreciation	(720)	(1,223)	(1,230)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	(67)
Net Surplus (Deficit) before taxation in Cost of Service Statement	**226**	**29**	**(933)**

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Environment

Te Taiao

What we do

Council is a unitary authority, meaning it is a combined regional and district council. This requires us to consider all aspects of the environment, including air quality, freshwater, marine and coastal environments, biodiversity, biosecurity and land management, as well as the built environment, urban development and regional growth.

Roles include resource management planning, resource and building consents (including compliance), delivery of environmental projects and a regulatory biosecurity programme, and monitoring and reporting on environmental health.

The City Centre programme is focused on delivering a people-friendly, well planned and sustainably managed city. Planning for urban growth and coordination of infrastructure to support it, is part of the environment activity.

We are also responsible for the marine environment extending 12 nautical miles out into Tasman Bay from the Waimea Estuary to Cape Soucis, and navigational safety is managed by our Harbourmasters to ensure our harbour is safe for the variety of users.

Why we do it

We carry out these activities to ensure our unique natural environment is healthy and protected, the kaitiakitanga role of local iwi is recognised, our urban and rural environments are people-friendly, well planned, accessible and sustainably managed, and our regulatory services are efficient and effective.

Key highlights and updates 2024/25

In 2024/25, capital expenditure in the environment activity was approximately $1 million.

Planning and City Development

Housing affordability continues to be a challenge locally, impacted mainly by economic conditions outside of Council's control. While housing affordability (as measured by Infometrics) has remained the same in the past year, it remains above the national average. In 2024/25, Council maintained its collaboration with local partners on initiatives to help alleviate Nelson's housing challenges. This included working with Community Housing Providers and Iwi Trusts to leverage Council's Housing Reserve and increase social and affordable housing, engaging with Kāinga Ora on its pipeline of investments in Nelson, progressing plan change processes to enable greater density and intensification across the city, and implementation of the Nelson Future Development Strategy to support housing and business growth.

As noted throughout the report, the Bridge to Better project continues. This project will transform Bridge Street, offering a high amenity streetscape and

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significant increase in infrastructure capacity to leverage housing, active transport and city centre revitalisation outcomes.

A number of key city revitalisation initiatives have progressed in 2024/25. These include a bus and a arts hub, city centre property expressions of interest and the Rutherford Playspace. Council also supported the development of a community-led taskforce which delivered projects such as the City Spring Clean campaign and progressed other initiatives including a Philanthropic Prospectus.

Environmental Planning

Resource Management System Reform

The government is currently reforming the resource management system in three phases. Phase one related to the repeal of the Spatial Planning Act and Natural and Built Environments Act and was completed in late 2024. Phase two relates to two Resource Management Act (RMA) amendment Bills/Acts as well as developing new and amended national direction – this is currently underway. Phase three entails new legislation to replace the RMA, with introduction to Parliament of a Planning Bill and Natural Environment Bill expected before the end of 2025.

Council officers have assessed the amendment Bills and the proposed national direction instruments and have provided input for sector feedback to central government.

Changes to the Nelson Resource Management Plan

Council progressed three changes to the Nelson Resource Management Plan (NRMP). Further detail on these is outlined below:

Private Plan Change 28 (PPC28) – Mahitahi/Bayview

PPC28 for the Kaka Valley area, also known as the Maitahi Bayview area, was appealed to the Environment Court. The appeal was heard in February 2024 and the Court directed Council to make changes to the plan in November 2024. After making changes, Council made the plan change operative in December 2024. The substantive resource consent application to enable development within the PPC28 area has been lodged with the Environmental Protection Agency under the Fast-track Approvals Act 2024.

Private Plan Change 30 (PPC30) and the Notice of Requirement (NOR) Nelson Airport runway extension and associated changes

In December 2024, the Council accepted the recommendations of the Independent Hearing Panel and approved Plan Change 30 (PPC30). Nelson Airport Limited subsequently approved the Notice of Requirement (NOR) in accordance with the Panel’s recommendations. PPC30 and the NOR do not currently have any legal effect due to appeals needing to be considered and resolved.

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Plan Change 29 (Housing and Hazards)

In June 2025, the Council accepted the recommendations on submissions and provisions from an Independent Hearing Panel and formally notified the decision giving the proposed plan provisions legal effect. These include:

- increased building heights and revised development standards in the Inner City Centre and Fringe zones
- updated overlays and provisions for flood, fault, and liquefaction hazards
- provisions enabling papakāinga in the Inner City and Suburban Commercial Zones
- rezoning of the St Vincent and Vanguard Street area from Industrial to Inner City Fringe
- bespoke provisions relating to the Manuka St hospital.

Science and Environment

The State of the Environment (SOE) report 2019 - 2023 was presented to Council in December 2024 and is now guiding the broader work of the Science and Environment team, which is focused on turning around environmental degradation. Work is also progressing related to two of Council's three-year priorities which includes enhancing how we identify and respond to issues within our freshwater management units, addressing new biosecurity threats and emerging pests, and anticipating potential impacts driven by climate change.

Integrated Catchments

Catchment condition surveys have been completed across most of Nelson's waterways, spanning from Kokorua to Stoke.

The healthy streams programme completed phase two of the Todd Valley stream coastal wetland restoration project. Two new wetlands have been created with a focus on creating inanga spawning habitat, connecting the coastal-estuarine and freshwater biodiversity as well as increasing flood resilience to the lower Todd Valley catchment. It is expected that the wetland will be able to support Australasian bittern, fernbird, white heron as well as inanga, tuna (eels) and many other native species.

The hill country erosion fund programme saw over 30,000 trees planted, five land environment plans completed, two workshops held and a study on sub-catchment erosion funded for Ngati Koata forestry land.

The sustainable land management programme completed the soils S-Map project, producing new soil maps for the region. Landowners also received grants for fencing subsidies and riparian planting to improve water quality outcomes for their properties.

The feasibility study on nature-based Solutions for flood management focused on the Wakaupuaka catchment in North Nelson has been completed.

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The environmental grants programme received 53 applications, with 38 of those approved. This resulted in funding 32,000 native plants, 1750 metres of fencing, plant guards, herbicide, professional advice, contractors and trapping equipment.

18 community events, meetings and workshops have been held that focused on environmental education and practical experiences. The Enviroschools programme held 11 events, with one new school joining the programme.

Biodiversity and Biosecurity

The Tasman Nelson Regional Pest Management Plan (RPMP) was reviewed throughout 2024 and adopted by Council in November 2024. The purpose of this plan is to provide a framework for efficient and effective pest management in Tasman-Nelson.

A new Cat Management Bylaw was adopted by Council in December 2024. Along with new rules for feral/stray cats in the revised RPMP, the bylaw aims to promote responsible cat ownership and protect wildlife in specific public, high-valued ecological sites.

Jobs for Nature funded key environmental projects within Council which concluded in the 2024/25 year including:

- the Wakapuaka Whangamoa Restoration Project - support to a dozen landowners with the restoration of ecologically or culturally significant sites.
- Ngāti Koata - Project Tekateka, a three-year project that achieved significant weed knock-back and pest tree control in three Significant Natural Areas (SNAs) in Sharlands Valley. It also set up an extensive trap network in the native forest blocks, which is now managed by volunteers.

Over 10,000 native trees were planted along Sharlands Creek, including the development of the ‘Peneamine Wetland’. This work was further supported through a Matariki Tu Rākau grant from Ministry of Primary Industries. Ngāti Koata will seek funding and opportunities to continue this mahi, with support from Council.

From 2020 to June 2025, Council received this funding to implement an ecological restoration plan for the Maitai catchment. This included 150,000 native plants installed across 19 hectares, invasive weeds controlled over 40 hectares, and trapping efforts to remove over 3,300 predator pests.

Analysis of long-term monitoring of deer and goat browse of indigenous vegetation in the Maitai and Roding Water Reserves was completed as part of the State of the Environment report. The results indicate that current deer and goat numbers are still too high for the healthy recovery and protection of native ecosystems. A professional cull of goats and deer was undertaken in May 2025. The Ungulate Management Strategy was updated to guide future operations across this area over the next ten years.

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The first round of aerial control of wilding conifers was completed in the Roding Water Reserve, in collaboration with the Parks team. No new biosecurity incursions occurred this year.

Air and Water

The Danish Hydraulic Institute Coastal Receiving Environment Scenario Tool for Nelson Haven is now operational. This cutting-edge tool provides the ability to model river loads of sediment and nutrients from specific areas of the Nelson catchment and see where they will impact the Nelson Haven estuary. This will offer valuable insights into the potential impacts of proposed developments, help identify priority areas for riparian planting, support planning for estuary monitoring following weather events, and improve interpretation of monitoring data.

Council continues to support Cawthron's 'Restore the Meadows' campaign, which develops methods to actively restore seagrass beds using targeted plantings. This enabled the first ever successful growth trials of wild seagrass seeds and is a significant step towards active seagrass restoration.

Harbourmaster

The highest number of on water patrols resulted in the smallest number of emergency callouts. The new jetski provided greater access to a wider area, allowed for additional patrols and enabled several preventative rescues.

Building and Resource Consents

The Ministry of Business, Innovation and Employment requires that 20-33% of building stock with compliance schedules be audited yearly. Over the past year, the Building team has completed audits on 29.7%. This work helps to ensure the region's commercial buildings are safe for the public to use. The dangerous dams and dangerous, affected and insanitary building polices were approved and implemented in May 2025.

The Resource Consents team has successfully filled all staff positions for the first time in more than five years and has made sustained gains to process 78.73% of applications on time this year overall.

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Progress on Achieving Community Outcomes

Council's environment activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected.	We undertake monitoring of the environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions and risks. We implement the Tasman Nelson Regional Pest Management Plan provisions as they apply to Nelson City.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	City revitalisation projects such as Bridge to Better which will provide a significant increase in infrastructure capacity to leverage housing, active transport and city centre revitalisation outcomes.
Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.	We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.
Our communities are healthy, safe, inclusive and resilient.	We provide building control services in a professional and timely manner, to ensure building work is in accordance with the New Zealand Building Code and is therefore safe. We provide an environmental health service that ensures food provided for sale is safe, free from contamination and prepared in suitable premises, and in association with other agencies, fosters the responsible sale and consumption of alcohol. We provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all

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	known dogs are recorded and registered.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity	Restoration projects such as the Wakapuaka Whangamoa Restoration Project have been undertaken which support the restoration of ecologically or culturally significant sites.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	City centre revitalisation projects such as Bridge to Better and Arts Hub. Community events, meetings and workshops are held which focus on environmental education and practical experiences. The Enviroschools programme held 11 events, with one new school joining the programme.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes, and risks.	Provision of easily accessible, accurate, up to date and fit for purpose state of the environment monitoring data for all environmental domains, as measured by the production of an annual State of the Environment (SOE) report in compliance with section 35 of the Resource Management Act 1991.	At least one SOE domain report per year e.g. Air Quality, Freshwater, Coastal/ Marine, Biodiversity/ Biosecurity, Land/ Soils.	This performance measure requires the production of at least one SOE domain report per year in compliance with section 35 of the Resource Management Act 1991. In December 2024 Council received the State of the Environment Report 2019-2023. This report provided environmental monitoring data for all environmental domains over that period. This will be the last five-yearly State of the Environment Report. From the 2025/26 year Council will undertake a rolling review of the environmental domains, with one domain being reported per year. Council will continue to provide monthly status reporting for the air and water domains on	Achieved

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			the Land, air water Aotearoa (LAWA) website.	
We implement the Tasman Nelson Regional Pest Management Plan provisions as they apply to Nelson City	Compliance with the Tasman Nelson Regional Pest Management Plan reporting requirements (e.g. annual reporting on yearly operational targets and progress towards 10 year Plan objectives).	100% delivery of operational plans and operational plan reviews reported to Council each year.	In 2024/25 a report on the delivery of the 2023/24 Biosecurity Operational Plan was presented to Council on 7 November 2024. This measure has been continuously achieved since 2021 with reports being presented in November or December each year.	Achieved
We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.	All resource consents are processed within statutory timeframes, as measured by MagiQ reports.	100%.	In 2024/25 76.6% (239 out of 312) resource consents were processed within statutory timeframes. A total of 284 applications (all Resource Management Act approval types) were processed this year, with 78.5% on time. This represents steady gains in timeframe achievement, compared to 390 applications decided in 2023/24 with 62% on time, and 316 applications	Not achieved

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			decided in 2022/23 with 57% on time.	
We provide building control services in a professional and timely manner, to ensure building work is safe and in accordance with the New Zealand Building Code and is therefore safe and healthy	% building consents and code compliance certificates issued within the statutory timeframe of 20 working days as measured by monthly reporting	95% (as per IANZ requirements)	In 2024/25 97.9% of building consents were granted and 97.7% of Code Compliance Certificates (CCCs) were issued within the 20 day statutory timeframe. In 2023/24 91% of building consents and 98% of code compliance certificates (CCCs) were completed within timeframes. In 2022/23 90.25% compliance for the granting of building consents and 99% compliance for the issuing of CCCs.	Achieved
We provide an environmental health service that ensures food provided for sale is safe, free from contamination and prepared in suitable	Respond to food safety complaints within one working day, as tracked and measured through Council's MagiQ system.	100%.	During the 2024/2025 period, 100% of the six complaints received were responded to within one business day. In 2023/24 all five food safety complaints were responded to within one working day.	Achieved

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premises, and in association with other agencies, fosters the responsible sale and consumption of alcohol.			In 2022/23 all six food safety complaints responded to within one working day.	
	High risk alcohol selling premises are inspected at least two times each year as tracked and recorded through inspection reports.	100%.	In 2024/25 all but one of the identified 11 high risk premises were inspected twice. The one premise that was not inspected twice was undergoing a District Licensing Committee hearing. In 2023/24 all high risk premises were inspected twice. In 2022/23 all high risk premises were also inspected twice.	Substantially achieved
We provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock	We respond to reports of dog attacks that have just occurred within 60 minutes, 24 hours a day, seven days a week as tracked and	90%.	In 2024/25 10 of the 12 dog attacks (84%) were responded to within the hour. The remaining two incidents followed an after-hours process that did not record the time that the calls were received and	Substantially achieved

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and to ensure all known dogs are recorded and registered	measured through Council's MagiQ system.		therefore it cannot be confirmed the response time was within 60 minutes. This after-hours process has since been amended to ensure call times are accurately recorded in future. In 2023/24 all ten urgent dog attacks were responded to within one hour. In 2022/23 all six were responded to within one hour, and in 2021/22 all 16 urgent dog attacks were responded to within one hour.	

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Financial Performance – Environment

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	12,804	12,693	11,604
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	364	971	978
Fees and charges	251	6,916	7,091
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	53	54	40
Local authorities fuel tax, fines, infringement fees, and other receipts	4,799	56	341
Total Operating Funding	**18,271**	**20,691**	**20,055**
Applications of operating funding			
Payments to staff and suppliers	17,880	26,328	21,722
Finance costs	0	0	(8)
Internal charges and overheads applied *	636	569	529
Other operating funding applications	0	0	0
Total applications of operating funding	**18,516**	**26,897**	**22,243**
Surplus (Deficit) of operating funding	**(245)**	**(6,207)**	**(2,188)**
Sources of capital funding			
Subsidies and grants for capital	0	125	672
Development and financial contributions	0	0	0
Increase (decrease) in debt	604	7,375	2,527
Gross proceeds from sale of assets	0	0	10
Lump sum contributions	0	0	0
Total sources of capital funding	**604**	**7,500**	**3,209**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	0	0	0
- to improve level of service	342	1,241	928
- to replace existing assets	17	52	93
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0

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Total applications of capital funding	**359**	**1,293**	**1,021**
Surplus (Deficit) of capital funding	**245**	**6,207**	**2,188**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	**($000)**	**($000)**
Surplus/(Deficit) of operating funding from Funding Impact Statement	**(245)**	**(6,207)**	**(2,188)**
Subsidies and grants for capital expenditure	0	125	672
Development and financial contributions	0	0	0
Vested Assets	0	0	0
Gains on sale	0	0	0
Depreciation	(238)	(223)	(202)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(483)**	**(6,305)**	**(1,718)**

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Social

Te Pāpori

What we do

We provide social, cultural, arts and heritage activities, services and facilities. Examples include libraries, campgrounds, community halls, public toilets, cemeteries, arts and heritage facilities, kapa haka, Opera in the Park and grants to support events such as the Nelson Arts Festival and Te Ramaroa (Light Nelson).

Council also supports community development by providing grants, partnerships and other forms of community support for community groups and social agencies (prioritising those supporting Nelson's communities of greatest need).

Why we do it

We invest in social activities to enhance the quality of life for Nelson residents by providing a diverse range of arts, cultural, environmental, and recreational opportunities that support individual and community resilience and celebrate our history and heritage.

Our community development activities contribute to the wellbeing of Nelson residents and the vibrancy of the city as well as increasing the cohesiveness of the community.

Highlights for 2024/25

Community Development

Council supported groups working with Nelson's most vulnerable communities through grants and partnerships. The Community Investment Fund distributed $266k in strategic grants and $120k in small grants, though demand far exceeded supply. A vulnerable housing action plan was developed and is being rolled out to support Nelson residents who are living in housing vulnerability.

Strategic partnerships were strengthened across the disability, kai, and neighbourhood sectors, while external funding was secured for cultural navigators. The Te Tauihu Community Development Agency (TTCDA) was established as a Charitable Trust, beginning project work with Council. Bi-cultural partnerships with Whakatū Marae expanded recreation and cultural programmes.

The Youth Council was active in events and community, contributed submissions to Council projects, and supported Youth Week. Council also organised the fourth annual multi-cultural football tournament and assisted Youth Nelson following the effects of a flood event and subsequent relocation. Partnerships were formalised through the Te Tauihu Community Development kawenata, and new Chin community gardens were initiated at Queen Elizabeth II Reserve.

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Welcoming Communities

Council achieved accreditation as a Committed Welcoming Community from Immigration NZ, recognising its work to make Nelson inclusive for migrants, former refugees, and international students.

Arts and Heritage

Council supported a range of community arts and heritage projects, including new murals, exhibitions, and events celebrating Māori and multicultural stories. Highlights included the "Waitī, Waitā, Waiora" installation by ToiToi Māori artists Janine and Charles Williams, and the Tuku 25 Whakatū festival with 70 events (73% community led).

Heritage facilities saw strong visitation:

- Founders Park exceeded targets with over 86,000 visitors, hosted major events such as Illuminate, Waitangi Day, Multicultural Day, Diwali Festival, March Festival, the Annual Book Fair, and the Great Christmas Market, and progressed restoration projects such as the Bristol Freighter and the Fire Shed.
- Isel House hosted concerts raising funds for piano restoration and welcomed nearly 1,000 visitors.
- Broadgreen House attracted visitors through successful exhibitions.
- Volunteer support for heritage facilities remains a challenge, though a new volunteer coordinator role is strengthening engagement.

Events

The Community Events Fund of $83k supported 19 events, with demand almost double the funding available. Council's Events Team successfully delivered a wide range of events including FunnYouth, Isel in Spring, Umbrella Market, Music Mix, NYE Celebrations, Summer Movies Al Fresco, Tāhuna Summer Sounds Waitangi Day, Opera in the Park, and Matariki Festival | Te Huihui-o-Matariki. Satisfaction with Council-led events was high at 87%.

The Te Matatini Board's decision in May, following a comprehensive evaluation across multiple key areas, to not go ahead with Te Matatini in Te Tauihu o te Waka-a-Māui in 2027 was a disappointment for the region. The Board's concerns were around accommodation, transport and freight capabilities.

Nelson Public Libraries

During 2024/25, Nelson Public Libraries delivered a wide range of programmes, services, and facility improvements that strengthened community engagement and supported learning, creativity, and wellbeing.

Libraries hosted over 400 adult programmes and events, attracting more than 4,200 attendees. Standout events included author talks, kapa haka performances, geology and history talks. For children and youth, close to 300 programmes and activities reached over 6,700 participants, with highlights

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such as the Teddy Bears' Picnic, school holiday events, outreach at Victory Primary School and the launch of the community-wide *Nelson Reads Together* summer reading challenge.

Libraries strengthened partnerships by hosting collaborative programmes/events and sharing spaces with a range of organisations, including the Nelson Arts Festival, the Nelson AI Sandbox (attracting more than 700 visitors), Age Concern, Community Law, Grey Power, and NCC's Climate Change team, among others. Libraries also worked regionally with Tasman and Marlborough Libraries to relaunch and refresh The Prow website on a modern platform. The updated site quickly attracted over 54,000 visits, with Māori history content in Te Tauihu the most accessed.

Collection use grew across both physical and digital formats, with strong increases in e-audiobooks and e-magazines. Special collections expanded to include accessible board games, developed in partnership with Blind Low Vision NZ. Libraries also introduced new digital resources. These additions reflect the city's growing diversity and commitment to inclusive learning.

Major upgrades were completed or initiated, including reroofing of the Stoke Library, roof replacement at Nightingale Library Memorial, and installation of a new automatic book sorting system ("Tilly") at the Elma Turner Library to improve efficiency.

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Progress on Achieving Community Outcomes

Council's social activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our communities are healthy, safe, inclusive and resilient.	We promote and deliver high quality, popular and accessible community events.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Projects such as Waitī, Waitā, Waiora and the Tuku 25 Whakatū festival provide opportunities for residents to connect with their cultural and historical heritage. Community led initiatives support community ownership and participation in cultural and creative initiatives.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	We provide library services, including literacy support and other programmes for all ages, to meet the community's recreational, social, and educational needs. We provide quality advice, information, support and grants to groups supporting Nelson communities of greatest need to help build a strong community and voluntary sector.
Our council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.	Partnerships have been fostered with various sectors of the community, such as the regional Te Tauihu Community Development Agency. Community engagement is encouraged through Community Investment Fund grants and a range of multicultural events.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
We provide library services, including literacy support and other programmes for all ages, to meet the community's recreational, social, and educational needs.	Users are satisfied with Council's libraries, as measured by the regular residents' survey.	Year 1: 60% Year 2: 60% Year 3: 60% Years 4-10: 80% by year 10 (after new library is built).	This is a new measure in 2024/25. In 2024/25 76% users are satisfied with Council's libraries. This measure has previously been surveyed in the residents' survey with a result of 70% in 2023/24 and 60% in 2022/23.	Achieved
We provide quality advice, information, support and grants to groups supporting Nelson communities of greatest need to help build a strong community and voluntary sector.	Community Investment Fund agreements and grants are allocated as per approved criteria.	Community Investment Fund fully allocated.	In 2024/25 The Community Investment Fund was fully allocated with two small fund rounds (November 2024, 8 grant recipients, and May 2025 14 grant recipients). We also had a Strategic (3 year) round (25 grant recipients). In 2023/24 and 2022/23 the Community Investment Fund	Achieved

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			was also fully allocated as per agreed criteria.	
We promote and deliver high quality, popular and accessible community events.	Promote and deliver a diverse and accessible variety of events that are well attended and enjoyed by audiences, as measured by the level of satisfaction of a sample of attendees.	Level of satisfaction 70%.	In 2024/25 audience surveys indicated satisfaction of over 80% each quarter, resulting in 87% overall satisfaction. In 2023/24 audience surveys indicated satisfaction over 70% in each quarter, resulting in overall satisfaction of 87%.	Achieved

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Financial Performance – Social

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	15,885	17,292	17,217
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	204	483	459
Fees and charges	857	2,062	2,320
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	1	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,046	261	297
Total Operating Funding	**17,993**	**20,098**	**20,293**
Applications of operating funding			
Payments to staff and suppliers	15,203	16,693	17,117
Finance costs	0	0	0
Internal charges and overheads applied *	1,330	1,863	1,725
Other operating funding applications	0	0	0
Total applications of operating funding	**16,534**	**18,556**	**18,841**
Surplus (Deficit) of operating funding	**1,459**	**1,542**	**1,451**
Sources of capital funding			
Subsidies and grants for capital	26	26	156
Development and financial contributions	0	0	0
Increase (decrease) in debt	19,087	6,248	1,173
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**19,113**	**6,274**	**1,328**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	552	602	484
- to improve level of service	16,494	1,699	33
- to replace existing assets	554	4,163	2,432
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	2,972	1,352	(168)

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Total applications of capital funding	**20,572**	**7,816**	**2,780**
Surplus (Deficit) of capital funding	**(1,459)**	**(1,542)**	**(1,451)**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	**($000)**	**($000)**
Surplus/(Deficit) of operating funding from Funding Impact Statement	**1,459**	**1,542**	**1,451**
Subsidies and grants for capital expenditure	26	26	156
Development and financial contributions	0	0	0
Vested Assets	0	0	0
Gross proceeds from sale of assets	0	0	0
Depreciation	(1,412)	(1,423)	(1,456)
Other non-cash income	0	0	27
Other non-cash expenditure	0	0	(1)
Net Surplus (Deficit) before taxation in Cost of Service Statement	**73**	**145**	**177**

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Parks and Active Recreation

Ngā Papa Rēhia, Mahi Rēhia hoki

What we do

Council manages approximately 11,250 hectares of parks and reserves, including over 10,000 hectares of conservation reserve, which is actively managed for its unique biodiversity and recreation values. Parks and reserves provide recreation opportunities, with a range of sporting assets such as Saxton Field (jointly managed with Tasman District Council), a popular network of mountain biking trails and more natural environments such as the Maitai Esplanade Reserve.

We also support a range of national and international sporting and entertainment events hosted in Nelson, which contribute to our local identity and provide economic and social benefits to the city.

Why we do it

We provide public open space to enable healthy and active lifestyles, maintain and enhance our biodiversity, and ensure Nelson is a great place to live, work and play.

Access to open space is increasingly important for residents' and visitors' quality of life as Nelson's population grows and the built environment expands.

The environmental benefits of parks and reserves include planting of new trees, protecting the trees we have, and allowing for forest regeneration to absorb and store carbon. Additional benefits include protecting biodiversity, improving air and water quality and reducing the impact of flood events and noise pollution.

Highlights for 2024/25

Trails and Recreation

A Trail-Based Recreation Advisor was appointed in 2024 to manage relationships under the Ngāti Koata recreation access agreement, support storm recovery and ensure trail quality. New tracks have opened around the Grampians, enhancing connectivity and safety, including fire egress routes and pest control access. Major upgrades were completed on the Coppermine Great Ride with positive user feedback.

Community Volunteering – Adopt a Spot

The Adopt a Spot programme continues to expand, with over 200 volunteers delivering 17,000 hours of work in 2024 and more than 5,500 native trees planted. The Parks Community Connector is growing the programme further, aligning projects with biodiversity goals. By 2025, 57 formal volunteer groups have been engaged, supported by improved coordination and visibility.

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Recreation Facilities

Waahi Taakaro Golf Course has seen significant growth, with membership rising from 207 to 327 and revenue exceeding forecasts. Maitai Camp has been leased to a new operator with upgrades underway, while Brook Valley Holiday Park is benefitting from enhancements led by the Brook Waimarama Sanctuary Trust. Pools remain a focus: Riverside Pool has undergone major plant upgrades and Nayland Pool introduced new 'Whānau Rooms' for privacy and accessibility, alongside national recognition for its lifeguards.

Open Spaces and Contracts

In 2024, a new eight-year Open Spaces Operations and Maintenance Contract was awarded to Green by Nature, moving to a measure-and-value model supported by a new asset management system (AWM) to improve transparency and cost tracking. This covers citywide maintenance including parks, sports fields, cemeteries, and playgrounds.

Venues and Saxton Facilities

Management of venues and Saxton facilities transferred to Community Leisure Management (CLM) in 2024, with strong community feedback and a 37% uplift in revenue at Saxton. Trafalgar Centre event bookings dipped, reflecting national economic pressures, while Pūtangitangi Greenmeadows and other venues performed steadily.

Projects and Upgrades

Key works included Tāhunanui Back Beach remediation, storm recovery across walkways and reserves, reinstatement of the iconic Tāhunanui playground train, and planning is underway for the improved facilities at Victory Square in collaboration with the Karenni community. Corder Park now has a new accessible toilet, while signage renewals on the Grampians improve visitor experience.

Policy and Planning

The Responsible Camping Bylaw 2025 replaced the 2017 version, balancing visitor access with environmental protection. Council also finalised its 10-year Ngāti Koata access agreement, securing recreational access while recognising cultural and forestry values.

Nelson Marina

In 2024/25, Nelson Marina prepared for its transition from a Management Organisation, ensuring that the transfer met the 1 July 2025 Long Term Plan deadline. This milestone is strongly supported by Council and positions the marina to better deliver long-term strategic goals.

Two major infrastructure projects are central to this financial year. Stage one of the City-to-Sea Promenade, designed to enhance the waterfront and create a vibrant public space linking the city to the sea, began construction in March 2025 and was completed on time and within budget. The 110-tonne Straddle

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Lift and yard expansion project commenced later in the year and is progressing well, with completion expected by early 2026. Together, these projects significantly strengthen the marina's capacity and service offerings.

Over the past 12 months, Nelson Marina has invested heavily in infrastructure, compliance improvements, and service enhancements. These efforts have delivered a safer, more efficient, and better-equipped facility, meeting growing demand and improving the customer experience. The marina has also reinforced strong stakeholder relationships, ensuring it remains a valued regional asset.

With a highly skilled team and forward-thinking board, supported by a clear strategic plan, Nelson Marina is well positioned to unlock its full potential and continue developing as a leading destination for both locals and visitors.

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Progress on Achieving Community Outcomes

Council's parks and active recreation activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected.	Our parks and reserves are managed to protect and enhance ecological values.
Our urban and rural environments are people friendly, well planned, accessible and sustainably managed.	We provide a parks and recreation service that is managed effectively, efficiently and safely and meets the needs of users.
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Our parks and reserves are managed to protect and enhance ecological values.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	We provide a parks and recreation service that is managed effectively, efficiently and safely and meets the needs of users.
Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.	A Trail-Based Recreation Advisor was appointed in 2024 to manage relationships under the Ngāti Koata recreation access agreement. Programmes like Adopt a Spot encourage community engagement.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Adopt a Spot programme helps to foster community identity and works in collaboration with local communities. Work at Victory Square supports collaboration with diverse communities.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
We provide a parks and recreation service that is managed effectively, efficiently and safely and meets the needs of users.	Residents' satisfaction with Council provided parks and recreation (% responses satisfied or very satisfied) as measured in the regular Nelson City Council residents' survey	75% satisfied.	This is a new measure in 2024/25. In 2024/25 there was 74% satisfaction with Council provided parks and recreation. This measure has previously been surveyed in the residents' survey with a result of 74% in 2023/24 and 73% in 2022/23.	Substantially achieved
Our parks and reserves are managed to protect and enhance ecological values.	Number of native plants planted annually on Council administered reserves, as measured by total count from plant orders.	Year 1: 35,000 Year:2 35,000 Year 3: 35,000 Years 4-10: 35,000	This is a new measure in 2024/24. In 2024/25 80,254 was the total number of plants ordered for planting on Nelson City Council reserves. In 2022/23 63,000 plants were planted in 2022/23, including those procured from external funding.	Achieved

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Financial Performance – Parks and Active Recreation

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	15,258	16,479	13,959
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	47	2,799	2,758
Fees and charges	611	3,739	4,342
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	3,909	1,145	1,512
Total Operating Funding	**19,825**	**24,162**	**22,571**
Applications of operating funding			
Payments to staff and suppliers	14,297	19,387	13,587
Finance costs	0	0	0
Internal charges and overheads applied *	1,861	3,450	3,205
Other operating funding applications	0	0	0
Total applications of operating funding	**16,157**	**22,838**	**16,792**
Surplus (Deficit) of operating funding	**3,668**	**1,324**	**5,779**
Sources of capital funding			
Subsidies and grants for capital	336	1,334	800
Development and financial contributions	1,952	3,390	2,474
Increase (decrease) in debt	1,350	16,302	7,076
Gross proceeds from sale of assets	0	0	4
Lump sum contributions	0	0	0
Total sources of capital funding	**3,638**	**21,026**	**10,354**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	2,286	6,724	4,326
- to improve level of service	1,607	10,814	7,344
- to replace existing assets	3,413	4,812	4,463
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0

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Total applications of capital funding	**7,306**	**22,350**	**16,133**
Surplus (Deficit) of capital funding	**(3,668)**	**(1,324)**	**(5,779)**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24	Long-term Plan 2024/25	Actuals 2024/25
	($000)	**($000)**	**($000)**
Surplus/(Deficit) of operating funding from Funding Impact Statement	**3,668**	**1,324**	**5,779**
Subsidies and grants for capital expenditure	336	1,334	800
Development and financial contributions	1,952	3,390	2,474
Vested Assets	0	0	0
Gains on sale	0	0	0
Depreciation	(3,946)	(3,711)	(3,555)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**2,010**	**2,337**	**5,497**

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Economic
Te Ohaoha

What we do

Council's main economic development activity is delivered through the Nelson Regional Development Agency (NRDA) which is a Council Controlled Organisation. Nelson City Council is the sole shareholder and Tasman District Council also contributes funding.

The NRDA is focused on strengthening business confidence and growth, supporting higher wages and improving the economic wellbeing of Nelson. The NRDA is doing this by supporting collaboration across the region, supporting growth of key industry sectors, building business capability (skills and workforce), and attracting resources to the region. As both an Economic Development Agency and a Regional Tourism Organisation, the NRDA also promotes and supports regional tourism.

As an identified regional strength, the NRDA works closely with the blue economy sector, which refers to all marine activities that generate economic value and contribute positively to social, cultural and ecological wellbeing. There are around 400 regional businesses in the blue economy, ranging from fishing and aquaculture, logistics and transport, pharmaceuticals and nutraceuticals (products derived from food sources with extra purported health benefits), through to tourism and conservation.

Council supports the Nelson Tasman Business Trust to provide support to local businesses. Council also works with the Nelson Tasman Chamber of Commerce and builds relationships with key partners that contribute to the local economy.

Through Uniquely Nelson, Council supports the promotion of Nelson city as a unique place to work, shop and enjoy spending time in.

Why we do it

The wellbeing of Nelson's community is linked to the performance of the local economy and our goal is to ensure that Nelson is supported by an innovative and sustainable economy. Local people require training and skills development to be able to respond to the workforce requirements of the future. The region requires investment in infrastructure, skills and knowledge, technology and innovation to thrive. Attraction, and retention, of businesses, investment and people to our region is important in making the most of our natural resources, innovation and creativity.

Highlights for 2024/25

Supporting local businesses

The NRDA has a broad reach in our business community and directly supported 205 businesses in 2024/25 and had lighter touch engagements with a further 65 companies.

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The NRDA also worked in partnership with the Nelson Tasman Chamber of Commerce to deliver a Major Developments Forum in late 2024 and March 2025 to update local businesses on upcoming or major development projects. This is intended to become a six-monthly Forum and helps to ensure a smoother rollout of major infrastructure projects that are designed to have long term economic benefits, including investor attraction.

Visitor satisfaction highest in New Zealand

The Nelson Tasman region achieved the highest net promoter score (NPS) in the country of +61. This means that travellers who visited the region on their most recent domestic trip reported the highest satisfaction levels in the country, reflecting the region's experiences, hospitality and tourism businesses, 150 of whom have attended NRDA ambassador training sessions.

Visitor sector programmes

In 2024/25, the NRDA strengthened the connection between tourism and food and beverage, rolling out the previous Food and Beverage Partnership Programme into the Destination Partnership Programme. Industry partner events during the year included briefings on sector performance, training opportunities, campaign results, regional brand positioning, destination management challenges and opportunities, and tips for tourism operators to leverage major events to increase stay and spend. The programme sits at 63 partners, contributing $144,000 to programme delivery.

Events

Events are an important part of Nelson's economy and culture. The Nelson Events Fund supported 31 economic events which took place in 2024/25, stimulating local spending and often attracting attendees from outside of the region. Decisions around funding are closely tied to the Destination Management Plan and focus on attracting a range of events in our off-peak season.

One of the supported events was the Spectacle, a road and trail running festival in December 2024. The event had 1,500 entrants, with 28% of participants from outside of the region, and 4% from overseas. The event organisers are building on the success of the inaugural event, raising the event profile and reach for the second event scheduled for December 2025.

Through its business events function, the NRDA attracted or supported 21 proposals for business events to be held in the region between 2025 and 2027.

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Progress on Achieving Community Outcomes

Council's economic activity contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our region is supported by an innovative and sustainable economy.	Events funding that provides a sound return on investment for Nelson.
Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.	The economic needs of the Nelson community and the wider region are considered in decision making.

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What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
Events funding that provides a sound return on investment for Nelson.	The return on investment from Council's economic events funding, as measured by Council's events economic assessment tool.	>20:1 return on investment	In 2024/25 events supported by the Economic Events Fund had an average estimated Return On Investment (ROI) of 51:1, exceeding the 20:1 target. The average cost to benefit ratio of events that occurred in 2024/25 is estimated at 1.27, meaning that on average the benefits outweighed the costs for the events that took place (see note 1).	Achieved

Note 1: Council is transitioning from its current event measurement framework of return on investment (ROI) to using cost-benefit analysis (CBA). CBA identifies both the relevant benefits and costs associated with an event. If the gross benefit exceeds the gross cost, then the event is viable, and weight can be given to fund events with both a higher cost-benefit ratio and net benefit. This is different to the ROI which uses gross output, GDP and employment as key economic metrics and can give an over-inflated result of economic benefit. The CBA measure recognises that along with benefits an event can bring into a region, there are also costs to attendees and the local economy. CBA weighs up the respective costs and benefits to produce a more realistic assessment of an event's viability. CBA is also now commonly used by government agencies and businesses to make investment decisions.

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Financial Performance – Economic

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	2,656	2,002	2,073
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	331	336	0
Fees and charges	0	0	0
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	334
Total Operating Funding	**2,987**	**2,338**	**2,407**
Applications of operating funding			
Payments to staff and suppliers	2,754	2,232	2,301
Finance costs	0	0	0
Internal charges and overheads applied *	127	104	106
Other operating funding applications	0	0	0
Total applications of operating funding	**2,881**	**2,336**	**2,407**
Surplus (Deficit) of operating funding	**106**	**2**	**0**
Sources of capital funding			
Subsidies and grants for capital	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(106)	(2)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**(106)**	**(2)**	**0**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0

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Total applications of capital funding	**0**	**0**	**0**
Surplus (Deficit) of capital funding	**(106)**	**(2)**	**0**
Funding balance	**(0)**	**0**	**0**

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

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**106**	**2**	**0**
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Vested Assets	0	0	0
Gains on sale	0	0	0
Depreciation	(38)	(2)	0
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	**68**	**0**	**0**

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Corporate

Te Rangapū

What we do

Council's corporate activities ensure the smooth operation of the organisation and includes managing Council's finance and information technology as well as strengthening partnerships and supporting democratic processes.

The corporate activity also includes civil defence emergency management where Nelson City and Tasman District Councils work together with local emergency services to promote the resilience of our communities in response to the region's hazards and risks. The civil defence emergency management function is also responsible for the response to hazard events.

Council manages a small portfolio of properties, and has several Council Controlled Organisations (CCOs), Trading Organisations (CCTOs) and Council Organisations (COs) which deliver both public benefit and strategic outcomes for the city.

Why we do it

The corporate activity supports a smooth-running organisation, robust and democratic local decision-making, and effective partnerships for the benefit of all in our community. Council supports iwi to have input into Council's decision-making processes, including through the iwi-Council Partnership Group.

Council's support for civil defence emergency management helps our community become more resilient by preparing for hazards and risks. It also provides systems to help respond to and recover from hazard events.

Highlights for 2024/25

Rates Collection

Rates collection has proven more difficult in the current economic environment with both the amount outstanding and number of ratepayers in arrears increasing at 30 June 2025 compared to previous years. The amount outstanding is only 1% of rates levied and has reduced by 50% since balance date. The rates team continue to work hard with ratepayers to offer suitable payment plans and investigate eligibility to rates postponement and rates rebate schemes.

Preparation of the Annual Plan 2025/26

The Annual Plan 2025/26 was prepared in 2024/25 and was adopted by Council in June 2025. It outlines variances in budget for the 2025/26 year from what was presented in year two of the Long Term Plan 2024 – 2034. The average rates increase was 6.5% which aligns with the forecast of year two of the Long Term Plan.

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Governance

Council completed the implementation of a cloud-based application for meeting paper preparation and circulation, improving the experience for the members, public and staff.

Emergency Management

The Nelson Tasman Civil Defence Emergency Management Group Plan (the Plan) is reviewed every five years and describes how the Civil Defence Emergency Management Group will meet the requirements of The Civil Defence Emergency Management Act 2002.

The Plan, which was adopted in April 2025, was updated to ensure that it included details of the role of Māori and iwi in emergency management, aligned existing goals and objectives to the National Disaster Resilience Strategy 2019-2029, included a number of improvements to the collective capability to respond to emergencies learnt through recent events, updated the regional risk profile and adopted the Coordinated Incident Management System version 3 – the updated Government standard that defines how public and private sector agencies work together in an emergency.

Civic Investment

Work has progressed on considering future options for combined Civic offices and a replacement for the Elma Turner Library, with three options currently under investigation. The information will provide the basis for a detailed business case late in 2025 and public consultation on options will begin in the first half of 2026.

Information Technology and Geographic Information Systems

This team has supported the Council with several improvements, including updating Council's internal map viewer, increasing network resiliency at Civic House and the release of the new website platform and associated on-line services.

The team was particularly pleased with the improved IT performance at the Civil Defence Emergency Operations Centre during the June weather event, following the introduction of a new, fit-for-purpose IT tenancy. This software and communications system was jointly implemented and continues to be supported by Nelson City Council and Tasman District Council.

Work continues to proactively identify risks to cyber security. Our protection and readiness has been assessed at 72%, ahead of the Association of Local Government Information Management New Zealand local government benchmark of 60%.

Forestry

Council owns and manages approximately 600 hectares of commercial forestry in the Maitai, Brook, Roding, and Marsden valleys - mostly Pinus radiata stands.

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Following the recommendations from the Right Tree Right Place Taskforce, public consultation on the 2024–2034 Long Term Plan, and a Council decision on this matter, work has begun transitioning these forests to a continuous canopy forest system.

Work is now underway in the Maitai and Marsden valleys, and a Forest Systems Manager has been appointed to oversee the management of Council's 10,000 hectares of forested land, which will be managed as a single, multi-purpose forest system encompassing conservation, water, and landscape reserves.

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Progress on Achieving Community Outcomes

Council's corporate activities contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our region is supported by an innovative and sustainable economy.	We will continue to respond to the challenge of climate change, working towards net zero carbon and a more resilient and sustainable future for Nelson
Our communities are healthy, safe, inclusive and resilient.	
Our unique natural environment is healthy and protected.	
Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective and encourages community engagement.	We provide a range of channels that enhance Council's ability to engage and connect with the communities it serves. We are strengthening our partnerships with Te Tauihu iwi and Māori and recognise the significance of their participation in decision-making processes

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Corporate Service Levels and Performance

Measures from Year One of the Long Term Plan 2024 – 2034

What Council will provide (Level of Service)	Performance Measure	Target Year 1 (2024/25)	End of year comment 2024/25	Result 2024/25
We provide a range of channels that enhance Council's ability to engage and connect with the communities it serves.	% of participants in Council engagements and consultation processes satisfied with the information provided and opportunity to provide feedback as measured by survey of stakeholders/ recent participants.	Maintain satisfaction levels from 2023/24 year.	All areas surveyed (project, consultation and engagement) saw an increase in satisfaction regarding information provided and opportunity to provide feedback against the 2023/24 levels. A significant increase in engagement process satisfaction was specifically related to the Bridge to Better project. In 2023/24 an increase was achieved for ease of feedback, options and information provided in projects and engagements against a 2021/22 baseline.	Achieved
We are strengthening our	There is ongoing commitment to and	An agreed collaborative work programme to	In January 2025 a Kia Kotahi Te Tauihu wānanga was held with	Achieved

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partnerships with Te Tauihu iwi and Māori and recognise the significance of their participation in decision making processes.	support for collaboration between iwi and Council.	implement the Kia Kotahi Te Tauihu Partnership Agreement is developed and regularly reviewed and updated. Quarterly meetings of Te Tauihu iwi chairs and council mayors are held.	Council and Iwi Chief Executives, General Managers, and Kaihautū. During the wānanga, five draft strategic priorities were identified as key areas for collaborative focus among the eleven partners. Te Tauihu CE/GM Forum met on 28 May 2025 followed by a hui on 18 June 2025 with Te Tauihu Mayors and Chairs where the strategic priorities and development of an issues register were formally endorsed. Quarterly meetings between Te Tauihu iwi chairs and council mayors continued to take place, supporting regular discussion and collaboration. Throughout 2023/24, Nelson City Council held 12 hui with iwi to discuss matters relating to the Environment and Arts and Heritage, and Te Tauihu Mayors	

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			also met with iwi chairs four times over the year. During 2022/23, Te Tauihu Mayors from Nelson City Council, Tasman District Council and Marlborough District Council met with iwi Chairs in March and June 2023 through the Te Tauihu Mayors and Chairs Forum.	
We will continue to respond to the challenge of climate change, working towards net zero carbon and a more resilient and sustainable future for Nelson	Council will reduce greenhouse gas emissions from its own activities in line with the national emissions targets and budgets, as measured against the 2017/18 emissions (72,904 total carbon dioxide content tCO2) using ISO 14064-1:2018 – Greenhouse gases — Part 1: Specification with guidance at the organization level for	Year 1: A reducing trend in Council's operational greenhouse gas emissions.[25]	This is a new measure for 2024/25. As noted in the LTP there will always be a lag in reporting on this measure due to the collection of data, estimation of emissions and verification process. For this year's Annual Report we are reporting on the 2023/24 results. Total GHG emissions for FY22/23 were 7,892 tCO_2e, while emissions for FY23/24 increased to 8,331 tCO_2e. This rise represents a year-on-year increase and indicates that the	Not achieved

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	quantification and reporting of greenhouse gas emissions and removal as the basis of the measurement methodology.[24]		performance measure for emissions reduction was not achieved. The increase can be attributed to two key factors: A significant rise in emission factors for key sources, particularly electricity, which increased by approximately 38.7% between reporting years. The inclusion of an additional emission source in the FY23/24 inventory, namely, the Council's rental property portfolio, which was not previously accounted for.	

24. Further information about organisational boundaries, emission factors, assumptions, methodology, emission sources, exclusions, and reduction of GHG emissions is included in the Appendix 1. The emission sources included in this measure are selected based on Council's ability to influence any emission reductions and what information is available to Council to measure the emissions. This is a gross emission reduction measure and therefore does not take into consideration sequestration of carbon through forestry nor the use of offsets. This is a Council operations only measure and does not include emissions generated from the wider Group. For information on emissions generated from entities such as Nelson Airport Limited, Port Nelson Limited and NELMAC refer to their respective statements of intent and annual reports.

25. Our GHG inventory is verified by a third party. More information on this can be found on Council's website via the verified carbon footprint inventories: How Council is Addressing Climate Change - Nelson City Council. The collection of data, estimation of emissions and verification process can take up to six months from the end of the reporting period, leading to a lag period in reporting the data. This applies throughout the 10 years of the Long Term Plan (LTP).

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Further information on greenhouse gas reporting:

Projects to reduce emissions were funded through the Long Term Plan 2024 – 2034 and Annual Plan 2024/25. A summary of climate change projects and their estimated greenhouse gas emissions reduction impact can be found in Council's Climate Action Plan. Note however that this document focuses on actions from 2025/26 onwards.

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Financial Performance – Corporate

Funding Impact Statement

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	(1,498)	406	1,845
Targeted rates including water by meter	0	4,200	4,170
Subsidies and grants for operating purposes	6	660	242
Fees and charges	2,186	559	766
Interest and dividends from investments	0	3,395	4,643
Internal charges and overheads recovered	8,052	15,714	14,653
Local authorities fuel tax, fines, infringement fees, and other receipts	6,569	3,021	2,916
Total Operating Funding	**15,314**	**27,956**	**29,235**
Applications of operating funding			
Payments to staff and suppliers	11,038	9,326	9,970
Finance costs	4,749	11,485	12,717
Internal charges and overheads applied *	900	2,647	1,702
Other operating funding applications	0	0	0
Total applications of operating funding	**16,687**	**23,458**	**24,389**
Surplus (Deficit) of operating funding	**(1,373)**	**4,498**	**4,845**
Sources of capital funding			
Subsidies and grants for capital	0	12,000	5,392
Development and financial contributions	0	0	0
Increase (decrease) in debt	35,197	(3,527)	(13,109)
Gross proceeds from sale of assets	0	3,750	0
Lump sum contributions	0	0	0
Total sources of capital funding	**35,197**	**12,223**	**(7,717)**
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	345	370	370
- to improve level of service	228	10,357	5,640
- to replace existing assets	2,892	3,567	1,736
Increase (decrease) in reserves	0	436	(106)
Increase (decrease) in investments	30,359	1,992	(10,511)
Total applications of capital funding	**33,824**	**16,721**	**(2,871)**

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Surplus (Deficit) of capital funding	**1,373**	**(4,498)**	**(4,846)**
Funding balance	**0**	**0**	**0**

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

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actuals 2024/25 ($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**(1,373)**	**4,498**	**4,846**
Subsidies and grants for capital expenditure	0	12,000	5,392
Development and financial contributions	0	0	0
Vested Assets	0	0	0
Gains on sale	0	0	0
Depreciation	(1,419)	(1,864)	(1,754)
Other non-cash income	0	(758)	(5,116)
Other non-cash Expenditure	0	0	(413)
Net Surplus (Deficit) before taxation in Cost of Service Statement	**(2,791)**	**13,876**	**2,954**

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Summary of Capital Expenditure Over $100,000

Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Corporate				
Civic House				
Civic Hub Development	9	0	9	169
Civic House Roof Cladding	0	711	711	0
Civic House roof and structure	0	646	646	0
Civic House - Transformation	763	0	763	992
Civic House Renewal Program	0	445	445	25
Civic House Ceiling Tiles	0	1,223	1,224	42
Rental Properties				
Slip effected property purchases	62	9,340	9,401	3,750
Strategic Building Purchases	0	1,726	1,726	1,307
Administration				
Capital: Motor Vehicles	127	105	232	0
Computer Hardware - Client devices	0	110	110	95
Computer Hardware - Network Devices	117	45	162	21
Asset Management System enhancements	0	100	100	87
Website Makeover	32	75	107	68
Building Systems Upgrade	0	106	106	0
Core Systems enhancement	168	304	472	284
Motor Vehicles - Fleet additions	0	0	0	226
Meeting / Agenda / Action Mgmt System	0	106	106	77
IRIS Next Gen	0	0	0	172
Corporate Projects under $100,000	95	819	914	433
Total Corporate	**1,373**	**15,862**	**17,235**	**7,746**
Scope Adjustment	(137)	(1,568)	(1,706)	0

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Total Corporate Less Scope Adjustment	**1,236**	**14,293**	**15,529**	**7,746**
Economic				
Economic Projects under $100,000	0	0	0	0
Total Economic	**0**	**0**	**0**	**0**
Environmental Management				
Monitoring the Environment				
Renewals: Monitoring Equipment	298	54	352	89
Plant & Equipment - Monitoring The Environment	76	170	246	70
Ministry for the Environment (MfE) Grant: NBS Model	32	40	72	222
Healthy Streams	34	150	184	121
City Development				
3W-BOF-City Centre Playspace	0	125	125	450
CBD Enhancements	0	599	599	6
EIL Equipment	0	220	220	6
Environmental Management Projects under $100,000	27	55	82	57
Total Environmental Management	**468**	**1,413**	**1,881**	**1,021**
Scope Adjustment	(47)	(119)	(166)	0
Total Environmental Less Scope Adjustment	**421**	**1,294**	**1,715**	**1,021**
Flood Protection				

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
IAF Flood Gate Upgrade	14	55	69	142
Maitai flood management	0	300	300	52
Jenkins & Arapiki (airport) - Flood Protection	22	167	189	51
Wakapuaka Flats Stormwater Network Upgrade	0	150	150	31
Flood Recovery Channel Bank protection	0	1,600	1,600	1,324
Flood Recovery 2022 River Stream Improvements	52	500	552	32
RIF Funded - Hanby Park - Clouston Terrace Stopbank	0	0	0	496
RIF Funded Flood Recovery 2022 - Oldham Creek Repairs	0	0	0	575
Saxton Creek Stage 4 Upgrade	108	200	308	400
Brook Stream Catchment Improvements	0	100	100	100
Inventory of Urban Streams	17	100	117	59
Vested Assets				
Vested Assets - Flood Protection	0	0	0	73
Flood Protection Projects under $100,000	38	831	869	692
Total Flood Protection	**251**	**4,003**	**4,254**	**4,028**
Scope Adjustment	(25)	(342)	(367)	0
Total Flood Protection Less Scope Adjustment	**226**	**3,661**	**3,887**	**4,028**
Parks & Active Recreation				
Public Gardens				
Queens Garden Pond Water Supply	0	0	0	132
Neighbourhood Parks				

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Land Purchase: General Reserve	275	1,500	1,775	0
Reserve Development Programme	0	354	354	37
Atawhai Reserve Improvements	60	75	135	85
Conservation Reserves				
Slip 0: Brook Street	62	583	645	257
Slip 2 Brook Street	156	0	156	203
Slip 3 Halifax Street	0	267	267	54
Slip 4 Milton Street	22	374	396	81
Slip 6 Grove Street	227	0	227	372
Slip 7 Miro Street	0	560	560	497
Slip 12 Allan Street	0	827	827	688
Slip 14 Tukuka Street	0	124	124	302
Slip 16 Endeavour Street	0	2,090	2,090	1,380
Slip 17 Lauria Way	0	110	110	26
Slip 18 Collingwood Street	30	769	799	643
Planting - General RTRP Recommendation 16	0	1,093	1,093	176
Planting - ETS RTRP Recommendation 16	0	370	370	11
Planting - Maitai RTRP Recommendation 17	0	259	259	8
Planting - Marsden RTRP Recommendation 19	0	422	422	0
Landscape Reserve				
Retired forestry block conversion programme	268	293	560	28
Marsden Valley MTB Hub	42	480	522	129
Grampians Brook acquisition: access & development	130	100	230	145
Esplanade & Foreshore Reserves				
Glenduan Reserve wetland development	65	248	313	35

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Sports Parks				
Saltwater Cr bridge (Haven Rd - Traf Park)	83	50	132	110
Renewals: Services - Sports Parks	0	200	200	54
Guppy Park Facility	140	0	140	78
Nelson Surf Lifesaving Club Facility	0	200	200	0
Paru Paru Road Carpark - Sports Parks	0	0	0	133
Trafalgar Centre				
Renewals: Minor Assets - Trafalgar Centre	46	113	159	98
Pools				
Riverside Pool water heating system renewal	0	798	798	617
Capital - Riverside Pool upgrades	(23)	150	127	147
Play Facilities				
Renewals: Play Equipment	0	150	150	155
Playground Development Programme	189	39	227	1
Macrocarpa play structure	0	104	104	40
Marina				
Travel Lift renewal	(13)	2,508	2,495	2,320
Marina Master Plan Marine centre	0	350	350	0
Marina Master Plan Marina extension	0	250	250	370
Capital: Minor Development - Marina	0	104	104	10
Water Sports Building	73	4,200	4,273	3,376
Marina Public Promenade	0	2,025	2,025	1,311
Marina Hardstand LOS improvements	31	150	181	57
Saxton Field				
Capital: General Development	106	16	122	42

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Parks & Active Recreation Projects under $100,000	427	2,474	2,901	1,927
Total Parks & Active Recreation	**2,395**	**24,777**	**27,172**	**16,133**
Scope Adjustment	(243)	(2,428)	(2,670)	0
Total Parks & Active Recreation Less Scope Adjustment	**2,152**	**22,350**	**24,502**	**16,133**
Social				
Managing Heritage And Arts				
Art Works Programme	62	234	296	40
Isel House				
Renewal: structures - Isel House	64	48	112	1
Broadgreen House				
Renewal: Structures - Broadgreen House	25	80	105	5
Founders Park				
Energy centre venue development	0	101	101	1
Nelson Library				
Renewals: Specialised Lib Equip	13	160	173	156
Book Purchases	30	310	340	341
Elma Turner Library Extension/ Relocation	200	0	200	0
Stoke Library				
Stoke Library structural improvements	19	469	488	292
Nellie Nightingale Library Memorial				
Nightingale roof repair	0	246	246	86
Marsden Valley Cemetery				
Cemetery Capacity Purchase	1,339	0	1,339	28
Toilets (Free)				

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Toilet Renewals Program - Toilets (Free)	0	687	687	99
Toilets (Charge)				
Montgomery Sq Toilet renewal	89	695	784	224
Community Properties				
Refinery Deconstruction and Future Use	0	1,387	1,387	3
Maitai Camp				
Maitai Campground Wastewater Renewal Project	124	1,326	1,450	1,310
Brook Camp				
Capital: Buildings - Brook Camp	159	0	159	(1)
Social Projects under $100,000	127	1,387	1,515	364
Total Social	**2,250**	**7,130**	**9,380**	**2,948**
Scope Adjustment	(225)	(665)	(890)	0
Total Social Less Scope Adjustment	**2,025**	**6,464**	**8,490**	**2,948**
Solid Waste				
Joint Landfill	0	2,178	2,178	1,956
Solid Waste Projects under $100,000	0	0	0	28
Total Solid Waste	**0**	**2,178**	**2,178**	**1,984**
Stormwater				
Haven/St Vincent Culvert renewal & upgrade	0	3,000	3,000	729
Atawhai SH6 Stormwater Culverts	0	100	100	0

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Stormwater Pump Station Renewals & upgrades	0	300	300	237
York Terrace	0	1,500	1,500	122
IAF Stormwater Pipeline Upgrade	66	330	396	171
Stormwater Network Models	0	100	100	41
RIF Funded Flood Recovery 2022 - Cleveland Terrace Intake	0	0	0	135
Capital: Freshwater Improvement Programme	40	100	140	59
Airlie St	37	342	379	80
Tahunanui Hills Stormwater Catchment 9 - Moana Ave to Rocks	80	150	230	138
Cawthron Crescent	178	0	178	120
Tahunanui Hills Stormwater Catchment 3 - Days Track	245	0	245	271
Minor Stormwater Improvements Programme	0	100	100	100
Strawbridge Sq Stormwater improvements	0	532	532	472
Murphy / Emano Street upgrade	0	100	100	0
Tahunanui Hills Stormwater Catchment 2 - Moncrieff Avenue	0	412	412	65
Flood Recovery Minor Stormwater Improvements	0	300	300	321
RIF Funded - Queens Gardens drainage diversion	0	0	0	134
Bisley Avenue	69	364	433	91
Flood Recovery Intakes Resilience	0	200	200	15
Flood Recovery 2022 Intakes Resilience Cleveland Terrace	0	750	750	23
Flood Recovery 2022 Intakes Resilience Devenish Place	122	200	322	116
Vested Assets				

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Vested Assets - Stormwater	0	1,623	1,623	480
Stormwater Projects under $100,000	47	1,015	1,062	817
Total Stormwater	**883**	**11,518**	**12,401**	**4,739**
Scope Adjustment	(88)	(915)	(1,004)	0
Total Stormwater Less Scope Adjustment	**795**	**10,603**	**11,397**	**4,739**
Transport				
Subsidised Roading				
WC 111 Sealed Pavement Heavy Works	0	330	330	436
WC 214 Sealed Road Pavement Rehabilitation	0	3,497	3,497	657
WC 212 Sealed Road Resurfacing	0	2,243	2,243	2,807
WC 224 Cyclepath renewals	0	106	106	0
WC141 Maori Road Flood Repair	0	310	310	174
WC141 Flood Recovery - Minor Works	0	145	145	23
WC141 Slip Repair Maitai Road	665	500	1,165	1,002
WC141 Cable Bay Road slip repairs	0	100	100	14
WC 141 Glen Creek washout repairs	0	100	100	39
WC141 Teal Valley Road flood repairs	0	100	100	74
WC141 Arrow Street Retaining Wall Slip Protection	0	250	250	208
WC 141 35 Konini Street	0	430	430	416
WC141 Iwa Road flood repairs	0	350	350	29
WC141 333 Wakefield Quay	170	150	320	346
WC 213 Drainage Renewals	0	500	500	54
WC215 Structure replacement	0	280	280	0
WC 215 Suffolk Rd Retaining Wall	0	0	0	156

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
WC 222 Streetlight renewals	0	610	610	630
WC225 Renewals: Footpaths	0	2,100	2,100	108
WC 222 Traffic Service Renewals - Signs, markings and deline	0	110	110	68
WC 222 Traffic Service Renewals - Signals	0	200	200	124
WC341Z Speed Limit changes speed signs	0	282	282	31
WC341 Maitai Bayview Growth programme	0	100	100	0
WC 111: Pre Seal Programme	0	400	400	510
WC 341Z Haven/Halifax Intersection Improvements	0	100	100	0
Nile St/Maitai Rd interserction (Bayview/Maitai)	0	100	100	0
WC 324 Quarantine/Nayland intersection upgrades	0	200	200	0
WC 341Z Toi Toi/Vanguard intersection upgrade	0	225	225	0
WC 341L Waimea Road Franklyn Street intersection improvement	0	110	110	0
WC341 Stoke School speed zone upgrade	0	100	100	0
WC341L Traffic calming to support speed reduction	0	100	100	0
WC341Z St Vincent Street Toi Toi Street raised roundabout	223	300	523	0
WC341Z - Hardy Vanguard intersection safety	0	800	800	0
WC 341 L Nayland Songer intersection	0	800	800	0
WC341L Road Drainage Improvements	0	100	100	0
WC 341L Structure Improvements	748	0	748	80

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
WC 341L Streetlight Improvement	0	100	100	(0)
WC341 St Vincent Street sepataed cycle facility improvements	0	200	200	0
Unsubsidised Roading				
Renewals Footpaths Utilities	0	0	0	147
Sealed Road Pavement Rehabilitation	0	0	0	464
Structures replacement	103	0	103	128
Land Purchase - Unsubsidised Roading	0	450	450	1
Maitai Bayview Growth Programme (Nile St - Tory to Domett)	0	250	250	0
IAF Active Linear Corridor - Unsubsidised Roading	(54)	2,903	2,849	2,039
Street Garden Dev	0	186	186	113
Paru Paru Road Carpark	0	150	150	0
Slip 13 Cleveland Terrace	0	975	975	214
Toi Toi/St Vincent intersection upgrade	0	0	0	157
Parking & CBD Enhancements				
Renewal: CBD aesthetic elements	51	100	151	32
CBD Carpark Resurfacing	0	100	100	20
New Car parks	0	690	690	0
Public Transport				
WC 532 Millers Acre Interchange	53	2,700	2,753	449
WC 531: PT Signals priority	0	100	100	0
Vested Assets				
Vested Assets - Unsubsidised Roading	0	1,251	1,251	503
Transport Projects under $100,000	94	2,203	2,297	1,600
Total Transport	**2,053**	**28,486**	**30,540**	**13,852**

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Scope Adjustment	(202)	(2,604)	(2,806)	0
Total Transport Less Scope Adjustment	**1,852**	**25,882**	**27,733**	**13,852**
Wastewater				
Data Gathering equipment	13	70	83	101
Wastewater Pipe Renewals & upgrades	16	500	516	54
Stansell #52 and Princes Drive 274/278 Sewer renewal	15	0	15	124
Washington Terrace - WW pipe renewal	98	0	98	210
Atawhai Rising Main renewal & upgrade - Stage 1	62	638	700	398
Capital WW network Reactive	15	75	90	177
Renewals & upgrades Swallow Rising Main Watercourse Crossing	0	200	200	0
Quarantine Road RM renewal	0	0	0	370
Renewals Pump stations	15	350	365	239
NWWTP renewals	108	330	438	395
NWWTP Wetlands Plant renewal	19	200	219	164
NWWTP Resource Consent Renewal	53	762	814	73
Mahitahi Development	29	740	769	43
IAF Wastewater Pipeline Upgrade	105	468	573	185
IAF Paru Paru PS Upgrade	53	500	553	1,279
Quarantine Rd Sewer PS/Catchment Upgrades	0	1,000	1,000	0
Overflow Reduction/I&I Capital Works	23	100	123	108
Pump station resilience improvement programme	(16)	100	84	27
Trade Waste Monitoring	110	0	110	116

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
NWWTP Minor Upgrades	10	100	110	34
System Performance Improvements (Overflow Reduction / I&I)	0	100	100	19
SCADA Upgrade	0	61	61	112
Nelson Regional Sewerage	0	4,768	4,768	4,700
Vested Assets				
Vested Assets - Wastewater	0	1,189	1,189	13
Wastewater Projects under $100,000	19	776	795	1,163
Total Wastewater	**747**	**13,027**	**13,774**	**10,106**
Scope Adjustment	(75)	(669)	(744)	0
Total Wastewater Less Scope Adjustment	**673**	**12,358**	**13,030**	**10,106**
Water Supply				
Water Treatment Plant Renewals	0	165	165	74
Marsden Valley Road - Watermain Renewal	0	0	0	354
Renewals & Upgrades: Water Pipes	0	285	285	11
Nayland Rd - Aldinga to Songer	1,003	200	1,203	1,129
Washington Terrace - Water pipe renewal	0	0	0	203
Water Supply network reactive	14	0	14	303
Torlesse Street Watermain Renewal	0	0	0	278
Renewals: Commercial Meters	0	150	150	0
Reservoir Refurbishment Programme	0	136	136	20
Thompson Terrace Reservoir Refurbishment - Electrical/Bldg/V	0	250	250	293
Maitahi Development Growth project	50	270	320	10

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Bayview Development Growth project	58	50	108	55
Future growth and Intensification Projects	0	150	150	0
IAF Bridge St	87	385	472	1,033
IAF Collingwood St	19	859	878	924
IAF Halifax St	43	1,226	1,269	887
Water Treatment Plant Upgrades	0	245	245	157
Capital: Atawhai Res & pump Ma	175	0	175	0
Property Purchase	0	0	0	576
Headworks Upgrades	0	215	215	184
Capital: Backflow Prevention	0	100	100	25
Capital: Atawhai Trunkmain	94	50	144	4
Water Loss Reduction Programme	0	100	100	136
Natural Hazards Risk Remediation	0	100	100	82
Maitai Pump Station upgrade	0	100	100	0
WTP Fluoride Dosing	(10)	287	277	72
Capital: Atawhai No.2 Reservoi	22	750	772	95
Dam Upgrades	204	2,174	2,377	2,278
Taumata Arowai - Contractor access to mains	0	100	100	211
Flood Recovery 2022 - WTP	68	150	218	108
Flood Recovery 2022 - Headworks	0	150	150	58
Flood Recovery 2022 - Reticulation	0	100	100	1
Vested Assets				
Vested Assets - Water Supply	0	1,577	1,577	0
Water Supply Projects under $100,000	32	954	986	592
Total Water Supply	**1,857**	**11,278**	**13,135**	**10,151**

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Project	Carry Over 2023/24 ($000)	Estimate 2024/25 ($000)	Available 2024/25 ($000)	Actual 2024/25 ($000)
Scope Adjustment	(186)	(942)	(1,128)	0
Total Water Supply Less Scope Adjustment	**1,672**	**10,336**	**12,008**	**10,151**
Total Capital Expenditure	**12,278**	**119,672**	**131,950**	**72,707**
Total Vested Assets	0	5,640	5,640	1,069
Total Joint Committees	0	6,946	6,946	6,656
TOTAL CAPITAL - Excluding Vested, Scope Adjustment and Joint Committees	**12,278**	**107,085**	**119,364**	**64,982**

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Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2025

		Council			Group	
		Actual	**Budget**	Actual	**Actual**	Actual
$NZ000's	**Note**	**2025**	**2025**	2024	**2025**	2024
Rates	3	**98,998**	**98,792**	84,741	**98,998**	84,741
Fees and charges	5	**39,841**	**45,309**	40,570	**56,132**	58,562
Subsidies and grants	4	**29,096**	**42,874**	32,273	**30,101**	32,921
Finance income	9	**1,792**	**245**	1,729	**1,910**	1,892
Development/financial contributions	5	**5,014**	**6,444**	2,429	**5,014**	2,429
Other revenue	5	**10,604**	**12,716**	17,425	**7,259**	16,717
Other gains/(losses)	6	**(9,585)**	**(758)**	(7,799)	**(9,358)**	(7,590)
Total Revenue		**175,760**	**205,622**	171,368	**190,056**	189,672
Personnel Costs	8	**(36,238)**	**(32,411)**	(32,616)	**(61,772)**	(58,130)
Depreciation and amortisation expense	19,20	**(46,507)**	**(45,342)**	(42,833)	**(48,634)**	(45,536)
Finance costs	9	**(12,826)**	**(11,485)**	(11,067)	**(12,990)**	(11,335)
Other expenses	7	**(79,225)**	**(96,330)**	(92,174)	**(69,120)**	(81,896)
Total operating expenditure		**(174,796)**	**(185,568)**	(178,690)	**(192,516)**	(196,897)
Share of associate's surplus/(deficit)	25	**0**	**0**	0	**3,669**	(2,420)
Surplus/(deficit) before tax		**964**	**20,054**	(7,322)	**1,209**	(9,645)
Income tax expense	10	**0**	**0**	0	**48**	(210)
Surplus/(deficit) after tax		**964**	**20,054**	(7,322)	**1,257**	(9,855)
Other comprehensive revenue						
Land and Infrastructure revaluations	19,31	**25,521**	**46,663**	89,372	**25,848**	89,372
Total other comprehensive income		**25,521**	**46,663**	89,372	**25,848**	89,372
Total comprehensive income		**26,485**	**66,717**	82,050	**27,105**	79,517
Explanations of major variances against budget are provided in note 40						

Note: The accompanying accounting policies and notes form part of these financial statements

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Statement of Changes in Equity

For the year ended 30 June 2025

		Council			Group	
		Actual	**Budget**	Actual	**Actual**	Actual
$NZ000's	Note	**2025**	**2025**	2024	**2025**	2024
Balance at 1 July		**2,234,538**	**2,226,431**	2,152,489	**2,422,229**	2,335,260
Total comprehensive revenue		**26,485**	**66,717**	82,050	**27,105**	79,517
Balance at 30 June	31	**2,261,023**	**2,293,148**	2,234,538	**2,449,334**	2,414,777

Note: The accompanying accounting policies and notes form part of these financial statements

Docusign Envelope ID: DDEC1F7E-6694-426F-96F0-48387CB8B614

Statement of Financial Position

For the year ended 30 June 2025

		Council			Group	
		Actual	**Budget**	Actual	**Actual**	Actual
$NZ000's	Note	**2025**	**2025**	2024	**2025**	2024
ASSETS						
Current assets						
Cash and cash equivalents	12	**16,707**	**7,520**	11,229	**17,374**	12,637
Trade and other receivables	13	**28,077**	**24,960**	32,431	**32,559**	35,728
Derivative financial instruments	17	**17**	**437**	551	**17**	551
Other financial assets	16	**857**	**291**	21,234	**3,480**	23,996
Inventories	15	**0**	**0**	0	**556**	543
Current tax receivables	14	**0**	**0**	0	**18**	36
Total current assets		**45,658**	**33,208**	65,445	**54,004**	73,491
Non-current assets						
Derivative financial instruments	17	**0**	**1,691**	2,787	**0**	2,787
Investments accounted for using the equity method	25	**36,788**	**38,183**	36,788	**200,340**	199,364
Other financial assets	16	**8,634**	**7,937**	7,368	**9,777**	8,035
Property, plant and equipment	19	**2,456,627**	**2,501,532**	2,408,774	**2,483,959**	2,437,613
Intangible assets	20	**6,790**	**7,151**	7,014	**7,030**	7,376
Forestry assets	22	**4,197**	**4,577**	3,359	**4,197**	3,359
Investment property	23	**925**	**980**	950	**925**	950
Investments in subsidiaries	24	**8,200**	**8,200**	8,200	**0**	0
Deferred tax assets	11	**0**	**0**	0	**-1**	34
Total non-current assets		**2,522,161**	**2,570,251**	2,475,240	**2,706,227**	2,659,518
Total assets		**2,567,819**	**2,603,459**	2,540,685	**2,760,231**	2,733,009
LIABILITIES						
Current liabilities						
Trade and other payables	27	**29,110**	**31,156**	30,826	**29,932**	31,737
Borrowings	28	**25,400**	**30,563**	45,550	**26,300**	45,550
Employee benefits liabilities	30	**3,105**	**2,763**	2,893	**6,421**	5,243
Provisions	29	**131**	**251**	5,518	**131**	5,518
Current tax liabilities		**0**	**0**	0	**24**	387
Total current liabilities		**57,746**	**64,733**	84,787	**62,808**	88,435

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Non-current liabilities						
Derivative financial instruments	17	**2,620**	**1,203**	0	**2,620**	0
Borrowings	28	**240,000**	**235,664**	215,000	**240,000**	217,000
Employee benefits liabilities	30	**157**	**160**	157	**173**	175
Provisions	29	**3,246**	**3,174**	3,233	**3,246**	3,233
Deferred tax liabilities	11	**0**	**0**	0	**24**	0
Trade and other payables	27	**3,027**	**5,376**	2,970	**2,026**	1,937
Total non-current liabilities		**249,050**	**245,577**	221,360	**248,089**	222,345
Total liabilities		**306,796**	**310,310**	306,147	**310,897**	310,780
Net assets		**2,261,023**	**2,293,149**	2,234,538	**2,449,334**	2,422,229
EQUITY						
Accumulated funds	31	**450,584**	**477,956**	446,788	**505,683**	501,594
Reserves	31	**1,810,439**	**1,815,192**	1,787,750	**1,943,651**	1,920,635
Total equity		**2,261,023**	**2,293,148**	2,234,538	**2,449,334**	2,422,229

Note: The accompanying accounting policies and notes form part of these financial statements

Docusign Envelope ID: DDEC1F7E-6694-426F-96F0-48387CB8B614

Statement of Cash Flows

For the year ended 30 June 2025

		Council			Group	
		Actual	**Budget**	Actual	**Actual**	Actual
$NZ000's	Note	**2025**	**2025**	2024	**2025**	2024
Cash flows from operating activities						
Receipts from rates revenue		**110,607**	**110,010**	92,772	**110,607**	92,772
Subsidies and grants received		**31,547**	**42,874**	35,041	**32,552**	35,689
Development and financial contributions received		**5,014**	**6,444**	2,429	**5,014**	2,429
Receipts from other revenue		**36,309**	**37,857**	32,378	**47,544**	50,877
Interest received		**1,792**	**245**	1,729	**1,910**	1,892
Dividends received		**3,320**	**3,150**	2,611	**3,336**	2,626
Cash inflows from operating activities		**188,589**	**200,580**	166,960	**200,963**	186,285
Payments to suppliers		**(84,926)**	**(98,734)**	(91,357)	**(74,814)**	(82,017)
Payments to employees		**(36,026)**	**(32,359)**	(32,374)	**(60,596)**	(57,900)
Interest paid		**(13,281)**	**(11,485)**	(11,067)	**(13,545)**	(11,331)
GST (net)		**0**	**0**	0	**0**	(26)
Cash outflows from operating activities		**(134,233)**	**(142,578)**	(134,798)	**(148,955)**	(151,274)
Net cash flow from operating activities	32	**54,356**	**58,002**	32,162	**52,008**	35,011
Cash flows from investing activities						
Receipts from sale of property, plant, and equipment		**15**	**4,610**	37	**282**	152
Receipts from assets held for sale		**0**	**0**	0	**0**	0
Repayment of LGFA borrower notes		**0**	**990**	0	**0**	0
Sale of biological assets		**0**	**0**	0	**0**	0
Receipts from sale or maturity of investments		**0**	**0**	0	**196**	199
Repayment of community loans and advances		**232**	**152**	210	**232**	210
Other investments		**20,000**	**0**	0	**20,000**	0
Cash inflows from investing activities		**20,247**	**5,752**	247	**20,711**	561
Renewals		**(27,621)**	**(34,487)**	(26,077)	**(27,658)**	(26,077)
New capital works - growth		**(14,183)**	**(20,749)**	(9,735)	**(14,195)**	(9,778)
New capital works - increased level of service		**(30,018)**	**(48,542)**	(49,957)	**(30,931)**	(51,351)
Purchase of intangible assets		**(1,032)**	**332**	(534)	**(1,032)**	(712)
Purchase of biological assets		**0**	**(1,177)**	0	**0**	0

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Investments in LGFA borrower notes		**(1,121)**	**(1,971)**	(2,184)	**(1,121)**	(2,184)
Other investments		**0**	**(243)**	(20,125)	**3,205**	(20,515)
Cash Outflows from investing activities		**(73,975)**	**(106,837)**	(108,612)	**(71,732)**	(110,617)
Net cash flow from investing activities		**(53,728)**	**(101,085)**	(108,365)	**(51,021)**	(110,056)
Cash flows from financing activities						
Proceeds from borrowings		**50,000**	**88,084**	77,767	**50,900**	79,767
Repayment of borrowings		**(45,150)**	**(45,000)**	(2,867)	**(47,150)**	(6,256)
Net cash flow from financing activities		**4,850**	**43,084**	74,900	**3,750**	73,511
Net increase / (decrease) in cash, cash equivalents, and bank overdrafts		**5,478**	**1**	(1,303)	**4,737**	(1,534)
Cash, cash equivalents, and bank overdrafts at the beginning of the year		**11,229**	**7,520**	12,532	**12,637**	14,170
Cash, cash equivalents, and bank overdrafts at the end of the year	12	**16,707**	**7,521**	11,229	**17,374**	12,636
Explanations of major variances against budget are provided in note 40.						

Note: The accompanying accounting policies and notes form part of these financial statements

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Funding Impact Statement

For the year ended 30 June 2025

	Annual Plan 2023/24	Actuals 2023/24	Annual Plan 2024/25	Actuals 2024/25
	($000)	($000)	($000)	($000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	57,557	57,795	63,665	63,872
Targeted rates including water by meter	36,942	37,757	46,345	46,172
Subsidies and grants for operating purposes	13,228	14,302	14,675	13,049
Fees and charges	18,354	18,138	34,091	28,795
Interest and dividends from investments	3,621	2,229	2,889	4,642
Local authorities fuel tax, fines, infringement fees, and other receipts	18,470	18,968	4,432	6,685
Total Operating Funding	**148,172**	**149,190**	**166,097**	**163,215**
Applications of operating funding				
Payments to staff and suppliers	121,302	124,790	128,740	115,463
Finance costs	7,743	11,067	11,485	12,826
Other operating funding applications	0	0	0	0
Total applications of operating funding	**129,045**	**135,857**	**140,225**	**128,289**
Surplus (Deficit) of operating funding	**19,127**	**13,333**	**25,872**	**34,929**
Sources of capital funding				
Subsidies and grants for capital	20,447	17,971	28,199	16,047
Development and financial contributions	3,828	2,429	6,444	5,014
Increase (decrease) in debt	45,018	74,900	42,102	4,850
Gross proceeds from sale of assets	0	37	4,610	14
Lump sum contributions	0	0	0	0
Total sources of capital funding	**69,292**	**95,336**	**81,355**	**25,925**
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	12,069	9,735	20,749	14,520
- to improve level of service	50,238	50,297	48,542	30,268
- to replace existing assets	26,973	24,993	34,487	26,851
Increase (decrease) in reserves	(1,470)	(3,054)	436	(106)
Increase (decrease) in investments	610	26,697	3,011	(10,679)
Total applications of capital funding	**88,420**	**108,669**	**107,226**	**60,854**
Surplus (Deficit) of capital funding	**(19,127)**	**(13,333)**	**(25,872)**	**(34,929)**
Funding balance	**0**	**0**	**0**	**0**

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Reconciliation between the Net Surplus/(Deficit) in the Statement of Comprehensive Revenue and Expense and Surplus/(Deficit) of Operating Funding in the Funding Impact Statement

For the year ended 30 June 2025

	Annual Plan 2023/24	Actuals 2023/24	Annual Plan 2024/25	Actuals 2024/25
	($000)	($000)	($000)	($000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	**19,127**	**13,333**	**25,872**	**34,929**
Subsidies and grants for capital expenditure	20,447	17,971	28,199	16,047
Development and financial contributions	3,828	2,429	6,444	5,014
Vested Assets	5,359	9,578	5,640	1,069
Gains on sale	0	0	0	0
Depreciation	(40,885)	(42,833)	(45,342)	(46,507)
Other non-cash income	(1,702)	(2,769)	(758)	(5,076)
Other non-cash expenditure	0	(5,030)	0	(4,510)
Net Surplus (Deficit) before taxation in Statement of Comprehensive Revenue and Expense	**6,172**	**(7,322)**	**20,053**	**964**

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Financial Prudence

For the year ended 30 June 2025

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's 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. The Council is required to include this statement in its annual report 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.

Rates (income) benchmark

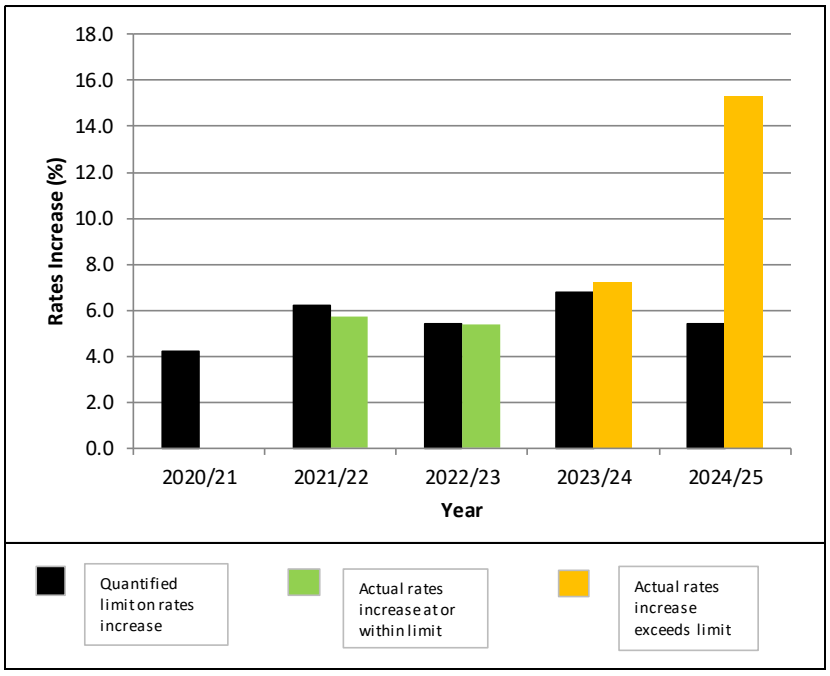
Following an amendment to the Local Government Act 2002, the council has not included a quantified limit on rates in the financial strategy for the 10-year budget 2024-2034.

Rates affordability benchmark

The Council meets the rates affordability benchmark if its actual rates increases are equal to or less than each quantified limit on rates increases

Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the Financial Strategy included in the Council's Long Term Plan (LTP). The quantified limit is the local government cost index plus 2.5% for each year of the LTP 2023-2034.



Docusign Envelope ID: DDEC1F7E-6694-426F-96F0-48387CB8B614

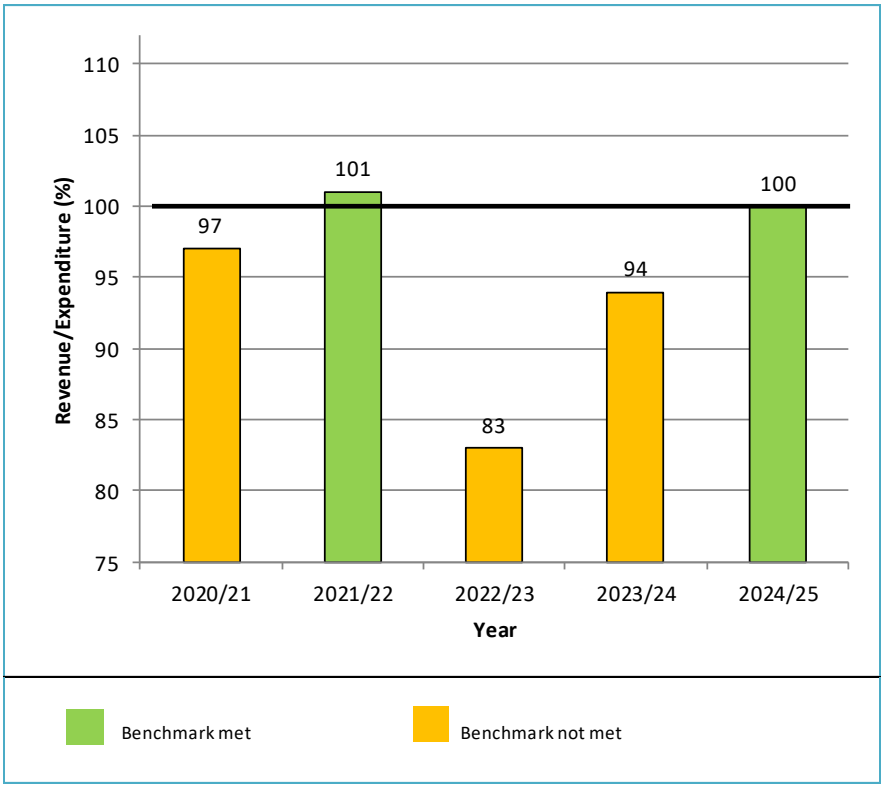
Additional information:

Rates increases affordability (Actual rates increase vs Rates cap) was not achieved due to inflationary pressures when setting the rates for 2024/25 that are driving up costs at Council, and the addition of the storm recovery rate.

Balanced budget benchmark

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

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



Additional Information:

The Council had not met the balanced budget benchmark in 2023/24, as resolved in the Long Term Plan 2024-34. The Council did achieve the balanced budget benchmark in 2024/25 in line with the Long term Plan 2024-34.

The Council had not met the balanced budget benchmark in 2023/24. This was due to unplanned expenditure on the August 2022 floods.

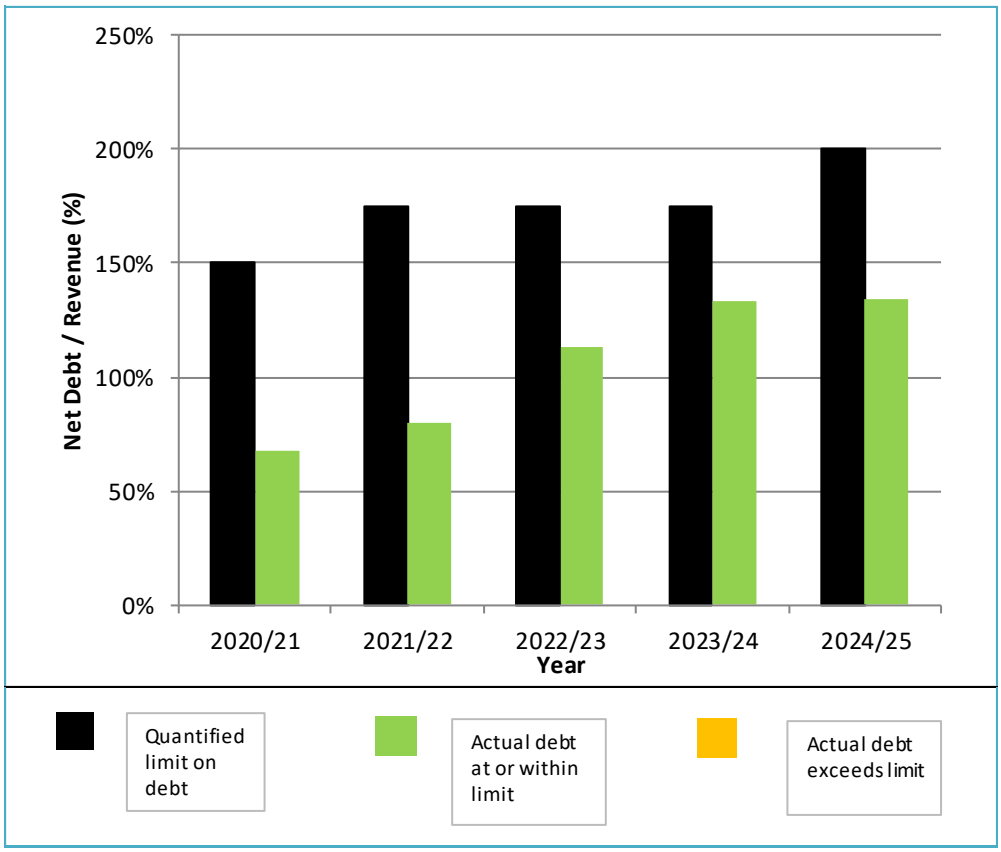
The Council has met the balanced budget benchmark in 2024/25

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Debt affordability benchmark

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

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the council's LTP. The quantified limit is that net external borrowings are not to exceed 200% of revenue (previously 175% 21/22 - 23/24 and 150% prior). Net external borrowings are defined as external debt and overdraft less cash balances and deposits.



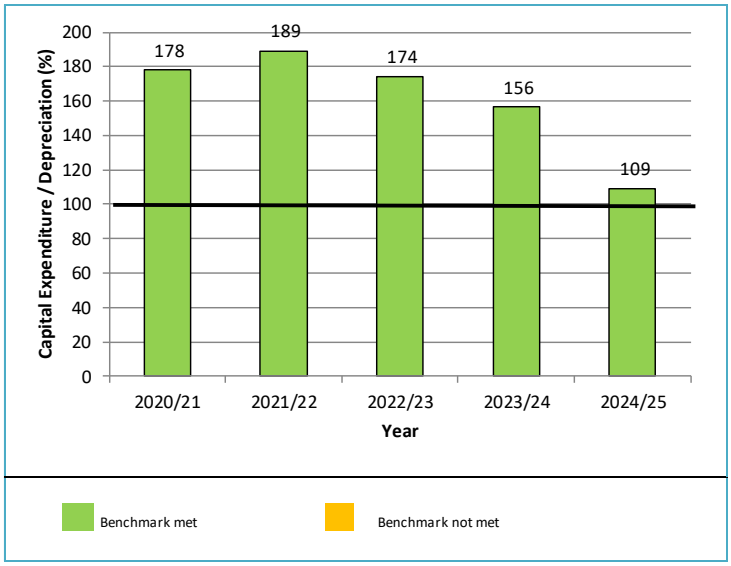
Additional Information

It is noted that total revenue for the above graph is defined as cash earnings from rates, government grants and subsidies, user charges, interest and dividends and excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation of property, plant or equipment.

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Essential services benchmark

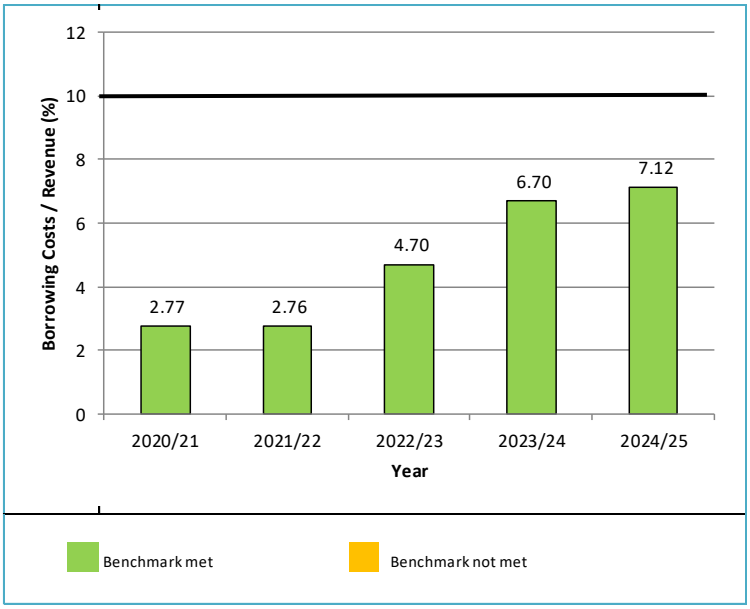
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

Because Statistics New Zealand projects the Council's population will not grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

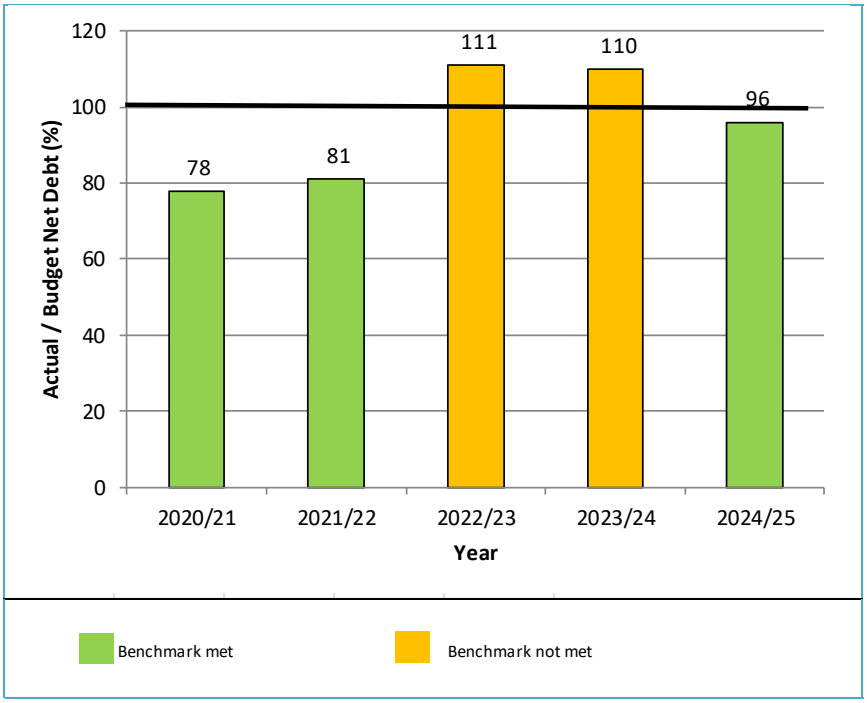


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Debt control benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Additional Information

The Council had not met the debt control benchmark in 2022/23 and 2023/24. This was due to unplanned expenditure on the August 2022 floods which meant that further debt was required.

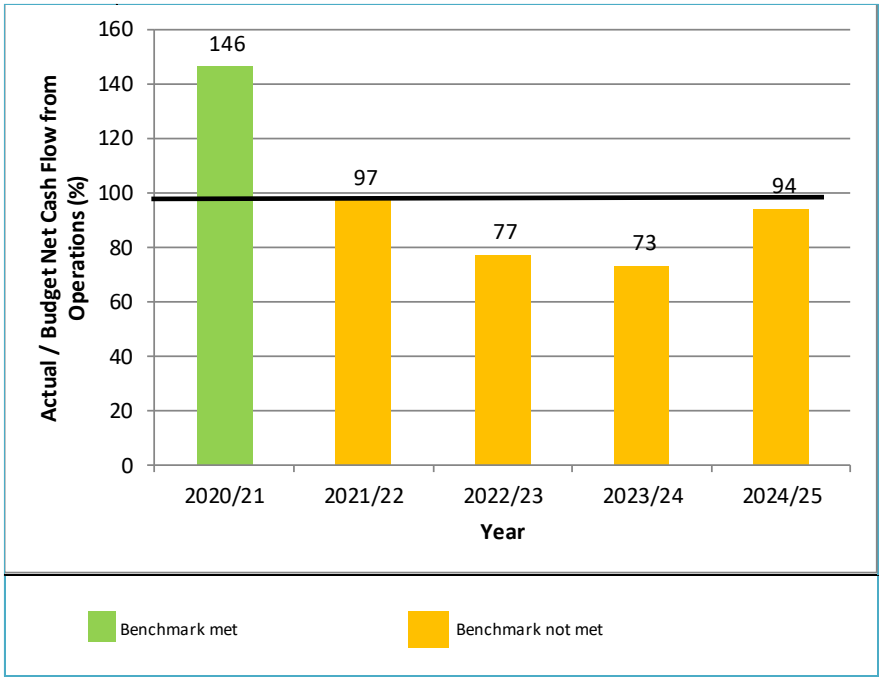
The Council has meet the debt control benchmark in 2024/25.

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Operational control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Additional Information

The Council had not met the operational control benchmark in 2022/23. This was due to unplanned expenditure on the August 2022 floods which increased net operational expenditure by $16.9m.

The Council has not met the operational control benchmark in 2023/24 (Actual net cash flow from operations vs planned) due to higher insurance and interest costs than budgeted, and lower than budgeted development contribution income.

The Council has not met the operational control benchmark in 2024/25 (Actual net cash flow from operations vs planned) mainly due to lower than budgeted Subsidies and Grants, and Development Contribution income.

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Notes to Accounts

1 Statement of accounting policies for the year ended 30 June 2025

1.1 Reporting entity

Nelson City Council Group (the Council) is a unitary local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

These financial statements include details on the Council's share of subsidiaries and other associated activities. How each associated activity is accounted for and the consolidation policy are covered in the following pages.

The Nelson City Council Group consists of Nelson City Council, its subsidiaries – Nelmac Ltd, the Nelson Civic Trust, the Bishop Suter Trust and the Nelson Regional Development Agency – and joint operations and joint ventures.

The Entity and Group provide local infrastructure, local public services, and performs regulatory functions to the community. The Group does not operate to make a financial return.

The Group has designated itself and the group as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice

The financial statements of the Entity and Group are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 30 October 2025.

2 Summary of significant accounting policies

Significant accounting policies that do not relate to a specific note are outlined below.

2.1 Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently through the period.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Tier 1 PBE accounting standards.

Nelson City Council Group is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Group's operations includes the LGA and the Local Government (Rating) Act 2002.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets.

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Functional and presentation currency

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 Group and its subsidiaries and joint operations is New Zealand dollars.

Comparative Information

Where a change has been made to the presentation of the financial statements to that used in prior periods, comparative figures have been restated accordingly.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council and Group, are below. The Council has not yet assessed the impact of these new accounting standards.

2.2 Basis of consolidation

Subsidiaries

The Council consolidates in the Group financial statements of all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Entity or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Subsidiaries in which the Council has a controlling interest are consolidated by separate line-by-line aggregations of like items of assets, liabilities, equity, revenue, expense and cash flows into the consolidated financial statements. All significant inter-entity transactions are eliminated upon consolidation. Nelmac Limited is a fully owned subsidiary and has been consolidated on a line-by-line basis. The City of Nelson Civic Trust (Inc), The Bishop Suter Trust and the Nelson Regional Economic Development Agency (NRDA) are controlled by Council via the appointment of a majority of the trustees. The Trusts and NRDA have been consolidated on a line-by-line basis.

The investment in subsidiaries is carried at cost in the Entity’s parent entity financial statements.

Equity accounted joint ventures

The Entity’s joint venture investment is accounted for in the Group financial statements using the equity method. An equity accounted joint venture is an entity which is a separate legal entity, over which the Entity does not have a controlling interest and that is not a subsidiary. The investment in an equity accounted joint venture is initially recognised at cost and the carrying amount

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in the group financial statements is increased or decreased to recognise the Group's share of the surplus or deficit of the venture after the date of acquisition. Distributions received from a venture reduce the carrying amount of the investment in the consolidated financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Entity has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the Group transacts with an equity accounted joint venture, surpluses or deficits are eliminated to the extent of the Group's interest in the venture.

The investment in the equity accounted joint venture is carried at cost in the Council's parent entity financial statements.

As the Council does not have a controlling interest in any of the following, they have been accounted for using the equity method: Infrastructure Holdings Limited (IHL), Tasman Bays Heritage Trust.

Joint operations

The Council does not have a controlling interest in the Nelson Regional Sewerage Business Unit (NRSBU), the Nelson Tasman Regional Landfill Business Unit (NTRLBU) or the Nelson Tasman Combined Civil Defence Organisation. As these are not separate legal entities, Council has recognised its share on a line-by-line basis in the parent financial statements.

2.3 Revenue

Revenue is measured at fair value.

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.

The specific accounting policies for significant revenue items are explained below:

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All customers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

All rates with the exception of water by meter are non-exchange transactions.

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The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Entity considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of finance revenue.
- Rates revenue arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Entity has received an application that satisfies its rates remission policy.

Service and other

Significant items of service and other revenue include:

Waka Kotahi (NZ Transport Agency) roading subsidies	The Council receives funding assistance from Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled
Other grants received	Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.
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 the Council are recognised as revenue when control over the asset is obtained. This is non-exchange revenue.

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Waka Kotahi (NZ Transport Agency) roading subsidies	The Council receives funding assistance from Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled
Sales of goods	Revenue from the sale of goods is recognised when a product is sold to the customer. These are exchange transactions.
Traffic and parking infringements	Revenue from traffic and parking infringements is recognised when paid. This revenue is non-exchange revenue.
Interest and dividends	Finance revenue is recognised using the effective interest method.
	Dividends are recognised when the right to receive payment has been established.
	Interest and dividends are considered revenue from exchange transactions.
Development and financial contributions	Development and financial contributions are recognised as revenue when the 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 time as the Council provides, or is able to provide, the service. Development and financial contributions are exchange transactions.

Housing New Zealand suspensory loan

The Council considered the suspensory loan from Housing New Zealand was in substance a grant with conditions up to its repayment and has recognised the funds received as a liability and releases the liability to revenue on a straight-line basis over the 20-year term of the agreement. This is in substance a non-exchange transaction.

2.4 Borrowing costs

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

2.5 Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates 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

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liabilities denominated in foreign currencies are recognised in the surplus or deficit.

2.6 Grant expenditure

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 the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

2.7 Leases

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.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

2.8 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 statements of financial position.

2.9 Debtors and other receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Group and group apply the simplified ECL model of recognising lifetime ECL for short-term 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

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- 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. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

2.10 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 was 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 finance cost or finance revenue over the period of the agreement.
Swaps are classified as non-current if the remaining maturity is more than 12 months, and as current if the remaining maturity is less than 12 months.

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

2.11 Property, plant and equipment

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, improvements, landfill including estimated post closure, library books, plant and equipment, forestry, marina and motor vehicles.

Restricted assets – Restricted assets are land, buildings and improvements owned by the Council and Group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructural Assets – infrastructural assets are the fixed utility systems owned by the Council. These include the roading, water, sewer, and stormwater networks.

Heritage assets - consisting of museum artefacts, collections and historical buildings and monuments.

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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 Entity and Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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 revalued assets are sold, 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 the Entity 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.

Class of PP&E	**Estimated useful life (years)**
Operational Assets	
Buildings	50-100
Marina	10-50
Improvements	Nil-20
Plant and equipment	2-30
Motor vehicles	7-20
Library books	3-10
Restricted Assets	
Buildings	50-100
Improvements	Nil-20
Infrastructural Assets	
Roading network	

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Surfacing (sealed)	1-50
Surfacing (unsealed)	n/a
Basecourse	5-80
Sub-base	n/a
Formation	n/a
Culverts	60-90
Footpaths	5-100
Signs	15
Streetlights	20-60
Bridges	20-100
Retaining walls	30-100
Water system	
Pipeline	55-120
Manholes	58-110
Reservoirs and tanks	100
Dams	10-200
Sewerage system	
Pipes	40-120
Manholes	80
Pump stations	10-50
Oxidation ponds	15-151
Stormwater and flood protection	
Pipeline	40-120
Manholes	90
Bank protection	25-100
Solid Waste	
Retaining Walls	30-100
Ponds and dam	100
Gas flare	20
Resource consents	24

Revaluation

All asset classes are carried at depreciated historical cost with the exception of land (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. This is completed at least every three years for infrastructural assets and five years for land. Note 19 provides further details around which assets have been revalued.

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 the off-cycle 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 total other comprehensive revenue and 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

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asset revaluation reserve, this balance is not recognised in other comprehensive revenue but is recognised as an expense. Any subsequent increase on revaluation that reverses a previous decrease in value recognised as an expense will be recognised first in the in the surplus/deficit up to the amount previously expensed, and then recognised in other comprehensive revenue.

Impairment

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

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

2.12 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.

Emissions Trading Scheme for Forestry

The Council has voluntarily entered the New Zealand Emissions Trade Scheme (ETS) in respect of 144.5 hectares of forest land located in the Nelson Region. This entitles the Council to receive emission units for carbon stored in the specific area from a 1 July 2022 baseline.

Received (encumbered) carbon credits are recognised in the forestry asset at acquisition through offset of the surrender liability (currently the Council is holding 15,591 credits). They are derecognised when they are used to satisfy carbon emission obligations.

Surrender Liability

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

Financial risk management strategies

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

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2.13 Intangible assets

Software acquisition and development

Acquired computer software licenses 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, are recognised as an intangible asset. Direct costs include the software development employee related 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:

Class of intangible asset	Estimated useful life	Amortisation rates
Computer software	3-10 years	10-33%

Emissions Trading Scheme

Landfill Carbon Credits

Emissions Trading Scheme (ETS) credits are held to meeting 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.

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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.

2.14 Impairment of property, plant, and equipment

Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might 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 considered to be impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.
For assets not carried at a revalued amount, the total impairment loss is recognised in surplus or deficit.
The reversal of an impairment loss on a 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.

2.15 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.

2.16 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. Foreseeable losses on contracts are recognised immediately.

2.17 Investment property

Investment property is measured 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 valuation was performed by Telfer Young (Nelson) Limited and changes in valuation are recognised in the surplus or deficit.

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2.18 Other financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the 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 and group'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 and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

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.

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 (ECL). 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 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

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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 and group 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.

Other than for derivatives, the Council and group has no instruments in this category.

Expected credit loss allowance (ECL)

The Council and group recognise 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 and group 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 and group 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 and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group 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.

2.19 Creditors and other payables

Short-term creditors and other payables are recorded at the amount payable

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2.20 Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where a member of the group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and

- the present value of the estimated future cash flows.

Presentation of employee entitlements

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 a 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.

2.21 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 amount of the obligation.

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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.

2.22 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 statement of financial position 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 surpluses 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 on the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and joint operations, 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

2.23 Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-

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inclusive basis. Where GST is not recoverable as 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 statements 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 statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

2.24 Budget figures

The budget figures are those approved by the Entity in its 2023/24 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

2.25 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.

2.26 Equity

Equity is measured as the difference between total assets and total liabilities.

Equity is disaggregated and classified into the following components:

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

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Entity. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Property revaluation reserves

These reserves relate to the revaluation of land, buildings, and infrastructure assets to fair value.

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Council created reserves

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

Revaluation reserves

The results of revaluing land, infrastructural assets and derivative instruments 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.

2.27 Critical accounting estimates and assumptions

In preparing these financial statements Nelson City 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; and
- 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 under estimating the annual deprecation charge recognised as an expense in the surplus or deficit. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council

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further assurance over its useful life estimates.

The revaluation of infrastructural assets is carried out in-house by council engineering staff, and is then peer-reviewed by experienced independent valuers.

2.28 Non-current assets held for sale

An asset is held for sale if its carrying amount will be recovered principally through a sale transaction rather than continuing use. On classification as 'Held for Sale', non current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

2.29 Local Water Done Well (LWDW) Reforms

The New Zealand Government has replaced the previous Three Waters Reform programme with the Local Water Done Well (LWDW) initiative.

The LWDW reforms are underpinned by three key legislative stages:

Repeal of Previous Legislation:

The Water Services Acts Repeal Act 2024 repealed the former Government's "Affordable Water" legislation, including the Water Services Entities Act 2022 and related amendments.

Transitional Arrangements:

The Local Government (Water Services Preliminary Arrangements) Act 2024 set out transitional provisions to support councils in deciding on the most appropriate water services delivery framework. Council has confirmed it will continue with the current in-house service delivery model.

Enduring Legislative Framework:

The final stage of the reforms was enacted through two Acts that received Royal Assent on 26 August 2025:

- Local Government (Water Services) Act 2025:

  Establishes the enduring framework for water services delivery - including structural arrangements for water services delivery, requirements for bylaws, plans and strategies, operational responsibilities of water service providers, charging for services and reporting requirements for consumer information.

- Local Government (Water Services) (Repeals and Amendments) Act 2025

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Amends existing legislation (e.g., the Commerce Act 1986) to introduce a new economic regulation and consumer protection regime for water services, update the water quality regulatory framework and streamline RMA approval processes for water infrastructure through new standards.

Financial Statement Implications

If the LWDW reform programme progresses as legislated, Council does not expect there to be a material impact on Council's financial statements.

As at 30 June 2025:

- The carrying value of Council's three waters assets was $1,042 million, including $34 million of work in progress (WIP).
- The related debt for the three waters activities is $103m.
- No allowance has been made in the 30 June 2025 financial statements for any transfer or restructuring of these assets.
- Under the LWDW framework:
- Council will retain ownership of water assets for the foreseeable future
- While some additional work will be required to prepare the plans and strategies required by the new legislation Council will endeavour to undertake these with existing resources.
- The impact of proposed economic regulation through the Commerce Commission is yet to be assessed.

The Council will continue to monitor legislative developments and update its accounting treatment once further clarity is available.

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3 Rates

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
General rates	**56,538**	51,143	**56,538**	51,143
Uniform annual general charge	**7,635**	7,036	**7,635**	7,036
Total general rates revenue	**64,173**	58,179	**64,173**	58,179
Other targeted	**4,170**	0	**4,170**	0
Sewerage	**12,550**	11,986	**12,550**	11,986
Water fixed charge	**4,971**	4,347	**4,971**	4,347
Stormwater	**7,657**	6,373	**7,657**	6,373
Flood protection	**5,778**	4,240	**5,778**	4,240
Total targeted rates revenue	**35,126**	26,946	**35,126**	26,946
Less - Rate remissions	**(301)**	(384)	**(301)**	(384)
Total rates, excluding targeted water supply rates	**98,998**	84,741	**98,998**	84,741

	Council	
	Actual	Actual
	2025	2024
	$'000	$'000
Rates	**98,998**	84,741
Metered water supply rates	**11,046**	10,812
Total annual rates income	**110,044**	95,553

Rates remissions

Rates revenue is shown net of rates remissions. The Council's rates remission policy allows Council to remit rates on:

- Community and sporting groups, and groups delivering affordable social and community housing to facilitate the ongoing provision of non-commercial community services and recreational opportunities.
- Rates penalties where payment has not been received due to circumstances outside the ratepayer's control.
- Rates for residential properties in commercial/industrial areas.
- Rates on land protected for natural, historic or cultural conservation purposes.
- Excess water rates.
- Rates on cemeteries.
- Rates on golf practice greens.
- Rates for underground utilities.

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- Rates on low value properties.
- Land affected by natural calamity.
- Households with dependant relatives in an additional unit.
- Heating appliance replacement (qualifying ratepayers).
- Maintenance and protection of heritage buildings.
- Commercial premises under 20 square metres.
- Maori freehold land.
- Rates postponement

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Total gross rates, excluding targeted water supply rates	**94,526**	80,779	**94,526**	80,779
Rates remissions:				
Community, sporting and other organisations	**(136)**	(123)	**(136)**	(123)
Rates for affordable social and community housing	**(53)**	(41)	**(53)**	(41)
Rates penalties remitted	**(52)**	(42)	**(52)**	(42)
Rates for residential properties in commercial/industrial areas	**(5)**	(4)	**(5)**	(4)
Rates on low value properties	**(4)**	(4)	**(4)**	(4)
Heritage	**0**	(96)	**0**	(96)
Dependant relative	**(2)**	(2)	**(2)**	(2)
Land affected by natural calamity	**(41)**	(68)	**(41)**	(68)
Commercial premises under 20 square meters	**(6)**	(6)	**(6)**	(6)
Total remissions	**(300)**	(384)	**(300)**	(384)
Rates (net of remissions), excluding targeted water supply rates	**94,226**	80,395	**94,226**	80,395

The total amount of rates charged that has not been eliminated from revenue and expenditure is as follows:

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Rates	**1,459**	1,245	**1,505**	1,282
Metered water supply rates	**609**	677	**632**	682
	2,067	1,921	**2,137**	1,963

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Rating base information

The revenue from rates for the year ended 30 June 2025 was based on the following rating information as at 30 June 2024.

Number of rating units 30 June 2024: 23,237 (30 June 2023: 23,085)

	Council	
	Actual	Actual
	2025	2024
	$ million	$ million
Total capital value of rating units	**22,832**	23,480
Total land value of rating units	**11,260**	12,685
	34,092	36,165

4 Subsidies and grants

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
NZ Transport Authority grants	**10,575**	17,587	**10,575**	17,587
Other central government grants	**17,457**	12,141	**17,457**	12,141
Other capital grants	**124**	182	**124**	182
Other operating grants	**586**	2,363	**1,591**	3,011
Three waters stimulus grants	**354**	0	**354**	0
Total subsidies and grants	**29,096**	32,273	**30,101**	32,921

5 Revenue

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Regulatory revenue	**6,494**	6,342	**6,494**	6,342
Sales of goods and services	**16,507**	18,138	**32,688**	36,048
Rents received	**5,795**	5,278	**5,905**	5,360
Water by meter	**11,045**	10,812	**11,045**	10,812
Total fees and charges	**39,841**	40,570	**56,132**	58,562
Development/financial contributions	**5,014**	2,429	**5,014**	2,429
Other Revenue				
Infringements and fines	**845**	763	**845**	763

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Petrol tax	**340**	353	**340**	353
Vested assets	**1,069**	9,578	**1,069**	9,648
Dividends	**2,850**	500	**16**	15
Insurance proceeds	**7**	763	**7**	763
Subvention Receipts	**470**	261	**0**	0
Other revenue	**5,023**	5,207	**4,982**	5,175
Total other revenue	**10,604**	17,425	**7,259**	16,717

6 Other gains/(losses)

	Council		**Group**	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Gain/(Loss) on disposal of property, plant and equipment (note 19)	**(4,028)**	(4,459)	**(3,976)**	(4,449)
Net interest rate swap gain/(loss)	**(5,941)**	(2,288)	**(5,941)**	(2,288)
Gain/(loss) on changes in fair value of forestry (Note 22)	**838**	327	**838**	327
Gain/(loss) on changes in fair value of investment property (Note 23)	**0**	(30)	**0**	(30)
Fair value loss on community loans	**(414)**	(160)	**(414)**	(160)
Other fair value gains	**27**	(808)	**202**	(609)
Impairment of property, plant and equip	**(67)**	(381)	**(67)**	(381)
Total gains/(losses)	**(9,585)**	(7,799)	**(9,358)**	(7,590)

7 Other expenses

	Council		**Group**	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Fees to auditors:				
- Audit fees for financial statements audit	**319**	274	**506**	453
- Audit fees for Debenture Trust Deed	**8**	8	**8**	8
- Audit fees for Long Term Plan	**0**	114	**0**	114
- Audit fees for other services - Disbursements	**28**	0	**28**	0
Service provision	**30,754**	37,020	**19,702**	26,357
ACC partnership programme	**0**	0	**0**	0
Impairment of receivables	**80**	28	**80**	28

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Minimum lease payments under operating leases	**509**	339	**585**	484
Professional services fees / legal fees	**4,319**	5,177	**4,327**	5,184
Repairs and maintenance expenses	**31,502**	37,448	**31,777**	37,502
Other operating expenses	**5,651**	5,648	**5,652**	5,648
Electricity	**2,518**	2,412	**2,518**	2,412
Insurance	**3,537**	3,706	**3,537**	3,706
Impairment of Assets	**0**	0	**400**	0
Total other expenses	**79,225**	92,174	**69,120**	81,896

Total audit fees for Council ($354,226), this includes $308,082 for the Annual Report, Disbursements of $27,563 as well as including the cost of audits for the Civic Trust ($10,581) and the Debenture Trust Deed ($8,000).

Audit fees were paid separately to Crowe for the 2024 audit of the Bishop Suter Trust ($34,593) and the Nelson Regional Development Agency ($35,645). Audit fees were paid separately to Audit New Zealand for the 2025 audit of Nelmac ($116,100).

Service provision refers to the external costs of delivering certain services and events to the community. These costs are often by means of a contract or a subsidy for: services such as public transport, wastewater, economic development, civil defence, and many regulatory activities; grants and subsidies for organisations including the museum, Natureland, Theatre Royal, and Nelson Centre of Musical Arts; operations of Council assets such as the marina; and events such as international cricket fixtures and festivals. Operating expenses for NCC subsidiaries that provide these services to Council are also included.

8 Personnel costs

	Council		**Group**	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Salaries and wages	**35,057**	31,345	**59,056**	56,342
Kiwisaver/superannuation schemes employer contributions	**1,181**	1,030	**1,678**	1,559
Increase/(decrease) in employee entitlements/liabilities	**0**	241	**1,038**	229
Total personnel costs	**36,238**	32,616	**61,772**	58,130

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9 Finance revenue and finance costs

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Finance revenue				
Interest on interest rate swaps	**0**	0	**0**	0
Other interest received	**1,792**	1,729	**1,910**	1,892
Total finance revenue	**1,792**	1,729	**1,910**	1,892
Interest on borrowings (note 28)	**(13,917)**	(14,313)	**(14,081)**	(14,581)
Interest on interest rate swaps	**1,153**	3,212	**1,153**	3,212
Other finance costs	**(62)**	34	**(62)**	34
Total finance costs	**(12,826)**	(11,067)	**(12,990)**	(11,335)
Net finance costs	**(11,034)**	(9,338)	**(11,080)**	(9,443)

10 Income tax

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Components of tax expense				
Current tax Expense	**0**	0	**89**	413
Adjustments to current tax in prior years	**0**	0	**-195**	-278
Deferred tax	**0**	0	**58**	75
Tax expense	**0**	0	**-48**	210
Surplus/(deficit) before tax	**964**	-7,322	**1,209**	-9,645
Tax at 28%	**270**	-2,050	**339**	-2,701
Plus/(less) tax effect of:				
Non taxable revenue/adjustments	**0**	2,050	**-200**	2,911
Tax expense	**270**	0	**139**	210

Nelson City Council has not recognised a deferred tax asset in relation to tax losses of $2.1m (2024: $2.5m). During the year ended June 2025, tax losses of $470,212 were transferred to Nelmac by subvention payment.

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11 Deferred tax assets

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
The balance comprises temporary differences attributable to:				
Employee benefits	**0**	0	**351**	321
Property, plant and equipment	**0**	0	**(249)**	(253)
Provisions	**0**	0	**(136)**	(90)
Other	**0**	0	**17**	59
Total deferred tax assets	**0**	0	**(17)**	37

	PP&E	**Other**	**Tax losses carried forward**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Opening balance 1 July 2023	(283)	348	0	65
Credited (charged) to other comprehensive revenue	30	(58)	0	(28)
Credited (charged) directly to equity	0	0	0	0
Balance at 30 June 2024	(253)	290	0	37
Opening balance 1 July 2024	(253)	290	0	37
Credited (charged) to other comprehensive revenue	7	(59)	0	(53)
Credited (charged) directly to equity	0	0	0	0
Balance at 30 June 2025	(246)	230	0	(16)

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12 Cash and cash equivalents

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**16,707**	11,229	**17,374**	12,637
Short term deposits with maturities of three months or less	**0**	0	**0**	0
Short term deposits maturing four to twelve months from date of acquisitions	**0**	0	**0**	0
Total cash and cash equivalents	**16,707**	11,229	**17,374**	12,637

(a) Cash at bank and on hand

The carrying value of cash at bank, call deposits, and term deposits with maturities less than three months approximates their fair value.

(b) Short term deposits and deposits at call

The carrying amount of the short term deposit approximates its fair value.

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**16,707**	11,229	**17,374**	12,637
Short term deposits with maturities of three months or less	**0**	0	**0**	0
Short term deposits maturing four to twelve months from date of acquisitions	**0**	0	**0**	0
Total cash and cash equivalents	**16,707**	11,229	**17,374**	12,637

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13 Trade and other receivables

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Net trade receivables				
Rates receivable	**5,333**	5,907	**5,333**	5,907
Other trade receivables	**942**	733	**4,836**	3,474
	6,275	6,640	**10,169**	9,381
Net other receivables				
Other receivables	**20,618**	24,703	**20,718**	24,830
Provision for doubtful receivables	**(79)**	(53)	**(95)**	(59)
Prepayments	**1,263**	1,141	**1,767**	1,576
Total current debtors and other receivables	**28,077**	32,431	**32,559**	35,728
Receivables from exchange transactions				
Includes commercial sales and fees and charges outstanding that have not been subsidised by rates	**19,379**	15,294	**23,315**	18,446
Receivables from non-exchange transactions				
This includes rates outstanding along with grants, infringements and fees and charges outstanding that are partly subsidised by rates	**7,435**	16,024	**7,477**	17,282
Prepayments	**1,263**	1,142	**1,767**	1,576
Total debtors and other receivables	**28,077**	32,431	**32,559**	35,728

(a) Expected credit loss

The allowance for credit losses at 30 June 2025 was determined as follows:

	Current	**More than 30 days**	**Less than 90 days**	**More than 90 days**	**Total**
Council General Debtors Expected credit loss rate	0.50%	0.50%	0.50%	1.50%	
Marina Debtors Expected Credit loss rate	1.50%	1.50%	1.50%	5%	
Council General Gross carrying amount($'000)	5,428	1,315	601	2,313	9,656
Marina Debtors Gross carrying amount ($'000)	235	11	9	66	322
Lifetime expected credit loss($'000)	31	7	3	38	79

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	Current	More than 30 days	Less than 90 days	More than 90 days	Total
Group General Debtors Expected credit loss rate	0.50%	0.50%	0.50%	1.50%	
Group General Gross carrying amount($'000)	8,650	1,328	640	2,385	13,003
Lifetime expected credit loss($'000)	46	7	3	38	94

Movements in the allowance for credit losses as follows:

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Opening balance for credit losses at 1 July	**53**	57	**59**	106
Additional provisions made during the year	**79**	53	**95**	53
Provisions reversed during the year	**2**	(29)	**(5)**	(72)
Receivables written off during the year	**(54)**	(28)	**(54)**	(28)
Balance at 30 June	**79**	53	**95**	59

(b) Rates receivables

Rates receivables

The Group does not provide for ECLs on rates receivable. Group has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Group can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Customers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

(c) Other receivables

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

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The ECL rates for other receivables are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant

There have been no changes in the estimation techniques or significant assumptions in measuring the loss allowance.

(d) Fair value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

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The ageing profile of receivables at year end is detailed below:

	2025			2024		
	Gross	**Provision for un-collectability**	**Net**	Gross	Provision for un-collectability	Net
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Council						
Not past due	**19,475**	**(31)**	**19,445**	26,583	(20)	26,563
Past due 30-60 days	**2,687**	**(7)**	**2,680**	1,404	(3)	1,402
Past due 61-90 days	**968**	**(3)**	**965**	381	0	381
Past due more than 91 days	**3,863**	**(38)**	**3,825**	2,971	(30)	2,942
Total	**26,993**	**(79)**	**26,914**	31,339	(52)	31,287
Group						
Not past due	**22,462**	**(31)**	**22,432**	29,104	(20)	29,084
Past due 30-60 days	**2,688**	**(7)**	**2,682**	1,404	(3)	1,401
Past due 61-90 days	**998**	**(3)**	**995**	411	(0)	411
Past due more than 91 days	**3,869**	**(38)**	**3,831**	2,948	(30)	2,918
Total	**30,018**	**(79)**	**29,940**	33,866	(53)	33,813

14 Current tax receivables

	Council		**Group**	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Current tax asset	**0**	0	**18**	36

15 Inventories

	Council		**Group**	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Raw materials at cost	**0**	0	**248**	309
Merchandise at cost	**0**	0	**11**	19

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Work in progress at cost	**0**	0	**0**	0
Finished goods at cost	**0**	0	**317**	235
Provision for obsolete stock	**0**	0	**(20)**	(20)
Total inventory	**0**	0	**556**	543

Includes both inventories as well and work in progress that have arisen from contracting services.

16 Other financial assets

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
LGFA borrower notes	**580**	990	**580**	990
Fixed interest securities	**0**	0	**45**	109
Short term bank deposit with maturities of 4-12 months	**0**	20,000	**2,678**	22,753
Community Loans	**177**	144	**177**	144
Loans to related parties	**100**	100	**0**	0
Total current portion	**857**	21,234	**3,480**	23,996
LGFA borrower notes	**7,008**	5,477	**7,008**	5,477
Fixed interest securities	**0**	0	**1,165**	780
Equity securities - NZ LG Insurance Corp Ltd	**140**	140	**140**	140
Community loans (note 35)	**1,464**	1,638	**1,464**	1,638
Loans to related parties	**22**	113	**0**	0
Total non-current portion	**8,634**	**7,368**	**9,777**	**8,035**

Civic Trust investments

Civic Trust investments include shares in public listed companies and fixed interest securities. These are valued at fair value.

LGFA Borrower Notes

The New Zealand Local Government Funding Agency Limited, which commenced in December 2011 is the alternative debt provider majority owned by and operated for local authorities. The Council is not a shareholder but participates as a borrower and guarantor. When the Council borrows through the Local Government Funding Agency they are required to invest 5% (for borrowing prior to 1 July 2024 to 1 July 2020 2.5% of proceeds have been invested back with LGFA, for borrowing prior to 1 July 2020, 1.6% of proceeds have been invested back with LGFA) of the proceeds back with the LGFA as borrower notes which the LGFA retain as capital.

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Short term deposits and deposits at call

The Carrying amount of the short term deposit approximates its fair value. As at 30 June 2025 there no short term deposits (2024: $20 million).

Loans to related parties

The loan to related parties is a loan with an outstanding face value of $125,000 to Tasman Bays Heritage Trust with a remaining term of 2 years. The loan is at a 0% interest rate, and a discount rate by year from Treasury of 3.27% (2024: 4.71%) has been used.

Unlisted shares

The shares in NZ LG Insurance Corp Ltd are valued at cost as the net asset value would not be materially different.

Community loans

Community loans include the following:

- Theatre Royal, face value $1,742,256 (2024: $1,802,000), remaining term of 29 years, 0% interest rate. The loan has been adjusted to its net present value using an average Treasury discounted forward rate, over the remaining life of the asset, of 5.54% (2024: 5.17%)
- Nelson Centre of Musical Arts, face value $721,301 (2024: $729,551), term 22 years remaining, 0% interest rate. The loan has been adjusted to its net present value using an average Treasury discounted forward rate, over the remaining life of the asset, of 5.4% (2024: 5.11%). Currently the loan payments are on a deferral, resuming 30 March 25.
- Others $378,000 (2024: $462,000), various repayment terms and interest rates.

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17 Derivative financial instruments

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Interest rate swaps	**17**	551	**17**	551
Total current asset portion	**17**	551	**17**	551
Interest rate swaps	**0**	2,787	**0**	2,787
Total non-current asset portion	**0**	2,787	**0**	2,787
Current liability portion				
Interest rate swaps	**0**	0	**0**	0
Total current liability portion	**0**	0	**0**	0
Non-current liability portion				
Interest rate swaps	**2,620**	0	**2,620**	0
Total non-current liability portion	**2,620**	0	**2,620**	0
Total derivative financial instrument liabilities	**2,620**	0	**2,620**	0
Total net derivative financial instruments	**(2,603)**	3,338	**(2,603)**	3,338

Fair value

Interest Rate Swaps

The Council has $255m notional principal of interest rate swaps (2024: $201.5m), with maturity dates between September 2025 and June 2031. Fixed interest rates range from 1.59% to 4.2% (2024: 1.32% to 4.5%) and the weighted average interest rate of the swap portfolio is 3.76% (2024: 3.32%).

In 2025, $64m (2024: $89m) of that notional principal are forward start swaps, with start dates between September 2025 to September 2026.

18 Non-current assets held for sale

No non-current assets held for sale.

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19 Property, plant and equipment

Council 2025	Cost / revaluation 1 Jul 2024	Accumulated depreciation and impairment charges 1 Jul 2024	Carrying amount 1 Jul 2024	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Gain/Loss on disposals	Revaluation surplus	Cost / revaluation 30 Jun 2025	Accumulated depreciation and impairment charges 30 Jun 2025	Carrying amount 30 Jun 2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating assets												
Land	82,020	0	82,020	5,009	0	0	0	0	106	87,135	0	87,135
Buildings	32,048	(11,919)	20,129	6,834	(123)	0	(557)	0	0	38,931	(12,650)	26,281
Other plant and equipment	21,629	(14,122)	7,507	4,018	0	(17)	(1,651)	0	0	25,840	(15,984)	9,856
Library books	5,428	(3,697)	1,731	388	0	0	(419)	0	0	5,816	(4,117)	1,699
Marina	15,671	(2,923)	12,748	1,535	0	0	(193)	0	0	17,205	(3,117)	14,088
Motor vehicles	1,669	(711)	958	240	(9)	3	(146)	9	0	1,899	(845)	1,054
Other improvements	5,826	(1,825)	4,001	1,882	0	(8)	(295)	0	0	7,708	(2,129)	5,579
Landfill post closure	427	(232)	195	0	0	0	(10)	0	0	427	(243)	184
Total	**164,718**	**(35,429)**	**129,289**	**19,906**	**(132)**	**(23)**	**(3,271)**	**9**	**106**	**184,961**	**(39,085)**	**145,876**
Infrastructural assets												
At cost & valuation												
Roading	654,061	0	654,061	13,014	0	0	(13,137)	(1,462)	(2,039)	650,437	0	650,437
Water supply	264,225	0	264,225	9,327	0	0	(6,720)	(846)	6,302	272,288	0	272,288
Wastewater reticulation	286,420	0	286,420	4,974	0	0	(7,999)	(813)	6,825	289,407	0	289,407
Stormwater reticulation	302,726	0	302,726	4,738	0	0	(4,892)	(702)	7,149	309,019	0	309,019
Land under roads	264,300	0	264,300	179	0	0	0	0	0	264,480	0	264,480

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Wastewater treatment plant and facilities	78,519	0	78,519	5,019	0	(205)	(2,617)	0	2,644	83,359	0	83,359
Water treatment plant and facilities	19,906	0	19,906	232	0	0	(1,273)	0	475	19,339	0	19,339
Flood protection	64,314	0	64,314	3,955	0	0	(664)	0	808	68,412	0	68,412
Car parks	2,883	0	2,883	32	0	0	(134)	0	7	2,788	0	2,788
Solid waste	16,070	0	16,070	2,242	(14)	(121)	(1,221)	0	3,244	20,200	0	20,200
Total	**1,953,424**	**0**	**1,953,424**	**43,711**	**(14)**	**(326)**	**(38,656)**	**(3,823)**	**25,415**	**1,979,729**	**0**	**1,979,729**
Restricted assets												
Land	193,492	0	193,492	41	0	0	0	0	0	193,532	0	193,532
Buildings	76,896	(21,748)	55,148	172	0	0	(1,536)	0	0	77,070	(23,285)	53,785
Improvements	107,304	(29,883)	77,421	8,162	0	0	(1,879)	0	0	115,467	(31,762)	83,705
Total	**377,692**	**(51,631)**	**326,061**	**8,375**	**0**	**0**	**(3,415)**	**0**	**0**	**386,069**	**(55,047)**	**331,022**
Total Council	**2,495,834**	**(87,060)**	**2,408,774**	**71,992**	**(146)**	**(349)**	**(45,342)**	**(3,814)**	**25,521**	**2,550,759**	**(94,132)**	**2,456,627**

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Council 2024	Cost / revaluation 1 Jul 2023	Accumulated depreciation and impairment charges 1 Jul 2023	Carrying amount 1 Jul 2023	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Gain/Loss on disposals	Revaluation surplus	Cost / revaluation 30 Jun 2024	Accumulated depreciation and impairment charges 30 Jun 2024	Carrying amount 30 Jun 2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating assets												
Land	74,148	0	74,148	10,389	(298)	0	0	0	(2,219)	82,020	0	82,020
Buildings	32,633	(12,352)	20,281	2,093	(2,677)	0	(567)	1,000	0	32,048	(11,919)	20,129
Other plant and equipment	20,725	(12,595)	8,130	985	(74)	0	(1,563)	21	0	21,629	(14,122)	7,507
Library books	5,106	(3,272)	1,834	321	0	0	(425)	0	0	5,428	(3,697)	1,731
Marina	14,578	(2,730)	11,848	1,094	0	0	(193)	0	0	15,671	(2,923)	12,748
Motor vehicles	1,416	(567)	849	243	(36)	0	(126)	29	0	1,669	(711)	958
Other improvements	8,018	(2,302)	5,716	552	(2,798)	0	(202)	732	0	5,826	(1,825)	4,001
Landfill post closure	427	(258)	169	0	0	0	26	0	0	427	(232)	195
Total	**157,051**	**(34,076)**	**122,975**	**15,677**	**(5,883)**	**0**	**(3,050)**	**1,782**	**(2,219)**	**164,718**	**(35,429)**	**129,289**
Infrastructural assets												
At cost & valuation												
Roading	589,134	0	589,134	24,734	0	0	(11,676)	(207)	52,076	654,061	0	654,061
Water supply	256,075	0	256,075	5,816	0	0	(6,418)	(1,135)	9,886	264,225	0	264,225
Wastewater reticulation	283,049	0	283,049	8,371	0	0	(7,493)	(2,143)	4,636	286,420	0	286,420
Stormwater reticulation	287,137	0	287,137	11,175	0	0	(4,670)	(849)	9,932	302,726	0	302,726
Land under roads	263,787	0	263,787	512	0	0	0	0	0	264,300	0	264,300
Wastewater treatment plant and facilities	73,888	0	73,888	7,389	0	(125)	(2,306)	0	(327)	78,519	0	78,519

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Water treatment plant and facilities	20,601	0	20,601	240	0	0	(1,238)	0	303	19,906	0	19,906
Flood protection	57,351	0	57,351	8,379	0	0	(505)	0	(910)	64,314	0	64,314
Car parks	1,863	0	1,863	879	0	0	(104)	0	245	2,883	0	2,883
Solid waste	12,250	0	12,250	3,955	0	(121)	(801)	0	787	16,070	0	16,070
Total	**1,845,135**	**0**	**1,845,135**	**71,450**	**0**	**(246)**	**(35,211)**	**(4,334)**	**76,628**	**1,953,424**	**0**	**1,953,424**
Restricted assets												
Land	178,052	0	178,052	178	298	0	0	0	14,964	193,492	0	193,492
Buildings	74,354	(19,203)	55,151	124	2,677	(260)	(1,545)	(1,000)	0	76,896	(21,748)	55,148
Improvements	97,705	(27,273)	70,432	6,800	2,798	0	(1,877)	(732)	0	107,304	(29,883)	77,421
Total	**350,111**	**(46,476)**	**303,635**	**7,102**	**5,773**	**(260)**	**(3,422)**	**(1,732)**	**14,964**	**377,692**	**(51,631)**	**326,061**
Total Council	**2,352,297**	**(80,552)**	**2,271,745**	**94,229**	**(110)**	**(506)**	**(41,683)**	**(4,284)**	**89,373**	**2,495,834**	**(87,060)**	**2,408,774**

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Group 2025	Cost / revaluation1 Jul 2024	Accumulated depreciation and impairment charges1 Jul 2024	Carrying amount1 Jul 2024	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Gain/Loss on disposals	Revaluation surplus	Cost / revaluation30 Jun 2025	Accumulated depreciation and impairment charges30 Jun 2025	Carrying amount30 Jun 2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating assets												
Land	85,778	0	85,778	5,009	0	0	0	0	443	91,063	0	91,063
Buildings	45,381	(15,935)	29,446	6,838	(220)	0	(998)	97	0	52,172	(17,010)	35,162
Other plant and equipment	30,182	(20,009)	10,173	4,515	(745)	(17)	(2,358)	671	0	34,098	(21,860)	12,238
Library books	5,428	(3,697)	1,731	388	0	0	(419)	0	0	5,816	(4,117)	1,699
Capital work in progress	24	0	24	(24)	0	0	0	0	0	0	0	0
Marina	15,671	(2,923)	12,748	1,535	0	0	(193)	0	0	17,205	(3,117)	14,088
Motor vehicles	12,614	(6,890)	5,724	613	(577)	0	(947)	480	0	12,606	(7,316)	5,290
Other improvements	6,288	(2,002)	4,286	1,882	0	(8)	(318)	0	0	8,170	(2,329)	5,841
Landfill post closure	427	(232)	195	0	0	0	(10)	0	0	427	(243)	184
Art collection	8,023	0	8,023	19	0	(400)	0	0	0	7,643	0	7,643
Total	**209,816**	**(51,688)**	**158,128**	**20,775**	**(1,542)**	**(425)**	**(5,244)**	**1,247**	**443**	**229,200**	**(55,992)**	**173,208**
Infrastructural assets												
At cost & valuation												
Roading	654,061	0	654,061	13,014	0	0	(13,137)	(1,462)	(2,039)	650,437	0	650,437
Water supply	264,225	0	264,225	9,327	0	0	(6,720)	(846)	6,302	272,288	0	272,288
Wastewater reticulation	286,420	0	286,420	4,974	0	0	(7,999)	(813)	6,825	289,407	0	289,407
Stormwater reticulation	302,726	0	302,726	4,738	0	0	(4,892)	(702)	7,149	309,019	0	309,019
land under roads	264,300	0	264,300	179	0	0	0	0	0	264,480	0	264,480

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Wastewater treatment plant and facilities	78,519	0	78,519	5,060	0	(205)	(2,617)	0	2,634	83,359	0	83,359
Water treatment plant and facilities	19,906	0	19,906	232	0	0	(1,273)	0	475	19,339	0	19,339
Flood protection	64,314	0	64,314	3,955	0	0	(664)	0	808	68,412	0	68,412
Car parks	2,883	0	2,883	32	0	0	(134)	0	7	2,788	0	2,788
Solid waste	16,070	0	16,070	2,242	(14)	(121)	(1,221)	0	3,244	20,200	0	20,200
Total	**1,953,424**	**0**	**1,953,424**	**43,752**	**(14)**	**(326)**	**(38,656)**	**(3,823)**	**25,405**	**1,979,729**	**0**	**1,979,729**
Restricted assets												
Land	193,492	0	193,492	41	0	0	0	0	0	193,532	0	193,532
Buildings	76,896	(21,748)	55,148	172	0	0	(1,536)	0	0	77,070	(23,285)	53,785
Improvements	107,304	(29,883)	77,421	8,162	0	0	(1,879)	0	0	115,467	(31,762)	83,705
Total	**377,692**	**(51,631)**	**326,061**	**8,375**	**0**	**0**	**(3,415)**	**0**	**0**	**386,069**	**(55,047)**	**331,022**
Total Group	**2,540,932**	**(103,319)**	**2,437,613**	**72,902**	**(1,556)**	**(751)**	**(47,315)**	**(2,576)**	**25,848**	**2,594,998**	**(111,039)**	**2,483,959**

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Group 2024	Cost / revaluation 1 Jul 2023	Accumulated depreciation and impairment charges 1 Jul 2023	Carrying amount 1 Jul 2023	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Gain/Loss on disposals	Revaluation surplus	Cost / revaluation 30 Jun 2024	Accumulated depreciation and impairment charges 30 Jun 2024	Carrying amount 30 Jun 2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating assets												
Land	77,906	0	77,906	10,389	(298)	0	0	0	(2,219)	85,778	0	85,778
Buildings	45,955	(15,926)	30,029	2,104	(2,677)	0	(1,009)	1,000	0	45,381	(15,935)	29,446
Other plant and equipment	29,511	(18,187)	11,324	1,363	(673)	0	(2,463)	616	0	30,182	(20,009)	10,173
Library books	5,106	(3,272)	1,834	321	0	0	(425)	0	0	5,428	(3,697)	1,731
Capital work in progress	12	0	12	12	0	0	0	0	0	24	0	24
Marina	14,578	(2,730)	11,848	1,094	0	0	(193)	0	0	15,671	(2,923)	12,748
Motor vehicles	12,226	(6,168)	6,058	1,082	(736)	0	(1,343)	663	0	12,614	(6,890)	5,724
Other improvements	8,477	(2,456)	6,021	555	(2,798)	0	(225)	732	0	6,288	(2,002)	4,286
Landfill post closure	427	(258)	169	0	0	0	26	0	0	427	(232)	195
Art collection	7,910	0	7,910	113	0	0	0	0	0	8,023	0	8,023
Total	**202,108**	**(48,997)**	**153,111**	**17,033**	**(7,182)**	**0**	**(5,632)**	**3,011**	**(2,219)**	**209,816**	**(51,688)**	**158,128**
Infrastructural assets												
At cost & valuation												
Roading	589,134	0	589,134	24,734	0	0	(11,676)	(207)	52,076	654,061	0	654,061
Water supply	256,075	0	256,075	5,816	0	0	(6,418)	(1,135)	9,886	264,225	0	264,225
Wastewater reticulation	283,049	0	283,049	8,371	0	0	(7,493)	(2,143)	4,636	286,420	0	286,420
Stormwater reticulation	287,137	0	287,137	11,175	0	0	(4,670)	(849)	9,932	302,726	0	302,726
land under roads	263,787	0	263,787	512	0	0	0	0	0	264,300	0	264,300

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Wastewater treatment plant and facilities	73,888	0	73,888	7,389	0	(125)	(2,306)	0	(327)	78,519	0	78,519
Water treatment plant and facilities	20,601	0	20,601	240	0	0	(1,238)	0	303	19,906	0	19,906
Flood protection	57,351	0	57,351	8,379	0	0	(505)	0	(910)	64,314	0	64,314
Car parks	1,863	0	1,863	879	0	0	(104)	0	245	2,883	0	2,883
Solid waste	12,250	0	12,250	3,955	0	(121)	(801)	0	787	16,070	0	16,070
Total	**1,845,135**	**0**	**1,845,135**	**71,450**	**0**	**(246)**	**(35,211)**	**(4,334)**	**76,628**	**1,953,424**	**0**	**1,953,424**
Restricted assets												
Land	178,052	0	178,052	178	298	0	0	0	14,964	193,492	0	193,492
Buildings	74,354	(19,203)	55,151	124	2,677	(260)	(1,545)	(1,000)	0	76,896	(21,748)	55,148
Improvements	97,705	(27,273)	70,432	6,800	2,798	0	(1,877)	(732)	0	107,304	(29,883)	77,421
Total	**350,111**	**(46,476)**	**303,635**	**7,102**	**5,773**	**(260)**	**(3,422)**	**(1,732)**	**14,964**	**377,692**	**(51,631)**	**326,061**
Total Group	**2,397,354**	**(95,473)**	**2,301,881**	**95,585**	**(1,409)**	**(506)**	**(44,265)**	**(3,055)**	**89,373**	**2,540,932**	**(103,319)**	**2,437,613**

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Infrastructural assets - further disclosures

Most recent replacement cost estimates are as at 30 June 2025

Council 2025	Closing book value	Additions: constructed by Entity	Additions: transferred to Entity	Most recent replacement cost estimate for revalued assets
	$'000	$'000	$'000	$'000
Water supply:				
– treatment plants and facilities	19,339	232	0	36,795
– other assets (such as reticulation systems)	272,288	9,327	0	523,076
Sewerage:				
– treatment plants and facilities	83,381	5,020	0	133,308
– other assets (such as reticulation systems)	289,407	4,948	13	595,507
Stormwater drainage	309,019	3,780	480	470,174
Flood protection and control works	68,412	3,881	73	65,501
Roads and footpaths	917,705	12,581	503	1,239,521
Total infrastructural assets	**1,959,551**	**39,769**	**1,069**	**3,063,882**

Council 2024	Closing book value	Additions: constructed by Entity	Additions: transferred to Entity	Most recent replacement cost estimate for revalued assets
	$'000	$'000	$'000	$'000
Water supply:				
– treatment plants and facilities	19,906	240	0	35,650
– other assets (such as reticulation systems)	264,225	4,841	975	507,991
Sewerage:				
– treatment plants and facilities	78,519	7,389	0	117,206
– other assets (such as reticulation systems)	286,420	5,087	3,284	549,358
Stormwater drainage	302,726	7,417	3,758	452,407
Flood protection and control works	64,314	8,379	0	55,740
Roads and footpaths	921,244	24,792	1,333	1,218,034
Total infrastructural assets	**1,937,354**	**58,145**	**9,350**	**2,936,386**

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19 Property, plant and equipment (continued)

In the tables above, Work in progress is included in the "closing book value" column but excluded from the "Most recent replacement cost estimate for revalued assets" column as work in progress is held at cost, not revalued.

Valuation

New Council assets that are added between valuations are recorded at cost except for vested assets.

Vested assets (current year additions transferred) are infrastructural assets such as roads, sewers and water mains, paid for by subdividers and vested in the City on completion of the subdivision. These have been valued based on the actual quantities of infrastructure components and the current "in the ground" cost of providing identical services.

All other assets are valued at historical cost, except for the following:

Land (operational, restricted, and infrastructural land with a title)

The most recent valuation of land was performed by an independent registered valuer, Quotable Value New Zealand. The valuation is effective as at 30 June 2024.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the value in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Infrastructural asset classes: sewerage, water, drainage, and roads

Full Revaluations are updated every two years, 2023-24 was a full valuation year which was reviewed by Marsh Ltd. The most recent valuation is an indexed valuation which was performed by Council staff and peer reviewed by an independent registered valuer, WSP Limited.

For sewerage, water and drainage infrastructural assets, the valuation was based on indicative index provided by WSP Ltd which was influenced by Statistic NZ CGPI - systems for water and sewerage as at 30 June 2025.

For roading assets, the valuation was based on Waka Kotahi indices for structures and construction as at 30 June 2025.

The indicative movement from the application of these indexes is broadly consistent with the movement we have seen in recent construction contracts for these asset categories.

The indexed valuation is assessed as appropriate for financial reporting

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purposes between scheduled revaluations but does not contain the depth of analysis or robustness of a full comprehensive valuation. The last full revaluation was undertaken as at 30 June 2024.

There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset
- Estimates of the replacement cost of the asset are based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using the applicable Statistics New Zealand's Capital Goods Price Index (based on the June 2025 quarter index) to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions, such as weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by Apopo 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 asset management planning activities, which provide further assurance over useful life estimates

Specialist infrastructural assets

Specialist infrastructural assets including dams, water reservoirs and wastewater treatment plants were revalued based on indicative index provided by WSP Ltd which was influenced by Statistic NZ CGPI - systems for water and sewerage as at 30 June 2025.

Nelson Tasman Regional Sewerage Business Unit

Land is valued at market valuation by Quotable Value and is reviewed every five years or if there is a material movement outlined in the yearly assessment. The last valuation was completed at 30 June 2024.

Infrastructural assets are valued at depreciated replacement cost with assets optimised using least cost alternative by GHD Limited as at 30 June 2025. The valuation methodology has been reviewed by WSP Ltd. Revaluations are updated annually using Statistic NZ CGPI indices for the following asset types; civil, electrical, general, instruments, mechanical, pipes and structural assets. Work in progress is recognised at cost less impairment and is not depreciated.

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Nelson Regional Landfill Business Unit

Land is reviewed annually and revalued at market value every five years or if there is a material movement. The latest valuation was conducted as at 30 June 2024 by QV Valuation.

Infrastructural assets are valued annually internally at depreciated replacement cost by GHD Limited as at 30 June 2025 based on an internal valuation plus additions at cost less depreciation. The valuation methodology has been peer reviewed by WSP Ltd and revaluations are updated annually using Statistic NZ CGPI indices for the following asset types; building, civil, electrical distribution, instruments, mechanical, pipeline, and roading assets. Work in progress is recognised at cost less impairment and is not depreciated.

The results of revaluing land and infrastructural assets are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity 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.

Earthquake prone buildings

Nelson City Council has been required to undertake seismic assessments of some of its buildings in accordance with the Building Act and its own policy for Earthquake Prone, Dangerous and Insanitary Buildings. All required assessments have been completed.

Council has five buildings that have been assessed as achieving less than 34% of the New Building Standard (NBS) and have received Earthquake-Prone Building (EPB) Notices. These notices require that seismic strengthening of the buildings is completed to at least 34% NBS within the specified compliance timeframe, or alternatively, the buildings are removed to mitigate the risk.

In early 2025, the Government extended all EPB compliance deadlines by four years. All five of NCC's earthquake prone assets qualify for this extension. The updated notice has been received for Anchor Shipping, and we anticipate the remaining notices will be officially issued to Council by early 2026

Work in progress

Property, plant and equipment in the course of construction by class of asset is detailed below:

Council and Group		
	Actual	Actual
	2025	2024
	$'000	$'000
Water system	**1,517**	3,017
Roading network	**7,010**	7,494
Land and buildings	**3,693**	8,716
Sewerage	**20,119**	10,815
Stormwater	**11,429**	9,208

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Solid waste	**700**	1,126
Flood protection	**5,116**	31,290
Other	**1,005**	1,037
Total work in progress	**50,589**	72,702

20 Intangible assets

Council	**Computer software**	**Emissions Trading Scheme (ETS) credits**	**Total**
	$'000	**$'000**	**$'000**
At 1 July 2023			
Cost	11,367	3,288	14,655
Accumulated amortisation and impairment	(6,932)	0	(6,932)
Net book amount	4,435	3,288	7,723
Year ended 30 June 2024			
Opening net book amount	4,435	3,288	7,723
Additions	534	0	534
Disposals	0	(91)	(91)
Amortisation charge **	(1,152)	0	(1,152)
Closing net book amount	3,817	3,197	7,014
As at 30 June 2024			
Cost	11,902	3,197	15,099
Accumulated amortisation and impairment	(8,085)	0	(8,085)
Net book amount	3,817	3,197	7,014
Council	**Computer software**	**Emissions Trading Scheme (ETS) credits**	**Total**
	$'000	**$'000**	**$'000**
Year ended 30 June 2025			
Opening net book amount	3,817	3,197	7,014
Additions	1,032	0	1,032
Disposals	0	(91)	(91)
Closing net book amount	3,684	3,106	6,790
At 30 June 2025			
Cost	12,934	3,106	16,040
Accumulated amortisation and impairment	(9,250)	0	(9,250)
Net book amount	3,684	3,106	6,790

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Group	Computer software	Emissions Trading Scheme (ETS) credits	Total
	$'000	$'000	$'000
At 1 July 2023			
Cost	12,853	3,288	16,141
Accumulated amortisation and impairment	(8,115)	0	(8,115)
Net book amount	4,738	3,288	8,026
Year ended 30 June 2024			
Opening net book amount	4,738	3,288	8,026
Additions	712	0	712
Disposals	(13)	0	(13)
Amortisation charge **	(1,258)	(91)	(1,349)
Closing net book amount	4,179	3,197	7,376
At 30 June 2024			
Cost	13,531	3,197	16,728
Accumulated amortisation and impairment	(9,352)	0	(9,352)
Net book amount	4,179	3,197	7,376

Group	Computer software	Emissions Trading Scheme (ETS) credits	Total
Year ended 30 June 2025			
Opening net book amount	4,179	3,197	7,376
Additions	1,032	0	1,032
Disposals	0	(91)	(91)
Amortisation charge	(1,319)	0	(1,319)
Closing net book amount	3,893	3,106	6,998
At 30 June 2025			
Cost	14,594	3,106	17,700
Accumulated amortisation and impairment	(10,670)	0	(10,670)
Net book amount	3,924	3,106	7,030

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21 Depreciation and amortisation expense by group of activity

	Council	
	Actual	Actual
	2025	2024
	$'000	$'000
Directly attributable depreciation and amortisation expense by group of activity		
Corporate	**524**	526
Parks and active recreation	**3,555**	3,491
Social	**1,456**	1,342
Economic	**0**	1
Transport	**13,655**	12,161
Environmental management	**202**	174
Solid waste	**1,230**	817
Wastewater	**10,880**	10,040
Stormwater	**4,962**	4,740
Water supply	**8,010**	7,668
Flood protection	**801**	642
Total directly attributable depreciation and amortisation by group of activity	**45,274**	41,602
Depreciation and amortisation not directly related to group of activities	**1,233**	1,231
Total depreciation and amortisation expense	**46,507**	42,833

22 Forestry assets

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Carrying amount opening balance	**3,359**	4,134	**3,359**	4,134
Gain/loss arising from changes in fair value less estimated point-of-sale costs	**838**	327	**838**	327
Harvest	**0**	(1,102)	**0**	(1,102)
Balance at 30 June 2025	**4,197**	3,359	**4,197**	3,359

Council owns 528.2 hectares, (2024: 491.7 hectares), of Radiata Pine, Douglas Fir and Cupressus Macrocarpa planted between 1981 and 2020. Other stands totaling 78.6 hectares, (2024 81.1 hectares), were considered to have no commercial value. Independent registered valuers PF Olsen have valued the forestry assets as at 30 June 2025. A discount rate of 7.8% (2024: 7.8%), has been used in discounting the present value of expected before tax cash flows.

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The Council has entered into the New Zealand Emissions Trade Scheme in respect of 144.5 hectares of forest land located in the Nelson Region. The 15,591 of ETS credits currently held are recognised at a net nil value as the value of the credits is offset by the harvest surrender value liability.

23 Investment property

Nelson City Council's investment property is valued annually at fair value effective 30 June. Investment properties were valued based on open market evidence. The valuation was performed by Ian McKeage of CBRE Limited. CBRE Limited are experienced valuers with extensive market knowledge in the type of investment property owned by Nelson City Council.

Rents received from this property were $nil (2024: $nil)

The movement of investment property is as follows:

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Investment properties - fair value - opening balance	**950**	980	**950**	980
Investment properties - fair value - valuation	**0**	0	**0**	0
Investment properties - fair value - net gain (loss) from fair value adjustment	**(25)**	(30)	**(25)**	(30)
Balance at 30 June	**925**	950	**925**	950

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24 Investments in subsidiaries

Breakdown of investment in subsidiaries and further information

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(2.2):

All subsidiaries are incorporated in New Zealand.

	Council	
	Actual	Actual
	2025	2024
	$'000	$'000
Nelson Regional Development Agency	**200**	200
Nelmac	**2,000**	2,000
Bishop Suter Trust	**6,000**	6,000
Civic Trust	**0**	0
Total investment in Subsidiaries	**8,200**	8,200

Significant subsidiaries of Council comprise:

Name of entity	**Principal activity**	**Council control**	
Nelson Regional Development Agency	Regional development, marketing and promotion	**100**	100
Nelmac	Management of facilities and infrastructure	**100**	100
Bishop Suter Trust	Art gallery	**100**	100
Civic Trust	Enhancement of city environment	**100**	100

All subsidiaries have a balance date of 30 June and are resident in New Zealand.

These fully controlled subsidiaries have been consolidated line by line.

Council's movement in investment in subsidiaries is as follows:

	2025	2024
	$'000	$'000
Opening balance	**8,200**	8,200
Net investment made during the year	**0**	0
Total investment in subsidiaries	**8,200**	8,200

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25 Investments in equity accounted joint ventures

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Council				
Infrastructure Holdings Limited	**31,741**	**31,741**	**190,127**	188,613
Tasman Bays Heritage Trust	**5,047**	**5,047**	**10,213**	10,751
Shares in associates	**36,788**	**36,788**	**200,340**	199,364

Only the equity value of these 50% owned joint ventures is consolidated.

All joint ventures have a balance date of 30 June and are resident in New Zealand.

	2025	2024
	$'000	$'000
Group		
Movements in the carrying amount of investments in equity accounted joint ventures:		
Balance at 1 July	**199,364**	194,800
Reserve recognised on BU combination	**0**	5,841
Share of total recognised revenue and expenses	**3,669**	(2,420)
Share of revaluation gain	**158**	1,641
Share of dividend	**(2,850)**	(500)
Balance at 30 June	**200,340**	199,364

Summarised financial information of equity accounted joint ventures presented on a gross basis:

	Infrastructure Holdings Ltd	**Tasman Bays Heritage Trust**	**Total**
			2025
	$'000	$'000	**$'000**
Revenue	102,308	2,610	**104,918**
Depreciation and amortisation	(16,772)	(589)	**(17,361)**
Finance costs	(5,727)	(19)	**(5,746)**
Other expenses	(65,587)	(2,238)	**(67,825)**
Net surplus / (deficit) before taxation	**14,222**	**(236)**	**13,986**
Tax expense	(3,886)	0	**(3,886)**
Net surplus / (deficit) after taxation	**10,336**	**(236)**	**10,100**
Other comprehensive income	327	0	**327**

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Total comprehensive revenue and expense	**10,663**	(236)	**10,427**
Shareholder's funds brought forward	384,023	35,001	**419,024**
Dividends	(5,700)	0	**(5,700)**
Issue of shares to subsidiary	**3,250**	0	3,250
Shareholder's funds carried forward	**392,236**	**34,765**	**427,001**
Cash and cash equivalents	11,684	409	**12,093**
Other current assets	17,407	86	**17,493**
Non-current assets	557,315	34,872	**592,187**
Current liabilities	(40,855)	(518)	**(41,373)**
Non-current liabilities	(153,315)	(85)	**(153,400)**
Net assets	**392,236**	**34,765**	**427,001**

Equity Accounted Share of Group's Financial Information:

	Infrastructure Holdings Ltd	**Tasman Bays Heritage Trust**	**Total**
			2025
	$'000	**$'000**	**$'000**
Proportion of Council's Interest	1	1	
Joint Venture's Net Assets	392,236	34,765	**427,001**
Council's share before any eliminations and adjustments	196,118	17,382	**213,500**
Eliminations and Adjustments	(5,991)	(7,169)	**(13,160)**
Council's share of net assets	**190,127**	**10,213**	**200,340**
Joint venture's surplus	10,336	(236)	**10,100**
Council's share before any eliminations and adjustments	5,168	(118)	**5,050**
Elimination and adjustments	(961)	(420)	**(1,381)**
Council's share of net surplus after taxation	**4,207**	**(538)**	**3,669**
Joint venture's share of other comprehensive income	327	0	**327**
Council's share before any eliminations and adjustments	164	0	**164**
Eliminations and adjustments	(6)	0	**(6)**
Council's share of other comprehensive income	**158**	**0**	**158**
Opening book value 1 July 2023	**183,798**	**11,002**	**194,800**
Share of surplus	(2,168)	(252)	**(2,420)**
Dividend received	(500)	0	**(500)**
Reserve recognised on BU combination	**5,841**	0	0
Movement in other comprehensive income	1,643	1	**1,644**

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Closing book value 30 June 2024	**188,614**	**10,751**	**193,524**
Opening book value 1 July 2024	**188,614**	**10,751**	**199,365**
Share of surplus	4,207	(538)	**3,669**
Dividend Received	**(2,850)**	0	(2,850)
Movement in other comprehensive income	157	0	**157**
Closing book value 30 June 2025	**190,127**	**10,213**	**200,340**

Other disclosures	**Infrastructure Holdings Ltd**	**Tasman Bays Heritage Trust**	**Total**
			2025
	$'000	$'000	**$'000**
Share of contingent liabilities	**0**	0	**0**
Share of capital commitments	**4,450**	0	**4,450**
Dividends received or receivable	**2,850**	0	**2,850**
	7,300	**0**	**7,300**

Figures in the tables above are based on draft joint venture figures, which may immaterially differ from final published results. The financial statements of the joint venture are published on the publicly available websites of the entities.

Infrastructure Holdings Limited Share capital issue

On 1 July 23, Infrastructure Holdings Limited issued 3,709,540 shares, at a value of $100 each, divided equally between Tasman District Council and Nelson City Council in exchange for the acquisition of all of the shares in Port Nelson Limited and Nelson Airport Limited. This transaction also settled previously issued unpaid capital of 84,460 shares, at a value of $100 each.

On 26 September 2023, Infrastructure Holdings Limited issued a further 2,330,000 shares, at a value of $100 each, divided equally between Tasman District Council and Nelson City Council. These shares are uncalled and unpaid.

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26 Investments in joint operations

Council's interest in the Regional Sewerage Scheme, Regional Landfill and Civil Defence joint ventures is accounted for as jointly controlled operations.

The Regional Sewerage Business Unit, Regional Landfill Business Unit and Civil Defence have a balance date of 30 June and are domiciled in New Zealand.

The principal activities are as follows:

- Regional Sewerage Business Unit's principal activity is sewerage disposal services.
- Civil Defense's principal activity is coordination of emergency services.
- Regional Landfill Business Unit's principal activity is sold waste disposal services.

Council's interests in the jointly controlled operation are as follows:

	2025	2024
	Percentage Ownership	Percentage Ownership
Name		
Regional Sewerage	**50%**	50%
Civil Defence	**50%**	50%
Regional Landfill	**50%**	50%
	2025	2024
	$'000	$'000
Assets		
Current assets	**1,288**	1,376
Non-current assets	**79,358**	73,455
Total assets	**80,684**	74,830
Liabilities		
Current liabilities	**323**	(20)
Non-current liabilities	**(42,246)**	(37,233)
Total liabilities	**(41,923)**	(37,252)
Revenue	**7,427**	10,919
Expenses	**(11,158)**	(9,969)
Net surplus/(deficit)	**(3,731)**	950

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27 Trade and other payables

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Current				
Trade payables	**18,363**	16,832	**18,431**	16,437
Deposits and bonds	**953**	714	**953**	714
Accrued expenses	**2,574**	3,683	**2,880**	4,053
Revenue in advance	**4,157**	4,045	**4,170**	4,091
Amounts due to customers for contract work	**379**	558	**379**	558
Other payables	**2,368**	4,719	**2,376**	4,776
Trust accounts	**11**	12	**11**	12
Taxes payable other than income tax	**35**	31	**462**	864
Kainga Ora - Capped fund	**270**	232	**270**	232
Total current creditors and other payables	**29,110**	30,826	**29,932**	31,737
Total creditors and other payables from exchange transactions	**26,268**	25,388	**26,663**	25,466
Total creditors and other payables from non-exchange transactions	**2,572**	5,207	**2,999**	6,040
Total current creditors and other payables from exchange and non-exchange transactions	**28,840**	30,595	**29,662**	31,506
Non current				
Housing New Zealand Suspensory Loan	**0**	0	**0**	0
Kainga Ora - Capped fund	**2,026**	1,937	**2,026**	1,937
Suter depreciation accrual	**1,001**	1,033	**0**	0
Total non-current creditors and payables	**3,027**	2,970	**2,026**	1,937
Non-current payables from exchange transactions	**0**	0	**0**	0
Non-current payables from non-exchange transactions	**3,027**	2,970	**2,026**	1,937
Total trade and other payables from exchange and on-exchange transactions	**31,867**	33,565	**31,688**	33,443

Creditors and other payables are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

The Kainga Ora capped fund has a face value of $3.1m (2024: $2.9m), with a remaining term of up to 11 years. The fund has been adjusted to its net present value using an average Treasury discounted forward rate, over the remaining life of the fund, of 4.78% (2024: 4.87%). $2.5m of the fund was paid out on 18 July 2023. Due to the unknown timing of the remainder of the funds, it has been assumed it will be evenly distributed over the 11 years. This fund was created through the sale of Nelson City Council's community housing stock, and is available for Kainga Ora to draw down from when qualifying spend on upgrading or creating housing stock within the Nelson region occurs.

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28 Borrowings and other financial liabilities

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Current portion				
Secured loans	**400**	550	**1,300**	550
Floating rate notes	**25,000**	45,000	**25,000**	45,000
Total secured current interest bearing borrowings	**25,400**	45,550	**26,300**	45,550
Total current portion	**25,400**	45,550	**26,300**	45,550
Non-current portion				
Secured loans	**0**	0	**0**	2,000
Floating rate notes	**240,000**	215,000	**240,000**	215,000
Total non-current portion	**240,000**	215,000	**240,000**	217,000
Total borrowings	**265,400**	260,550	**266,300**	262,550

Council's secured loans and floating rate notes are secured over the city's rates.

The Council's secured loans are issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk.

Due to interest rates on debt resetting to the market rate every three months, the carrying amount of secured loans approximates their fair value.

As at 30 June 2025 the Council had borrowing facilities of $8 million with Westpac Banking Corporation (2024: $8m), and $20m with LGFA (2024: $15m). At balance date $400,000 of the total $23m facility was drawn down (2024: $550,000). Council also has a business card facility with Westpac with a limit of $42,000 (2024: $42,000).

The interest rates on the Council borrowings range from 1.03% to 5.5% (2024: 1.03% to 6.47%). The weighted average interest rate on the above loans was 4% (2024: 6.05%).

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29 Provisions

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Regional Landfill - closure and post closure provision	**131**	218	**131**	218
Contaminated land provision	**0**	5,300	**0**	5,300
Total current portion	**131**	5,518	**131**	5,518
Regional Landfill - closure and post closure provision	**3,246**	3,233	**3,246**	3,233
Total non-current portion	**3,246**	3,233	**3,246**	3,233
Total provisions	**3,377**	8,751	**3,377**	8,751
Movements in provisions:				
Opening balance	**8,751**	6,512	**8,751**	6,512
Reassessment of liability	**(74)**	(62)	**(74)**	(62)
Movement in other provisions	**(5,300)**	2,300	**(5,300)**	2,300
Closing balance	**3,377**	8,751	**3,377**	8,751

Landfill aftercare costs

The Nelson Tasman Regional Landfill Business Unit (NTRLBU) operates the York Valley Landfill in NCC and the Eves Valley landfill in Tasman District Council. The Business Unit has a legal obligation to provide ongoing maintenance and monitoring services after closure. This provision is calculated on the basis of discounting closure and post closure costs into present day values. This calculation assumes no change in the resource consent conditions for closure and post closure treatment.

30 Employee benefits liabilities

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Annual leave	**2,117**	2,085	**3,591**	3,644
Long service leave	**109**	109	**109**	109
Retirement gratuities	**37**	37	**37**	37
Sick leave	**73**	73	**73**	73
Accrued pay	**769**	589	**2,611**	1,380
Total current portion	**3,105**	2,893	**6,421**	5,243
Long service leave	**112**	112	**128**	130
Retirement gratuities	**45**	45	**45**	45
Total non-current portion	**157**	157	**173**	175
Total employee entitlements	**3,262**	3,050	**6,594**	5,418

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31 Equity

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Customers' equity				
Accumulated funds	**450,584**	446,788	**505,683**	501,594
Reserves	**1,810,439**	1,787,750	**1,943,651**	1,920,635
Balance at 30 June	**2,261,023**	2,234,538	**2,449,334**	2,422,229

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Accumulated funds				
Balance at 1 July	**446,788**	449,822	**501,594**	507,161
Disposal of property, plant and equipment	**2,726**	1,238	**2,726**	1,238
Movement in reserves	**106**	3,050	**106**	3,050
Surplus/(deficit) for the year	**964**	(7,322)	**1,257**	(9,855)
Balance 30 June	**450,584**	446,788	**505,683**	501,594

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
(a) Reserves include				
Property, plant and equipment revaluation reserve	**1,789,897**	1,767,102	**1,923,184**	1,900,226
Hedging reserve - cash flow hedges	**0**	0	**(75)**	(239)
Restricted reserves	**20,492**	20,598	**20,492**	20,598
Contingency reserve	**50**	50	**50**	50
Total reserves	**1,810,439**	1,787,750	**1,943,651**	1,920,635

Property, plant and equipment revaluation reserve				
Balance at 1 July	**1,767,102**	1,678,965	**1,900,226**	1,804,016
Net revaluation gains	**25,521**	89,372	**25,681**	89,372
Transfer to accumulated funds on disposal of property	**(2,726)**	(1,238)	**(2,726)**	(1,238)
Other adjustments	**0**	3	**3**	8,076
Balance at 30 June	**1,789,897**	1,767,102	**1,923,184**	1,900,226

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Property revaluation reserves for each asset class consist of:				
Land	**236,275**	236,169	**304,658**	304,087
Buildings	**0**	0	**456**	456
Airport	**0**	0	**33,919**	33,919
Art Collection	**0**	0	**5,182**	5,182
Sewerage system	**305,592**	296,280	**305,289**	296,280
Water system	**255,179**	248,624	**255,179**	248,624
Stormwater network	**255,958**	248,981	**255,958**	248,981
Flood protection network	**(32)**	(839)	**(32)**	(839)
Roading network	**727,330**	731,549	**727,330**	731,549
Solid waste	**9,465**	6,221	**9,465**	6,221
Forestry (NRSBU)	**131**	118	**131**	118
Wharves	**0**	0	**25,650**	25,650
Total	**1,789,897**	1,767,102	**1,923,184**	1,900,226

Hedging reserve - cash flow hedges				
Balance at 1 July	**0**	0	**(239)**	350
Fair value gains/(losses) in the year	**0**	0	**164**	(708)
Deferred tax movement	**0**	0	**0**	119
Balance at 30 June	**0**	0	**-75**	-239

	Council		**Group**	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Restricted reserves				
Balance at 1 July	**20,598**	23,652	**20,598**	23,652
Net transfers (to)/from accumulated funds	**(106)**	(3,054)	**(106)**	(3,054)
Balance at 30 June	**20,492**	20,598	**20,492**	20,598
Contingency reserve				
Balance 1 July	**50**	50	**50**	50
Fair value movement	**0**	0	**0**	0
Balance 30 June	**50**	50	**50**	50

Information about reserve funds held for a specific purpose is provided below:

Restricted Reserve	**Activities to which the reserve relates**	**Balance 1 July**	**Transfers into fund**	**Transfers out of fund**	**Balance 30 June**
		$'000	**$'000**	**$'000**	**$'000**
2025					
Art Council loan fund	Parks	10	0	0	10
Climate Change Reserve	Environmental	9	0	0	9

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Community Housing Reserve	Social	8,919	0	(1,919)	7,000
Community Investment Fund	Social	7	4	(7)	4
Dog control reserve	Environmental	(209)	241	(13)	19
Events Contestable Fund reserve	Economic	0	0	0	0
Forestry	Forestry	(539)	0	(536)	(1,074)
Founders Park reserve	Social	335	179	(110)	403
L C Voller bequest	Social	25	1	0	26
Landfill	Solid Waste	4,689	233	0	4,922
Neighbourhood development contributions reserve	Parks	1,985	1,230	(12)	3,203
Nelson 2000 Trust	Parks	165	0	0	165
Nelson Institute funds	Social	9	0	0	9
Roading contributions	Transport	117	0	(117)	0
Solid Waste	Solid Waste	196	0	(135)	61
Sport and recreation grants	Parks	14	0	0	15
Subdivisions reserve	Parks	4,835	1,336	(462)	5,709
Walker bequest	Parks	10	1	0	11
Water financial contributions reserve	Water	21	0	(21)	0
Total restricted reserves - 2025		**20,598**	**3,225**	**(3,331)**	**20,492**

Reserve	**Activities to which the reserve relates**	**Balance 1 July**	**Transfers into fund**	**Transfers out of fund**	**Balance 30 June**
		$'000	**$'000**	**$'000**	**$'000**
2024					
Art Council loan fund	Parks	10	0	0	10
Climate Change Reserve	Environmental	19	0	(10)	9
Community Housing Reserve	Social	9,123	46	(250)	8,919
Community Investment Fund	Social	2	4	0	7
Dog control reserve	Environmental	(186)	0	(23)	(209)
Events Contestable Fund reserve	Economic	232	2	(234)	0
Forestry	Forestry	(32)	0	(506)	(539)

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Founders Park reserve	Social	409	113	(187)	335
L C Voller bequest	Social	25	0	0	25
Landfill	Solid Waste	4,664	25	0	4,689
Neighbourhood development contributions reserve	Parks	1,965	617	(597)	1,985
Nelson 2000 Trust	Parks	165	0	0	165
Nelson Institute funds	Social	9	0	0	9
Roading contributions	Transport	117	0	0	117
Solid Waste	Solid Waste	294	0	(97)	196
Sport and recreation grants	Parks	14	0	0	14
Subdivisions reserve	Parks	6,812	(1,459)	(518)	4,835
Walker bequest	Parks	10	0	0	10
Water financial contributions reserve	Water	0	21	0	21
Total restricted reserves - 2024		**23,652**	**(631)**	**(2,423)**	**20,597**

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32 Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Surplus/(deficit) after tax	**964**	(7,322)	**1,257**	(9,855)
Add/(less) non-cash items				
Share of associate's surplus	**0**	7,322	**0**	9,855
Depreciation and amortisation expense	**46,507**	42,833	**48,634**	45,651
Property, plant, and equipment impairment	**67**	381	**67**	381
Vested assets	**(1,069)**	(9,578)	**(1,069)**	(9,648)
(Gains)/losses in fair value of biological assets	**(838)**	(327)	**(838)**	(327)
(Gains)/losses in fair value of investment property	**25**	30	**25**	30
(Gains)/losses on derivative financial instruments	**5,941**	2,287	**5,941**	2,287
Increase in deferred tax	**0**	0	**(286)**	163
Joint operations surplus ex dividends	**0**	0	**(3,669)**	3,150
(Gains)/losses in fair value of investments	**0**	0	**(175)**	(199)
Movement in landfill liability	**(74)**	(61)	**(74)**	(61)
Provision for discount unwinding	**0**	968	**0**	968
Movement in Other Provisions	**(5,109)**	2,300	**(5,368)**	2,300
Other Non-Cash items	**0**	(169)	**0**	(245)
Total non-cash items	**45,450**	45,986	**43,188**	54,305
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant, and equipment	**4,028**	4,509	**3,976**	4,577
(Gains)/losses on disposal of biological assets	**0**	0	**0**	0
(Gains)/losses on disposal of intangible assets	**91**	91	**91**	13
Total items classified as investing or financing activities	**4,119**	4,600	**4,067**	4,590
Add/(less) movements in working capital items				
(Increase)/decrease in receivables	**4,313**	(2,850)	**3,128**	(2,236)
(Increase)/decrease in prepayments	**121**	0	**121**	0
(Increase)/decrease in inventory	**0**	0	**(13)**	0
Increase /(decrease) in payables	**(823)**	(1,173)	**(916)**	(2,133)
Increase /(decrease) in employee entitlements	**212**	242	**1,176**	230
Net movement in working capital items	**3,823**	(3,781)	**3,496**	(4,139)
Net cash inflow/(outflow) from operating activities	**54,356**	39,483	**52,008**	44,901

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33 Capital commitments and operating leases

Capital commitments

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Roading network	**2,020**	3,184	**2,020**	3,184
- Flood protection	**401**	96	**401**	96
- Other improvements	**0**	0	**0**	0
- Wastewater	**3,908**	2,570	**3,908**	2,570
- Water supply	**2,014**	3,086	**2,014**	3,123
- Stormwater	**952**	1,266	**952**	1,289
- Land & Buildings	**15**	846	**15**	846
- Solid Waste	**40**	21	**40**	21
- Parks & Recreation	**857**	1,141	**857**	1,141
- Social	**190**	517	**190**	517
- Software	**0**	1	**0**	1
- Equipment	**69**	0	**69**	0
Group	**0**	0	**0**	0
Buildings	**0**	0	**0**	0
Property, Plant & Equipment	**0**	0	**2,671**	1,031
Intangible assets	**0**	0	**0**	0
Wharf and property purchase/redevelopment	**0**	0	**1,800**	4,100
Tasman Bay Heritage Trust	**0**	0	**0**	0
Property, Plant & Equipment	**0**	0	**0**	38
Total capital commitments	**10,466**	12,728	**14,937**	17,957

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Operating leases as lessee

Council leases land in the normal course of its business. These leases have non-cancellable terms of between one month and 17 years.

The group leases land and buildings and plant and equipment in the normal course of its business.

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

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	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Not later than one year	**327**	308	**1,250**	1,025
Later than one year and not later than five years	**977**	816	**6,668**	1,170
Later than five years	**761**	962	**761**	962
Total non-cancellable operating leases	**2,065**	2,086	**8,679**	3,156

Leases can be renewed at the Entity and Group's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the Entity and group by any of the leasing arrangements.

Operating leases as lessor

Land and buildings owned by Council and group are let under operating leases. Non-cancellable terms vary between one month and 45 years, with the majority under five years.

The future aggregate lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual	Actual	**Actual**	Actual
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Not later than one year	**1,451**	1,750	**5,879**	6,148
Later than one year and not later than five years	**3,709**	3,469	**14,056**	13,670
Later than five years	**1,095**	1,519	**9,982**	11,078
Total non-cancellable operating leases	**6,255**	6,738	**29,917**	30,896

34 Contingencies

Contingent liabilities

Contingent liabilities include those items where a liability may be incurred if certain events or outcomes occur, or where a present obligation exists but the extent of the liability cannot be measured reliably for recognition in the financial statements.

Management consider the likelihood of a particular event or outcome occurring to determine whether a contingent liability should be disclosed. No disclosure is made when the possibility of an outflow of resources is considered to be remote. Where amounts are disclosed the amount shown is the maximum potential cost.

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Council:

Local Government Funding Agency

The Entity is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA as at March 2025 for local currency, and a foreign currency rating of AA+ as at December 2024.

As at 30 June 2025, there are 77 councils and 8 CCOs as members of the LGFA. Nelson City Council is one of 72 guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of $1.0 million. When aggregated with the uncalled capital of other shareholders, $20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Group is a guarantor of all of the LGFA's borrowings. At 30 June 2025, the LGFA had borrowings totalling $25.53 billion (2024: $23.03 billion).

PBE Accounting Standards require Nelson City Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. Nelson City Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Group has not recognised a liability.

Nelson City Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that;

- it is not aware of any local authority debt default events in New Zealand; and;
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Risk Pool

"Nelson City Council was previously a member of the New Zealand Mutual Liability Riskpool scheme (‘Riskpool’). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the Riskpool scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance or where reinsurance is delayed), and to fund the ongoing operation of the scheme.

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The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, following the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, which addressed the treatment of claims against Riskpool that involved a mixture of non-weathertightness and weathertightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court's decision in 2023, have since recommenced.

Several member Councils have brought proceedings against Riskpool related to mixed claims. Two of these claims are currently listed for trial in September 2025. These cases are important in clarifying the scope of Riskpool's historical obligations and the interpretation of past Scheme terms. At this point the total potential liability of the outstanding claims against Riskpool is unable to be quantified.

Group:

There are no contingent assets or liabilities arising from the consolidated entities.

35 Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Entity and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Entity group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transactions required to be disclosed within a normal supplier or client/recipient relationship; and on terms and conditions no more or less favourable than those that are reasonable to expect that the Institute would have adopted in dealing with the party at arm's length in the same circumstances.

Related party transactions with subsidiaries, joint operations, or joint ventures

	Council	
	Actual	Actual
	2025	2024
	$'000	$'000
Expenditure		
Bishop Suter Trust		
Operating grant	**794**	760
Depreciation grant	**0**	0
Economic Development Agency (NRDA)		
Operating grant	**1,524**	1,818

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Contestable events fund	**396**	483
Other Services	**6**	60
Tasman Bays Heritage Trust		
Operating grant	**1,147**	1,076
Payables		
Suter depreciation grant	**1,001**	1,033
NRDA contestable events fund	**22**	42
	4,890	5,272

Dividends Received

The following dividends were received by Council for the year 2024/25:

Infrastructure Holdings Limited $2,850,000

Subvention Receipts

The following subvention receipts were received by Council for the year 2024/25

Nelmac Ltd $470,212 (2024: $261,328)

Grants to subsidiaries and joint operations

Council provides grants to certain joint operations, assisting them with maintenance or other operating costs, or for other specific purposes.

The Suter depreciation grant is an accrual. The purpose of the accrual is to assist the Suter to fund renewals. The Suter's annual Statement of Intent will include a renewals schedule, on adoption of which the accrual will be released for the forthcoming year. The expenditure and the accrual consolidate to zero within the Group.

Tasman Bays Heritage Trust related party loan

Council made a loan to the trust of $1.2 million, initially repayable over 30 years at 0% interest. Repayments on the loan have been renegotiated at $100,000 per year, and the loan has been recalculated as required under PBE IPSAS to net present value. The loan has been adjusted using an average Treasury discounted forward rate, over the remaining life of the asset, of 3.27% (2024: 4.71%). This has resulted in an asset to council of $121,932 (2024: $212,813), with the last payment currently scheduled for the financial year ending June 2027.

Services from joint operations

Council also purchases services from its joint operations. Transactions and balances related to these activities are not included in this disclosure as they are exchange transactions on an arms length basis.

Nelmac Ltd maintenance of utility services contract

Council has awarded a number of contracts to its wholly owned subsidiary Nelmac Ltd.

The contract for utility services was not tendered and the value of the contract

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for the 2025 financial year was $9.0 million (2024: $9.6 million). As the contract was not tendered and there is no benchmarking available for these very individualized services, Council is unable to determine that the contract is at arm's length. The contract value was lower in the 2025 year due to a reduction in the reactive maintenance as a result of the August 2022 and May 2023 flooding events.

With Council's agreement, contracts may not be tendered because of: the procurement costs of public tender, a high standard of work by the incumbent, service levels consistently achieved, and/or non competitive local industry.

Council are satisfied that this contract represents value for the ratepayer because of economies gained through the stability and continuity of the relationship (retention of both local and specific knowledge that could not be matched by a new or external supplier).

Peppercorn rent charged by Nelson City Council to Nelson Airport Limited

Leasehold aerodrome land, upon which the airport is situated, was vested by the Crown to be held in trust by Nelson City Council. Nelson Airport Limited has a renewable 60 year lease over this land at a peppercorn rental. A peppercorn rent in respect of airport land is chargeable to Nelson Airport Limited by Nelson City Council.

	Council	
	Actual	Actual
	2025	2024
	$'000	$'000
Council members		
Remuneration	**808**	782
Full-time equivalent members	**13**	13
Senior Management Team, including the Chief Executive		
Remuneration	**2,884**	2,503
Full-time equivalent members	**12**	11
Total full-time equivalent personnel	**3,692**	3,285
Total key management personnel compensation	**25**	24

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

Key management personnel include the Mayor, Councillors, Chief Executive, and senior leadership team, and key advisors to that group. Given the number of movements during the year, the full-time equivalent for key management personnel is taken as the number of key management as at 30 June 2025.

The only external appointments are the Independent Chair of the Audit, Risk and Finance Committee, the Independent Member of the Audit, Risk and Finance Committee and the Saxton Field Joint Committee Chair. In total the payments for these advisors amounted to $34,300 (2024: $24,560).

In any new Council term the Mayor and council members may and often do establish a different governance structure for that triennium to previous

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triennia. The governance structures are set according to the arrangements they believe will best achieve the decision making requirements on the Council of the time. The decision this term was not to establish as many committees as the previous triennium resulting in less externally appointed members.

External committee members are Catherine Taylor, Lindsay McKenzie and Derek Shaw

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

The remuneration in relation to the Senior management team, including the Chief Executive was misstated in 2024 as $20,503 ($000). The figure has been corrected above within note 35 to $2,503 ($000)

36 Remuneration

Chief Executive

The Chief Executive of Nelson City Council is appointed under section 42 of the Local Government Act 2002.

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive(s) was $390,607 (2024: $362,700).

Elected representatives
Elected representatives received the following remuneration:

	Council	
	Actual	Actual
	2025	2024
	$	$
Mayor Smith	**156,339**	151,194
Deputy Mayor O'Neill-Stevens	**68,775**	66,567
Councillor Anderson	**52,784**	51,094
Councillor Benge	**52,745**	51,094
Councillor Brand	**53,155**	51,529
Councillor Courtney	**52,755**	51,123
Councillor Hodgson	**53,155**	51,123
Councillor Paki Paki	**52,784**	51,094
Councillor Rainey	**53,155**	51,499
Councillor Rollo	**52,716**	51,123
Councillor Sanson	**53,155**	51,529
Councillor Skinner	**53,190**	51,494
Councillor Stallard	**53,155**	51,807
Total elected representatives' remuneration	**807,861**	782,271

26 fortnightly payments are included in this disclosure for the 2024/25 financial year. In 2023/24 there was also 26 fortnightly payments.

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Council employees

At balance date, Council employed 406 staff (2024: 390). The FTE total for 2025 was 351 (2024: 327); made up of 251 (2024: 237) full-time employees (FTEs), with the balance of staff representing 100 (2024: 90) FTEs.

A full time employee is determined on the basis of a 40-hour working week

Total annual remuneration by band for the 406 employees as at 30 June:

	Number of employees
	2025
< $60,000	91
$60,000 – $79,999	82
$80,000 – $99,999	96
$100,000 – $119,999	69
$120,000 - $139,999	36
$140,000 - $159,999	13
$160,000 - $179,999	9
$180,000 - $279,999	6
$280,000 - $399,999	4
Total employees	**406**
	2024 (Restated)
< $60,000	107
$60,000 – $79,999	77
$80,000 – $99,999	93
$100,000 – $119,999	53
$120,000 - $139,999	26
$140,000 - $159,999	18
$160,000 - $179,999	7
$180,000 - $279,999	6
$280,000 - $379,999	3
Total employees	**390**

The remuneration band disclosures for the prior year (2024) have been restated to reflect revised classification thresholds and corrections identified during the preparation of the financial statements. These adjustments ensure that the prior year figures more accurately represent remuneration levels applicable at that time

37 Severance payments

Council:
For the year ended 30 June 2025, the Council made no severance payments to employees totaling $nil (2024: $30,771).

Group:
For the year ended 30 June 2025, the Group made 2 severance payments to individual employees totaling $45,000 (2024: 2 employees totaling $73,000).

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38 Financial instruments

As at 30 June 2023 the Council and group has adopted PBE IPSAS 41.

In accordance with the transitional provisions in PBE IPSAS 41, the Council and group have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2022 (the date of initial application).

The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes to the Council and group's accounting policies are:

- Note 13 – Receivables – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.
- Note 16 – Other financial assets – This policy has been updated to reflect the new classification categories;
- The measurement and recognition of loss allowances based on the new expected credit loss (ECL) model; and
- The removal of impairment loss considerations for equity investments at FVTOCRE.
- The derivatives accounting policies in Note 17 – Derivatives remain unchanged as Council has not elected to apply the hedging requirements of BE IPSAS 41.
- PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to hedge accounting and credit risk.

Additional information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVTSD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding.

Council assessed the business model for its classes of financial assets at the date of initial application. Debt instruments are held mainly to collect, except for the Council's LGFA borrower notes, which are held to maturity per the LGFA debt requirements.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

The following tables are comparisons of carrying amounts of the Group's financial assets and liabilities in each of the financial instrument categories:

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	Actual	Actual
	2025	2024
	$'000	$'000
Financial assets		
Mandatorily measured at FVTSD (2022: Held for trading)		
Derivative financial instruments – not hedge accounted	**(2,603)**	3,338
Amortised cost (2022: Loans and receivables)		
Cash and cash equivalents	**16,707**	31,241
Term Deposits	**0**	0
Receivables	**28,157**	28,796
Community loans	**1,641**	1,782
Loans to related parties	**122**	213
Total at amortised cost	**44,024**	65,370
FVTOCRE		
LGFA Borrower Notes	**7,588**	6,467
Listed shares and unlisted	**140**	140
Fixed Interest Securities	**0**	0
Total at FVTOCRE	**7,728**	6,607
Financial liabilities		
Mandatorily measured at FVTSD (2022: Held for trading)		
Borrowings	**265,400**	274,550
Derivative financial instruments		
Derivative financial liabilities	**0**	0
Amortised cost		
Payables	**29,117**	27,763
Total financial liabilities at amortised cost	**294,517**	302,313

(a) Fair value estimation

Fair value hierarchy

For those instruments recognised at fair value in the statements of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statements of financial position:

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	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	$'000	$'000	$'000	$'000
30 June 2025 - Council				
Financial assets				
Derivatives	17	0	17	0
Shares	140	0	0	140
Total financial assets	157	0	17	140
Financial liabilities				
Derivatives	2,620	0	2,620	0
Total financial liabilities	2,620	0	2,620	0

30 June 2024 - Council				
Financial assets				
Derivatives	3,338	0	3,338	0
Shares	140	0	0	140
Total financial assets	3,478	0	3,338	140
Financial liabilities				
Derivatives	0	0	0	0
Total financial liabilities	0	0	0	0

30 June 2025 - Group				
Financial assets				
Derivatives	17	0	17	0
Shares	140	0	0	140
Total financial assets	157	0	17	140
Financial liabilities				
Derivatives	2,620	0	2,620	0
Total financial liabilities	2,620	0	2,620	0

30 June 2024 - Group				
Financial assets				
Derivatives	3,338	0	3,338	0
Shares	140	0	0	140
Total financial assets	3,478	0	3,338	140
Financial liabilities				
Derivatives	0	0	0	0
Total financial liabilities	0	0	0	0

(b) Financial instrument risks

Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Council and Group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management and Investment policies. These policies

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do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

Council holds only short term investments with the major banks, and holds no listed equity instruments.

Currency risk

Council has exposure through the occasional purchase of foreign exchange denominated goods and services.

Significant individual amounts of NZD100,000 or greater commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved and the currency amount and timing are known.

As at June 2025, Council have contracts hedging a total of $nil (2024: $nil).

Credit risk

Credit risk is the risk that a third party will default on its obligation to Nelson City Council, causing the Council to incur a loss. Principally, any risk is in respect of cash and bank, debtors and investments.

The details of the $28 million receivables are outlined in note 13.

Details of investments are outlined in notes 16, 24, 25 and 26.

As at 30 June 2025 Council did not have any short term deposits with a maturity of less than three months (2024: $nil).

Nelson City Council's investment policy limits the amount of credit exposure to any one financial institution or organisation and only allows funds to be invested with entities that have a strong Standard and Poor's credit rating.

Community and related party loans

The net present value of Council's community and related party loans at 30 June 2025 is $1.8 million (2024: $2 million) and there is a risk that some of these could be defaulted on. Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk, except for mortgage securities on two community loans with face values of $1,742,000 and $721,000 (2024: $1,802,000 and $730,000).

Maximum exposure to credit risk

Council’s maximum credit risk exposure for each class of financial instrument is as follows:

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	Council		Group	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Cash at bank and term deposits	**16,707**	31,229	**20,052**	35,390
Receivables	**26,893**	31,343	**30,887**	34,211
Community and related party loans	**1,763**	1,995	**1,641**	1,782
LGFA borrower notes	**7,588**	6,467	**7,588**	6,467
Other held to maturity investments	**0**	0	**580**	990
Private shares	**140**	140	**140**	140
Derivative financial instruments	**17**	3,338	**17**	3,338
Fixed interest securities	**0**	0	**1,210**	889
Total credit risk	**53,108**	74,512	**62,115**	83,207

Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 34.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Council		Group	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA-	**16,707**	31,229	**20,052**	35,390
Derivative financial instrument assets				
AA-	**17**	3,338	**17**	3,338
Other financial assets - LGFA borrower notes				
AAA	**7,588**	6,467	**7,588**	6,467
Other financial assets - loans and receivables				
AA-	**0**	0	**2,678**	22,753
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	**1,641**	1,782	**1,641**	1,782
Existing counterparty defaulted 30 June 2012, loan arrangements since reviewed and complied with	**122**	213	**0**	0
Total community and related party loans	**1,763**	1,995	**1,641**	1,782
Receivables				
Existing counterparty with no defaults in the past	**26,893**	31,343	**30,887**	34,211
Held to maturity investments	**0**	0	**0**	0
Fixed interest securities				
Existing counterparty with no defaults in the past	**140**	140	**1,350**	1,029
Listed shares	**0**	0	**0**	0
Existing counterparty with no defaults in the past	**0**	0	**0**	0

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Receivables arise mainly from Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from customers.

Liquidity risk
Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available with Westpac and Local Government Funding Agency.

Council provides security via a Debenture Trust Deed signed 10 December 2010 and as at 30 June 2025 had security stock issued of $26m and no debenture stock issued. These stock amounts provide security for bank facilities, swap facilities, floating rate notes and commercial paper.

Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management policy.

Council has an overdraft facility of $200,000, against which $nil was drawn at balance date (2024: $nil).

Contractual maturity analysis of financial liabilities

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Council 2025	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	27,980	27,980	25,954	260	703	1,063
Borrowings	265,400	296,546	35,815	53,697	196,700	10,333
Derivative financial liabilities	2,620	2,620	0	426	1,722	472
Total	**293,380**	**327,146**	**61,769**	**54,383**	**199,125**	**11,869**
	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Council 2024 (Restated)	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	29,750	29,750	27,813	223	617	1,096
Borrowings	260,550	311,041	59,759	37,683	171,539	42,060
Derivative financial liabilities	0	0	0	0	0	0
Total	**290,300**	**340,791**	**87,573**	**37,906**	**172,156**	**43,156**

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	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Group 2025	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	27,788	27,788	25,762	260	703	1,063
Borrowings	266,300	297,495	36,765	53,697	196,700	10,333
Derivative financial liabilities	2,620	2,620	0	426	1,722	472
Total	**269,088**	**327,903**	**62,527**	**54,383**	**199,125**	**11,869**
	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Group 2024 (Restated)	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	29,582	29,582	27,646	223	617	1,096
Borrowings	262,550	313,197	59,759	39,839	171,539	42,060
Derivative financial liabilities	0	0	0	0	0	0
Total	**292,132**	**342,779**	**87,405**	**40,062**	**172,156**	**43,156**

Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 34.

Restatement of 2024 contractual cashflows

It has been identified in the current year that the maturity analysis of financial liabilities presented in the 2024 financial statements contained errors as some amounts were omitted and some were reported in the wrong time bucket. This error only affected the contractual maturities disclosure, as the correct amounts were included in the statement of financial position and other relevant notes.

We have corrected the 2024 figures, presented as comparative information. The amount of the corrections for each time bucket presented are as follows:

	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Council					
Total previously reported	75,070	75,070	0	0	0
Corrections Made					
Payables	229	(1,707)	223	617	1,096
Borrowings	265,491	14,209	37,683	171,539	42,060
Total as restated	**340,790**	**87,572**	**37,906**	**172,156**	**43,156**
Group					
Total previously reported	74,902	74,902	0	0	0
Corrections Made					
Payables	230	(1,706)	223	617	1,096
Borrowings	267,647	14,209	39,839	171,539	42,060
Total as restated	**342,623**	**87,405**	**39,906**	**172,156**	**43,156**

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Contractual maturity analysis of financial assets

	Contractual Cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Council 2025					
Cash and cash equivalents	16,707	16,707	0	0	0
Receivables	26,893	26,893	0	0	0
Other financial assets:					
- term deposits	0	0	0	0	0
- community and related party loans	1,755	273	196	447	839
- LGFA borrower notes	7,695	580	1,080	5,785	250
Derivative financial instruments	17	17	0	0	0
Total	**53,066**	**44,470**	**1,276**	**6,232**	**1,089**
	Contractual Cash flows	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Council 2024					
Cash and cash equivalents	11,229	11,229	0	0	0
Receivables	31,339	31,339	0	0	0
Other financial assets:					
- term deposits	20,000	20,000	0	0	0
- community and related party loans	2,207	247	264	726	971
- LGFA borrower notes	6,185	990	580	3,615	1,000
Derivative financial instruments	3,338	551	556	1,211	1,021
Total	**74,298**	**64,356**	**1,399**	**5,551**	**2,991**

	Contractual Cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Group 2025					
Cash and cash equivalents	17,374	17,374	0	0	0
Receivables	30,887	30,887	0	0	0
Other financial assets:					
- term deposits	0	0	0	0	0
- community and related party loans	1,633	175	172	447	839
- LGFA borrower notes	7,695	580	1,080	5,785	250
Derivative financial instruments	17	17	0	0	0
Total	**57,605**	**49,033**	**1,252**	**6,232**	**1,089**
	Contractual Cash flows	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Group 2024					
Cash and cash equivalents	12,637	12,637	0	0	0
Receivables	33,866	33,866	0	0	0
Other financial assets:					
- term deposits	22,753	22,753	0	0	0
- community and related party loans	1,782	150	171	490	971

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- LGFA borrower notes	6,185	990	580	3,615	1,000
Derivative financial instruments	3,339	551	556	1,211	1,021
Total	**80,561**	**70,947**	**1,307**	**5,316**	**2,992**

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council and Group's financial instrument exposures at balance date.

A movement in market interest rate on fixed rate debt does not have any impact because secured loans are fixed via interest rate swaps.

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Council	2025 $'000				2024 $'000			
	-100bps	-100bps	+100bps	+100bps	-100bps	-100bps	+100bps	+100bps
	Surplus	Other equity	Surplus	Other equity	Surplus	Other equity	Surplus	Other equity
INTEREST RATE RISK								
Financial assets								
Derivative financial assets	0	(7,466)	7,094	0	(4,958)	0	4,717	0
Other financial assets:								
- Community loans and loans to related parties	0	134	(124)	0	155	0	(145)	0
Financial liabilities								
Total sensitivity	**0**	**(7,333)**	**6,970**	**0**	**(4,803)**	**0**	**4,572**	**0**

Group	2025 $'000				2024 $'000			
	-100bps	-100bps	+100bps	+100bps	-100bps	-100bps	+100bps	+100bps
	Surplus	Other equity	Surplus	Other equity	Surplus	Other equity	Surplus	Other equity
INTEREST RATE RISK								
Financial assets								
Derivative financial assets	0	(7,466)	7,094	0	(4,958)	0	4,717	0
Other financial assets:								
- Community loans and loans to related parties	0	134	(124)	0	155	0	(145)	0
Financial liabilities								
Total sensitivity	**0**	**(7,333)**	**6,970**	**0**	**(4,803)**	**0**	**4,572**	**0**

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(c) Financial instrument categories

Payables balances exclude revenue in advance, and receivables balances exclude both prepayments and provisions for doubtful debt.

	Council		Group	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
FINANCIAL ASSETS				
Fair value through surplus or deficit - not hedge accounted				
Derivative financial instrument assets	**17**	3,338	**17**	3,338
Loans and receivables				
Cash and cash equivalents	**16,707**	11,229	**17,374**	12,637
Receivables	**26,893**	31,399	**30,887**	33,866
Other financial assets:				
- Term deposits	**0**	20,000	**2,678**	22,753
- Community loans and loans to related parties	**1,763**	1,995	**0**	0
Total loans and receivables	**45,363**	64,623	**50,939**	69,256
Held-to-maturity				
Other financial assets:				
- LGFA borrower notes	**7,588**	6,467	**7,588**	6,467
Fair value through other comprehensive revenue and expense				
Equity securities - NZ LG Insurance Corp Ltd	**140**	140	**140**	140
Listed shares	**0**	0	**0**	0
FINANCIAL LIABILITIES				
Fair value through surplus or deficit - not hedge accounted				
Derivative financial instrument liabilities	**2,620**	0	**2,620**	0
Financial liabilities at amortised cost				
Payables	**27,710**	29,520	**27,518**	29,352
Borrowings:				
- secured loans	**265,400**	260,550	**266,300**	262,550
Total financial liabilities at amortised cost	**293,110**	290,070	**293,818**	291,902

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39 Events occurring after the balance date

Council:

Transfer of Marina Assets and Share Issuance

Nelson Marina Management Limited (NMML) was incorporated in August 2023 for the purpose of assuming ownership and operational control of the Nelson Marina. Effective 1 July 2025, NMML acquired the marina assets from Nelson City Council (NCC) through a fair value transaction.

In consideration for the transfer of assets, NMML will issue shares to NCC. This amount represents the agreed transfer value and will be reduced by the value of any liabilities assumed by NMML as part of the transaction. The net amount, after deducting the assumed liabilities, will determine the final value of shares issued to NCC.

Borrowings

Since 30 June 2025, Nelson City Council have borrowed a further $26.0 million of which $17.0 million is pre-funded debt.

Group:

There have been no significant events after the balance sheet date that materially impact the Group's financial position.

40 Explanation of major variances against budget

Statements of comprehensive revenue and expense

Total operating revenue is $29.9 million less than budget:

Rates income is $0.2 million higher than budget due to increased properties after the rates were set.

Fees and charges are $5.5 million lower than budget mainly due to:

- $2.8m of Nelson Regional Sewerage Business Unit (NRSBU) budget that was meant for other revenue was allocated to fees and charges
- Sales of goods under budget by $0.23m, Water by meter under budget by $0.17m, and Ticket sales under budget by $0.28m

Subsidies and grants are $13.8m lower than budget mainly due to the following:

- $6.6m for Crown Capital Funding for slip affected property purchases & remediation. $6.1m budget was carried back to 2023/24 to align with accrued income and $0.4m is rephased to 2025/26 to match timing of costs
- $5.7m for NZ Transport Agency Waka Kotahi (NZTA) capital grants: public transport improvements ($1.4m) subsidised roading renewals

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($3.2m) and improvements ($1.2m) to align funding with capex approved budget carry forwards.

- $0.8m for Infrastructure Acceleration Funding (IAF) where projects cross multiple years and budgets will be carried forward.

- $2.4m reclassified to Other income offset by;

- $1.1m Regional Infrastructure Funding (RIF) received for flood management, with no Annual Plan budget.

Finance income is $1.5 million greater than budget. This is due to interest on short-term investments (i.e. pre-funding of debt).

Development and subdivision reserve contributions are $1.4 million lower than budgeted due to less development activity than expected

Other revenue is $2.1m less than budget due to the following reasons:

- Vested asset income was $4.6m less than budget due to a lack of development activity during the year consistent with development contribution income offset by

- $2.4m income reclassified from subsidies and grants to other revenue

Other losses are $8.8 million higher than budget mainly due to:

- $3.8m of abandoned assets ($0.9m water supply, $0.9m wastewater, and $0.7m stormwater assets)

- Interest rate swap revaluation movement (revalued for accounting purposes) below budget by $4.7m due to the fall in interest rates during the year.

Total operating expenditure is $10.8 million lower than budget:

Personnel costs are $3.8m higher than the Annual Plan budget, mainly due to:

- $1.7m offsets against other expenses due to Regulatory Service functions coming in house
- $1.3m are activity funded changes across various business units, and reclassifications where activity budgets have been reduced to shift work from external to in house
- $0.65m of joint operations salaries were included under other expenses through the Long Term Plan process

Depreciation and amortisation expense was $1.2 million greater than budget. In the 2023/24 financials, the asset valuations saw significant increases which resulted in higher depreciation expense than budgeted particularly in the transport activity.

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Finance costs are greater than budget by $1.3m. This increase is due to additional pre-funding of debt (offset against interest income of $1.5m). Overall net interest is $0.2m under budget.

Other expenses were $17.1m less than budget. This was mainly driven by the below favourable variances

- $4.5m variance related to Tahunanui sawdust mitigation accrual release
- $4.2m lower than planned housing reserve grants. This budget was carried forward to next financial year to align with milestone payouts.
- $1.7m re-allocation of other expenses to personnel costs due to Regulatory Service functions coming in house.
- $0.65m of joint operations salaries were included under other expenses through LTP process (been corrected in annual plan process).
- $1.3m are activity funded changes across various business units, and reclassifications where activity budgets have been reduced to shift work from external to in house.

Other comprehensive revenue is $21.1 million less than budget:

The Land and Infrastructure Revaluations is $25.5m compared with a budget of $46.7m ($21.1 million under budget):

- Infrastructure assets are revalued fully every second year and this year is an interim year. In the interim years the assets are revalued via applying industry indices to smooth out the large fluctuations. Infrastructure revaluation increases accounted for $25.4 million, contributing to a total revaluation of $25.5 million against a budget of $46.7 million

Statements of financial position

Trade & Other receivables are $3.1 million greater than budget due to a higher than anticipated receivables due at 30 June 2025.

Other financial assets are $1.3 million higher than budget mainly due to LGFA borrower notes $1.3m higher than budget.

Derivative Financial Instrument assets are $2.1m under budget and liabilities are $1.4 million higher than budget due to decreases in interest rates.

PPE is $45m lower than budget driven by lower revaluation than budget by $21m.

The Council's external borrowings as at 30 June 2025 are $265.4 million, which is $0.8 million under budget.

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41 Insurance

The cost of the Canterbury earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

Wastewater, Stormwater, Water Supply and Flood Protection assets

These activities have a total book value of $1,085,930.000. Repairs to these assets following a significant event are covered 40% through Council's membership of the AoN South Island collective, with the remaining 60% being funded by Central Government with a large deductible for both funding sources. Council has a disaster recovery fund intended to cover the deductible or Council's 40% share if the event is lower than the deductible. Due to prior emergency events, there are no funds available as at 30 June 2025, and any funding required would be by way of loans until a balance is built up in the disaster recovery fund.

Roading assets

Subsidised roading assets have a total book value of $876,224,000 (including land under roads). For these assets, Council would receive a minimum of 51% subsidy from the Waka Kotahi (NZTA), with the remaining portion of the loss to be funded through the disaster recovery fund and loan funding.

Unsubsidised roading assets have a total book value of $8,113,800. This includes such items as walkways and car parks. These items are not insured, and Council would fund any loss through the disaster recovery fund or loan funding.

Land, Buildings, Plant & Equipment, and other assets

These assets have a total asset book value of $489,557,500

The sum insured for material damage is $465,232,000. Council is part of a Top of the South collective with total non-residential property insured of $2,184,420,000. Collective policy limit $800,000,000, Council fire limit $100,000,000

Forestry is insured to a value of $4,236,000

Tahunanui Beach Holiday Park assets are insured to a value of $36,052,600.

Vehicles

The total book value of vehicles belonging to Council is $1,486,500. All vehicles are insured for market value or replacement value (if vehicle is less than 12 months old).

Deductibles, excesses, and non-material assets

Council has a reserve used to cover deductibles, excesses, and small assets not on the material damages schedule. The value as at 30 June 2025 is $460,000.

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42 Capital management

The Council's capital is its equity (or customers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the LGA) requires the Entity to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Entity. Intergenerational equity requires today's customers to meet the costs of utilising the Entity's assets and not expecting them to meet the full cost of long-term assets that will benefit customers in future generations. Additionally, the Entity has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that customers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Entity is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the current LTP.

The Council has the following Council-created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds can generally be approved only by the Council.

Trust and bequest reserves are set up where the Entity has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

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Service Performance Reporting Judgements

Council needs to comply with Accounting Standard (PBE FRS 48) on service performance reporting, which became effective for reporting periods beginning on or after 1 January 2022. The standard requires the disclosure of judgements used in the selection, measurement and aggregation of service performance information in Council's Annual Report 2024/25.

In the preparation of the performance framework in the Long Term Plan 2024 - 2034 and the Annual Plan 2024/25, Council has made the following judgments in the selection of our service performance measures:

- Council reviewed levels of service and performance measures from the 2021–2031 Plan and reflected on the extent to which the levels of service we planned to provide the community were best captured by performance measures in the Long Term Plan 2021 – 2031.
- We considered the views and feedback expressed by residents through the Council's residents' survey.
- 40 performance measures were then included for consultation as part of the Long Term Plan process. Of these measures three were new. The remainder were measures carried over from the Long Term Plan 2021 – 2031. We evaluated the targets of the carried over measures for improvement and adjusted the targets as required. These measures were formally adopted into the Long Term Plan 2024 - 2034 and therefore the ones Council now need to report on in this Annual Report 2024/25.
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes in Council's Long Term Plan.

The performance framework links to Council's vision and community outcomes and these can be found in the Long Term Plan 2024 – 2034, along with further information on levels of service and performance measures:

2024-34 Long Term Plan - Nelson City Council

Changes to performance Framework from the 2023/24 year

The 2024 – 2034 Long Term Plan was adopted by Council on 27 June 2024. Key changes from the 2021 – 2031 Plan include the impact of the August 2022 weather event and the associated infrastructure damage and property buyouts, and increased financial pressures. These effects have influenced Council's service delivery priorities, funding decisions, and performance measures.

Mandatory Performance Measures for transport, water supply, wastewater, stormwater and flood protection

Under section 261B of the Local Government Act 2002, the Secretary for Local Government made the Non-Financial Performance Measures Rules 2013. These rules outline mandatory performance measures for all councils to include in their Long Term Plans and to report on through their Annual Reports. The purpose was to enable the public to compare across councils the level of service provided in relation to the following groups of activities: transport, water

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supply, wastewater, stormwater, and flood protection. Council has no discretion on these mandatory performance measures and is reporting on them in this Annual Report.

Measures to demonstrate statutory compliance

We are also required to demonstrate compliance against some of our statutory requirements (such as percentage of both building consents and resource consents applications processed within 20 statutory days). Including performance measures on these matters helps demonstrate to our community how we comply with our statutory obligations.

Other judgements

Further to the above judgements being made in the selection of performance measures, we also apply judgements on how we report against the range of other services we provide to our community (e.g. activities like reserves and facilities, social, economic and solid waste). We make judgements on what we will measure, how we will measure the levels of service, and on the aggregation and presentation of service performance information relating to those activities.

These judgements may be informed by a range of factors including:

- levels of satisfaction with Council services received in residents' surveys and other sources
- implementation of Council policies and plans
- areas where Council is investing additional funding in order to see the impact that has on levels of service and satisfaction with services
- areas where Council is interested in monitoring changing behaviours and attitudes in the community in relation to the services it delivers
- the effectiveness of expenditure in terms of delivering on outcomes.
- Setting funding levels for services

As part of setting funding levels Council has considered the impact on services and their related performance measures. Despite funding pressures across Council, we determined through the Long Term Plan 2024- 2024 process, that it is possible to provide the levels of services and meet the performance measures in the Long Term Plan.

Material judgements

Material judgements have been applied as follows:

Surveys

To measure the quality of our outputs, we use residents and occasional customer surveys to obtain customers, citizens and community views on Council services and their experiences with Council. This helps us to assess the quality of the service provided (e.g. Residents' survey 2024/25, Shape Nelson surveys, Event Audience surveys).

These surveys are designed by in-house or external research experts, based on best practice in survey design. They have also been designed to measure changes in perception of service delivery over time. Where neutrality is

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important, these surveys are independently run (e.g. Key Research) and the analysis from these surveys is used to improve our processes and inform future service level improvements. We balance our measure of service delivery with supplemented direct measures of the quality of our service, which measures the direct observation of the service delivery, this type of measurement is more objective and easily quantifiable

Survey sampling (i.e. recruitment of participants) is conducted in a way that maximises the representativeness of respondents to ensure results are representative of the population of interest. Statistical significance testing is used, where appropriate, to assist in identifying meaningful results. Where there is uncertainty in survey results due, for example to sampling error, this is quantified and stated alongside the results. To minimise the risk of under representative sampling, best practice market research techniques are used across the spectrum of research including statistical weighting of the sampled population to ensure census level representation, we spread our surveys out across the year to reduce likelihood of causing survey fatigue. In addition, questionnaires are regularly reviewed to ensure best practice and fit for purpose.

To determine the number of performance measures to monitor and report on, and the level of aggregation (for example, whether to report on customer satisfaction for each recreation facility or one combined result across all the recreation facilities), we have considered community feedback on performance measures, the costs and benefits of reporting on them, practical feasibility, the requirement to provide performance information across the full breadth of services that Council provides, and the risk of fatigue when surveying the community on multiple services and measures.

The frequency of each survey differs in line with the specific performance measures. For example, feedback is sought annually on key services Council provides the community through the residents' survey, whereas satisfaction of attendees at an event will be surveyed immediately following that event. The surveys that measure broader perceptions over a longer period of time such as the annual residents' survey are undertaken annually to provide comparative data.

External implications for statements about performance

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of the Council. Some examples of this are changes in government policy in New Zealand, global and domestic economic conditions, wars and conflicts, and international policy that may impact areas such as recruitment, availability of material and supplies (for example, materials required for critical infrastructure), volatility in international financial markets and other unforeseen considerations.

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Performance of Council Controlled Organisations

Council Controlled Organisations (CCOs) are established to deliver public value for Nelson in a financially responsible way. These organisations often require a particular expertise which does not sit within Council. The Council either holds 50% or more of the voting rights of a CCO, or has the authority to appoint at least half of the board members or trustees.

Although CCOs operate independently, they remain accountable to the Council. Each year they are required to submit a Statement of Intent, six monthly performance reports and an Annual Report outlining their progress and outcomes.

CCTOs are set up with the primary objective of returning a profit, while also delivering agreed strategic outcomes for Nelson. Like a CCO, CCTO's operate independently but are accountable to the Council. They must also provide the same reporting documents: a Statement of Intent, six monthly reports and an Annual Report.

Council Organisations are organisations that have a formal relationship with the Council but are not a CCO or a CCTO. This means that they are not required to submit a Statement of Intent, performance updates or Annual Reports to the Council.

Controlled by Nelson City Council:

- Infrastructure Holdings Ltd (CCTO investment arm for Port Nelson and Nelson Airport)
- Nelmac Ltd (CCTO)
- Nelson Regional Development Agency (CCO)
- Tasman Bays Heritage Trust (Nelson Provincial Museum Pupuri Taonga O Te Tai Ao) (CCO jointly controlled by NCC and TDC)
- Suter Art Gallery Te Aratoi o Whakatū Trust (CCO)
- Nelson Marina Management (Management CCO)
- City of Nelson Civic Trust (CCO)

Council Organisations:

- The Nelson Centre of Musical Arts
- Nelson Festivals Trust

A summary of the performance for Council Controlled Organisations is on pages 237 to 263. Further information is available for each Council Controlled Organisation in their respective Annual Reports. You can also read the various statements of intent and statements of expectations from these organisations on the Council website:

Statements of Expectations, Intent, Annual and Half-Yearly Reports - Nelson City Council

Please note that the following pages do not include summaries from the following CCOs:

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- City of Nelson Civic Trust has an exemption under section 6(4)(i) of the Local Government Act 2002 which exempts small organisations from the Council Controlled Organisations provisions of the Act

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Infrastructure Holdings Limited (IHL)

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

The table below sets out the Group's performance against specific performance measures contained in the Groups Statement of Intent for the year ending 30 June 2025.

Performance targets

As set out in the table below, IHL achieved 71.43%, performance measures set out in its Statement of Intent, 5 of 7.

Group Performance Measures	2025 Actual	2025 Target
Monitoring		
Net profit after tax ($m)	10.3	12.4
Dividends ($m)*	5.7	5.9
Treasury		
Funding Risk		
Compliance with the Group's interest rate debt profile	100%	100%
Debt Credit Metrics		
Funds from Operations/Debt	20%	>13%
Debt/EBITDA	<3x	<4x
Lender Financial Covenants		
Shareholder funds/total assets	67%	>30%
Minimum Shareholder Funds	$392m	>$300m

*The underlying dividends declared, or expected to be declared, for 2025 are 100% as per target. The slight difference between the $5.7m and the $5.9m is due to a transition in dividend declaration dates to align practices across the Group. The Statement of Intent noted that this slight difference might arise. The reader should also note that the $5.7m are the dividends declared and accrued during the year as opposed to the $7.3m quoted earlier which is the sum of the interim and final dividends declared for the year ending 30June 2025.

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Port Nelson

Port Nelson is a for-profit company incorporated under the Companies Act 1993 and created pursuant to the Port Companies Act 1988. Port Nelson has a statutory obligation to prepare a Statement of Corporate Intent.

Port Nelson is the maritime gateway for Te Tauihu and creates values for its shareholders by providing a suite of marine, cargo handling, warehousing, logistic, slipway and property portfolio services. Port Nelson has over 235,000 m2 of commercial land that it leases to support fishing, marine services, and other export related industries.

Performance targets

As set out in the table below, Port Nelson achieved 60%, performance measures set out in its Statement of Intent, 15 of 25.

Area	Performance Measure	2024 Target	Result
Customers	Revenue tonnes (000)	3,209	3,162
	Container throughput (TEU – twenty-foot equivalent units – 000)	106	106.4
	Vessel visits	727	675
	Revenue growth QuayConnect ($m)	1.5	(1.6)
	Average container crane moves per hour	>20	20
	Average container truck waiting time (mins)	<15	15
Environment	Gross reduction on FY19 scope 1 and 2 carbon emissions (cumulative)	25%	36%
	Gross reduction on FY19 levels in scope 3 carbon emissions (PNL originated)	70%	81%
	Port's significant noise event & events >85dbH (at monitor)	0 & 8	0 & 12
	Dust events external complaints	0	0
	Port substance spills >10L reach harbour	0	0
People	High potential risk events	<=2	3

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	Serious harm (serious harm definition is fatality or noticeable injury (HSWA 2015)	0	0
	Lost time injury frequency rate (LTIFR) (LTIFR is calculated as LTIs per 200,000 hours)	<=2.6	2.4
	Critical risk verification reviews	43	43
	Visible safety leadership events	400	602
Community	Utilisation of Slipway - Calwell	85% or 310 days	74%
	Sponsorship as a percentage of NPAT	>1.2%	2% ($139k)
	Dividend $ (% underlying NPAT ex. prop reval)	5.9m	$5.9m
Shareholders	Underlying* revenue (*underlying NPAT excludes recognition of investment property revaluations and one-off tax adjustments)	$88.9m	$84m
	Underlying* earnings before interest and taxes (*underlying NPAT excludes recognition of investment property revaluations and one-off tax adjustments)	$17.5m	$13.9m
	Underlying* net profit after tax (*underlying NPAT excludes recognition of investment property revaluations and one-off tax adjustments)	$9.1m	$7.1m
	Underlying* return on assets (*underlying NPAT excludes recognition of investment property revaluations and one-	2.3%	1.7%

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	off tax adjustments)		
	Underlying* return on equity (*underlying NPAT excludes recognition of investment property revaluations and one-off tax adjustments)	3.2%	2.5%
	Gearing percentage	21.9%	22.9%

For more information, refer to Port Nelson's Annual Report for 2024/25

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Nelson Airport

Nelson Airport is a key strategic asset and contributor to the prosperity and growth of the Nelson Tasman economy. Its primary service is moving people into and out from the region safely and efficiently. Nelson Airport may also grant and administer sub-leases of the land, buildings or installations vested in Nelson Airport Limited for any purpose complementary to the ongoing safe and efficient operation of the Airport.

Performance Targets

As set out in the table below, Nelson Airport has achieved 93.33% of the performance measures set out in its Statement of Intent, 14 out of 15.

Area	Performance Measure	2025 Target	Result
People, Culture and Values	Annual employee engagement survey to be undertaken	Complete the employee engagement survey by 30th June 2025	Achieved
	Maintain a formal training and development programme for employees	Increase the development hours per FTE	Achieved
Health, Safety and Risk	Meet all our obligations and standards under Civil Aviation Act Rules	No "major" findings* Annual audit of SMS completed. *An occurrence or deficiency involving a major system that caused, or had the potential to cause, significant problems to the function or effectiveness of that system.	Achieved
	Facilitate an effective and transparent forum with engaged stakeholders jointly driving safety and	Complete external audit of H&S risks, governance compliance processes and procedures	Achieved

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	operational improvements		
Infrastructure and Property	Maintain an asset management system to manage the condition, criticality, and life cycle of all assets	Rehabilitation project stage 1 commenced on main apron	Achieved
	Ensure planning framework enables delivery of master plan	Notice of Requirement and Plan Change 30 confirmed. (NoR and PC30 relates to Project 2-Zero)	Achieved
		Consents achieved for bridging of Jenkins Creek.	Achieved
Financial Results	Manage financial performance to ensure we are optimising returns while also maintaining a strong balance sheet	EBITDA $11.47m (Earnings before interest, taxes, depreciation, amortisation, and other non-operating income/expenses)	Not achieved - $11.23m
		Gross Leverage Ratio (Total third-party debt at year end/EBITDA before other income and expenses (maintained at <3.5x)	Achieved – 2.5x
		Funds from Operations/Debt >18% (Total third-party debt at period end/Equity at period end (maintained at >18%)	Achieved – 27%

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Customers and Stakeholders	Deliver an exceptional customer experience for those visiting the airport in any capacity	Maintain "Excellent" result in next Customer Satisfaction Survey	Achieved
	Deliver on Māori Partnership plan	Adopt the Cultural Framework and commence implementation	Achieved
Environmental Sustainability	Pursue sustainability initiatives that deliver our goal to be carbon neutral by 2030	Climate Disclosure reporting initiated	Achieved
	Enhance oversight of noise levels as set out in the Nelson Resource Management Plan	Review recommendations of 2024 Five-year Noise Audit and prepare a plan for those recommendations that are to be implemented	Achieved

For more information, refer to Nelson Airport's Annual Report for 2024/25

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Nelmac Kūmānu

Nelmac Kūmānu was established in 1995 as a Council Controlled Trading Organisation. The company is fully owned by the Nelson City Council and provides environmental asset management services in the core areas of Greenspaces, Conservation and Three Waters, along with Refuse and Recycling and Landscape Architecture and Planning services.

Performance Targets

As set out in the table below, Nelmac has achieved 50% of the performance measures set out in its Statement of Intent, 3 out of 6

Area	Goal	Measure	Comment	Result
Quality of Service	Understand and strive to improve customer satisfaction	Customer Satisfaction Survey completed with improvement on prior year	Improving on 2023/24 score of 5.28 out of 7*. 2024/25: 6.14 out of 7. *The Customer Satisfaction survey was completed in June 2024. The number of responses in the 2024/25 FY were 14/82 (2023/24 FY: 20/88)	Achieved
Sustainability and Community	Reduced carbon emissions year on year (adjusted for COVID)	Reduce carbon emission compared with the year prior	2025 emissions per $100k revenue due to revenue decreasing but this revenue being attributable to a reduction in our subcontractor delivery, which doesn't impact our own emissions as our staff and vehicle levels have remained static compared to 2024. 2025=2.50t per $100k revenue.	Not achieved
People & Safety	Employee Turnover comparable to industry average	Employee turnover within 5% of the national industry average		Achieved

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	Reduce average TRIFR	TRIFR reduction from 12% to under 10%	Higher than usual LTIs due to Contract outcomes.	Not achieved
Non-shareholder Business	Profitable growth in non NCC work	Profitable year on year growth in non-NCC work from 2024 to 2025	Short-term softness in commercial demand.	Not achieved
Equity Ratios	Bank Debt to Equity Ratio within acceptable risk tolerance	Bank Debt to Equity at or below 55%		Achieved

Financial Performance

Statement of Comprehensive Income

For the year ended 30 June 2025

SOI TARGET		NOTES	2025	2024
				(NZD)
50,000,000	Revenue	1	51,464,481	54,848,482
	Cost of Sales	1	(40,586,944)	(43,952,030)
	Gross Profit		**10,877,537**	**10,896,452**
	Other Income		53,874	65,828
	Finance Costs		(190,313)	(308,294)
	Operating Expenses	1	(10,639,275)	(9,713,563)
	Operating Profit/(Loss) of Continuing Operations		**101,823**	**940,423**
	Profit/(Loss) Related to Discontinued Operations		-	-
700,000	**Operating Profit/(Loss) Before Distributions & Tax**		**101,823**	**940,423**
(350,000)	Subvention Payments		(470,211)	(261,328)
	Operating Profit/(Loss) Before Tax		**(368,388)**	**679,095**
(98,000)	Income Tax Expense	3	70,836	(203,168)
252,000	**Net Profit/(Loss) After Tax**		**(297,552)**	**475,927**
OTHER COMPREHENSIVE INCOME				
	Asset Revaluation		170,000	-
252,000	**Total Comprehensive Income**		**(127,552)**	**475,927**

For more information, refer to Nelmac's Annual Report for 2024/25

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Nelson Regional Development Agency

Nelson Regional Development Agency's (NRDA) purpose is to accelerate economic growth, improving wealth and wellbeing for the people of Nelson Tasman. With a focus on increasing regional productivity, we deliver on our purpose by supporting collaboration, building capability, and attracting resources.

NRDA is a Council-Controlled Organisation (CCO), 100% owned by Nelson City Council. Partnership funding from Tasman District Council enables NRDA's combined Nelson Tasman regional focus. NRDA was established on 1 July 2016 following merger of the former Nelson Regional Economic Development Agency and Nelson Tasman Tourism.

Performance Targets

As set out in the table below, the NRDA has achieved 100% of the performance measures set out in its Statement of Intent, 8 out of 8.

2024/2027 Key Performance Measures Progress Summary	
Attracting Resources and Activity (investment, events, skills and visitors) Aim: Have the investment, resources and attention required	
KPM 1. Supporting investment into the region: *Actively partnering to attract, influence and support a $40m pipeline of regional priority investment projects over three years* • 42 significant regional investment projects tracked on NRDA project pipeline. Funding sought totals over $120m* • Support for the Marina Masterplan funding • Developed Te Tauihu: Port and Marina Infrastructure Redevelopment Overview • Partnered with Moananui to advocate for industry and government funding • Briefing to Ministers on the Waimea Dam • Regional Deal application prepared and submitted on behalf of Councils *Figures quoted in Annual Reporting 2024/25 refer to 42 projects and over $120m funding sought. 'Funding sought' refers to 8 public sector projects only and does not include archived projects or total project value. Other support sought for projects includes regulatory and advisory.	✓
KPM 2. Addressing tourism seasonality: *Delivering shoulder season visitor campaigns with combined reach of one million people per year*	✓

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2024/2027 Key Performance Measures Progress Summary	
Two seasonal (domestic-Spring) tourism campaigns delivered combined reach of over 2.1 million people: and 7,400 referrals to destination partners' websites	
KPM 3. Promoting the region: *Generating Equivalent Advertising Value (EAV) which exceeds $1m per year* $10.2m total EAV achieved through NRDA pitched content to TNZ, media and hosting journalists resulted in 30 published media stories. Nelson Tasman's inclusion as one of six NZ locations featured in the Minecraft game contributed $7.6m to total EAV.	✓
KPM 4. Stimulating the visitor economy and spend through events: *Managing the NCC Economic Events Fund to generate a ROI of 20:1.* • *The ROI on events approved for support during 2024/25 through the NCC Economic Events Fund is estimated at 86.1** • The NRDA reviewed and supported event funding for 53 applications during the year, estimated to attract a total of 63,900 attendees across the next three years (40% visitors to the region). • Through the Business Events function, we supported proposals that eventuated in 21 conferences being held in 2024/25 with a total estimated realised value of $3.6m spend. *NRDA specific events reporting to NCC is delivered on a different calculation basis: NCC elect to remove outlier events from the calculation (i.e. those that achieve ROIT of <10:1 or >100:1	✓
Capability Building *(Business capability, workforce and skills, innovation)* Aim: Develop the skills, mindsets and capability needed	
KPM 5. Supporting businesses: *Actively engaging 500 businesses per year in NRDA business support initiatives.* NRDA's sector-focussed business support initiatives featured well in excess of 500 business engagements including: • 1:1 Business support to 205 businesses (Regional Business Partner (RBP) Programme) • Business development workshops, including Circularity waste (45 attendees); Digital capability (30); AI training (30), Event organisers support (28), Emerging supplier forum (26) • Business forums, including hosting Government Ministers with businesses (60 tourism and hospitality), Regional Growth Summit (50)	✓

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2024/2027 Key Performance Measures Progress Summary	
• Business 2 Business networking, including Food and Beverage (>47 x 2)	
KPM 6. Supporting future workforce needs: *Engaging 50 businesses per year in NRDA-led workforce development programmes.* NRDA led future workforce programmes (Education to Employment; Critical Skills) engaged 68 businesses and over 650 high school students, through industry career days, employability workshops, career events and LifeLab website platforms. Major (Infrastructure) Development Forums (skills and procurement) hosted 99 businesses.	✓
Collaborating to Compete *(Supporting regional collaboration, growth sectors and market connectivity to compete)* Aim: Be more nationally and globally competitive by getting more done together	
KPM 7. Leading, facilitating and informing the regional economic development agenda NRDA's delivery and initiatives of activity through 2024/25 included: • Economic Insights Programme delivery: Quarterly Economic Monitor reports, custom sector reports, industry group presentations (12 initiatives) • Co-hosting & leading the Regional Growth Summit with Ministers and Industry • Hosting and presenting to Ministers and delegations, advocating on regional opportunities and priorities • Kōkiri Forum convenor (regional collaboration)	✓
KPM 8*. Leveraging our regional strengths to catalyse economic growth through sector-focussed collaborations and partnerships, with 150 businesses engaged per year NRDA's sector-focussed collaborations and partnerships engaged over 150 businesses and organisations in collaborations including: Destination Partner Programme (63 partners), Mountain Biking (20), Moananui (blue economy) cluster (34), Food and Beverage group (12), and SPICE (Sport, Professional, Incentive, Conferences & Events) (18). *Note: The wording of KPM8 has been adjusted from the original SOI for reporting from "150 business engagements" to "with 150 individual businesses engaged per year". This better reflects the intent of the KPM to refer to the number of individual businesses engaged in partnership/sector-	✓

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2024/2027 Key Performance Measures Progress Summary	
based initiatives, rather than numbers of businesses engaged with initiatives the latter calculation showing over 750 engagements.	
Achieved/ On Target *includes targeted outcomes which have been achieved via adjustment to approach or to timing, but which remain on track to meet overall SoI timeframes*	

Financial Performance

Statement of Comprehensive Revenue and Expense

Nelson Regional Development Agency Limited
For the year ended 30 June 2025

	NOTES	2025	2025 FORECAST FROM STATEMENT OF INTENT	2024
Revenue				
Revenue from Non-Exchange Transactions				
Government Funding	1	941,675	904,300	927,010
Local Body Funding	1	1,438,759	1,408,448	1,850,249
Total Revenue from Non-Exchange Transactions		**2,380,434**	**2,312,748**	**2,777,259**
Revenue from Exchange Transactions	1	277,631	252,133	310,999
Total Revenue		**2,658,065**	**2,564,881**	**3,088,258**
Expenses				
Depreciation and Amortisation Expense	2	75,681	72,600	39,090
Grants and Sponsorship	3	178,500	178,500	178,640
Marketing and Strategic Projects		681,171	689,433	997,473
Employee Benefits	4	1,346,715	1,399,377	1,543,609
Other Overhead and Administrative Expenses	5	332,001	276,050	334,487
Total Expenses		**2,614,067**	**2,615,960**	**3,093,300**
Net Finance Income				
Finance Income	6	45,767	24,000	73,151
Interest Expense		(199)	(480)	(444)
Total Net Finance Income		**45,568**	**23,520**	**72,708**
Operating Surplus Before Tax		**89,566**	**(27,559)**	**67,666**
Taxation expense				
Tax Expense	11	23,238	-	6,510
Other Comprehensive Revenue and Expenses				
Total Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expenses After Tax		**66,328**	**(27,559)**	**61,156**

For a full summary of performance, please see NRDA's Annual Report 2024/25

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Tasman Bays Heritage Trust

The Tasman Bays Heritage Trust (TBHT) was established in 2000 as a Council Controlled Organisation owned 50% by Nelson City Council and 50% by Tasman District Council. The purpose of the Trust is to care for, strengthen and make widely accessible the taonga and heritage collections of Nelson Tasman; and to create unforgettable experiences that stimulate awareness, celebrate diversity and entertain. The museum facility on the corner of Trafalgar and Hardy Streets was opened in 2005 and features a permanent exhibition which focuses on the region's heritage and natural history.

Performance Targets

As set out in the table below, TBHT has achieved 94.12% of the performance measures set out in its Statement of Intent, 16 out of 17

Strategic goal	Actions	Measures/KPI	Notes	Status
1.To plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection	1.1. Ensure sufficient funds are in place for completion of project	1.1.1.Sufficient funding in place to commence construction.	Insufficient funds to start construction due to the closure of the Regional Culture and Heritage Fund and the continued recess of the Lottery Significant Projects Fund.	Not achieved
	1.2. Robust planning, budgeting, and project management	1.2.1. Construction commenced by the end of the Financial Year	At the time of writing, waiting on Council approval for Business Case to proceed with	Not achieved

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Strategic goal	Actions	Measures/KPI	Notes	Status
			alternate ARC proposal with reduced budget, purchase land and begin construction.	
2. To be a highly valued visitor destination, educational provider	2.1. Implement a high-quality visitor experience programme which attracts our diverse local communities and visitors to the region.	2.1.1. Design and deliver a varied visitor experience including at least three exhibitions.	'*Te Tuhi o Te Whenua: Pakohe Unearthed'*, 22 June – 13 October 2024 '*Six Extinctions: Events That Changed the World',* 8 November 2024 – 9 February 2025 *'George's War'* by local artist Sue Heydon - 28 February - 27 April 2025 *'Unboxed – the Collection Unpacked'* 29 March – 13 July 2025	Achieved

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Strategic goal	Actions	Measures/KPI	Notes	Status
			Pāhekoheko by Wellington based jeweller Keri-Mei Zagrobelna, 9 April - 31 May 2025 ANZAC Day, 23 April – 13 July 2025 Mana Māna by local artist Kim Ireland, 9 May – 13 July 2025	
		2.1.2 Implement at least one new accessibility improvement	Accessibility review on Museum Property was completed in March 2025. List of improvements has been developed and prioritised for future implementation. Top recommendations have completed into disability toilets (wall mounted	Achieved

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Strategic goal	Actions	Measures/KPI	Notes	Status
			rubbish bins rather than pedal operated, and automatic soap dispensers)	
		2.1.3 Deliver one visitor experience initiative in partnership with iwi	*'Te Tuhi o Te Whenua: Pakohe Unearthed'* events and exhibition programme in partnership with Ngāti Kuia and ngā iwi o Te Tauihu. Assisted Ngāti Kuia setting up their new gallery at Te Hoiere. Updated Ngāti Kuia iwi case in regional gallery. Work begun on refreshing Ngāti Rarua case in regional gallery.	Achieved
	2.2. Consolidate and attain visitation targets	2.2.1 Achieve target visitation of 60,000	All sites including Town, Isel, Outreach, Education	Achieved

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Strategic goal	Actions	Measures/KPI	Notes	Status
		visitors including education visits.	1 July 2024 – 30June 2025: 61,325	
	2.3 Provide a high-quality customer service and visitor experience	2.3.1 Demonstrated by a minimum of two customer surveys with rating of at least 85% satisfaction	Six Extinctions survey 94% satisfaction Unboxed – Unpacking the Collection 88.6%	Achieved
	2.4 Provide a high-quality educational service	2.4.1 Teacher satisfaction demonstrated by an average of at least 90% over all teacher evaluations	100% satisfaction rate maintained 1 July 2023 – 30 June 2024 (Museum Teacher Satisfaction feedback forms).	Achieved
3. To actively support and collaborate with iwi, cultural heritage organisations	3.1 Providing advice, guidance, content, mentoring and support to iwi, smaller galleries, libraries, archives	3.1.1 Provide museum support and assistance to Te Tauihu district museums, iwi and cultural organisations.	199 hours provided including: 48 hours preparation for Richmond Library display Technician supported Ngāti Kuia for two days assisting with their new display gallery at Te Hoiere	Achieved

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Strategic goal	Actions	Measures/KPI	Notes	Status
			51 hours Kauae parāoa – Kingitanga. 12 hours for object preparation, and transport of exhibition case for Pasifika Display for Arts Council Nelson	
		3.1.2 Organise at least two regional museum hui	12/13 September including workshop on mount making 13 June regional hui including Te Papa staff	Achieved
	3.2 Provide outreach services to schools, early childhood education centres or other educational institutions within the Tasman area	3.2.3 Deliver outreach programmes to at least 10 Tasman schools	12 x Tasman schools (outreach) Includes 34 sessions and total of 1,319 students. 9 x Nelson schools (outreach) Includes 35 sessions and total of 1,527	Achieved

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Strategic goal	Actions	Measures/KPI	Notes	Status
			students.	
4 To continue to develop and provide appropriate care for a strong collection	4.1 Actively collecting objects that are strongly related to the history and cultural story of Nelson Tasman	4.1.1 Acquire at least two items of significance to Nelson Tasman (historic or contemporary)	1. Hei tiki of metasomatized argillite, made by artist Tim Steel (contemporary) 2. Hei tiki, made by Keri-Mei Zagrobelna (contemporary)	Achieved
		4.1.2 Review Collections Management Policy in advance of collection move to ARC	Policy approved at TBHT meeting 4 June	Achieved
	4.2 Provide digital access to the regional heritage collection	4.2.1 Upload 3,000 new object records to Collections Online	3005 added	Achieved
	4.3 Pack and care for the collection during the transition to the new ARC facility	4.3.1 Audit and pack all items in key movement pathways	Isel facility – LS7 and LS17 audited. Foyer area cleared for movement of objects.	Achieved

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Strategic goal	Actions	Measures/KPI	Notes	Status
5. To improve our sustainability performance	5.1 Preparation to operate under extreme climate change related weather events	5.1.1 Develop an Emergency Management and Collections Recovery Plan	Completed June 2025. Annual review scheduled.	Achieved
6. Grow and diversify our revenue streams	6.1 Identify new funding streams to allow for planned operational developments including ARC	6.1.1 Develop and implement a new operational plan and budget	Budget 2025/26 approved by joint Councils. Reforecast for June 2025 completed. Position for Business Development Leader approved by Board and recruitment in progress. Redevelopment of POS and online store implemented.	Achieved

For a full summary of performance, please see the TBHT's Annual Report 2024/25

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The Suter Art Gallery Te Aratoi o Whakatū Trust

Council established The Bishop Suter Trust (TBST) in 2008 as a Council Controlled Organisation to run the Suter Art Gallery. In 2024, the TBST changed its name to the Suter Art Gallery Te Aratoi o Whakatū Trust. Its first statement of intent was adopted in June 2009. The art gallery is also part of the learning experiences outside the classroom programme for schools.

The Suter has been operating in its new redeveloped Suter Art Gallery at its historic Bridge Street site since it was completed in 2016/17.

Performance Targets

As set out in the table below, the Suter Art Gallery has achieved 66.67% of the performance measures set out in its Statement of Intent, 8 out of 12

Performance measure	Performance against measure
GOAL 1: To be a vibrant visual arts destination of national importance	
3.1 Provide a vibrant visual arts destination	3.1.1 A minimum of 100,000 visits per annum to The Suter • Achieved 92, 173 visitors. A variance to annual target of (-7.83%)
	3.1.2 Customer satisfaction survey ratings indicate at least 85% satisfaction • 614 responses • 92.6% overall satisfaction rate 607 would recommend the gallery to a friend (ie. 98.9%).
	3.1.3 Honour the Kaupapa of the Memorandum of Understanding (MoU) with Ko Te Pouāranga (KTP): KTP input to programmes, projects, collection and policy • Ko Te Pouāranga meetings held as per annual schedule • Pouāranga representative on The Suter's Collection committee • Five toi Māori exhibitions in 12 months
GOAL 2: To excite, engage and inform our community through art experiences	
	3.2.1 A programme of 10-15 regularly changing exhibitions are mounted during the year. • 17 exhibitions mounted 1 July 2024 – 30 June 2025
	3.2.2 Provide learning experiences for 4000 Nelson/Tasman school students (ELC) from 25 schools – based on The Suter's programmes and resources:

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Performance measure	Performance against measure
	• For our contract to deliver to 4000 students, 4707 students attended ELC educator led classes at The Suter 1 July – 30 June 2025 • 35 schools from Nelson/Tasman attended The Suter's ELC programme
	3.2.3 Provide a minimum of 80 activities that Make Art Matter* • Activities including: 12 artist talks, 10 workshops, 184 art classes, 8 opening events, 1 podcast
GOAL 3: To ensure a sustainable future	
3.3 Our communities are healthy , safe inclusive and resilient. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. SoE: Good Employer obligations SoE: Health and safety obligations SoE: Non-Council financial contribution to meet operational costs SoE: Carbon footprint reduction	3.3.1 Maintaining Good Employer policies, procedures and practices is demonstrated by zero number of resignations • Three staff resignations including two to retirement.
	3.3.2 No significant health and safety incidents and no staff hours lost to injury • No significant health and safety incidents and no staff hours lost to injury
	***3.3.3 Retail, Friends of the Suter, fundraising and sponsorship and donations, contribute to the Suter self-generated income as forecast in budget Report 12 monthly: • Exchange revenue was $486,709 vs budgeted $428, 487 (an improvement of 13.6%)
	3.3.4 Use Council carbon footprint monitoring tool to progress with mitigations • Initial steps have been taken to engage with the Council's carbon footprint monitoring tool. While full implementation and reporting are not yet in place, groundwork is progressing towards an effective use of the tool to monitor the impact and mitigation measures.
GOAL 4: To embrace the past and preserve our cultural and artistic heritage	
3.4 Our communities have opportunities to celebrate and	3.4.1 Collections are developed in accordance with policy and strategy and a minimum of eight acquisitions are made • Five new acquisitions (two gifts, three purchases) including Trees at Totaranui by Doris Lusk and Kia Toa by Baye Riddell

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Performance measure	Performance against measure
explore their heritage, identity and creativity	3.4.2 Collections preserved by minimal cases (i.e. <1) of irreparable damage occurring due to storage/display conditions, handling, or public access • No instances of damage to the collection.

Financial Performance

The Suter Art Gallery Te Aratoi o Whakatū Trust
Statement of Comprehensive Revenue & Expense
For the Year Ended 30 June 2025

	Note	Actual 2025 $	Budget 2025 $	Actual 2024 $
Revenue				
Revenue from non-exchange transactions	4	991,849	1,067,308	1,046,837
Revenue from exchange transactions	5	486,709	428,487	428,659
Total Revenue		**1,478,557**	**1,495,795**	**1,475,496**
Expenditure				
Personnel Costs	6	722,892	738,557	715,352
Retail & Marketing		56,056	55,035	77,634
Exhibitions		112,033	113,292	100,116
Governance		73,961	74,137	72,668
Building & Facilities		274,612	279,110	225,417
Depreciation		436,898	447,043	437,916
Other	7	236,635	223,911	209,517
Total Expenditure		**1,913,088**	**1,931,085**	**1,838,621**
Sutotal Operating Surplus/(Deficit)		**(434,531)**	**(435,290)**	**(363,125)**
Revenue from Unrealised Market Adjustments		122,437	171,007	163,769
Collection Impairment Expense		(399,657)		
Operating Surplus/(Deficit)		**(711,750)**	**(264,283)**	**(199,356)**

For a full summary of performance, please see The Suter's Annual Report 2024/25

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Nelson Marina

Nelson Marina is a marina and boat yard operation owned by Nelson City Council and managed by Nelson Marina Management Limited on council's behalf.

The marina's purpose is to provide safe berthing, launching, storage and hardstand facilities for pleasure vessels servicing both local and visiting vessels, and to support other water-based recreational pursuits.

Facilities at Nelson Marina include and on-site office, customer lounge, shower and laundry facilities, refuse and recycling provisions, and electricity and potable water for every pontoon berth. The marina also offers a pump-out station, three-lane boat ramp, Travelift straddle carrier for boat lifting, washdown facilities, car and trailer parking, dry berths and a boat storage yard.

Performance Targets

As set out in the table below, the Nelson Marina has achieved 60% of the performance measures set out in its Statement of Intent, 6 out of 10

Strategic area	Measure	Target	
People, Culture and Values	Maintain a formal training and development programme for employees	Minimum 10 hours per annum per FTE of ongoing personal development	Achieved
	Annual employee engagement survey to be undertaken	A happy empowered and engaged team	Scheduled but not complete due to employment changes at NMML
	6 month and annual performance reviews	All staff 'achieving' or higher	Achieved
Health, Safety and Risk	Have a behavioural based safety culture where everyone is responsible for safety in the marina	Risk register reviewed fortnightly as part of all staff meetings One key risk reviewed at every board meeting	Achieved

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Strategic area	Measure	Target	
		Board safety walks scheduled quarterly Monthly boat yard contractor meetings	
Infrastructure and Property	Develop infrastructure in line with Marina Masterplan	All capital projects completed on time and within budget	Achieved
Financial Results	Manage financial performance to ensure we are optimising returns	Annual accounts are on budget or better	$420k profit compared to budget loss of $634k
	Maintain high occupancy levels	95% for permanent berthing 60% for visiting berthing	96.5% for permanent 46.7% for visiting due to the quiet summer
	Annual Audit	Achieve an unqualified annual audit opinion	Consolidated into the NCC financial audit
Customer and Stakeholders	Deliver an exceptional customer experience	Complete a customer satisfaction survey and compare year on year	A customer feedback and information evening was held in August 2025 with a survey scheduled for February 2026.

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Strategic area	Measure	Target	
Environmental Stability	NZMOA Clean Marina	Maintain audit compliance	Audit complete and certification reissued in September 2025

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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Nelson City Council Group's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Nelson City Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the information in the annual report of the Group that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

In our opinion:

- the financial statements of the Group on pages 129 to 134 and 143 to 230:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2025;
        - the results of its operations and cash flows for the year ended on that date; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement of service provision for the year ended 30 June 2025 on pages 20 to 113 and 231 to 233

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- provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
- fairly presents, in all material respects, the actual levels of service for each group of activities, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2025 on pages 114 to 128, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities for the year ended 30 June 2025 on pages 30 to 31, 39 to 40, 46 to 47, 53 to 54, 60 to 61, 66 to 67, 80 to 81, 88 to 89, 95 to 96, 101 to 102 and 112 to 113 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement for the year ended 30 June 2025 on pages 135 and 136, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

Date

We completed our work on 31 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

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Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Future of water delivery

Note 2.29 on pages 161 and 162 outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to deliver water services itself directly.

There is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

Inherent uncertainty in the measurement of greenhouse gas emissions

The Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Considering the public interest in climate change-related information, we draw attention to pages 109 to 111 of the performance information, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

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In preparing the audited information and the disclosure requirements, the Council is responsible for assessing its ability to continue as a going concern.

Responsibilities of the auditor for the audited information and the disclosure requirements

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the statement of service provision includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service provision for groups of activities present an appropriate and meaningful basis that will

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enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of *Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have reported on a limited assurance engagement related to the Council's debenture trust deed. Other than the audit, our report on the disclosure requirements, and this limited assurance engagement, we have no relationship with, or interests in, the Group.



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

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Statement of Compliance

The Financial Statements and Statement of Service Performance of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The Financial Statements and Statement of Service Performance have been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period, and comply with PBE financial reporting standards.

Signed by:
Mayor Nick Smith
D85BF28117564D3...
09-Nov-25

Mayor of Nelson

Mayor Nick Smith

Signed by:
Nigel Philpott
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07-Nov-25

Chief Executive

Nigel Philpott

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Appendix: Greenhouse gas emissions performance measure disclosures

The following disclosures relate to our greenhouse gas emissions (GHG) performance measure reported on page 110.

Organisational and operating boundaries

The results reported in this Annual Report have been prepared in accordance with the requirements of ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. Where applicable, this approach is aligned with industry or sector best practice for emissions measurement and reporting.

An operational control consolidation approach was used to account for emissions.

Emission factors

Emission factors for the 2023-2024 Financial Year edition of the NCC carbon emissions inventory were sourced from the 2024 publication of the Ministry for the Environment emission factors workbook. The exceptions to the emission factors being used exclusively from MfE are the Unique Emissions Factor (UEF) implemented for landfill emissions, due to the infrastructure implemented at York Valley Landfill. Additionally, both Wastewater Treatment Plants (WWTP) in this inventory use their own emission factors based on the Water NZ carbon accounting guidelines, and sludge to landfill makes use of the landfill UEF.

Due to the significant increase of a 38.7% change in purchased energy emission factor, Nelson City Council has recalculated FY 2023 – 2024 for both electricity and transition & distribution losses. This has increased total emissions by 3.03% FY 23-24. The total emissions for FY 23-24 is 8,331 tonnes CO_2e. To calculate electricity emissions and transmission losses for FY23/24, the Council used emission factors from the MfE 2005 Emissions Factors Workbook, which contains data for the 2024 calendar year.

Significant assumptions and methodology

Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

See below further information about methodology and assumption for the relevant sources of emissions

Electricity

Data has been supplied directly from our electricity supplier Meridian for the latest reports. Total electricity has been calculated and broken down by individual meters.

Electricity losses

Electricity losses refer to the energy lost during transmission and distribution

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from the point of generation to the end user. These are categorized under Scope 3 emissions in carbon inventories **(both category 4 and category 6 emissions)**. Electricity losses are calculated by applying a transmission and distribution loss factor of the total electricity. The approach assumes that loss factors are based on national averages and grid performance data.

Waste water treatment plants

Greenhouse gas emissions from wastewater treatment were estimated using a combination of on-site testing and the New Zealand Water Carbon Accounting Guidelines. For each stage of the treatment process, inflow and outfall data recorded in the plant's operator log were analysed alongside biochemical oxygen demand (BOD) ratio calculations to estimate emissions of carbon dioxide and nitrous oxide.

At Bell Island Wastewater Treatment Plant, which is managed through a joint committee formed by Nelson City Council and Tasman District Council, 50% of all relevant emissions are attributed to Tasman District Council. This reflects the shared governance and operational responsibilities between the two councils. The plant's detailed operator logs enabled step-by-step emissions estimation across its linear treatment process.

In contrast, the Nelson North Wastewater Treatment Plant, which is under the operational control of Nelson City Council, operates at a lower intensity. Most wastewater, following initial screening, flows directly into oxidation ponds, resulting in a less complex treatment pathway. While daily inflow and outfall volumes are available, BOD ratios are not recorded daily. Therefore, monthly average estimations were applied to calculate emissions for this site.

Waste-landfill

Emissions from landfill operations were calculated using UEFs provided for York Valley Landfill. It is assumed that load descriptions submitted by truck drivers are accurate. As the landfill is managed under a joint committee between Nelson City Council and Tasman District Council, 50% of all relevant emissions are attributed to Tasman District Council (TDC).

Although UEFs are originally designed for calendar year reporting, they have been applied to financial year data (1 July – 30 June) for consistency with Council reporting periods. This may result in minor deviations from the landfill's own reported emissions.

The Emissions Trading Scheme (ETS) estimates emissions based on the lifetime impact of each tonne of waste deposited. In contrast, the UEF methodology accounts for annual reductions in emissions due to gas capture and destruction.

These calculations, detailed in UEF reports, reflect the cumulative gas production from waste as it decomposes over time. The most recent year's data includes aggregated emissions from the entire operational life of the landfill up to that point.

As no Unique Emissions Factor (UEF) was calculated for the base year, an applicable Default Emissions Factor (DEF) was applied in accordance with the *Climate Change (Waste) Regulations 2010*. In 2020, an independent consultant was engaged to calculate a site-specific UEF for York Valley Landfill, in

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accordance with the *Climate Change (Unique Emissions Factors) Regulations 2009*. The UEF has since been updated annually to reflect changes in landfill operations and emission mitigation measures. This approach provides a more accurate representation of the landfill's actual emissions performance compared to the Ministry for the Environment's national average emission factors, which may not reflect site-specific conditions.

Staff commuting

Emissions from staff commuting were estimated using data from an internal NCC staff survey, with approximately 50% of staff responding. Per capita emissions were calculated from the survey responses and then scaled up to approximate total emissions for the full staff base. Due to low participation in the 2024 survey, results from the 2023 survey were reused for this reporting year.

Some overlap was identified between staff-reported use of NCC fleet vehicles and the Council's recorded fuel usage, as well as occasional ambiguities in survey responses that led to minor double counting. Appropriate reduction factors were applied to adjust for these discrepancies and ensure more accurate emissions reporting.

Rental portfolio

Nelson City Council (NCC) has included its rental properties under Scope 3, Category 5 of its carbon footprint report. Although tenants are responsible for their own energy consumption, NCC estimates their usage to promote transparency and support energy efficiency initiatives.

Electricity Consumption

- Total estimated emissions: 119.45 tCO_2e, including consumption and transmission losses.
- Properties with individual Installation Control Points (ICPs) are charged monthly based on actual usage.
- Shared ICPs pose billing challenges; some leases use fixed monthly electricity charges based on budget or historical spend, typically split by leased area.
- At the start of each financial year, NCC's Property Team reconciles actual costs with recovered amounts and adjusts via credits or invoices.
- For properties without invoices, electricity use is estimated using floor area and Energy Use Intensity (EUI) factors based on building type.
- Properties metered under electricity provider accounts are either charged back to tenants or included in rent.
- In mixed-use buildings like Civic House, tenant-related electricity use is reclassified under Scope 3, Category 5, while NCC's own use remains categorized as normal.

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Gas Consumption

- Estimated emissions: 3.61 tCO_2e across six properties (2 cafes, 3 residences, 1 commercial).
- Calculated using floor area, standard BTU usage rates per building type, converted to LPG volume and multiplied by LPG emission factors.
- These estimates are generalized and may vary based on appliance efficiency and usage patterns.

Diesel Consumption

- Estimated emissions: 8.7 tCO_2e for Melrose House Café and Garage, which uses a diesel-powered boiler.
- Data sourced from the May 2024 Melrose House space heating feasibility study.

Reduction of GHG from base year

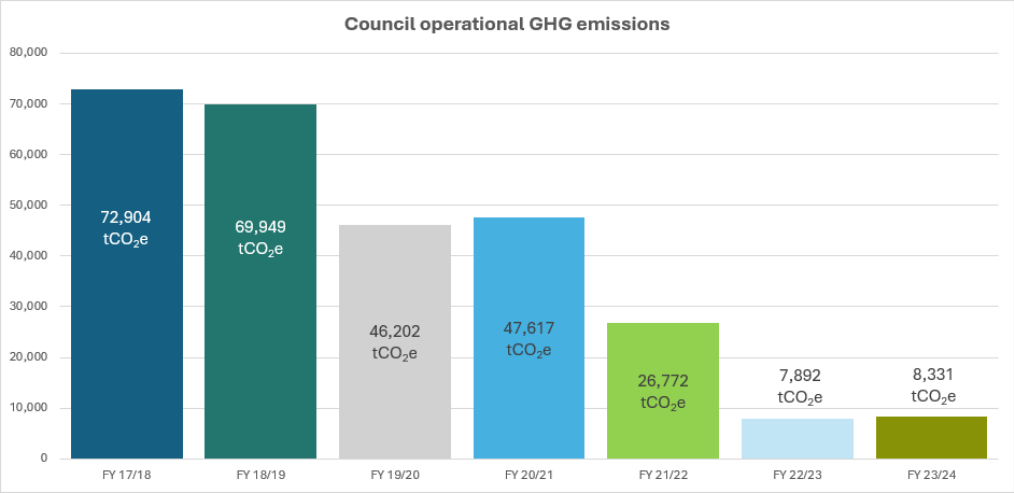
Council has since achieved an 89 per cent reduction in total GHG emissions compared to the baseline reporting year of 2017/18. This significant decrease is largely due to improvements made in landfill operations to capture methane effectively on-site, and the change from a default emission factor to a UEF to capture the impact of these changes. Despite this progress, there is still considerable work to be done in reducing other types of emissions, specifically those that are not biogenic methane i.e. transport and energy.

Annual Emissions Comparison and Performance Measure

Total GHG emissions for FY22/23 were 7,892 tCO_2e, while emissions for FY23/24 increased to 8,331 tCO_2e. This rise represents a year-on-year increase and indicates that the performance measure for emissions reduction was not achieved. The increase can be attributed to two key factors:

- A significant rise in emission factors for key sources, particularly electricity, which increased by approximately 38.7% between reporting years.
- The inclusion of an additional emission source in the FY23/24 inventory, namely, the Council's rental property portfolio, which was not previously accounted for.

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Nelson City Council GHG emissions included in the reported result:

GHG emissions source
Accommodation hotel/lodge/motor inn
Air travel domestic (average)
Air travel long haul (econ)
Air travel short haul (econ)
Diesel
Diesel stationary combustion
Paper usage
Petrol premium
Petrol regular
Rental Car average (fuel type unknown)
Taxi (regular)
Electricity
Electricity losses
Fertiliser use Nitrogen
LPG stationary commercial
Staff Commuting
Working from Home
R-410A Gas leak/refill
Electricity LPG, Diesel from Rental properties
Wastewater Treatment Plant – Nelson North
Waste landfilled
Wastewater Treatment Plant

An increase in total emissions for the current reporting year is partly due to the inclusion of a newly identified emission source—Electricity, LPG, and Diesel consumption from rental properties (204 tCO_2e)—which was first measured in FY23/24. This source could not be quantified in the comparative or base year due to data unavailability.

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Nelson City Council GHG emissions excluded from the reported result:

The following emissions sources have been identified and excluded from the GHG emissions reported result.

- Livestock at WWTP Bells Island. The lessee at this location has cattle on the land periodically.
- Fuels used by Nelmac (contractor for parks and fertilizing)
- Diesel used by contractor at the landfill.
- Electricity and Fuel relative to the Nelson Marina have been removed from FY 23/24 onwards.
- Public transport (Bus) and Staff reimbursement for use of own vehicle. Staff personal vehicle reimbursement is not included as data on this has been determined *de minimis*, accumulating 0.45 tCO_2e and thus being under the 1% significance threshold. Staff are encouraged to use the Council's vehicle fleet in place of personal vehicles.
- Landfill Waste (NCC Admin) has been Included in the Joint Committee Landfill emissions to avoid double counting.
- Well-to-Tank has been excluded.
- Capital Goods have been excluded

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Contact us
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Council Customer Service Centre

Open from 8:30am to 5:00pm weekdays (9:00am on Wednesdays) in Civic House, corner Halifax and Trafalgar Streets.

Correspondence

Written correspondence to Council should be addressed to the Chief Executive, PO Box 645, Nelson, 7040. Emails should be sent to enquiry@ncc.govt.nz

Attend a Council meeting

All Council meetings are open to the public to attend in person. Council meetings are advertised in Our Nelson, Nelson Mail and listed on the Nelson City Council website. Members of the public are welcome to attend meetings of Council and its Standing Committees. You could be asked to leave a meeting if Council needs to discuss a confidential topic. To do that, Council would pass a resolution to that effect, under the Local Government Official Information and Meetings Act 1987. We live stream full Council meetings, Committee meetings, Panel meetings and Business Unit meetings. Visit the **Nelson City Council YouTube Channel** to view meeting livestreams and recordings. Please note that any joint Committees administered by Tasman District Council are not livestreamed but recordings are available from Tasman's website.

Public forums

There is a public forum at the beginning of most ordinary Council and Committee meetings where up to 30 minutes will be available for members of the public to speak to Council. (Note that five minutes is the time limit given to an individual speaker). Public Forums are designed to enable members of the public to bring matters of their choice, not necessarily on the meeting's agenda, to the attention of the local authority. You need to book a time before the meeting by contacting the Governance Team at 546 0436 or email:

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governance.advisers@ncc.govt.nz. Please send through your request at least three working days before the meeting (if not sooner) and note that the time set aside for Public Forum is in demand.

Petitions

The presentation of a petition to Council or its Standing Committees must also conform to certain rules. Petitions need to be provided to the Chief Executive at least five working days before the meeting it is being presented at. For more information contact the Governance Team at 546 0436 or email governance.advisers@ncc.govt.nz.