

Annual Report 2023/24

Pūrongo ā Tau

For the financial year ending 30 June 2024



Nelson City Council
Te Kaunihera o **Whakatū**

Contents

Mayor's Foreword	3
Introduction	6
Council Activities: Year ended 30 June 2024.....	16
Transport.....	19
Water Supply	29
Wastewater.....	36
Stormwater.....	42
Flood Protection.....	48
Solid Waste.....	56
Environment	63
Social.....	77
Parks and Active Recreation	88
Economic.....	99
Corporate	105
Financial Information	113
Summary of Capital Expenditure Over \$100,000	114
Statement of Comprehensive Revenue and Expenses	122
Statement of Changes in Equity.....	123
Statement of Financial Position	124
Statement of Cash Flows	125
Funding Impact Statement.....	126
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.....	127
Financial Prudence.....	128
Notes to Accounts	133
Service performance reporting judgements.....	209
Performance of Council Controlled Organisations.....	212
Audit Report.....	234
Contact us	239

Mayor's Foreword

Kupu Whakataki a te Koromatua

Kia ora, Nelsonians

It was another year of financial challenge for Nelson City Council in 2023/24 as we continued to fund the recovery from the August 2022 storm while facing – along with residents – high inflation coupled with hikes in interest rates and insurance costs as well as depreciation.

Alongside these challenges, there have also been many key highlights.

Storm recovery

The most significant challenge for Council this year has been addressing the tens of millions of dollars of damage to the city's infrastructure and assisting dozens of homeowners affected by the August 2022 storm. The Long Term Plan 2024-2034 included the acceptance of an offer from the Government of a \$12.3 million support package to assist with Council's recovery work from the storm. This package, signed by Minister for Emergency Management and Recovery Mark Mitchell in July, enables us to implement our pragmatic buyout plan for those homeowners who are trapped with properties that are uneconomic to repair and unsafe to live in.

The bulk of the estimated \$89.5 million cost to Council of storm recovery work is for infrastructure repairs and we are deliberately building back better to improve our resilience to future events. We spent \$17.9 million on that recovery work in 2023/24.

Library services

The Elma Turner Library reopened fully on 17 January 2024 after 19 months of disruption during strengthening work and repairs. The central Nelson library was closed in June 2022 after the building was identified as being earthquake prone. During repair work, buckling and splits in four trusses were discovered, requiring further strengthening work. This work has extended the life of the library by another 5-10 years at a cost of \$2.5 million.

eBus service

There were 902,897 journeys across the Nelson-Tasman region on the new eBus service in its first year, up from 454,943 in the final year of the former NBus service. Launched on 1 August 2023, the eBus service with its fleet of 17 new Foton electric buses has been embraced by residents and visitors.

The region can rightly be very proud of having the first electric bus service of this scale. An expansion of the bus frequency and destinations to cover 3,885 kilometres each day has helped drive this doubling in use. There have been a few bumps with this new service, and we have commenced a comprehensive review following one full year's service. This review will guide future decisions. Our goal is to grow the eBus service further, to top a million journeys a year.

Infrastructure

As part of its core work, Council upgraded sections of its water, wastewater and stormwater networks. In April 2024, we marked the completion of the final stage of the \$40 million, 2km-long Saxton Creek upgrade project between Champion Road and State Highway 6 that commenced in 2013/14. This was one of Nelson City Council's most complex projects, which included liaison with 40 individual residential landowners.

During the eight years of staged construction the project was hit by the effects of the COVID-19 pandemic and large weather events including storms in August 2022 and May 2023. Now that it is complete, the resilience of this fast-growing corner of Nelson South has been hugely improved.

Long Term Plan 2024-2034

A major challenge for Council this past year has been drafting, proposing, consulting on and settling the Long Term Plan for 2024-2034. Adopted on 27 June 2024, this LTP is the culmination of an enormous amount of work by Councillors, Council staff and the community. I want to acknowledge the 1,537 submitters who commented on our LTP consultation document and related consultations – a record – in March and April and the 111 organisations and individuals who took the time to speak at the hearings in May.

Working together

We have been celebrating 150 years of Nelson City Council this year. There is much we can be proud of in that long history. However, it is only in recent years that any attempt has been made to honour Te Tiriti o Waitangi / the Treaty of Waitangi and include iwi in decision making for our city and region.

Our Council's ambition is to carve out a pragmatic pathway that builds respectful relationships with iwi and benefits the whole community. The significant Kia Kotahi Te Taihu, Together Te Taihu Partnership Agreement with our eight Te Taihu iwi, and our two neighbouring local authorities of Tasman District Council and Marlborough District Council was signed in late 2023. The challenge now is to implement this agreement over the next decade in a way that builds confidence and shows the benefits of working together.

City revitalisation

Nelson City Council in March 2024 hosted the City Revitalisation Summit, attended by more than 150 people including leaders from the business and arts sectors, iwi, community and Council. This successful event generated many ideas for how we can revitalise our city. This work is being advanced by four taskforces established in May. Each has a different focus – one on the central city, one on the waterfront, one on civic house/library and the fourth on community initiatives.

Residents' survey

In October 2024, we released Annual Residents' Survey for 2023/24 showing that overall satisfaction with Council has increased to 60%, up from 54% the previous year and 51% the year before that. The survey also showed that dissatisfaction had fallen to 16%, from 18% in 2023 and 21% in 2022. I am particularly pleased that of the 18 councils in New Zealand that do the same survey with Key Research, Nelson had the top overall rating. The residents' survey has been completed in Nelson every year since 1997. It is useful in providing randomised information on how well we are doing but also in identifying areas where our residents are least satisfied. It also enables us to benchmark ourselves against other councils.

The past year has seen Council make huge progress on fixing infrastructure after the August '22 storm, repairing and reopening the Elma Turner Library, introducing the eBus service and adding lights to the Railway Reserve. This progress is reflected in significant improvements in satisfaction for flood protection (+8%), libraries (+10%), public transport services (+27%) and cycleways (+6%). I am political realist who knows you cannot please all of the people all of the time, but I am encouraged by the improving results. We will be doing more work on those areas where residents are least satisfied.

I thank Councillors, our Chief Executive and Council staff for all that has been achieved over the past year. I am particularly proud of the work on storm recovery that has us ahead of many similarly affected communities and well advanced in making our region more resilient to future events. We now need to move our focus from storm recovery to economic recovery and the revitalisation of our city centre.

Ngā mihi nui

A handwritten signature in blue ink, appearing to read 'Nick Smith', written in a cursive style.

Hon Dr Nick Smith

Mayor of Nelson | Te Koromatua o Whakatū

Introduction

Kupu Whakataki a te Koromatua

This Annual Report outlines how Council has performed against the commitments we made to the Nelson community in the Annual Plan 2023/24. Like a great many households and businesses in our community we've had a challenging year. This has been due the cost of funding the recovery from the August 2022 severe weather event, inflation increasing the cost of materials and services, along with increasing interest rates, insurance costs and depreciation costs, and changing central government priorities and requirements.

Despite these challenges, Council has continued to deliver core services while investing in services that make a real difference to you and our environment. Highlights are outlined below.

The August 2022 Severe Weather Event created widespread flooding and severe landslips which impacted Council's infrastructure as well as private homes. During 2023/24 Council undertook recovery work which will continue into 2024/25.

In December 2023, Te Taihū Mayors and Iwi Chairs signed the Kia Kotahi Te Taihū Partnership Agreement, which promotes collaborative work on mutual interests and addresses broader strategic and regional challenges. This strengthening of our relationship with iwi will benefit the whole community.

Council has exceeded its carbon emissions reduction goals with total greenhouse gas emissions down 89 per cent since the baseline reporting year of 2017/18, largely due to capturing methane at the landfill. We still have considerable work to reduce other types of emissions, specifically those that are not biogenic methane.

The Regional Land Transport Plan was reviewed jointly with Tasman District Council, and we prepared a three-year programme of works to enable funding to be sought from the National Land Transport Fund.

The new eBus service was launched in Nelson and Tasman on 1 August 2023, with passenger numbers almost doubling during the year.

Upgrades have occurred on Council's water, wastewater and stormwater infrastructure. Also, the eight year Saxton Creek flood protection upgrade is now complete catering for a 1 in 100-year flood event, with works including a shared path and amenity planting along the stream.

With the help of various partners in our community, we planted over 38,500 trees through Project Mahitahi and the Wakapuaka Whangamoā Restoration Project. Other plantings include various coastal restoration plantings, 16 Adopt a Spot volunteer group planting events and five community planting events.

Council hosted the City Revitalisation Summit in March 2024. Projects currently underway to support the Summit aims include the Rutherford Park Playspace and Bridge to Better.

During the year Council contracted for and delivered a total of 19 events or events series with an estimated 43,000 attendees. As an example, the Tuku 24 heritage week festival series saw an estimated 18,000 people attend 120 individual events between 24 March and 04 May 2024. Over 40% of the events in this diverse festival shared non-European stories ranging from a collection of Māori-led events to events hosted by the migrant community.

We completed earthquake strengthening at the Elma Turner Library to make it safe for users.

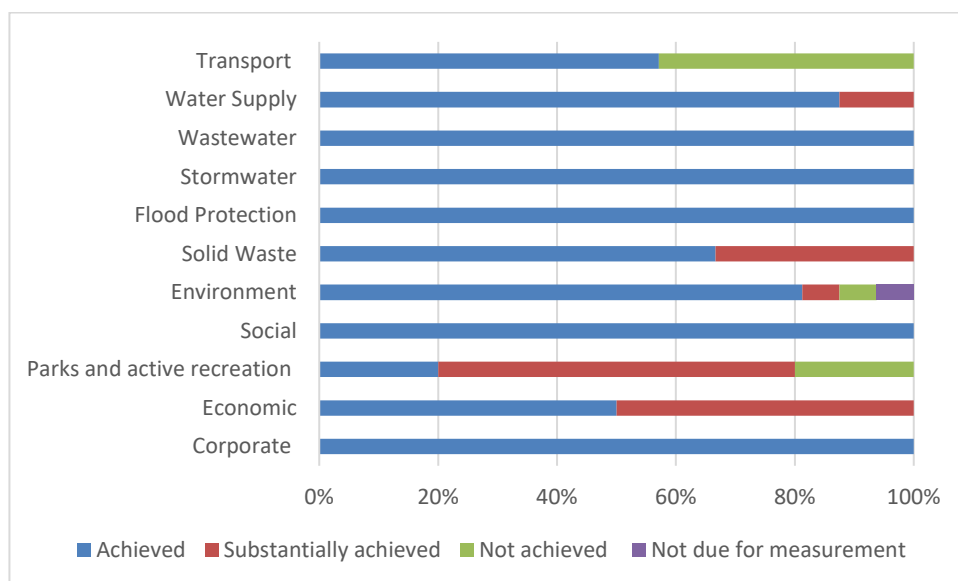
In May 2024 an agreement was reached between Nelson City Council and Koata Ltd that allows recreational access for walking, running, mountain biking and paragliding to Ngāti Koata-owned land through to 30 June 2034.

Council made the decision to transition away from commercial forestry over time and replant to achieve a continuous forest canopy of mixed species forest.

The Nelson Regional Development Agency (NRDA), of which Nelson City Council is the sole shareholder, was a founding and contributing partner of Moananui. Moananui is a blue economy cluster bringing together relevant organisations to develop the blue economy in new ways that generate economic value and improve ocean health. Council provided seed funding via the NRDA to help build and present a business case to Central Government to support the establishment of the regional blue economy cluster. This work secured \$500,000 of central government funding, across two years, to support the formal establishment and ongoing development of the cluster.

This Annual Report also provides an update on Council’s non-financial performance against key performance measures across eleven activity areas. Council has successfully achieved over 80% of the targets with an additional 10% substantially achieved, which is an improvement on last year’s result. The chart below provides a summary of our results by activity area:

Key Performance Measures by Activity



Planning and Reporting Context

Council's planning and reporting processes centre on three key documents, as outlined in the following diagram.



This Annual Report is an important step in the planning cycle, as it outlines to the community how Council has performed against the commitments it made in its work programme for the year.

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

Council's Vision, Community Outcomes and Priorities for the 2023/24 year were set by the previous Council through the Long Term Plan 2021-2031 and incorporated into the Annual Plan 2023/24.

The Long Term Plan 2021-2031 is available on Council's website at:
<https://www.nelson.govt.nz/council/plans-strategies-policies/long-term-plans/long-term-plan-2021-2031/>

The 2023/24 Annual Plan is available on Council's website at:
<http://www.nelson.govt.nz/council/plans-strategies-policies/annual-plans/annual-plan-2023-24/>

The Long Term Plan 2024 – 2034 was adopted by Council on 27 June 2024. This plan set a new vision and priorities and included updated community outcomes and will be reported against in the next Annual Report for the year 2024/25.

Financial overview: year ended 30 June 2024

Tirohanga ahumoni

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 deficit before revaluations (for the year ended 30 June 2024) of \$7.3 million, which was \$13.5 million less than budget. An explanation of this variance can be found in note 40 to the Accounts section.

The deficit was \$7.3 million in the 2023/24 financial year, while in the 2022/23 financial year there was a \$14.6 million deficit. The accounting 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 2024, Council's borrowings, net of deposits and cash, were \$223.5 million, compared to the budget of \$207.9 million. The actual net debt is higher than the budget mainly due to additional debt raised to fund the costs related to the weather event including property purchases and slip remediation works that were expedited from 2024/25 budget.

This full Annual Report 2023/24 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 dollars (\$000). The functional currency of Nelson City Council is New Zealand dollars.

The financial statements of Nelson City Council are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 31 October 2024.

Statement on Fostering Māori Participation in Council Decision Making Te whakatītina i te Urunga o Ngāi Māori

Council is committed to strengthening partnerships with the iwi and Māori of Te Taihū, providing opportunities for Māori involvement in our decision-making processes in a meaningful way. This includes an intention to:

- Build genuine partnerships with all eight Te Taihū iwi at governance, management and operational levels.
- Support iwi to participate in local government decision-making.
- Increase Council's understanding of te reo Māori me ōnā tikanga (Māori language and culture).
- Support iwi aspirations.

Through these actions, we aim to create a more inclusive and representative framework for greater participation of Māori.

For more information on how Council fosters Māori participation in decision-making, please refer to the *Statement on fostering Māori participation in Council decision-making - Te whakatītina i te urunga o Ngāi Māori* in the Long Term Plan 2021 -2031:

<https://www.nelson.govt.nz/assets/Our-council/Images/plans-strategies-policies/long-term-plans/lt-2021-31/Long-Term-Plan-2021-31-FINAL-FOR-WEB-04-August-2021-updated23March22.pdf>

During 2023/24, the Council undertook several key actions to maintain and enhance Māori involvement in its decision-making processes:

- **Partnership hui:** The Council hosted 14 hui with iwi representatives, facilitating discussions on 94 papers across operational and management groups.
- **Te Taihū Iwi and Council CE/GM forum:** This forum, which includes managers of all eight Te Taihū iwi Managers and the Chief Executives from Nelson City Council, Tasman District Council and Marlborough District Council, met four times to address management matters.
- **Te Taihū Mayors and Chairs Forum:** This forum convened four times to discuss governance matters. The group involves the chairs of the eight Te Taihū iwi and the three mayors of Nelson City, Tasman District and Marlborough District Councils.
- **Kia Kotahi Te Taihū Partnership Agreement:** In December 2023, Te Taihū Mayors and Chairs signed this agreement which promotes collaborative work on mutual interest and addresses broader strategic and regional challenges.
- **Āpōpō Supreme Award:** In May 2024, Nelson City Council and WSP received the Āpōpō Supreme Award for the development of a Kaupapa Māori Asset Management Framework with Te Taihū iwi practitioners. This groundbreaking framework is the first of its kind in asset management, providing a unique approach to asset planning that incorporates iwi perspectives through a cultural lens.
- **Te Kāhui Whiria** (Māori Partnerships Team) and Council Kaumātua provided cultural support, and guidance for approximately 30 events in 2023/24, including:

the opening of Te Pā Harakeke, the Maitai Recreation Hub and Tirohanga Whānui Park, a tree planting for the Coronation of His Majesty the King, and a pōwhiri for the former refugee community.

Events

Te Te Kāhui Whiria also supported the delivery of:

- National kapa competitions Te Mana Kuratahi in October 2023 and Ngā Kapa Haka Tuarua O Aotearoa in June 2024
- Te Huihui-o-Matariki in July 2023 and June 2024
- Waitangi Day pōwhiri and International Kai Festival on 6 February 2024.

Further information on these events can be found on page 78.

Climate Change

Te āhuarangi hurihuri

Global efforts to address climate change and reduce greenhouse gas emissions are falling short. We are already seeing the impacts of a changing climate in Nelson, with more severe storms, eroding coastlines, variable rainfall and hotter seasons.

Action on climate change is one of Council's biggest priorities. Council is committed to:

- playing its part in curbing global greenhouse gas emissions by reducing Council's emissions footprint and supporting the community to reduce Nelson's emissions (mitigation)
- preparing for the impacts of climate change (adaptation).

Council emissions reduction target

Council has adopted the 2050 national target and emissions budgets as targets for its own emission reductions. Council has more than achieved its goal with total greenhouse gas emissions reducing by 89 per cent since 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. Despite this excellent progress, there is still considerable work to be done in reducing other types of emissions, specifically those that are not biogenic methane.

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 2023/24 includes:

- Preparing a Climate Change Strategy and updated Climate Action Plan (to replace the 2021 Plan). The Strategy will set the direction for climate action by Council and the community by leveraging off existing initiatives and drawing upon the collective expertise of our community
- Completing Council's sixth operational carbon footprint for the 2022/23 financial year
- Publicly releasing the results of the first community carbon footprint for the region for the 2018/19 and 2019/20 financial years. This work allowed Council to model its greenhouse gas emissions, identify the highest sources of emissions in Nelson, prioritise reduction initiatives, and initiate discussions to set targets.
- Working with Tasman District Council on a regional climate change risk assessment, which will build a comprehensive picture of how climate change is likely to impact the region.

Local Water Done Well

In the 2022/23 Annual Report we wrote about the Government's Affordable Water Reforms and the proposal to develop new entities to manage the three waters (water supply, wastewater and stormwater) and establish a stand-alone water services regulator.

In December 2023 the newly elected Government confirmed a new direction for water services, including retaining council ownership and control of water assets. In February 2024 the Water Services Acts Repeal Act 2024 was passed by Government revoking the previous three waters legislation. In May 2024 a further Bill was introduced which established the Local Water Done Well framework and the initial arrangements for the new water services system. Key items included in this Bill are the requirement for councils to develop Water Service Delivery Plans (within 12 months of enactment) and consult with the community on the type of organisational structure that will be adopted to operate and maintain the three water services. The Water Services Delivery Plan must be adopted by Council and include baseline information about water service operations, assets, revenue, expenditure, pricing and projected capital expenditure. These plans will publicly demonstrate the Council's commitment to deliver water services in a way that is financially stable, meets regulatory standards for network infrastructure and water quality, and unlocks housing growth. The Bill completed the parliamentary process and became an Act on 2 September 2024.

The last piece of legislation is currently being drafted and will cover economic regulation and operational matters. The resulting Bill is expected to be presented to Parliament towards the end of 2024 – early 2025.

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

Recovery from the August 2022 Severe Weather Event

A state of Emergency was declared in Nelson/Whakatū on 17 August 2022, with unprecedented rainfall experienced across the region for three consecutive days during a severe weather event causing significant damage to both public and private property.

Widespread flooding and numerous severe landslips impacted the three-waters, parks and transport infrastructure networks, gravel build-up in rivers and streams was significant, and private homes directly affected were placarded where occupancy risk was determined to be at unsafe levels.

In 2023/24, capital expenditure on the August 2022 severe weather event was approximately 17.9 million.

Slip Repairs

After the August 2022 event, 18 landslip locations were identified in the urban area of Nelson, where the source of the land instability comes from Council land and where private properties are directly affected. These sites have been identified as being suitable for additional levels of resilience ("build back better" approach) when undertaking remediation works. This would sufficiently lower the existing risk and the likelihood of reoccurrence to a suitable level so the affected private properties are safe for long-term re-occupancy and to provide a greater level of protection for impacted or at risk infrastructure.

Three of the 18 sites had remediation works completed in 2023/24 including in:

- Braemar Place – new culvert and stormwater controls
- Atmore Terrace – in situ retaining wall and ground beam secured with ground anchors, driven piles, road reinstatement
- Sowman Street – geotechnical recontouring and earthworks, stormwater controls, culvert upgrades

The majority of the remaining sites will be remediated during 2024/25, with significant projects underway or phased to start in Brook St, Allan St, the Grampians (above Tukuka St, Endeavour St and Collingwood St), Miro St, Grove St, Milton St, Maire St and Cleveland Tce.

Central Government has supported Council's approach of remediating landslips to achieve greater levels of resilience with a \$6 million dollar contribution towards repairing slips from public land so that land is safer than it was before the event. This amount is 50% of the betterment portion in dealing with the slips that have originated on Council land and are affecting private properties. (Betterment means improving resilience instead of like-for-like replacement.)

Private Property Buy Outs

As a result of geotechnical landslip investigations on Council land several locations were identified where land instability from the Council land posed an ongoing hazard to the private properties, and it was not feasible to mitigate those risks. Subsequently, during 2023/24 nine properties and one vacant section were purchased by Council. A further seven private properties have subsequently been assessed as meeting the eligibility criteria for the property buy out scheme adopted as part of the Long Term Plan 2024-2034. Negotiations by Council are underway to also purchase these properties in accordance with that scheme.

Both of the items above have been supported through the Central Government support

package with up to \$6 million dollars made available to contribute up to 50% of the total cost of purchase for eligible properties. The offers for primary places of residence will remain up to 95% of the valuation if insured and up to 80% if uninsured. The offers for non-primary residences will be up to 95% of their valuation if insured and up to 80% if uninsured. If the potential payout to insured non-primary residence property falls below 80% of valuation, Council has requested the opportunity to re-assess the application of the eligibility buy-out principles to ensure an equitable outcome.

Transport Recovery

Several key projects specific to transport have been undertaken during 2023/24, including repairs to return slip impacted roads back into two lanes at three locations on Cable Bay Road, Maitai Valley near the Nile Street intersection and Atmore Terrace.

The Glen Creek Culvert washout was also repaired with the addition of a second culvert crossing improving resilience and returning Brook Street to two lanes. Devenish Place was rebuilt after flood waters scoured out the road pavement and damaged the wastewater pipes.

Transport recovery projects will continue over the next two years.

Wastewater Recovery

The realignment of the riverside swallow main was completed to repair damage incurred during August 2022 and will provide resilience in future flooding events.

Stormwater Recovery

Recovery works from August 2022 have been a large part of the other works undertaken in 2023/24. Multiple stormwater intakes and blocked pipes were cleared, repaired and upgraded across the city, and work is now progressing on the design and implementation of resilience upgrades for priority intakes, starting with Devenish Place and Cleveland Terrace. This work is expected to continue for the next three years.

River and Stream Recovery

A key focus of the recovery has been on gravel removal and bank reinstatement on many of the streams and rivers in the city. A total of 5,550 m³ of gravel has been removed from the Maitai River and a number of streams.

Assessment and prioritisation of sites was undertaken in 2022/23 and implementation of repairs commenced in 2023/24, including completion of 14 sites for stream bank repairs and multiple gravel extraction sites. These flood-related repair and gravel management works will continue over the next four years.

Council Activities: Year ended 30 June 2024

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 2021-2031.

Long Term Plans are prepared every three years, and this Annual Report provides an update on the Long Term Plan 2021-2031. This Plan was developed in 2020/21 and outlines Council's activities and planned programme of work for 2021/22 to 2031/32. 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	19
Water supply - Te Ratonga Wai	29
Wastewater - Te Para Wai	36
Stormwater - Te Wai Āwhā	42
Flood Protection - Te Ārai Waipuke	48
Solid Waste - Ngā Para Totoka	56
Environment - Te Taiao	63
Social - Te Pāpori	77
Parks and Active Recreation - Ngā Papa Rēhia, Mahi Rēhia hoki	88
Economic - Te Ohaoha	99
Corporate - Te Rangapū	105

In 2023/24 Council, including joint committees, had an agreed Annual Plan capital works programmed of \$89.3 million, excluding carry forwards. \$85 million of the approved Annual Plan budget plus carry forwards from 2022/23 was spent across Council. The variance of \$4.3 million against the annual plan budget was largely attributable to projects that were either well underway or commenced on site before the end of the financial year and hence committed. Budget for these projects has been carried forward to future financial years for project delivery.

Performance measures

Inega 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 2023/24 is the first year that Council will introduce 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 82% of its performance measures for 2023/24.

Activity	Measures achieved in 2023/24
Transport - Te ikiiki	4/7 achieved
Water supply - Te ratonga wai	7/8 achieved 1/8 substantially achieved
Wastewater - Te para wai	6/6 achieved
Stormwater - Te wai āwhā	4/4 achieved
Flood protection - Te ārai waipuke	7/7 achieved
Solid waste - Ngā para totoka	2/3 achieved 1/3 substantially achieved
Environment - Te Taiao	13/16 achieved 1/16 substantially achieved 1 measure not due for measurement
Social - Te pāpori	5/5 achieved
Parks and active recreation - Ngā papa rēhia me ngā mahi rēhia	1/5 achieved 3/5 substantially achieved
Economic - Te ohaoha	1/2 achieved 1/2 substantially achieved
Corporate - Te rangapū	4/4 achieved
Total	54/67 achieved 7/67 substantially achieved 1/67 not due for measurement 5/67 not achieved

The statement of service performance was prepared for the Nelson City Council Group, consisting of Nelson City Council and its subsidiaries, associates and joint ventures. A list of all entities is available in the "Notes to the Financial Statements" in Note 1. All measures reported in the statement of service performance in the Annual Report 2023/24 relate to the performance of the Council.

Transport Te Ikiiki

Council provides transport infrastructure for the Nelson region, including the roads and paths used for driving, parking, cycling, and walking. The services we provide relating to transport include road safety, traffic and parking control, street cleaning, and public transport.

Nelson's transport system integrates with plans for housing intensification and City Centre living so that more people can walk or cycle to get around.

Highlights for 2023/24

In 2023/24, capital expenditure in the transport activity was approximately \$24.2million.

The Transport Activity Management Plan

The Transport Activity Management Plan (AMP) was completed to both guide the development of the Long Term Plan and give a robust evidence base to seek New Zealand Transport Agency Waka Kotahi (NZTA) funding for the 2024-2027 period.

The Regional Land Transport Plan

Regional Land Transport Plans (RLTP) operate on a six-year cycle and are reviewed halfway through the term. The key outcome from the mid-term review was to develop the three year programme of works to be put forward to the NZTA for funding consideration from the National Land Transport Fund.

While the joint Regional Transport Committee (RTC) developed and consulted on a draft RLTP the change in government meant that there was considerable change to the RLTP as councils and the NZTA altered their programmes to reflect the change in government direction.

The revised RLTP was then approved by the RTC and both Council's, and then submitted to the NZTA to be considered for inclusion in the National Land Transport Programme which provides 51% of funding for those activities it approves.

New Government Policy Statement

In June 2024 the Government released the final Government Policy Statement on land transport 2024-34 (GPS 2024).

GPS 2024 prioritises economic growth and productivity, increased maintenance and resilience, safety, and value for money from transport expenditure. It also reintroduces the Roads of National Significance programme with the SH6 Hope Bypass included as the only project from the Top of the South.

The final GPS is consistent with the draft version, released March 2024, that was used to shape the RLTP mid-term review. Aligning the RLTP with the GPS is important as the NZTA is required to consider and give effect to the GPS 2024 in developing its National Land Transport Programme.

The Regional Public Transport Plan

The Joint RTC also reviewed the Regional Public Transport Plan (RPTP) which sets out the two councils intentions and policies regarding public transport in Nelson and Tasman for

the next 10 years. The focus was on embedding the recently introduced eBus public transport service, and the RPTP was adopted by Council in July 2024.

New Public Transport Service

The new eBus service was launched in Nelson and Tasman on 1 August 2023 and has now been operating for one year. Over that time eBus has carried 902,897 passengers – almost double the 454,943 passengers carried by the previous service over the prior year.

Officers started a one-year service review in August 2024 that will guide any changes to the service going forward.

Council resolved to discontinue the Stoke on Demand service on 30 April 2024 due to very low patronage which caused high operating costs that were unsustainable.

Introduction of new initiatives on the eBus include Dogs on Buses and a new accessibility concession for Total Mobility Cardholders.

Nelson City Council was awarded funding from NZTA Transport Choices programme that provided 100% of the cost of installing 18 new shelters on the bus routes as well as providing solar lighting on six of them. Funding also allowed all stops on the network to be branded with location names and bus route information signs.

Work has commenced on the detailed design of the new City Centre Bus Interchange at Millers Acre and it is planned to have construction start in the third quarter of 2024/25.

Speed Management Plan

Over the past year the Joint RTC developed a Speed Management Plan (SMP) to achieve safe vehicle speeds that reflect a road's function, design, safety and use. The process involved the development of a draft SMP, formal consultation and finalisation before approval from the Joint Committee of Nelson and Tasman and submission to the Director of Transport. Towards the end of the process the new Government released a draft Speed Limit Rule that signaled a change in direction regarding speed limits. While this introduced a degree of uncertainty and risk the SMP process was completed after aligning the Plan with the direction of the draft Rule.

Railway Reserve improvements

Lighting the railway reserve from St Vincent Street to Saxton Road at Bunnings is complete. This was a continuation of work commenced the year before.

Streets for People

Council was awarded funding from NZTA for a Streets for People Project, connecting the Railway Reserve to Waimea Road. This project is the next step to improve cycling and walking connections in the area, following the success of the award-winning Innovative Streets Project – Nelson South.

Community engagement for this project began in February/March 2023 with tactical installation complete in June 2024. Funding was from a mixture of Council, NZTA and Three Waters Better Off Funding.

Renewals and Maintenance

In 2023/24 there were 13.5 km of roads resurfaced/resealed, 2.4 km of footpaths renewed and 27 new streetlights installed.

Resurfacing work has an approximate cost of \$2.8m. This includes asphalt and chip seal sites on Main Road Stoke, Dodson Valley Road, Marsden Valley Road and Vanguard Street.

In addition, significant remedial work on bus routes, where road surface deterioration has occurred, was carried out.

Parking

Council's Parking and Vehicle Control Bylaw 2011 (Bylaw 207) that regulates parking and vehicle control in Nelson came into effect on 3 November 2023. Work to create publicly facing visual maps of all traffic control devices has been carried out and will improve legibility for, and future engagement with, the community.

A car sharing policy was introduced, including reserved car parking for car share schemes. Work has commenced on a review of the Residents Only parking permit scheme.

A new carpark has been constructed after the deconstruction of the building at 41 Halifax Street. This carpark helps to offset the loss of parking from city centre projects that are removing parking such as the Millers Acre Bus Interchange and Bridge to Better.

Road safety Upgrades

Works to improve safety were complete in a number of streets. This included a new pedestrian crossing at Bayview Road, the road closure of Hampden Street, traffic calming in the Tāhunanui Hills and the Domett Street Upgrade that improved cycling and walking facilities along the Maitai River bank and on Domett Street.

The work on widening the footpath along the Maitai river from Bridge Street to Nile Street was completed with 100% funding from the NZTA Transport Choices.

Work was also completed on the Toi Toi Street / St Vincent Street Roundabout that improves pedestrian and cycle safety with the installation of four raised table crossings. This intersection had been identified through the NZTA safety programme as having a significant crash rate. It is on the active travel route to all local schools and the St Vincent Street separated cycle pathway passes through it.

A raised cycling and pedestrian table connecting the Railway Reserve across Songer Street in Stoke was also completed.

Bridges

Two new bridges were constructed this year. The first is a new pedestrian bridge at Quarantine Road which allows pedestrians and cyclists to cross Jenkins Stream near the airport without use of the busy carriageway. The second is the upgrade of the Saltwater Creek bridge. More information on this project can be found in the Parks and Recreation section.

Bridge to Better

Bridge to Better is the largest capital project in Nelson's Long Term Plan 2024-2034, increasing infrastructure capacity to cater for an additional 1000 homes in the city centre. Jointly funded by central government's Infrastructure Acceleration Fund (IAF) - \$36.3 million, and Nelson City Council - \$42.4 million, the project will focus on improving the capacity and resilience of the city centre's piped infrastructure. It will also change the layout of Bridge Street so that it becomes a more people-focused, active transport corridor. Cycling and walking will also be made safer, and more convenient, helping reduce Nelson's carbon emissions and easing pressure on parking. The IAF funding also contributes to several interconnected projects, including the upgrade of a significant wastewater pump station, water ring main, stormwater and tidal flaps. The programme of works for Bridge Street is well underway with design and early investigations works.

The Council's elected members had oversight of the project through approving a two-way

road concept in April 2024, to guide the Bridge to Better detailed design, and approving the allocation of funding in the Long Term Plan. The City Revitalisation Taskforce was also set up, to receive regular updates and provide governance input. Partnering with the IAF, Council will be able to deliver on broader outcomes and provide our community with resilience in critical three waters infrastructure networks and lay the pathway for future growth and investment in our city centre.

Engagement with iwi, businesses, property owners and stakeholders has continued to inform the ongoing development of the design. This has included a pop-up store, multiple events and ongoing face-to-face interactions with affected groups.

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	Through providing a range of transport modes that minimise the impact on the environment and encouraging the use of active transport. Investigating options to improve freshwater environments.
Our urban and rural environments are people-friendly, well planned and sustainably managed	The new road maintenance contract has provisions for reuse of materials, and all maintenance contracts are moving to monitor and reduce waste and carbon footprints.
Our infrastructure is efficient, cost effective and meets current and future needs	Through providing an effective and efficient transport system that meets the needs of residents and businesses. Optimisation of both maintenance and renewal expenditure is undertaken to ensure the least cost for the whole of the asset's life.
Our communities are healthy, safe, inclusive and resilient	Through providing a safe and resilient transport network that provides for all modes and promoting road safety.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity	Through providing the space and means to allow our community to interact.
Our communities have access to a range of social, educational and recreational facilities and activities.	Through providing the space and means to allow our community to interact.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	Through providing a transport network that takes account of our regional placement. Through engaging with our community and regional partners as the transport network adapts to the climate change emergency.
Our region is supported by an innovative and sustainable economy	Through providing an effective and efficient transport system that meets the needs of residents and businesses.

TRANSPORT SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
A safe road network	Reduction in the number of death and serious injury (DSI) crashes, per financial year on the local road network to achieve the Vision Zero target of 40% reduction in DSI by 2031	One fewer fatality and serious injury crashes on the local road network compared to previous year Target to reduce risk from high to low in Waka Kotahi produced Communities at Risk Register by 2031	In 2023/24 there were 13 DSI crashes on the local road network. This is an increase over the ten DSI crashes in 2022/23 and nine in 2021/22, but down from 20 in 2020/21.	Not achieved
Smooth sealed road network	Average quality of ride on a sealed local road network, measured by smooth travel exposure by One Network Road Classification	More than 80% of all journeys are on smooth roads as measured by Smooth Travel Exposure in RAMM	In 2023/24 smooth travel exposure was 82%, the same as in 2022/23, but a decrease from 85% in 2021/22.	Achieved
Maintenance of sealed local road network	Percentage of the sealed local road network resurfaced	Not less than 3% and not more than 8.5% of the network is resurfaced every year	In 2023/24 3.2% of the network (15.6 lane-km of a total of 495.1 lane-km) was resurfaced. This is an increase from 1.3% (6.6 lane-km of a total 495 lane-km) in 2022/23, and 2% in 2021/22. The higher level of resurfacing in 2023/24 is the result of returning to business as usual following the August 2022 severe weather event response, clean-up and rebuild, and the appointment of a new contractor.	Achieved

<p>Good quality smooth footpath surface</p>	<p>Percentage of footpaths that fall within the level of service standard for condition of footpath, as in Asset Management Plan</p>	<p>80% of the footpath network by length has a condition rating of no greater than 4</p>	<p>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.</p> <p>This result includes shared paths and walkways.</p> <p>(Footpath condition assessment criteria rates 1 as excellent, 2 as good, 3 as average, 4 as poor and 5 as very poor).</p>	<p>Achieved</p>
<p>Accessibility Providing transport choices via public transport and efficiency - maximise movement of people via public transport</p>	<p>Annual number of bus patrons</p>	<p>Target to be informed by the public transport review.</p> <p>2023/24 target is 746,000.</p>	<p>The new public transport eBus service commenced on 1 August 2023 with a significantly improved level of service. This has resulted in greatly increased patronage in excess of that anticipated by the 2021 Regional Public Transport Plan.</p> <p>In 2023/24 a total of 902,897 passenger trips were taken on the bus system which exceeds the 746,000 target projected in the 2021 – 31 Regional Public Transport Plan and exceeded the 454,943 result in 2022/23.</p>	<p>Achieved</p>

<p>Efficiency Maximise movement of people via walk and cycle modes</p>	<p>Percentage of walking and cycling to school and work</p> <p>Count of pedestrians and cyclists between 7am-9am on a fine weather Tuesday in February and July at the Railway Reserve in Stoke and Bishopdale, Atawhai Cycleway, Rocks Road and Whakatū Cycleway</p>	<p>2023/24 – 27%</p>	<p>Census results for travel to work and school have not been published by StatsNZ yet so the results are unable to be reported in this annual report. Fair weather counts were not achieved in 2023/24.</p> <p>In 2022/23 and 2021/22 this measure was also unable to be measured due to a delay in census results and fine weather counts being cancelled due to bad weather.</p>	<p>Not achieved</p>
<p>Responsiveness to service requests</p>	<p>Percentage of customer service requests relating to roads and footpaths to which Council responds within five working days</p>	<p>80% of service requests responded to within five working days</p>	<p>In 2023/24 63% of service requests were completed within five working days.</p> <p>83% of service requests were completed within the timeframes set internally to reflect the urgency or complexity of the service request or the timeframe negotiated with the customer.</p> <p>In 2022/23 this number was 63%, and in 2021/22 this number was 56%.</p>	<p>Not achieved</p>

FINANCIAL PERFORMANCE – TRANSPORT

Funding Impact Statement

	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Actuals 2023/24 (\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	11,566	13,247	15,033
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	4,225	5,884	8,226
Fees and charges	1,354	1,981	1,673
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	1,630	1,826	1,663
Total Operating Funding	18,775	22,938	26,595
Applications of operating funding			
Payments to staff and suppliers	13,697	17,686	20,838
Finance costs	0	0	93
Internal charges and overheads applied *	413	398	667
Other operating funding applications	0	0	0
Total applications of operating funding	14,110	18,083	21,599
Surplus (Deficit) of operating funding	4,665	4,855	4,996
Sources of capital funding			
Subsidies and grants for capital	4,299	4,994	12,120
Development and financial contributions	321	329	164
Increase (decrease) in debt	(287)	(97)	6,921
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	4,333	5,226	19,205
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	101	237	2,126
- to improve level of service	4,623	4,547	10,711
- to replace existing assets	4,273	5,297	11,364
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding	8,997	10,081	24,201
Surplus (Deficit) of capital funding	(4,665)	(4,855)	(4,996)
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	4,665	4,855	4,996
Subsidies and grants for capital expenditure	4,299	4,994	12,120
Development and financial contributions	321	329	164
Vested Assets	2,392	2,454	1,333
Gains on sale	0	0	0
Depreciation	(9,085)	(9,464)	(12,161)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	(207)
Net Surplus (Deficit) before taxation in Cost of Service Statement	2,592	3,168	6,245

Water Supply

Te Ratonga Wai

Council supplies high quality potable water to households and businesses through a piped network.

The water supply system includes dams and weirs on the Maitai and Roding Rivers, the water treatment plant, and the network of pipes, pump stations and storage reservoirs throughout the city. Water use is metered to ensure it is used efficiently and costs are shared fairly between users.

Central government has re-focused the water reform process with a new initiative – 'Local Water Done Well' which aims to improve the regulation of drinking water, wastewater and stormwater in New Zealand. Details of the reform programme have been briefly set out on page 13 'Local Water Done Well'.

Highlights for 2023/24

In 2023/24, capital expenditure in the water supply activity was approximately \$5.2 million.

Key projects that were undertaken in the 2023/24 year include:

Watermain Renewals

Watermain renewals were completed in parts of Bolt Road and Nayland Road. These renewals continue the long-term programme to replace ageing asbestos cement mains across the city that were installed in the 1950's.

Maitai Dam

Design work on the Maitai Dam aeration project has continued through 2023/24. Aeration of the dam will address the seasonal variation in oxygen content over the depth of the dam reservoir. Compressors have arrived and site works have begun.

Atawhai Reservoir

A new 2500m³ reservoir site and connecting trunk main across private property has been agreed in principle with four property owners. Once Council has easement and acquisition agreements, planning can proceed for detailed design, resource consents and construction. A subdivision off Wakapuaka Road has already been approved and will accommodate the first stage of the trunk main that has been designed with a possible start on that work in 2024/25.

Fluoridation

Construction work has now been completed on the installation of fluoridation equipment at the Nelson Water Treatment Plant. The system has been successfully tested with water only but not yet commissioned. Council is awaiting a response from the Director General of Health on the High Court Direction that considers the Bill of Rights in decision making.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

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

Community Outcome	Contribution
Our unique natural environment is healthy and protected	Nelson's environment is protected by an efficiently managed water supply network. Council respects the natural, recreational and heritage values of the rivers that supply the network and works to protect ecosystem health.
Our infrastructure is efficient, cost effective and meets current and future needs	A good quality, sustainable and affordable water supply network meets the needs of our current and future community. Sufficient and appropriate water supply is provided to ensure residential and business growth projections are achieved.
Our region is supported by an innovative and sustainable economy	Water resources support a range of businesses that rely on clean and reliable water supplies.
Our communities are healthy, safe, inclusive and resilient	Safe and well managed water resources deliver critical health outcomes for the community.

WATER SUPPLY SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
<p>Quality Good quality water</p>	<p>The extent to which drinking water supply complies with: a) part 4 of the drinking water standards (bacterial compliance criteria), and b) part 5 of the drinking water standards (protozoal compliance criteria) c) part 8 of the drinking water standards (chemical compliance criteria)</p>	<p>100% compliance with parts 4,5 and 8 of the drinking water standards</p>	<p>From 1 January 2023 the drinking water quality compliance was assessed against the new Water Services (Drinking Water Standards for New Zealand (DWSNZ)) Regulations 2022 and the Drinking Water Quality Assurance Rules 2022 (DWQAR).</p> <p>In 2023/24 there were three minor transgressions:</p> <ul style="list-style-type: none"> • One in November 2023 where one membrane integrity test was not fully completed before a membrane train was returned to service. No risk to public health was identified. • One in February 2024 where there was a short break in storing continuous data. No risk to public health was identified. • One in February 2024 when there was a single value measured at 0.1mg/L Free Available Chlorine in one storage tank in the reticulation. Rules require FAC to be greater than 0.1. No risk to public health was identified. <p>In 2022/23 Council achieved 100% compliance with parts 4,5 and 8 of the drinking water standards.</p> <p>Compliance with the drinking water</p>	<p>Substantially achieved</p>

			standards was also achieved in the 2021/22 period.	
Quality Good quality water	Total number of complaints per 1,000 connections about any of the following: <ul style="list-style-type: none"> · drinking water clarity · drinking water taste · drinking water odour · drinking water pressure or flow · continuity of supply · Council's response to the above issues expressed per 1,000 connections 	No more than 50 valid complaints per 1,000 connections	In 2023/24 there have been a total of 14 valid complaints per 1,000 connections. In 2022/23 there were 26 valid complaints, and 21 in 2021/22.	Achieved
Reliability A reliable supply of water	Average drinking water standard consumption per day per resident	Normal demand less than 500L per person per day. This includes both domestic and commercial-industrial	In 2023/24 average drinking water standard consumption per day was 300 litres. In 2022/23 average drinking water standard consumption per day was 275 litres and in 2021/22 it was 290 litres.	Achieved
Reliability A reliable supply of water	% real water loss from the system (Council uses a water balance methodology developed by Water NZ to track and report on un-accounted for water.)	Real water loss less than 25%.	In 2023/24 there was 19% of real water losses. In 2022/23 it was 22.1% and in 2021/22 it was 19.7%.	Achieved

Customer Service Prompt response	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) Contractor to attend urgent call-outs in a median time of 30 minutes or less.	In 2023/24 median attendance time for urgent water call outs was 22 minutes. This was 22 minutes in 2022/23, and 24 minutes in 2021/22.	Achieved
	a) attendance for urgent call-outs: from the time 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	b) Contractor to resolve urgent call-outs in a median time of 480 minutes or less.	In 2023/24 median resolution time for urgent water call outs was 156 minutes. This was 172 minutes in 2022/23 and 152 minutes in 2021/22.	Achieved
	c) attendance for non-urgent call-outs: from the time notification is received to the time that service personnel reach the site	c) Contractor to attend non-urgent call-outs in a median time of 120 minutes or less.	In 2023/24 median attendance time for non-urgent water call outs was 87 minutes. This was 100 minutes in 2022/23 and 99 minutes in 2021/22.	Achieved
	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	d) Contractor to resolve non-urgent call-outs in a median time of 24 hours (1,440 minutes) or less.	In 2023/24 median resolution time for non-urgent water call outs was 1049 minutes. This was 1113 minutes in 2022/23 and 1283 minutes in 2021/22.	Achieved

FINANCIAL PERFORMANCE – WATER SUPPLY

Funding Impact Statement

	Long-term Plan 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Actuals 2023/24 (\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates including water by meter	13,362	13,894	15,158
Subsidies and grants for operating purposes	0	0	124
Fees and charges	39	39	32
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	9	272
Total Operating Funding	13,410	13,942	15,586
Applications of operating funding			
Payments to staff and suppliers	7,489	7,725	8,736
Finance costs	0	0	0
Internal charges and overheads applied *	1,050	1,045	1,946
Other operating funding applications	0	0	0
Total applications of operating funding	8,538	8,770	10,681
Surplus (Deficit) of operating funding	4,871	5,171	4,904
Sources of capital funding			
Subsidies and grants for capital	0	0	543
Development and financial contributions	443	455	253
Increase (decrease) in debt	1,274	1,293	(524)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	1,718	1,748	272
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	260	577	367
- to improve level of service	2,376	2,237	3,167
- to replace existing assets	3,953	4,105	1,642
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding	6,589	6,919	5,176
Surplus (Deficit) of capital funding	(4,871)	(5,171)	(4,904)
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	4,871	5,171	4,904
Subsidies and grants for capital expenditure	0	0	543
Development and financial contributions	443	455	253
Vested Assets	1,345	1,380	975
Gains on sale	0	0	0
Depreciation	(5,237)	(5,440)	(7,668)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	(1,135)
Net Surplus (Deficit) before taxation in Cost of Service Statement	1,423	1,567	(2,128)

Wastewater

Te Para Wai

Council collects, treats and disposes of wastewater for the Nelson region. It operates and maintains a network of pipes and pump stations across the city that carry wastewater from Stoke and Tāhunanui for treatment at the regional Bell Island Wastewater Treatment Plant, and from the rest of the city to the Nelson Wastewater Treatment Plant near Wakapuaka.

Highlights for 2023/24

In 2023/24, capital expenditure in the wastewater activity was approximately \$12.5 million (excluding Nelson Regional Sewerage).

Key projects that were undertaken in the 2023/24 year include:

Awatea Pump Station Upgrade

Work on the Awatea Pump Station upgrade was completed. This new pump station has the capacity to receive wastewater from the whole of the Tāhunanui area and to mitigate wastewater overflows.

Paru Paru Road Pump Station Upgrade

Work on the developed design has commenced along with stakeholder and iwi engagement. Early contractor involvement procurement is underway.

Atawhai Rising Main

The project to upgrade the Atawhai Rising Main has been tendered for design. Information for the various options has been compiled and will feed into stakeholder consultation anticipated to commence in 2024/25, leading into the detailed design and consenting process.

Nelson Wastewater Treatment Plant

Work continued on renewing the resource consent for the Nelson Wastewater Treatment Plant at the north of the city and the new application was lodged in December 2023. The existing consent expires in December 2024.

Work also continued on planning additional planting around the wetland ponds and coastal land adjacent to the treatment plant. The planting is expected to be completed in 2024/25 and is targeting improvements to both the ecological and cultural health of the area.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

Council’s wastewater activities contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected	The wastewater network is managed to minimise impacts on the natural environment and provide a healthy living environment for residents and visitors.
Our infrastructure is efficient, cost effective and meets current and future needs	A good quality, sustainable and affordable wastewater network is provided, that meets the needs of our current and future community.
Our region is supported by an innovative and sustainable economy	A well-managed wastewater network is provided, which is essential to the functioning of our regional economy.
Our urban and rural environments are people-friendly, well planned and sustainably managed	Appropriate wastewater disposal options are important for both urban and rural environments.
Our communities are healthy, safe, inclusive and resilient	An efficient wastewater network is essential for the prevention of waterborne disease and the health and productivity of the wider community.

WASTEWATER SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Reliability A fully operational wastewater treatment system	Level of compliance of treatment plant with resource consent conditions	100% compliance	In 2023/24 full compliance was achieved. Full compliance was also achieved in 2022/23 and 2021/22.	Achieved
	Number of dry weather overflows from sewerage system, per 1,000 connections	Fewer than 15 dry weather overflows per 1,000 connections	In 2023/24 there were four dry weather overflows per 1,000 connections. In 2022/23 and 2021/22 there were three dry weather overflows.	Achieved
Response Appropriate response to reported network issues	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 to the time service staff reach the site	Contractor to attend in median time of 60 minutes or less.	In 2023/24 median attendance time for wastewater call outs was 20 minutes. Median attendance time call out in was 20 minutes in 2022/23 and 21 minutes in 2021/22.	Achieved

	b) resolution time: from the time notification is received to the time service staff confirm resolution of the blockage or fault	Contractor to resolve issues in a median time of 480 minutes or less	In 2023/24 median resolution time for wastewater call outs was 191 minutes. Median resolution time was 163 minutes in 2022/23 and 191 minutes in 2021/22.	Achieved
Quality Environmental protection	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	100% compliance	In 2023/24 full compliance was achieved. Full compliance was also achieved in 2022/23 and 2021/22.	Achieved
	The total number of complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) Council's response to issues with the sewerage system, expressed per 1000 connections to the sewerage system	No more than 20 valid complaints a year per 1000 connections	In 2023/24 the total number of valid complaints was 16 per 1,000 connections. The total number of valid complaints was 17 in 2022/23 and 12 in 2021/22.	Achieved

FINANCIAL PERFORMANCE – WASTEWATER

Funding Impact Statement

	Long-term Plan 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates including water by meter	10,271	11,075	11,986
Subsidies and grants for operating purposes	0	0	47
Fees and charges	3,303	3,363	4,024
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	1,451	1,617	815
Total Operating Funding	15,025	16,055	16,871
Applications of operating funding			
Payments to staff and suppliers	9,041	9,514	11,142
Finance costs	0	0	(103)
Internal charges and overheads applied *	75	107	386
Other operating funding applications	0	0	0
Total applications of operating funding	9,116	9,621	11,425
Surplus (Deficit) of operating funding	5,909	6,434	5,446
Sources of capital funding			
Subsidies and grants for capital	0	0	0
Development and financial contributions	686	704	616
Increase (decrease) in debt	6,373	1,643	6,446
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	7,059	2,346	7,062
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	263	452	4,205
- to improve level of service	8,741	3,828	4,319
- to replace existing assets	3,965	4,501	3,984
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding	12,968	8,781	12,508
Surplus (Deficit) of capital funding	(5,909)	(6,434)	(5,446)
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	5,909	6,434	5,446
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	686	704	616
Vested Assets	646	663	3,284
Gains on sale	0	0	0
Depreciation	(6,684)	(7,040)	(10,040)
Other non-cash income	0	0	4
Other non-cash expenditure	0	0	(2,268)
Net Surplus (Deficit) before taxation in Cost of Service Statement	557	761	(2,958)

Stormwater

Te Wai Āwhā

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. The stormwater system also includes two pump stations and 20 detention systems.

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.

Central government's re-focus of the wider water reform process with a new initiative – 'Local Water Done Well' will also apply to the stormwater activity. See page 13 for more detail.

Highlights for 2023/24

In 2023/24, capital expenditure in the stormwater activity was approximately \$7.4 million.

Key projects that were undertaken in the 2023/24 year include:

Washington Valley Stormwater Upgrade

The Washington Valley stormwater connection to the Saint Vincent Street stormwater culvert was completed as part of the larger Washington Valley infrastructure upgrade to improve water, wastewater, and stormwater services in the area.

Design continues on the renewal of the Saint Vincent Street culvert to Saltwater Creek with construction due to commence March 2025.

Tāhunanui Stormwater Upgrades

Catchment Three and Four stormwater systems located in the Days Track area were upgraded as part of a programme to provide more capacity in the network through private property and the roads of the Tāhunanui Hills.

Work is underway on the design and consenting of Catchment Two (Moncrieff Avenue) with construction programmed in 2024/25. Catchment Nine (Moana Avenue – Bisley Avenue) investigation and design has also commenced and construction is programmed from 2025/26 to 2029/30.

Wastney Terrace Upgrade

Stage Two of the Wastney Terrace upgrade was completed up to the intersection of Wastney Terrace and Sunnybank Rise. Stage Three is a future project planned to extend the upgrade north along Wastney Terrace to Jolie Street.

Vanguard Street Stormwater Renewals

Two sections of stormwater main were renewed in 2023/24. One of these sections was also upsized so that future upgrades on this local network will meet level of service standards.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

Council’s stormwater activities contributed to achieving the following community outcomes over the year:

Community Outcome	Contribution
Our unique natural environment is healthy and protected	Nelson’s environment is protected by an efficiently managed stormwater and flood protection network that minimises damage to the urban environment from rainfall events. Works to support the stormwater and flood protection assets are managed to respect natural, recreational and heritage values, and to protect ecosystem health as required by the National Policy Statement for Freshwater Management.
Our urban and rural environments are people-friendly, well planned and sustainably managed	Homes, facilities and people are protected from the adverse effects of rainfall events by a well-managed stormwater and flood protection network. Sufficient and appropriate stormwater infrastructure is provided to ensure the network does not present a barrier to residential or business growth.
Our infrastructure is efficient, cost effective and meets current and future needs	Council provides a good quality, sustainable and affordable stormwater and flood protection network to meet the needs of our current and future community.
Our region is supported by an innovative and sustainable economy	Impacts on businesses and economic activity are minimised by understanding and managing the stormwater and flood protection network to protect people and property.

STORMWATER SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Environmental protection	Compliance with resource consents for discharge from the stormwater system, measured by number of: <ul style="list-style-type: none"> a) abatement notices b) infringement notices c) enforcement orders, and d) successful prosecutions received in relation to those resource consents 	100% compliance with resource consents for discharge	In 2023/24 full compliance was achieved. This was also achieved in 2022/23 and 2021/22.	Achieved
Customer Response Minimise justifiable complaints	Number of complaints received about the performance of the stormwater system, per 1,000 properties connected to the stormwater network	No more than 20 complaints per 1,000 connections per year	In 2023/24 the total number of complaints was 10 per 1,000 connections. There were 20 complaints per 1,000 in 2022/23 and 10 per 1,000 in 2021/22.	Achieved
Customer service Protection from damage to property	<ul style="list-style-type: none"> 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 	No more than 10 per 1,000 properties with habitable floor damage in any one year	<ul style="list-style-type: none"> a) In 2023/24 there were no major flood events. b) In 2023/24 the total number of habitable floors flooded was less than 1 per 1000 connections. <p>Two flood events occurred in 2022/23, one major event in August 2022, and another in May 2023. In 2023 there were a total of 2 properties per 1,000</p>	Achieved

			connections affected. In 2021/22 there was one localised flood event, and less than one habitable floor flooded per 1,000 properties.	
Customer service Response to stormwater system issues	Median response time to attend a flooding event, measured from the time that notification is received to the time service personnel reach the site	Median response time less than 60 minutes	In 2023/24 the median response time to stormwater issues was 10 minutes. Median response time to stormwater issues was 10 minutes for 2022/23, and 16 minutes in 2021/22.	Achieved

FINANCIAL PERFORMANCE – STORMWATER

	Long-term Plan 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates including water by meter	5,530	6,053	6,373
Subsidies and grants for operating purposes	0	0	254
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	795
Total Operating Funding	5,535	6,058	7,427
Applications of operating funding			
Payments to staff and suppliers	2,107	2,174	2,193
Finance costs	0	0	0
Internal charges and overheads applied *	585	704	1,495
Other operating funding applications	0	0	0
Total applications of operating funding	2,692	2,878	3,688
Surplus (Deficit) of operating funding	2,843	3,180	3,739
Sources of capital funding			
Subsidies and grants for capital	0	0	0
Development and financial contributions	379	388	394
Increase (decrease) in debt	5,264	5,181	3,223
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	5,643	5,570	3,617
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	99	193	250
- to improve level of service	8,120	8,202	4,068
- to replace existing assets	267	355	3,038
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding	8,486	8,749	7,356
Surplus (Deficit) of capital funding	(2,843)	(3,180)	(3,739)
Funding balance	0	0	0

Funding Impact Statement

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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	2,843	3,180	3,739
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	379	388	394
Vested Assets	840	862	3,920
Gains on sale	0	0	0
Depreciation	(3,436)	(3,654)	(4,740)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	(849)
Net Surplus (Deficit) before taxation in Cost of Service Statement	626	776	2,464

Flood Protection

Te Ārai Waipuke

Council flood protection works include physical upgrades to rivers and streams to cater for flood water, increasing the size of culverts, and removing accumulated gravel where flow capacity is reduced.

Council also undertakes flood modelling and land use planning to identify and manage the risks 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.

Highlights for 2023/24

In 2023/24, capital expenditure in the flood protection activity was approximately \$8.4 million.

Key projects that were undertaken in the 2023/24 year include:

Saxton Creek Upgrade

Works on the Saxton Creek flood protection upgrade (Stage Four) is complete. The upgrade means that the area will be able to cater for a 1 in 100-year flood event and includes a shared path and amenity planting along the length of the stream. Expenditure for the construction of this section was approximately \$28 million but is part of an approximately \$38 million upgrade which builds on approximately \$10 million spent on stages one, two and three already.

This work has received \$7.5 million of funding from Kānoa - Regional Economic Development and Investment Unit. This funding contributes towards projects that build more resilient river communities. This project will help to reduce the environmental, economic and social damage caused by flooding.

This project culminated in a successful opening on 12 April 2024 that was attended by the Associate Minister for Regional Development and Minister for Rural Communities, the Hon Mark Patterson.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

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

Community Outcome	Contribution
Our unique natural environment is healthy and protected	Nelson's environment is protected by an efficiently managed stormwater and flood protection network that minimises damage to the urban environment from rainfall events. Works to support the stormwater and flood protection assets are managed to respect natural, recreational and heritage values, and to protect ecosystem health, as required by the National Policy Statement for Freshwater Management.
Our urban and rural environments are people-friendly, well planned and sustainably managed	Homes, facilities and people are protected from the adverse effects of rainfall events by a well-managed stormwater and flood protection network. Sufficient and appropriate stormwater infrastructure is provided to ensure the network does not present a barrier to residential or business growth.
Our infrastructure is efficient, cost effective and meets current and future needs	A good quality, sustainable and affordable stormwater and flood protection network is provided to meet the needs of our current and future community.
Our region is supported by an innovative and sustainable economy	Impacts on businesses and economic activity are minimised by understanding and managing the stormwater and flood protection network to protect people and property.

FLOOD PROTECTION SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Environmental protection, damage to people and property minimised, and a reliable flood protection network	The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the Stormwater and Flood Protection Activity Management Plan	Network maintained to current service potential	<p>In 2023/24 the Maitai River bed level survey was delivered in quarter four. This extends from the estuary to upstream of Sunday Hole. Council implemented gravel removal in 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.</p> <p>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.</p> <p>In 2021/22 a comparative assessment of the Maitai River showed overall channel capacity has not significantly reduced since the 2015 LIDAR (Light Detection and Ranging) survey.</p>	Achieved

		<p>Flood event damage identified, prioritised and repair programme agreed between Council and the community</p>	<p>In 2023/24 there were no flood events.</p> <p>In 2022/23 four community meetings were held in different parts of the district following the August 2022 flood. This was in addition to numerous individual meetings with property owners impacted by flooding and stream bank erosion. High, Medium and Low Risk sites for stream and riverbank works were also catalogued by GIS and a works programme implemented.</p> <p>In 2021/22 there were no major flood events that caused damage to assets.</p>	Achieved
		<p>High priority work completed as soon as practicable</p>	<p>In 2023/24 there were no flood events.</p> <p>In 2022/23 high priority work was completed in the following catchments Maitai River (Urban) Brook Stream (Urban) Jenkins Creek (Urban) Todd Valley Stream (Urban) Saxton Creek (Urban).</p> <p>In 2021/22 there were no major flood events that caused damage to assets.</p>	Achieved
		<p>Network components renewed to continue provision of original design service potential</p>	<p>In 2023/24 stream bank protection works were completed in quarter four. These included:</p> <p>28 Sunningdale Drive, Orphanage Stream. Remedial works undertaken to gabion basket retaining wall, including channel diversion.</p> <p>72 Dodson Valley - Oldham Creek intake stream bank repairs and concrete pad installation (for maintenance access).</p>	Achieved

			<p>In 2022/23 major flood protection repairs were required to maintain waterways.</p> <p>In 2021/22 an inventory of flood protection structures delivered in a GIS Package and Council's Flood Protection asset data was updated with completion achieved in 2022/23 year.</p>	
	Develop risk based Maitai flood response options	Year 3: Initiate Resource consent process	<p>In 2023/24 resource consent RM245172 was lodged in quarter four. This related to raising the riverbank level downstream of Trafalgar Street to mitigate the risk of river overflows into The Wood.</p> <p>In 2022/23 the target was to develop concept designs for quick win projects. During this year Maitai flood management concepts further developed and tested through use of the catchment flood model.</p> <p>In 2021/22 the target was consulting with the community to refine options and initiate business cases. This was undertaken during that year.</p>	Achieved
	Develop city-wide flood protection strategies	Year 3: Develop concept designs for quick win projects	<p>In 2023/24 the modelling of concept designs for flood mitigation on Jenkins Creek and Poormans Valley Stream were completed and delivered in quarter four.</p> <p>In 2022/23 the target was to engage with the community in priority catchments. This included the progression of the modelling of flood management options for priority catchments (Jenkins Creek, Poorman Valley Stream). Iwi were consulted on flood protection plans for the estuarine reach of the Jenkins Creek adjacent to the airport.</p> <p>In 2021/22 the target was to identify flood management options in priority catchments. This was completed via an options report.</p>	Achieved

<p>Customer service Protection from damage to property</p>	<p>a) The number of flooding events that occur b) For each flooding event, the number of habitable floors affected per 1,000 properties</p>	<p>No more than 10 per 1,000 urban properties with habitable floor damage in any one year</p>	<p>a) In 2023/24 there were no major flood events. b) In 2023/24 the total number of habitable floors damaged was less than 1 per 1000 urban properties.</p> <p>In 2022/23 two flood events occurred, one major event in August 2022, and another in May 2023. A total of 2 properties per 1,000 connections were affected.</p> <p>In 2021/22 there was one localised flood event which did not cause significant urban stormwater catchment issues, and no habitable floor flooding occurred.</p>	<p>Achieved</p>
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FINANCIAL PERFORMANCE – FLOOD PROTECTION

Funding Impact Statement

	Long-term Plan 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates including water by meter	2,852	3,091	4,240
Subsidies and grants for operating purposes	0	0	822
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	47
Total Operating Funding	2,852	3,091	5,109
Applications of operating funding			
Payments to staff and suppliers	1,023	968	1,125
Finance costs	0	0	0
Internal charges and overheads applied *	963	1,084	2,350
Other operating funding applications	0	0	0
Total applications of operating funding	1,986	2,052	3,475
Surplus (Deficit) of operating funding	866	1,039	1,634
Sources of capital funding			
Subsidies and grants for capital	2,830	0	195
Development and financial contributions	0	0	0
Increase (decrease) in debt	7,473	1,263	6,550
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	10,302	1,263	6,745
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	0	0	11
- to improve level of service	11,139	2,266	8,368
- to replace existing assets	29	35	0
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding	11,168	2,301	8,379
Surplus (Deficit) of capital funding	(866)	(1,039)	(1,634)
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	866	1,039	1,634
Subsidies and grants for capital expenditure	2,830	0	195
Development and financial contributions	0	0	0
Vested Assets	0	0	10
Gains on sale	0	0	0
Depreciation	(866)	(1,039)	(642)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	2,830	0	1,197

Solid Waste

Ngā Para Totoka

ABOUT COUNCIL'S SOLID WASTE ACTIVITIES

Council's solid waste activities are focused on avoiding or reducing the creation of waste, and diversion of waste from landfill. These activities help protect the environment and reduce the region's greenhouse gas emissions.

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 and the domestic kerbside recycling collection.

Funding is independent of residential rates and comes from income from landfill gate fees and central government levies.

The local municipal landfills at York Valley and Eves Valley are managed and owned by the joint Nelson Tasman Regional Landfill Business Unit, on behalf of the Nelson City and Tasman District councils.

Highlights for 2023/24

In 2023/24, capital expenditure in the solid waste activity was \$4 million.

Key projects that were undertaken in 2023/24 were:

Rethink Waste Whakaarohia Programme

This programme has continued to empower individuals and organisations through education, grants (approximately \$45,000) and other activities to avoid or reduce waste, including consolidating repair activities in Nelson.

Nelson Waste Recovery Centre

The Nelson Waste Recovery Centre (NWRC) has continued to reduce the amount of refuse going to landfill. Volumes of recycling and diversion of green waste to composting is also increasing. In the last 12 months the waste disposed at the landfill has reduced by 7.9% (31% in the last four years).

Construction waste

Rethink Waste has successfully engaged with the local building industry to educate and provide options for building waste. The NWRC, in partnership with the Nelson Environment Centre, has used Ministry for the Environment funding to establish a construction and deconstruction reuse facility. The site became operational in April 2024 and is diverting on average 10 tonnes per month. The site will continue to be expanded to improve the drop off area and making it more convenient for customers to purchase materials.

E-waste

Over 10 tonnes of hazardous material has been diverted for recycling or safe disposal. E-waste managed in conjunction with the Nelson Environment Centre and combined with the Rethink Waste 'Don't Bin Batteries' campaign, has successfully diverted 4.16 tonnes of batteries.

Central City Litter Bins

54 solar powered compacting street litter bins are in operation in the central business area (CBD) being serviced by Nelson's first electric collection vehicle. These bins have resulted in a 70% reduction in CBD collections reducing noise and traffic disruption and reducing greenhouse gas emissions.

Recovery from the August 2022 Severe Weather Event

Ensuring continuity of services and support to residents was a priority after the August 2022 severe weather event. A range of additional services and resources were provided in the response and recovery to the flood such as providing solutions for flood contaminated waste, focused access to waste disposal at NWRC, and included ensuring the collection of synthetic refrigerants that were damaged in the event.

Regional Landfill

2023/24 was a successful year for the Nelson Tasman Regional Landfill Business Unit (NTRLBU) with the new leachate and stability upgrade completed. The landfill now exceeds the required earthquake stability requirements, and has two additional contingency layers of leachate drainage, significantly improving system resilience.

The landfill has continued to achieve the maximum permitted emission reduction, and this reduction has supported Nelson City and Tasman District Councils achieving significant reductions for their emission inventories. A new Operations and Maintenance contract commenced on 1 July 2024.

Activities undertaken by the NTRLBU included the continuing development of the future landfill gas reuse business cases, and the implementation of the first stage of the waste transfer facility at the landfill, which will improve customer, environmental, and health and safety outcomes.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

Community Outcome	Contribution
Our unique natural environment is healthy and protected	Council provides services and strategies to minimise the negative effect of waste management on the environment.
Our urban and rural environments are people-friendly, well planned and sustainably managed	High quality services and consistent strategic direction on waste management provide a stable environment for business development and growth. Council provides services and direction for the management and minimisation of waste.

SOLID WASTE SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Measures to encourage the community to reduce waste to landfill	Reduction of waste per capita by 10% by 2030	Year 3: Total waste less than 525kg/capita.	<p>In 2023/24 total waste is 529.47kg/capita. This is 13.6% down on the baseline of 613kgs in the 2018/19 year and exceeds the 2030 Joint Waste Management and Minimisation Plan (JWMMP) target of 557kgs but doesn't meet the target of 525kg/capita.</p> <p>In 2022/23 waste per capita was 580kgs, and in 2021/22 it was 593kgs.</p>	Substantially achieved
Measures to encourage the community to increase composting of food and garden waste	Quantifiable diversion of general organic material from landfill	Year 3: Reduction of 5% from 2019 JWMMP organic	<p>In 2023/24, factoring in the reduction in total tonnes of general organic material, proportionally there was a 13% reduction in tonnes from the 2021 – 2024 Solid Waste Analysis Protocol (SWAP) of 13,222 tonnes.</p> <p>In 2022/23 the target was a 3% reduction from the previous year. The 2023 SWAP report identified 11,810 tonnes. This is a 10.68% reduction in organic and garden waste. This is a 3.6% reduction from 2021/22 where it was 13,222 tonnes.</p>	Achieved

<p>Support for the collection and recycling of e-waste</p>	<p>Increase in diverted tonnes through e-waste, reuse shops, etc.</p>	<p>Year 3: Increase of 3% above 2021 baseline.</p>	<p>In 2023/24 the results identified the diversion of 22.738 tonnes of e-waste, 25.3% above the 2021 baseline.</p> <p>In 2022/23 the target was a 2% increase above the 2021 baseline. This was unable to be measured as a new forklift needed to be fitted at the Nelson Waste Recovery Centre.</p> <p>The 18.14 tonnes baseline of the principal 28 e-waste streams was established in 2021/22.</p>	<p>Achieved</p>
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FINANCIAL PERFORMANCE – SOLID WASTE

Funding Impact Statement

	Long-term Plan 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	1,027	1,473	1,156
Fees and charges	6,386	7,289	8,487
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	2,472	3,102	3,178
Local authorities fuel tax, fines, infringement fees, and other receipts	3,087	3,482	(394)
Total Operating Funding	12,971	15,346	12,427
Applications of operating funding			
Payments to staff and suppliers	9,523	11,253	8,578
Finance costs	6	21	(80)
Internal charges and overheads applied *	2,498	3,126	3,248
Other operating funding applications	0	0	0
Total applications of operating funding	12,027	14,400	11,746
Surplus (Deficit) of operating funding	944	946	681
Sources of capital funding			
Subsidies and grants for capital	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(67)	(698)	3,324
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	(67)	(698)	3,324
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	193	237	652
- to improve level of service	495	66	2,337
- to replace existing assets	475	78	1,016
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	(287)	(134)	0
Total applications of capital funding	877	248	4,005
Surplus (Deficit) of capital funding	(944)	(946)	(681)
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	944	946	681
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	(678)	(720)	(817)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	(121)
Net Surplus (Deficit) before taxation in Cost of Service Statement	266	226	(257)

Environment

Te Taiao

Council has both regional council and territorial authority responsibilities in relation to environmental management. This means Council considers all aspects of the environment, such as air, freshwater, marine and coastal environments, biodiversity and biosecurity and land management, as well as the built environment, urban development and regional growth.

Council's environmental responsibilities are important for a healthy and protected environment (both natural and built environment) in Nelson and for community and economic wellbeing into the future.

Highlights for 2023/24

In 2023/24, capital expenditure in the environment activity was approximately \$1.2 million.

Key projects that were undertaken in the 2023/24 year include:

Harbourmaster

After the Harbourmaster services were brought in-house to Nelson City Council, the Harbourmaster achieved compliance with the Port and Harbour Safety Code and Maritime Transport Operator certification.

The Code manages safety around shipping activities, and is an agreement between ports, harbours and Maritime New Zealand. Compliance was achieved after a rigorous external review, aided by the establishment of a robust safety system. These accomplishments ensure improved safety in the water, including aids to navigation, harbour activities and provisions for emergency response.

Science and Environment

Integrated Catchments

The team has undertaken catchment condition surveys of the majority of Nelson's waterways from Kokorua to Stoke. This project involved walking each waterway and noting down key points such as streambank erosion, riparian vegetation, fish passage barriers and illegal structures. This will help to inform and prioritise catchment management actions.

Engaging the community on environmental issues and supporting them to take positive actions is a large part of the team's work. The team held 14 community engagement events and 12 EnviroSchools events, put 40,000 plants in the ground through projects and environmental grants, and had two schools join the EnviroSchools Programme (Youth Nelson and Stoke School).

The wetland mapping project led to 150 wetlands being surveyed across the region. This was an optional process for landowners and some chose to opt out. The desktop wetland mapping was also updated to identify any areas that may have been missed.

Air and Water

2023/24 saw the introduction of an autonomous boat and a new gauging measurement system which will assist with water flow monitoring, particularly useful during flood events. Digital Radio Monitoring and Hydrotel Telemetry software was rolled out, along

with an application programming interface connection to Tasman District Council that will enable the Councils to provide flood warning reports during emergency events.

State of the Environment data was collected and analysed, which included over 100 flow gaugings, 100 site inspections, monthly water sampling and the production of web pages to communicate state and trend information for freshwater and estuary health.

Habitat mapping and a bathymetric study mapping the ocean floor, was completed in Tasman Bay. Wider work included estuary monitoring in response to the August 2022 floods, a review of the flood warning network, and the completion of phase one of the modelling system to help better understand sedimentation in Haven Estuary. A review of the air quality monitoring programme was also completed and a new workshop was established for repairing and building both equipment and field stations.

Biodiversity and Biosecurity

Project Mahitahi

In 2023/24, Project Mahitahi completed the planting of 27,795 trees which included 3.2 hectares of new planting. There was ongoing weed maintenance of existing sites and new initial weed control into 1.82 hectares. Three trapping projects were completed across 128 hectares and four conservation rangers were employed along with a part-time Team Leader.

The project also delivered a range of community engagement activities, including a children's art project to raise awareness of native fish at the Nelson Light Festival, Te Ramaroa, in July 2023, and Matariki plantings with EnviroSchools. The Project Mahitahi Storymap was published during the year, and a hīkoi (walk) to a pakohe quarry in the upper Maitai was held with iwi representatives, project partners and volunteers.

Wakapuaka Whangamoā Restoration project

The three-year Wakapuaka Whangamoā project, funded by the Department of Conservation's Jobs for Nature programme with additional support from the Council, came to an end in July 2024. Over the last year 10,800 trees were planted across six sites, 18.7 hectares of weed control was undertaken, 39.2 hectares of wilding conifer control undertaken and 450 pests were trapped, which included 55 hectares of new possum trapping.

The project also delivered cultural training opportunities for Council and Kūmānu staff, led by a Pou Tikanga for Ngāti Tama, and strengthened relationships with landowners and iwi.

Mapping and Restoration

Spatial Ecological Connectivity Mapping was completed which provides guidance on areas important for ecological connectivity across Nelson land. Four environmental grants were also awarded by Council which supported projects that improved ecological connectivity.

Coastal restoration planting activities were undertaken at Corder Park, Oyster Island, Kokrua Spit, Wakapuaka Sandflats, Nelson North Wastewater Treatment Plant, Paremata Reserve, Uri O Te Wai and Kokorua Estuary. There was also targeted control of three emerging pest plants, blue passionflower, water celery and Vietnamese parsley. Council also assisted ten landowners to restore and protect 50.4 hectares of high priority Significant Natural Areas across the Nelson Region

City Development

Housing

Housing affordability continues to be a significant challenge, exacerbated by the current economic climate. In 2023/24, 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 continued implementation of the Nelson Future Development Strategy to support housing and business growth.

Bridge to Better

As noted in the Transport section, the Bridge to Better project, continues. This project will transform Bridge Street, offering a high amenity streetscape and significant increase in infrastructure capacity to leverage housing, active transport and city centre revitalisation outcomes. Design work has progressed through 2023/24 and will continue in 2024/25.

City Centre Revitalisation

Council hosted the City Revitalisation Summit in March 2024, bringing together 150 people to discuss revitalisation of the city. Projects currently underway to support this aim include the Rutherford Park Playspace and Bridge to Better.

Environmental planning

Plan Changes

The Council has continued to progress changes to the Nelson Resource Management Plan (NRMP), including four plan changes.

Plan Change 31 (PC31) for Nelson Junction, which was made operative on 23 February 2024 after receiving six submissions and three further submissions, with three submitters attending the hearing on 4th December 2024.

Private Plan Change 28 (PC28) for the Kaka Valley area, known as the Maitahi Bayview area, which was appealed to the Environment Court with Environment Court Hearing held in February 2024.

Private Plan Change 30 (PC30) and the Notice of Requirement (NOR) for the Nelson Airport runway extension has not yet concluded its hearing process after receiving 471 submissions and nine further submissions, with 33 submitters attending five days of hearing from 13th May to 17th May.

Plan Change 29 (PC29) for housing and hazards plan change with 884 submissions, and 78 further submissions received.

Building

Council has delivered better electronic visibility of all information related to building consents. This issue was identified in the 2023 International Accreditation New Zealand (IANZ) audit that was cleared following the completion of this work. A modest number of matters are being addressed from the 2024 audit.

Resource Consents and Compliance

A greater number of resource consents were received compared to the previous year and the level of compliance with statutory timeframes improved slightly. The filling of vacant staff positions early in 2024/25 will help to escalate improvements.

2023/2024 included surveying of industrial stormwater discharges and hazardous substances management, with improvements in compliance and awareness.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

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

Community Outcome	Contribution
Our unique natural environment is healthy and protected	Land, air, water and coastal environments are sustainably managed through a regulatory matrix of sound planning, monitoring, compliance, science and nonregulatory programmes.
Our urban and rural environments are people friendly, well- planned and sustainably managed	The Future Development Strategy is implemented to coordinate our growth and infrastructure planning. Council directs programming growth to areas where infrastructure efficiencies can be made. Plans and actions are in place to reduce the carbon footprint of our infrastructure and urban development as well as building resilience to the impacts of climate change.
Our infrastructure is efficient, cost effective and meets current and future needs	Good planning and urban design provide an attractive, well-built, safe, resilient, and walkable city for people of all ages and abilities. Unique built and natural sites and systems are protected, and people are supported to make environmentally sustainable choices.
Our communities are healthy, safe, inclusive and resilient	High standards of statutory compliance for built and natural environments contribute to the health, safety and resilience of the community. The community understands natural hazard risk and is supported to deal with natural hazard risks resiliently.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity	Heritage sites are protected and promoted. Non-regulatory methods are used to retain heritage sites.
Our communities have access to a range of social, educational and recreational facilities and activities	Council builds on its customer focused approach in its building, regulatory, and planning activities.

<p>Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement</p>	<p>Sound planning, regulatory and non-regulatory processes that included iwi and community groups enable and encourage a range of activities to occur both on land and water.</p>
<p>Our region is supported by an innovative and sustainable economy</p>	<p>Strategic partnerships with key partners including Te Taihū iwi and central government are strengthened to achieve even greater gains for Nelson's environment.</p>

ENVIRONMENT SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Compliance with National Environmental Standards for Air Quality for PM10	Number of exceedances in any of the airsheds do not exceed one in a calendar year	No more than one exceedance in any calendar year in any airshed. Reported to Council each year	<p>In 2023/24 there was one exceedance in the Tāhunanui airshed at the "Nelson at Blackwood Street" monitoring site that exceeded the 50ug/m3 threshold during the 2023/2024 financial year (52ug/m3).</p> <p>The National Environmental Standards for Air Quality 2005 (NES-AQ) allows for one exceedance above 50ug/m3 (51ug/m3 or greater) daily average every year, so the site is still compliant with NES-AQ regulations.</p> <p>In 2022/23 there was also one exceedance at this site. In 2021/22 there were no exceedances at any of the airsheds.</p>	Achieved
Information on safe recreational bathing sites, marine and freshwater	% of key bathing sites monitored and public advised if water quality standards are breached	100% of key bathing sites are monitored	<p>In 2023/24 the recreation programme was completed with all designated sites monitored and the results uploaded to Land, Air, Water Aotearoa. All freshwater sites monitored were 100% compliant and the five marine sites were 95-100% compliant, with exceedances caused by storm events re-mobilising mud and stormwater runoff. Percentage compliance is defined as the percentage of samples over each period that are below the marine enterococci ($\leq 280/100\text{ml}$) & freshwater E. coli ($\leq 540/100\text{ml}$) action thresholds.</p> <p>Public were notified via LAWA of the</p>	Achieved

			<p>exceedances. The Health Protection Team were consulted to discuss the cause of the exceedance and whether a resample and signage was required. In these cases, the Health Protection Team decided there was no need for further action as the exceedance was temporary due to stormwater and suspended sediment from wave action on the beach.</p> <p>In 2022/23 100% of the key bathing sites were monitored. There was one freshwater red alert exceedance in summer 2022. All marine sites had exceedances from storm events. The Health Protection Officer was notified of all events and this was reported to the public via appropriate signage and the Land Air Water Aotearoa website.</p> <p>In 2021/22 the same result was achieved.</p>	
Compliance with the Biosecurity Act 1993 (amended 2015)	Compliance with the Tasman Nelson Regional Pest Management Plan reporting requirements for operational plans	100% delivery of operational plan reported to Council each year	<p>In 2023/24 a report on the delivery of the 2022/23 Biosecurity Operational Plan was presented to Council on 9 November 2023.</p> <p>In 2022/23 a report on the delivery of the 2021/22 Operational Plan was presented to the Council at its 15 December 2022 meeting. In 2021/22 this report was presented to Council on 4 November 2021.</p>	Achieved

<p>Provision of easily accessible, accurate, up to date and fit for purpose state of the environment monitoring data for all environmental domains</p>	<p>Five yearly comprehensive State of the Environment report is published to achieve compliance with section 35 of the Resource Management Act 1991</p>	<p>Five yearly report due by December 2023*</p>	<p>*This target was incorrectly noted in the Long Term Plan 2021 -2031, with the correct target being December 2024. This will align with the five yearly window for State of the Environment (SOE) reporting, with the most recent report produced in 2019.</p> <p>This performance measure and target has been updated in the Long Term Plan 2024-2034.</p> <p>In 2022/23 and 2021/22 this target could also not be measured. However, in 2021/22 the State of the Environment web reporting programme was completed, with 2021 updates for water quality, and a new module for rainfall.</p>	<p>Not due for measurement in 2023/24</p>
<p>Ensure Resource consent decision-making is robust and legally defensible</p>	<p>No decisions are overturned by the High Court upon judicial reviews</p>	<p>No decisions are overturned by the High Court upon judicial reviews</p>	<p>In 2023/24 no judicial reviews were received.</p> <p>This was the same result in 2022/23 and 2021/22.</p>	<p>Achieved</p>
<p>Food safety and public health comply with legislative requirements</p>	<p>Respond to food safety complaints within one working day</p>	<p>100%</p>	<p>In 2023/24 all five food safety complaints were responded to within one working day.</p> <p>In 2022/23 all six food safety complaints responded to within one working day. In 2021/22 all three food safety complaints were also responded to within one working day.</p>	<p>Achieved</p>

Resource consent processes that comply with statutory timeframes	All resource consents are processed within statutory timeframes. All resource consents requiring monitoring are monitored at least annually	100%	<p>In 2023/24 390 resource consents were decided, 62% on time. Greater consent numbers over the last year have been received, in spite of this consents processed on time increased by 5% over last year.</p> <p>Ongoing vacancies have reduced capacities and efforts to resolve older consents that contribute to some exceedances. New staff are starting in quarter one of 2024/25 which will assist capacity and remaining vacancies will be advertised. All required monitoring has been undertaken.</p> <p>In 2022/23 316 consents were decided, 57% were on time. In 2021/22 an average of 74% of resource consents were processed on time. All required monitoring was undertaken.</p>	Not achieved
Provision of dog and animal control services	Respond to reports of dog attacks that have just occurred within 60 minutes	90%	<p>In 2023/24 all ten urgent dog attacks were responded to within one hour.</p> <p>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.</p>	Achieved
Navigation safety is delivered to meet all legislative requirements	Safety checks are conducted for recreational vessels (boats, kayaks, stand-up paddle boards (SUPs) etc)	At least 1,000 annually	<p>In 2023/24 1254 safety checks were undertaken. A majority with small recreational fishers and SUPs.</p> <p>In 2022/23 990 safety checks were undertaken, and in 2021/22 over 1,000 safety checks were completed.</p>	Achieved

	Inspect navigation safety aids and maintain, replace or provide additional aids as required	At least annual inspection	<p>In 2023/24 swim buoys and special marks were checked in April 2024 and navigation lights were checked in June 2024. A statement of works has been prepared for Aids to Navigations (AtONs) that are nearing the end of working life.</p> <p>In 2022/23 regular checks and cleaning was conducted with new lifting gear on the new Harbourmaster vessel. In 2021/22 an annual inspection was undertaken.</p>	Achieved
Sale of alcohol complies with legislative requirements	Inspect high risk premises at least two times each year	100%	<p>In 2023/24 all high risk premises were inspected twice.</p> <p>In 2022/23 and 2021/22 all high risk premises were also inspected twice.</p>	Achieved
Provide building control services in a professional and timely manner, to ensure building work is safe and in accordance with the Building Code	% building consents and code compliance certificated issues within 20 working days	100%	<p>In 2023/24 91% of building consents and 98% of code compliance certificates (CCCs) were completed within timeframes.</p> <p>In 2022/23 90.25% compliance for the granting of building consents and 99% compliance for the issuing of CCCs. In 2021/22 97% compliance for the granting of building consents and 96% compliance for the issuing of CCCs.</p>	Substantially achieved

Maintain current and enforceable environmental bylaws for dogs, urban environments, city amenity and navigation safety	Bylaw reviews are completed within timeframes set out in the Local Government Act 2002	Year 3: 100%. (City Amenity Bylaw expires 11/09/2024)	In 2023/24 consultation began on proposed amendments to the Urban Environments Bylaw. Approval of the final bylaw is scheduled for September 2024. In 2022/23 work on the City Amenity Bylaw was underway. In 2021/22 the target was to review the Urban Environments Bylaw. The amended bylaw came into effect on 1 June 2022.	Achieved
Create and implement a City Centre programme	Monitor performance every three years with a public life survey	Years 3: Monitoring completed and reported to Council	In 2023/24 the Summer Public Life Survey was completed in February 2024 with the report issued in May 2024. The Winter Survey is scheduled for August 2024. In 2022/23 and 2021/22 monitoring was not due.	Achieved
Urban Development Capacity is sufficient to meet future demand	Report annually on Urban Development capacity and how the requirements of the NPS Urban Development are met	100%. Reported to Council each year	In 2023/24 a monitoring report was presented to Council on 9 November 2023. In 2022/23 a monitoring report was reported to Council in June 2023. In 2021/22 a report was provided to the Urban Development Subcommittee on 9 November 2021.	Achieved

<p>The Compliance Strategy is reviewed for effectiveness</p>	<p>The effectiveness of the Compliance Strategy is reported to Council annually</p>	<p>Reported to Council each year</p>	<p>A review for the 2023/24 year will be reported to Council in September 2024</p> <p>In 2022/23 this was reported to August 10 Council meeting. In 2021/22 this was reported to the Environment and Climate Committee on 16 June 2022.</p>	<p>Achieved</p>
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FINANCIAL PERFORMANCE – ENVIRONMENT

Funding Impact Statement

	Long-term Plan 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	11,981	12,804	11,620
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	1,356	364	1,706
Fees and charges	247	251	576
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	51	53	61
Local authorities fuel tax, fines, infringement fees, and other receipts	4,689	4,799	6,909
Total Operating Funding	18,325	18,271	20,872
Applications of operating funding			
Payments to staff and suppliers	20,860	17,880	20,245
Finance costs	0	0	0
Internal charges and overheads applied *	522	636	454
Other operating funding applications	0	0	0
Total applications of operating funding	21,383	18,516	20,699
Surplus (Deficit) of operating funding	(3,057)	(245)	173
Sources of capital funding			
Subsidies and grants for capital	0	0	328
Development and financial contributions	0	0	0
Increase (decrease) in debt	5,289	604	742
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	5,289	604	1,070
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	0	0	15
- to improve level of service	2,154	342	1,192
- to replace existing assets	78	17	36
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding	2,231	359	1,244
Surplus (Deficit) of capital funding	3,057	245	(173)
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(3,057)	(245)	173
Subsidies and grants for capital expenditure	0	0	328
Development and financial contributions	0	0	0
Vested Assets	0	0	0
Gains on sale	0	0	0
Depreciation	(190)	(238)	(174)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	(3,247)	(483)	327

Social Te Pāpori

Social activity efforts support community wellbeing. It achieves this through the provision of social, cultural, arts and heritage facilities such as Founders Heritage Park, cemeteries (operational and historic) and our libraries and public toilets.

Council also invests in and supports the work of community facilities such as the Theatre Royal, Tasman Bays Heritage Trust (Nelson Museum), Suter Art Gallery Te Aratoi o Whakatū Trust (Suter Art Gallery) and the Nelson Centre of Musical Arts (NCMA) and supports events such as Opera in the Park and Te Ramaroa (Light Nelson). Campgrounds are also provided.

Community development is funded to provide social services and support to the community, including through grants to community groups. This activity helps the most vulnerable in our community, contributes to making Nelson an attractive and vibrant city, supports opportunities to celebrate and explore our heritage and creativity, and it creates opportunities for the community to connect and strengthen feelings of belonging, identity and a sense of pride in Nelson.

Highlights for 2023/24

Arts and Heritage

Tuku 24 festival saw an estimated 18,000 people attend 120 events between 24 March and 04 May 2024. The word "Tuku" means to "share" and the 2024 programme of heritage-based events was outstanding in its range and quality. The diversity of the festival continued to increase, with over 40% of the events sharing non-European stories ranging from a collection of Māori-led events to events hosted by the recent migrant community. Highlights such as the amazing Kia Ngāwari Kapa Haka Club 50th Anniversary concert in the NCMA, "Experience China" and Christopher Vine's personal commentary on Nelson's architecture, all shone a light on our combined cultural history.

During the 2023/24 financial year the Council's Arts and Heritage Partnership grant scheme supported a total of 16 grants from its \$50,000 fund. Funds were released to support projects such as the Sing Nelson Festival, the Whanake Youth mural painting, the RSA Stoke Memorial gates event, and the Victory Matariki light art projections. The value of investment by community partners for these projects matched the Council's investment, leveraging Council investment to provide combined value of \$100,000 for arts and heritage activities for the city.

Founders Heritage Park, Isel House and Broadgreen House remained popular for visitors, hirers and community events, with 154,708 people visiting these facilities, a 49% increase on the previous year.

Events

Community Events

In the last financial year, Council contracted and delivered 19 different events or event series, including the Winter Wonderland Ice Skating Rink, New Years Eve, Tahuna Summer Sounds, Matariki celebrations and Waitangi Day. This resulted in a total of 40 events for an estimated 43,000 attendees. Partnerships with community groups and organisations allowed for a wide diversity of events, attendees and performances.

Matariki 2023 and 2024

Nelson City Council delivered two Matariki events in 2023/2024:

Te Huihui-o-Matariki 2023 took place in July 2023, hosted by Te Herenga Tahī, Te Kōtahi o Te Taihū Charitable Trust, Te Taihū o Te Waka-a-Māui Māori Culture Council, and Nelson City Council. This annual festival featured the Taku Kara Tīpuna regional secondary schools kapa haka competition, which sold 1,100 tickets and attracted around 2,000 attendees with six competing groups. The event boasted 50 stalls offering a range of arts, crafts, food, and refreshments. Entertainment included performances from kapa haka groups, Pasifika artists, with guest performances from Maaka Fiso, Awhimai Fraser, and the Modern Māori Quartet.

Te Huihui-o-Matariki 2024 held in June 2024 at Trafalgar Park, was co-hosted by Ngā Iwi e Waru o Te Taihū o Te Waka-a-Māui and Nelson City Council. This year's celebration drew an impressive crowd of over 10,000. The venue was beautifully adorned with pourama (light posts) and a waharoa gateway unveiled by Te Taihū kaumātua and iwi delegates. Attendees enjoyed performances from local bands, singer Naia Awatea, and Pasifika groups, culminating in a dynamic set by guest performer Rei and his dance crew. The evening concluded with a captivating performance by renowned singer-songwriter Maisey Rika. Two local charities, Te Kōtahi o Te Taihū Charitable Trust and Youth Nelson, were supported by iwi to collect koha donations, raising over \$12,000.

Waitangi Day commemorations

Approximately 1,000 people were welcomed onto Whakatū Marae for the event's opening pōwhiri led by Ngāti Koata and other iwi of Te Taihū o Te Waka-a-Māui. At the Marae there were traditional Māori art workshops that included raranga (weaving) and whakairo (carving) plus a range of kai, arts and crafts stallholders and special guest Jordyn with a Why. Founders Heritage Park had a range of traditional foods, unique arts and crafts plus more entertainment from local kapa haka and pasifika groups and other community performances. The event had a fantastic turnout of 7,000 people.

National Kapa Haka Competitions

In 2023/24, Nelson City Council proudly supported two National Kapa Haka competitions: Te Mana Kuratahi in October 2023 and Ngā Kapa Haka Tuarua o Aotearoa in June 2024.

Te Mana Kuratahi is the biennial national kapa haka competition for primary schools. The competition, hosted by Te Taihū o te Waka a Māui, featured 45 kapa haka representing 16 regions across Aotearoa and drew over 10,000 spectators.

Ngā Kapa Haka Tuarua O Aotearoa is the biennial national kapa haka competition for secondary schools. Also hosted by Te Taihū o te Waka a Māui in 2024, this event showcased 42 kapa haka groups from across Aotearoa and attracted more than 15,000 attendees.

Additionally, the Council hosted the **Waitangi Day pōwhiri and International Kai Festival** on February 6, 2024, marking a welcome return after a three-year hiatus due to COVID-19. Led by Ngāti Koata, the pōwhiri attracted 1,000 attendees, contributing to a total event attendance of around 7,000.

Community Partnerships

Te Taihu Community Development Agency

Nelson City Council has supported the community sector through targeted funding and involvement in the establishment and community engagement groups which worked to set up Te Taihu Community Development Agency.

The community led trust was established in June 2024 and has since appointed its first trustees. The agency aims to support the community sector to become more strategic, sustainable, and impactful. Its work will be governed by a kawenata, an enduring relationship agreement with Ngā iwi o Te Taihu.

Shared Communities Initiative

Nelson City Council has partnered with Multicultural Nelson Tasman, Arts Council Nelson and Make/Shift Spaces in this project aimed at supporting our Former Refugee and Migrant communities to improve their wellbeing, social connection and sense of identity through the vehicle of the creative arts.

The initiative was successful in receiving a grant of \$245,000 from the Ministry of Culture and Heritage in August 2023. This funding has been used to deliver over 50 programmes and events led by our diverse community. It has also included workshops aimed at supporting the existing arts sector in Whakatū Nelson to better understand the barriers these communities face when engaging in this space and how they adapt to remove these.

The initiative has since been successful in receiving over \$85,000 in non-Nelson City Council grants to continue this impactful work.

Pōwhiri for Former Refugee Community at Whakatū Marae

In September 2023, over 90 Former Refugees were welcomed onto Whakatū Marae. This Council funded and organised event provided an opportunity for connection between Manawhenua and our newest community members, and also included a workshop about Te Tiriti o Waitangi and the history of Kākati (the wharenuī at the marae) which was translated into five languages.

Marae Project

The Community Partnerships team has strengthened Council's relationship with Whakatū Marae with the development of series of programmes designed to be "by Māori, for everyone". These programmes include the use of Kī o Rahi, Mau Rakau and Waka Ama as vehicles for social connection, confidence building and positive wellbeing outcomes for vulnerable rangitahi. Other programmes include a range of hui based at the Marae aimed at supporting the community sector to engage better with Māori, and a programme aimed at decreasing social isolation by those approaching retirement age.

Based on the principles of co-design and underpinned by the values outlined in Te Taihu Intergenerational Strategy this project will enter its delivery phase from June-December 2024.

Welcoming Communities Statement of Commitment

In December 2024, signatories from Council and Multicultural Nelson Tasman signed the Welcoming Communities Statement of Commitment. This statement outlined Council's commitment to the Welcoming Communities Programme and was the final step in Council receiving Stage One Accreditation from Immigration New Zealand as a "Committed Welcoming Community".

Multicultural Sports Tournaments

In partnership with Council and Multicultural Nelson Tasman, Nelson Cricket held the Multicultural Cricket Tournament in December 2023. Eight teams from across Nelson's diverse communities took part. Representatives from the Blackcaps and the touring Bangladesh Cricket team also attended, as the tournament took place the day prior to the One Day International match.

Led by Council, with support from FC Nelson, Multicultural Nelson Tasman and Health Action Trust, the third annual Multicultural Football Tournament was a huge success with 16 teams competing in March 2024 as part of Race Unity Week. Representatives from our Colombian, Bhutanese, Cambodian, French, Myanmar–(Chin and Karenni), Ni-Vanuatu and broader Latin American communities joined with teams from FC Nelson and a joint Nelson City Council/New Zealand Police team in celebrating the game. Over 200 players and around 500 community members attended the tournament held at Neale Park.

Found Directory

The Found Directory is a free listings directory for community groups and organisations in the Nelson – Tasman region. It was created about 30 years ago and went exclusively online in 2006 and the website is managed by Volunteer Nelson.

In 2023/24 Council worked with Volunteer Nelson to again create a printed version of the directory for those who may not have easy access to the internet. This initiative has been well received by the community.

Community Facilities

Libraries

Over the year 2023/24 Nelson's Public Libraries demonstrated the vital role they play within the community, by making collections and services more accessible for different ages, backgrounds, and cultures as Council adapts to the changing needs of Nelson.

Earthquake strengthening works continued on the Elma Turner Library roof and ceiling throughout 2023. The space available for the public was expanded in July 2023 to include the main entrance and floorspace at the north end of the building. The library reopened fully to the public in January 2024, with a day of celebratory events and programmes to welcome the community back into their space and mark the end of 19 months of disruption.

Throughout the building works, the public has shown the value our community places on library services as our collections continue to be well-used and membership continues to grow. 3,042 members joined the library in the past year, while 676,717 items were issued, including 136,600 digital and 540,117 physical items. Our digital collection continues to grow with digital audiobooks in particular growing by 21.5%.

Nelson's libraries serve as vital community hubs, welcoming newcomers and reflecting the city's cultural diversity through thoughtful programming, curated collections, and inclusive spaces. As the digital divide becomes a more pressing issue for our communities, Council has initiated digital literacy programmes, such as drop-in sessions at Age Concern and partnering with the Digital Inclusion Alliance Aotearoa to provide 110 affordable internet modems. These efforts, alongside the personalised assistance offered through the Book a Librarian service, underscore the libraries' commitment to empowering residents with the skills and tools needed for the digital age. Furthermore, the libraries' role in facilitating democracy was highlighted during the 2023 general election, where they provided a trusted venue for voting, reinforcing their status as essential civic institutions.

2024 has seen Nelson Public Libraries make strides in improving accessibility and services for library users with diverse needs. In March, we were accredited by Alzheimers New Zealand as Working To Be Dementia Friendly in recognition of our ongoing efforts to make the libraries a safe and welcoming place for people at all stages of their journey with dementia. This includes a suite of dementia friendly programmes and borrowable items as well as having all staff trained as Dementia Friends. In May, we gained Hapai Access Card certification after all of our staff received Hapai training so that we can best serve members of our community in accessing library services in ways that suit their needs.

Hosting events and programmes was compromised due to building work in the Elma Turner Library during 2023. Despite this, the libraries hosted 494 events across all three branches and at external locations, including local primary schools, rest homes, and Age Concern. Events and programmes echoed the diversity within our communities with highlights including the Mystery at the Library event hosting renowned crime writer Vanda Symon, the annual Teddy Bear's Picnic at Founders Park, and the Human Library at the Nelson Tasman Multicultural Festival. These events continue to get a high attendance reflecting the range of programmes and services a modern library offers.

Our community engagement has flourished, with increased collaborations providing talks, support groups, and educational sessions on vital topics like job seeking and health. Key partnerships with organisations such as Age Concern Nelson and the Nelson Arts Festival have enriched our offerings, while our strengthened ties with local schools have become instrumental in fostering early literacy and introducing students to valuable research resources. Several partnerships have resulted in new community-led programmes: The Korero te reo Māori group meets fortnightly in the Elma Turner Library and is led by NMIT students who wanted a chance to practice the language in an informal setting. We also partnered with St. John Therapy Pets to set up regular visits from trained dogs at Elma Turner and Stoke Libraries. These initiatives underscore our commitment to being a safe, versatile hub for community and educational growth.

Maitai Valley Motor Camp improvements

A range of work has been underway at the Maitai Valley Motor Camp during 2023/24 which will improve the campground and ensure that the camp is compliant with the relevant regulations. 10 new service hubs have already been installed for long term occupants and casual campers to safely dispose of wastewater.

Work on renewing the ageing wastewater system at the Maitai Valley Motor Camp is progressing with a preferred design completed, consenting work underway and iwi input sought. Installation work will be completed in 2024/25 and outcomes will include removing the current 80 person per night cap and returning to a maximum occupancy level of 400 and reducing the impact on the environment. Ongoing monitoring of the new wastewater system will be established.

Buxton Toilet upgrade

Ongoing vandalism has long been an issue at the Buxton Square toilets. During 2023/24 Council upgraded the facility to provide access to a nighttime toilet that was built with a more robust design than the main toilets. The main toilets were then closed at night with the new toilet opened. As a result, there has been no further money spent on vandalism at this facility.

Cemeteries and crematorium

New plots and berms were established in 2023/24 to address growing demand and to ensure that plots meet religious and cultural requirements. These developments include the addition of concrete berms and traditional grassed areas with markings and identification pegs. Recent trends indicate a significant rise in the purchase of burial and

ash plots, with many plots reserved well in advance. This creates an appearance of abundant availability despite the high number of pre-purchased plots.

Upgrades have also been made to the cremators which were installed in 1946, including a new hearth and flue. These improvements are expected to extend the lifespan, reliability, and operational efficiency of the cremators for the next decade. The potential transition from fossil fuels is under discussion, with considerations including electric cremators, water aquamation cremators, and cremators powered by excess gas from the Nelson Landfill.

The recent upgrades and developments in cemetery and crematorium services ensure that the facilities can handle increased demand effectively, including in the event of natural disasters, disease outbreaks or other major emergencies and incidents.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

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

Community Outcome	Contribution
Our communities are healthy, safe, inclusive and resilient	Council partners with community groups to help them deliver events and other roles within the community. Young people are supported to participate in our community through the likes of Youth Council and events.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity	Community achievements are celebrated through awards. Council promotes agencies and groups working on telling and involving the community in our stories.
Our communities have access to a range of social, educational and recreational facilities and activities	Council funds and directly organises a number of social, education and recreational facilities and activities, as well as partnering with other entities to help them deliver a range of initiatives for the community.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	Council provides leadership opportunities for our young people through Youth Council, cadetships and Youth Development Grants. It supports networks in the community sector to become stronger. Partnerships are created to achieve Council outcomes and meet community needs.
Our region is supported by an innovative and sustainable economy	Youth are supported through actions from the Youth Strategy. Council helps develop community leaders and celebrates community contribution.

SOCIAL SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will Provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Community partnerships address community needs and issues	Community Investment Fund agreements and grants are allocated as per advertised timeframes	One new project funded per year that achieves the outcomes of the funding agreement	<p>In 2023/24 the small grants funding round was completed in June 2024 and grants were paid prior to the June 30 advertised timeframe. Two small grant funding rounds were completed with all grants agreements and allocations completed within the advertised timeframes. The Community Investment Fund was fully allocated and included more than one new project that achieved the outcomes of the funding agreement.</p> <p>In 2022/23 the Community Investment Fund was fully allocated to 31 small grant applicants and 39 strategic grant recipients, this included more than one new project that achieved the outcomes of the funding agreement.</p> <p>In 2021/22 the second round of small grants was successfully allocated, with funding supplemented by additional Ministry of Social Development contributions.</p>	Achieved
Council provides support for the arts sector to provide arts advice, advocacy and promotion, to strengthen the sector	Creative Community Scheme funding is allocated successfully to community art projects	Creative Communities scheme funding fully allocated each year	<p>In 2023/24 both funding rounds were completed with funding fully allocated.</p> <p>In 2022/23 and 2021/22 funding was also fully allocated.</p>	Achieved

Council's heritage facilities provide heritage activities to experience, celebrate and learn about Nelson's history and stories	Number of visitors/users of the facility	Visitor numbers >100,000	<p>In 2023/24 there were 154,456 visitors to Founders Heritage Park and the two heritage houses (Isel and Broadgreen)</p> <p>In 2022/23 there were 104,272 visitors and in 2021/22 there were a total of 60,920 visitors for the year.</p>	Achieved
High quality, popular and accessible arts events	To deliver a diverse and accessible variety of events that are well attended and enjoyed by audiences	At least 12 events per annum are delivered celebrating our community's performing skills and creativity and support at least 10 free or low cost events.	<p>In 2023/24 the Council Events Team delivered 39 events, all of which were free or low cost. This included My Time My life, 4 individual Music Mix events, Matariki celebrations and Rock the City.</p> <p>In 2022/23 12 different events or event series were held, 10 of which were free or low cost. In 2021/22 seven events were delivered. Many events were cancelled due to COVID 19 restrictions.</p>	Achieved
		Event audience surveys indicate satisfaction of 70%.	<p>In 2023/24 audience surveys indicated satisfaction over 70% in each quarter.</p> <p>In 2022/23 there was over 85% satisfaction and in 2021/22 feedback was above 70%.</p>	Achieved

FINANCIAL PERFORMANCE – SOCIAL

Funding Impact Statement

	Long-term Plan 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	15,392	15,885	17,745
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	200	204	1,003
Fees and charges	898	857	1,357
Interest and dividends from investments	0	0	0
Internal charges and overheads recovered	1	1	0
Local authorities fuel tax, fines, infringement fees, and other receipts	919	1,046	1,099
Total Operating Funding	17,411	17,993	21,203
Applications of operating funding			
Payments to staff and suppliers	14,849	15,203	17,999
Finance costs	0	0	0
Internal charges and overheads applied *	1,115	1,330	1,649
Other operating funding applications	0	0	0
Total applications of operating funding	15,963	16,534	19,648
Surplus (Deficit) of operating funding	1,447	1,459	1,555
Sources of capital funding			
Subsidies and grants for capital	437	26	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	5,919	19,087	1,235
Gross proceeds from sale of assets	0	0	22
Lump sum contributions	0	0	0
Total sources of capital funding	6,356	19,113	1,257
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	1,748	552	472
- to improve level of service	5,696	16,494	1,277
- to replace existing assets	552	554	1,223
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	(193)	2,972	(160)
Total applications of capital funding	7,804	20,572	2,812
Surplus (Deficit) of capital funding	(1,447)	(1,459)	(1,555)
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 2022/23 (\$000)	Long-term Plan 2023/24 (\$000)	Actuals 2023/24 (\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	1,447	1,459	1,555
Subsidies and grants for capital expenditure	437	26	0
Development and financial contributions	0	0	0
Vested Assets	0	0	0
Gross proceeds from sale of assets	0	0	0
Depreciation	(1,393)	(1,412)	(1,342)
Other non-cash income	0	0	297
Other non-cash expenditure	0	0	(420)
Net Surplus (Deficit) before taxation in Cost of Service Statement	491	73	90

Parks and Active Recreation

Ngā Papa Rēhia, Mahi Rēhia hoki

Council manages approximately 11,250 hectares of parks and reserves for the city, which includes over 10,000 hectares of conservation reserve actively managed for its unique biodiversity, water supply 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), and more natural environments such as the Maitai Esplanade Reserve. Council supports a range of international, national and regional sporting and entertainment events hosted in Nelson, which contribute to our local identity and provide economic and social benefits to the city.

Highlights for 2023/24

Adopt a Spot

Adopt a Spot is a programme for community groups, schools and individuals who agree to take care of an area of Nelson City Council land. Activities that can be undertaken by a group include planting and weeding, rubbish clean ups, animal pest control, wildlife and environmental monitoring, gardening and fruit tree maintenance.

In 2023/24 there were 16 Adopt a Spot volunteer group planting events and five community planting events.

International Cricket

The Black Caps one-day international match at Saxton Oval in December 2023 marked the return of international cricket to the region after a five-year absence. Nelson also hosted two White Ferns Twenty20 matches in March 2024. Around 4,500 people attended the Black Caps and just under 3,000 people attended the White Ferns games.

Tāhunanui Contaminated Sawdust

Work to remove contaminated wood waste, deposited on the Tāhunanui back beach dunes in the 1960s, has been an ongoing project in 2023/24, after the wood waste was identified as contaminated in July 2023. In August 2023 Council allocated funding of \$100,000 to prepare a plan to mitigate the effects and risks from the material and a further \$350,000 for short-term actions. A comprehensive site assessment led staff to recommend the removal of the contaminated material, reinstatement of low-level dunes and the inclusion of a new car park area. This option aims to prevent further erosion, protect people and animals from contaminated material, and avoid any adverse ecological effects to the area. Short-term measures will continue to be used to contain the contaminated sawdust material whilst funding is being secured.

Te Ata Reserve extension (Atawhai)

Council purchased 74 Dodson Valley Road in March 2024 in order to extend Te-Ata Reserve. Purchase of this site provides road frontage to the reserve, giving more access and visibility from Dodson Valley Road. It also provides opportunity for more passive recreation on this flat area adjacent to the Oldham Creek.

Annual pest animal control

In May 2024 Council coordinated the annual ungulate cull. The Back Country Cull was completed in the Maitai Water Reserve, Roding Water Reserve, Marsden Valley Reserve and Brook Conservation Reserve; and the Front Country Cull was completed in Atmore Reserve, Tantragee Reserve and Eureka Park. As with previous years, this was done

in conjunction with neighbouring landowner Ngāti Koata and its primary leaseholder Tasman Pine Forests Ltd.

The project continues to be a success with numbers of deer, goats and pigs all on the decline in our reserves, reducing predation on native plants.

Ngāti Koata access agreement and new Tracks Recreation Advisor role

On 22 May 2024 a long-term agreement was reached between Nelson City Council and Koata Ltd that allows recreational access to Ngāti Koata-owned land. The agreement will start on 1 July 2024 and run through to 30 June 2034 and follows a number of years of individual interim agreements. The Council received a substantial number of Long Term Plan submissions asking for access to trails on Ngāti Koata whenua to be secured over the long term. Securing access to the land for walking, running, mountain biking and paragliding confirms Nelson as one of New Zealand's premier mountain biking and recreation destinations.

Hinau track

A new track linking Hinau Street in the Brook to the Grampians Walkway trig station at the top of the Collingwood zig zag track opened in June 2024. The new track will make it much easier to access the Grampians' stunning views and tracks from the Brook side of the hill. The Hinau track has been several years in the making, due to disruptions from flooding and difficulty in removing pine trees.

Queens Gardens well/bore

A project to drill a bore in Queens Garden was investigated and planned in 2023/24. The bore replaces the water taken from the Brook Stream that had been used to keep the ponds filled with water and will supply water to the various fountains and water features throughout the gardens. The water will also be used to provide irrigation water as necessary during the summer.

Replacement Saltwater creek bridge completed

Work was completed on the new Saltwater Creek bridge, Te Arawhiti ki Matangi Āwhio, in 2023/24, replacing the previous bridge which was no longer fit for purpose due to corrosion, delamination and rot. The new bridge has a hardwood deck for increased durability, and the steel trusses have been sealed to protect against corrosion. The bridge provides an essential connection to the Maitai shared pathway and ensures safe and easy access for tamariki to Auckland Point School, and visitors to and from the Trafalgar Centre.

Artwork designed by Māori artist Fayne Robinson acknowledges the eight iwi of Te Taihū, with the bridge incorporating panels featuring the wheku and the kōwhaiwhai. The wheku connecting to the water and the land, and the wheku representing a dimensional presence of ngā iwi.

Sunday Hole Boardwalk

Following the August 2022 extreme weather event, plans to upgrade the one metre wide Maitai Valley shared pathway at Sunday Hole were put on hold. After the weather event the project scope was extended to include an upgrade of the shared pathway, repairs to the existing pathway, and the replacement of a culvert.

Work to widen the pathway and repair the culvert began in April 2024 and was completed in June 2024. The new boardwalk pathway is now two metres wide and 66 metres long, allowing walkers, runners, dog walkers and cyclists improved safe access to the popular Maitai Valley pathways and tracks, with a gap in the handrail allowing

access to the rocks and swimming hole from the path. The handrail has been designed to break away during floods to avoid obstructing the flow of water and debris.

The cost of the project, including the boardwalk and repairs to the storm damage was \$475,000, of which \$204,000 was funded by a grant from the Ministry of Business, Innovation and Employment.

Marsden Valley Trailhead Facilities

New and improved facilities opened at the Marsden Valley trailhead in June 2024. The upgrade included new parking and a new pathway from the car park to the trail entrance. An accessible toilet is part of the project and will be installed in 2024/25. The improvement of the facilities will service visitors accessing the Barnicoat Walkway, Glider Road access to the ridgeline and other popular trails including Involution and the Old Weir track. The trailhead also links access to Aniseed Valley and the Silvan Forest.

Damaged tracks reinstated

Numerous tracks on Conservation and Landscape Reserve land were inundated with water during the August 2022 floods, leading to slips that closed tracks and trails for long periods of time. A programme of reinstating tracks has been underway over the past year including Kokupu Track, Eureka Park connecting track and Piwakawaka track which have all been reinstated in 2023/24. Assessments have been carried out on several more tracks including East Ridge Track and Botanical Hill with works expected to be completed 2024/25.

Maitai Hub Pump Track

The popular pump track at the Maitai Recreation Hub was destroyed in the August 2022 floods. Due to positive feedback regarding the original track the design remained the same, however it was built in a new location further away from the river and included improvements to the soak pits and drainage.

Marina Masterplan

2023/24 has seen progress start on the Masterplan with the upgrade of the straddle lift and boat yard underway and with design and consent work for the Promenade linking the city to the marina. This project has been moved forward after receiving a grant of \$1.13 million from the Tourism Infrastructure Fund provided by the Ministry of Business, Innovation and Employment.

Marina Governance Change

On 1 September 2023 the new Board took over management of the Marina.

Major Marina Capital Projects delivered during the year

Non-Slip Surfacing Install

Ageing slip prone wooden infrastructure was replaced Marina wide (piers A – P) with the installation of non-slip surfacing onto existing timber blocks. This has resulted in safer surfacing for visitors, and there have been no reported slips since. The installation has also increased the longevity of the pontoons.

Pedestal Install

Ageing electrical infrastructure was replaced with updated electrical conduits fitted and new power pedestals installed. The pedestals will enable the marina to move to a user pays system for power and ensure electrical compliance. All plumbing was upgraded at the same time, ensuring safer drinking water and reducing leakages.

CCTV install & upgrade

CCTV cameras have been increased to cover every pier, the hardstand, trailer park, boat ramp, marina office and roadways. CCTV footage is screened live into the marina office and can be viewed by marina management when not onsite. Signage of CCTV cameras deter criminal activity and unapproved staying aboard.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

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

Community Outcome	Contribution
<p>Our unique natural environment is healthy and protected</p>	<p>Parks and reserves have a key role in improving the health of waterways through riparian planting, which filters nutrients, reduces river water temperature and helps to control erosion from coastal and river processes.</p> <p>Pest animal and plant control programmes help to protect and enhance our biodiversity, including in the ultramafic zone where a number of species endemic to the region occur. Council's approach is to use the least amount of chemical herbicide necessary to destroy unwanted weeds and organisms. All chemical applications are carried out by Growsafe certified staff.</p> <p>Council manages some land as landscape reserves, to protect and enhance the city's unique backdrop.</p> <p>Over 10,000 hectares of backcountry is managed by Council, much of it in native forest and accessible for walking, running and mountain biking.</p> <p>Council designs and manages many areas of its parks and reserves to reduce fire risk. One way that we reduce the fire load on our land is by implementing grazing, which is a sustainable and efficient method.</p>
<p>Our urban and rural environments are people- friendly, well planned and sustainably managed</p>	<p>Council strives to ensure reserves acquired through subdivision are appropriately located, well connected and are located on suitable land.</p> <p>Council leverages the region's favourable climate and provides play equipment across the city and continues to develop cycling and walking connections across and through our reserves.</p>

<p>Our infrastructure is efficient, cost effective and meets current and future needs</p>	<p>High quality playing surfaces and facilities are integral to attracting national and international sporting events. The facilities require sound condition assessments and renewal programmes to maximise assets and reduce whole of life costs.</p> <p>Hard surfaces are developed and monitored using industry best practice. Our maintenance prioritisation processes incorporate road assessments and maintenance management.</p>
<p>Our communities have access to a range of social, educational and recreational facilities and activities</p>	<p>A wide range of healthy, accessible and safe recreation opportunities are provided that meet community needs and improve wellbeing. Council's reserves support a wide range of sports and recreation facilities for all ages, including youth and older residents. This includes a large number of mountain biking trails which, together with trails on Ngāti Koata whenua, combine to offer a nationally significant network. We protect, enhance and interpret Nelson's human heritage and historic sites. Use of reserves for community events is encouraged.</p>
<p>Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement</p>	<p>Council works with a range of trusts, clubs, codes and community groups, and often undertakes development through co-funding agreements. Saxton Field continues to be developed in partnership with Tasman District Council. A new long-term access agreement has been reached with Koata Ltd for recreation on Ngāti Koata whenua.</p>
<p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity</p>	<p>Many of Council's reserves have significant heritage value including the Queen's Gardens, Piki Mai (Church Hill), other public gardens which include historic houses, and the Conservation Reserves which have important pakohe (argillite), copper and chromite mine workings, the route of the country's first railway line and the country's first municipal water supply. Council reserves provide venues for a range of festivals and events that showcase the region's creativity, often in a unique setting.</p>

Our region is supported by an innovative and sustainable economy

Quality reserves and recreation opportunities enhance quality of life, and thus form a key part of making Nelson a better place, which in turn encourages new residents to the region. Council recognises the importance of activities that use reserves for generating tourism and encouraging settlement in the region. Parks have a key role in providing venues and other support for recreational and sporting opportunities, from formal developments at Saxton Field to support for entities such as the Nelson Mountain Bike Club.

PARKS AND ACTIVE RECREATION SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Parks and recreation service that meets or exceeds residents' expectations	Residents (%) that are satisfied with Council provided parks and recreation	80%	The Residents Survey result for 2023/24 was 74% of residents satisfied with parks and recreation. This is a 1% increase from the 2022/23 result of 73% but still below the pre Covid-19 levels of 80-85%. A potential cause of dissatisfaction and residual dissatisfaction could be reserve closures due to Covid-19 and fire risk.	Substantially achieved
Sufficient open space provided	Area in hectares of neighbourhood parks per 1,000 residents (<i>Calculation excludes the five largest neighbourhood parks</i>)	1.0 – 1.2 ha	In 2023/24 there are 0.89 hectares of neighbourhood parks per 1000 residents. There were 0.90 hectares of neighbourhood parks per 1,000 residents calculated in 2022/23. Parks that have been added to the neighbourhood parks network during the 2022/2023 are the Grove Street Reserve extension and Tirohanga Whānui Park in Atawhai. In 2021/22 this figure was 0.94 hectares. Note that Statistics NZ changed the way population was modelled soon after this target was set resulting in an increase in the population estimate, which has resulted in this measure not being achieved.	Not achieved
Conveniently located open space i.e. neighbourhood park, public garden or sportsground	Urban residential properties (%) within 800m walking distance of publicly accessible open space	99%	In 2023/24 98.48% urban residential properties were within 800m walking distance of publicly accessible open space. In 2022/23 98.75% urban residential properties were within 800 m walking distance of publicly accessible	Substantially achieved

			<p>open space. In 2021/22 this figure was 99.05%.</p> <p>It is expected that this figure will fluctuate over time as residential development does not occur in a linear fashion where uniform annual increments can be expected, rather there are significant movements every few years when a new development is established that brings the target back to achieved.</p>	
Play facilities that are conveniently located	Urban residential properties (%) within 1000m walking distance of a playground	95%	<p>In 2023/24 approximately 95.45% of urban residential properties were within 1000m walking distance of a playground.</p> <p>In 2022/23 95.58% of properties were within 1000m of a playground. In 2021/22 this figure was 99.06%.</p>	Achieved
Marina managed to meet demand.	Occupation for marina berths (both permanent and visitors)	>95%	<p>Total marina occupancy for the 2023/24 Financial Year was 93.4%, down slightly on last year due to lower than normal visiting vessels over the summer period. For our permanent berths the total occupancy for the year is 97.1% with the waitlist being well managed. Only a few small (<9m) berths are available.</p> <p>Total marina berth occupancy for 2022/23 was 96.8%. In 2021/22 this figure was 96.8%.</p>	Substantially achieved

FINANCIAL PERFORMANCE – PARKS AND ACTIVE RECREATION

Funding Impact Statement

	Long-term Plan 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	14,679	15,258	16,520
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	46	47	236
Fees and charges	601	611	661
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	3,806	3,909	4,421
Total Operating Funding	19,132	19,825	21,837
Applications of operating funding			
Payments to staff and suppliers	13,742	14,297	20,429
Finance costs	0	0	0
Internal charges and overheads applied *	1,879	1,861	3,130
Other operating funding applications	0	0	0
Total applications of operating funding	15,621	16,157	23,559
Surplus (Deficit) of operating funding	3,511	3,668	(1,722)
Sources of capital funding			
Subsidies and grants for capital	444	336	714
Development and financial contributions	1,904	1,952	1,002
Increase (decrease) in debt	1,940	1,350	7,925
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	4,288	3,638	9,641
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	3,133	2,286	1,434
- to improve level of service	652	1,607	4,604
- to replace existing assets	4,013	3,413	1,881
Increase (decrease) in reserves	0	0	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding	7,798	7,306	7,919
Surplus (Deficit) of capital funding	(3,511)	(3,668)	1,722
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	3,511	3,668	(1,722)
Subsidies and grants for capital expenditure	444	336	714
Development and financial contributions	1,904	1,952	1,002
Vested Assets	0	0	56
Gains on sale	0	0	0
Depreciation	(3,872)	(3,946)	(3,491)
Other non-cash income	0	0	0
Other non-cash expenditure	0	0	0
Net Surplus (Deficit) before taxation in Cost of Service Statement	1,986	2,010	(3,441)

Economic Te Ohaoha

Council fosters economic development in Nelson through the provision of city infrastructure and funding a number of economic development services. It supports Uniquely Nelson, Businesses for Climate Action, and the Nelson Tasman Business Trust (known as Business Assist), to provide support to local businesses in a range of ways.

Council's main economic development activity is delivered through the Nelson Regional Development Agency (NRDA), 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 and improving the economic wellbeing of Nelson.

Highlights for 2023/24

Strengthening our blue economy

The NRDA was a founding and contributing partner of Moananui, providing seed funding and collaborating with the blue economy sector. It helped build and present a business case to Government to support the establishment of the regional blue economy cluster. This work secured \$500,000 of funding from the Ministry for Primary Industries, across two years, to support the formal establishment and ongoing development of the cluster. The cluster now has 34 full partners and in October 2023, in partnership with Moananui, the NRDA was awarded the Economic Development New Zealand Best Practice Award for Sector Development and Cluster.

The NRDA continues as a member of the leadership group and board, works closely with the cluster and supports investment attraction targeting growth of the blue economy sector.

Events

Events are an important part of Nelson's economy and culture, and Council continued to provide support to the sector in 2023/24.

The economic stream of the Nelson Events Fund supported a wide range of events in Nelson, including in sports, arts and culture and promotion of local industry. These events stimulated local spending, and many attracted attendees from outside of the region.

One of these events was the New Zealand Mountain Bike Rally, a new event to the region held in March 2024. The rally was a week-long mountain biking adventure showcasing the best of Te Taihū as an international cycling destination. It was a sell-out event of 120 participants with vast international coverage and an online audience. Given its success in 2024, it is set to return as an annual event in the region.

The Events Fund also supported Nelson to host three fixtures of an International T20 and One Day International (ODI) series at Saxton Oval. The Black Caps and Bangladesh played an ODI in December 2023 and the Whiteferns played two T20 matches against England in March 2024.

In 2023/24, the estimated return on investment for these economic events was an average of 52:1, exceeding the Nelson Events Strategy target of >20:1.

Supporting local businesses

The NRDA supported 211 businesses in 2023/24 and an additional 120 companies were supported on an ad-hoc basis through the Regional Business Partner Programme. Business Assist provided one-to-one consultation sessions for 227 businesses in 2023/24.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

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

Community Outcome	Contribution
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	The community's aspirations are understood and taken into account. The economic needs of the Nelson community and the wider region are considered in decision making.
Our region is supported by an innovative and sustainable economy	Council is responsive to business and committed to providing an enabling environment. Support is provided to organisations and projects that attract new investment and innovation to the region, bringing training opportunities and encouraging our workforce to become more skilled and adaptable.

ECONOMIC SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Events funding that provides a sound return on investment for Nelson	Economic event attendees through events programme activities and percentage of out of town attendees	The closing of New Zealand's international borders and the risk of COVID-19 alert levels being increased requires that 2021/22 be treated as the base year for this measure.	<p>In 2023/24, economic events supported by the Events Fund attracted a total of 36,925 attendees with an estimated 36.3% (13,422) of those from out of town.</p> <p>In 2022/23 economic events attracted a total estimate of 53,000 attendees, with an estimated 26% expected from out of town.</p> <p>The baseline result for this measure (2021/22), was a total of 41,359 estimated attendees, with 38.3% (15,840) expected from out of town.</p> <p>Although the 2023/24 results are lower than the baseline results from 2021/22, the fund supported more events that spanned multiple days, such as the Adam Chamber Music Festival (2-10 February 2024) and the New Zealand Mountain Bike Rally (22-29 March 2024). This meant that those who did come from out of town were staying in the region for longer.</p>	Substantially achieved

	Return on NCC economic events fund	>20:1	Approved Economic Events for 2023/24 had an average estimated Return On Investment (ROI) of 52:1, exceeding the 20:1 target. In 2022/23 approved Economic Events completed the year with an average estimated ROI of 32:1. In 2021/22 there was an average ROI of 37:1.	Achieved
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FINANCIAL PERFORMANCE – ECONOMIC

Funding Impact Statement

	Long-term Plan 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	2,574	2,656	2,265
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	326	331	336
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	2,900	2,987	2,602
Applications of operating funding			
Payments to staff and suppliers	2,659	2,754	2,731
Finance costs	0	0	0
Internal charges and overheads applied *	135	127	104
Other operating funding applications	0	0	0
Total applications of operating funding	2,794	2,881	2,835
Surplus (Deficit) of operating funding	106	106	(233)
Sources of capital funding			
Subsidies and grants for capital	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(106)	(106)	233
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	(106)	(106)	233
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
Total applications of capital funding	0	0	0
Surplus (Deficit) of capital funding	(106)	(106)	233
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	106	106	(233)
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)	(38)	(1)
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	68	(234)

Corporate

Te Rangapū

Council's corporate activity includes a range of necessary services to ensure the smooth operation of the organisation, ranging from managing Council's information technology to running three yearly Council elections.

There are several Council Controlled Organisations (CCOs), Trading Organisations (CCTOS) and Council Organisations (COS) set up by the Council to deliver both public benefit and strategic outcomes for the city (see pages 197 - 218). Council also manages a small portfolio of properties.

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.

Highlights for 2023/24

Preparation of the Long Term Plan 2024 – 2034

The Long Term Plan 2024 – 2034 was prepared in 2023/24 and was adopted in June 2024. The Long Term Plan is a key planning tool that sets out Council's priorities and spending over a 10 year period. The average rates rise will be 8.2% plus a \$300 (including GST) Storm Recovery Charge in 2024/25 (15.3% inclusive of the Storm Recovery Charge). The average rates rises are projected to be 6.5% in 2025/26, 4.7% in 2026/27 and average 3.7% for the remaining seven years. Nelson City Council is forecasting to remain within its rates limit (except for years one and two due to the ongoing impact of inflation and the need to repay the August 2022 severe weather event) and our debt limit across the 10 years of the Plan.

Information Management Strategy

Council implemented a new Information Management Strategy in late 2023 focusing on the care and availability of its information. A range of projects will be undertaken over the next five years in line with the Strategy - internal improvements to information access have already been completed.

Information Technology

Work continued to improve Council's information technology security.

Improvements to Wi-Fi connectivity were implemented at Greenmeadows Centre and Saxton Oval. Council's primary Enterprise Resource Planning system was upgraded and transitioned to a Cloud version which enables easier remote access. and integrates with Council's document management system.

A jointly run project with Tasman District Council implemented new technology and design improvements to the Emergency Operation Centre to improve their functionality, ease of stand-up, and resilience during activations.

The Information Technology team made a significant contribution to the EBus project, making available a new website with live tracking, changing and adding bus hardware and updating the back-end systems to support new routes and pricing changes.

Emergency Management

The release of national guidelines and operating procedures for New Zealand Response Teams (Light Urban Search and Rescue) led to our regional response team, New Zealand Response Team 2 (NZRT2), seeking accreditation in the strands of foundation skills, light rescue, storm and flood response, mass casualty support, Civil Defence Centre (welfare) operations and out of region deployments.

Following an overhaul of the team's standard operating procedures and assistance from Response Team volunteers and Emergency Management staff, NZRT2 was successful in becoming a nationally accredited response team.

Forestry

Council owns and manages approximately 600 hectares of commercial forestry in its Maitai, Brook, Roding and Marsden reserves.

Following the work undertaken by the Right Tree Right Place Taskforce and consultation in the Long Term Plan 2024 - 2034, Council made the decision to transition away from commercial forestry and convert to a continuous canopy forest system. All forested lands (the 10,000+ hectares) are now to be managed as a single, multi-purpose forest system encompassing all conservation, water and landscape reserves.

Funding has been allocated in the Long Term Plan 2024 - 2034 to work through the full extent of this decision.

PROGRESS ON ACHIEVING COMMUNITY OUTCOMES

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

Community Outcome	Contribution
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	Council works together with community and regional partners. The needs of future generations are considered in all its decisions and our youth are mentored and encouraged to take on leadership roles. Community input to Council's decision making is facilitated by inclusive consultation.
Our infrastructure is efficient, cost effective and meets current and future needs	Council seeks to apply sustainable energy use practices in its activities.

CORPORATE SERVICE LEVELS AND PERFORMANCE

Measures from Year Three of the Long Term Plan 2021-2031

What Council will provide	Performance Measures	Target Year 3 (2023/24)	End of year comment 2023/24	Result 2023/24
Effective engagement and consultation	% of participants in Council engagements and consultations processes are satisfied with the information provided and opportunity to provide feedback, as measured by survey of stakeholders/recent participants.	Year 3: 3% increase in satisfaction level from year 1 baseline	<p>In 2023/24 satisfaction increase was achieved for ease of feedback, options and information provided in projects and engagements (10 – 30 % increase in satisfaction levels vs 3% target). There was a decrease in satisfaction with formal consultations, due to negativity around Plan Change 29, and bus route changes (15 – 20% reduction in satisfaction levels vs 3% increase target).</p> <p>Overall there was a 3.5% increase from the established baseline.</p> <p>Note: Bus route changes were not associated with a formal consultation, though respondents selected to feedback through this section.</p> <p>In 2022/23 there was an increase from the established baseline for two out three elements of the performance measure (18% and 25% respectively). When combined the measure was considered to be achieved as the increase in the two elements outweighs the small decrease in the “information provided” category (-12.5%).</p> <p>There was not sufficient data to create a baseline for the 2021/22 year. The baseline was established from data collected up until the end of the 2022 calendar year, and the first half of the financial year for 2022/23.</p>	Achieved

Council Controlled Organisations (CCOs) that deliver net benefit to the community	Council satisfied with CCO operations and reporting	Council receives six monthly reports from all CCOs and is satisfied with attainment of targets.	<p>In 2023/24 Council has received six monthly reports from all CCOs and is satisfied with the attainment of targets.</p> <p>In 2022/23 and 2021/22 all reports were also satisfactorily received.</p>	Achieved
Promotion of Te Taihu Māori/iwi participation in decision-making processes.	Collaboration between iwi and Council is promoted and resourced.	Expert staff to provide advice and engage iwi leaders to support opportunities	<p>During 2023/24, Nelson City Council held 12 hui with iwi to discuss matters relating to the Environment and Arts and Heritage.</p> <p>Te Ohu Whakahaere met four times throughout the year, providing an opportunity for iwi chief executives and general managers from each of the eight iwi to meet with the Chief Executive of Nelson City Council to focus on management matters. Iwi chairs also met with Te Taihu Mayors from Nelson City Council, Tasman District Council and Marlborough District Council four times throughout the year.</p> <p>Te Puāwaitanga Cultural Competency Framework was launched with staff, elected members and kaumātua at Whakatū marae in September 2023, and in December 2023 Nga iwi o Te Taihu and the mayors of Nelson City Council, Tasman District Council and Marlborough District Council signed a Kia Kotahi Te Taihu, Together Te Taihu Partnership Agreement. The Agreement represents an opportunity for iwi and council partners to work collaboratively on matters of mutual interest in a way that addresses some of the broader strategic and regional challenges.</p> <p>During 2022/23, Te Taihu Mayors from Nelson City Council, Tasman District Council and</p>	Achieved

			<p>Marlborough District Council met with eight iwi Chairs in March and June 2023 through the Te Tauihu Mayors and Chairs Forum.</p> <p>In 2021/22 the Iwi-Council Partnership Group met three times. Reports were presented on a variety of topics.</p>	
<p>Effective Civil Defence Emergency Management (CDEM) response via regional Emergency Operations Centre (EOC)</p>	<p>Ability to operate an effective Emergency Operations Centre and meet Ministry CDEM requirements</p>	<p>EOC meets Ministry of CDEM monitoring and evaluation requirements.</p>	<p>The EOC met NEMA requirements at its last review.</p> <p>In 2022/23 and 2021/22 the EOC also met Ministry of Civil Defence and Emergency Management (CDEM) requirements.</p>	<p>Achieved</p>

FINANCIAL PERFORMANCE – CORPORATE

	Long-term Plan 2022/23	Long- term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	(668)	(1,498)	(5,388)
Targeted rates including water by meter	0	0	0
Subsidies and grants for operating purposes	5	6	393
Fees and charges	5,089	2,186	1,323
Interest and dividends from investments	0	0	2,229
Internal charges and overheads recovered	7,386	8,052	14,420
Local authorities fuel tax, fines, infringement fees, and other receipts	5,357	6,569	3,342
Total Operating Funding	17,169	15,314	16,319
Applications of operating funding			
Payments to staff and suppliers	12,769	11,038	10,772
Finance costs	4,072	4,749	11,158
Internal charges and overheads applied *	785	900	2,232
Other operating funding applications	0	0	0
Total applications of operating funding	17,626	16,687	24,162
Surplus (Deficit) of operating funding	(457)	(1,373)	(7,843)
Sources of capital funding			
Subsidies and grants for capital	0	0	4,070
Development and financial contributions	0	0	0
Increase (decrease) in debt	38,430	35,197	38,825
Gross proceeds from sale of assets	1,526	0	15
Lump sum contributions	0	0	0
Total sources of capital funding	39,955	35,197	42,910
Applications of capital funding			
Capital Expenditure			
- to meet additional demand	342	345	202
- to improve level of service	104	228	10,253
- to replace existing assets	3,257	2,892	809
Increase (decrease) in reserves	0	0	(3,054)
Increase (decrease) in investments	35,796	30,359	26,857
Total applications of capital funding	39,498	33,824	35,067
Surplus (Deficit) of capital funding	457	1,373	7,843
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 2022/23	Long-term Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	(457)	(1,373)	(7,843)
Subsidies and grants for capital expenditure	0	0	4,070
Development and financial contributions	0	0	0
Vested Assets	0	0	0
Gains on sale	0	0	0
Depreciation	(1,441)	(1,419)	(1,757)
Other non-cash income	0	0	(3,070)
Other non-cash Expenditure	0	0	(30)
Net Surplus (Deficit) before taxation in Cost of Service Statement	(1,897)	(2,791)	(8,630)

Financial Information

• Summary of capital expenditure over \$100,000	114
• Statements of comprehensive revenue and expense for the year ended 30 June 2024	122
• Statements of changes in equity for the year ended 30 June 2024	123
• Statements of financial position as at 30 June 2024	124
• Statement of cash flows for the year ended 30 June 2024	125
• Funding impact statement for the year ended 30 June 2024	126
• 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	127
• Financial prudence	128
• Notes to accounts	133

Summary of Capital Expenditure Over \$100,000

Project	Carry Over 2022/23 (\$000)	Estimate 2023/24 (\$000)	Available 2023/24 (\$000)	Actual 2023/24 (\$000)
Corporate				
Civic House				
Civic House Refurbishment	(1)	2,325	2,324	227
Civic House - Transformation	0	0	0	188
Civic House Renewal Program	223	0	223	0
Rental Properties				
25-27 Bridge St	0	0	0	2,633
Slip effected property purchases	0	0	0	7,213
Administration				
Capital: Motor Vehicles	43	106	149	22
Computer Hardware - Client devices	0	88	88	100
Upgrade TOTSM	0	106	106	0
Building Systems Upgrade	0	106	106	0
Core Systems enhancement	60	304	364	147
Meeting / Agenda / Action Mgmt System	0	106	106	0
IRIS Next Gen	5	0	5	164
Forestry				
Marsden Forest Roding	0	0	0	109
Corporate Projects under \$100,000	138	699	838	462
Total Corporate	468	3,839	4,307	11,265
Scope Adjustment	0	(373)	(373)	0
Total Corporate Less Scope Adjustment *	468	3,466	3,934	11,265
Economic				
Economic Projects under \$100,000	-	-	-	0
Total Economic	0	0	0	0
Environmental Management				
Monitoring the Environment				
Plant & Equipment - Monitoring The Environment	91	152	243	192
Healthy Streams	(4)	122	118	56
City Development				
3W-BOF-City Centre Playspace	0	0	0	250
Streets for People	316	0	316	508
CBD Enhancements	69	106	174	42

Environmental Management Projects under \$100,000	(30)	19	(11)	196
Total Environmental Management	442	399	841	1,243
Scope Adjustment	0	(40)	(40)	0
Total Environmental Less Scope Adjustment	442	359	801	1,243
Flood Protection				
Trafalgar Park and Hathaway Tce	30	74	104	22
Maitai flood management	100	370	470	310
Coastal Erosion Modelling	0	106	106	12
Coastal Response Strategy Implementation	0	106	106	0
Brook Stream fish passage	0	106	106	0
Jenkins & Arapiki (airport) - Flood Protection	38	476	513	8
Flood Recovery Channel Bank protection	0	0	0	1,374
Flood Recovery 2022 River Stream Improvements	0	0	0	148
Saxton Creek Stage 4 Upgrade	588	0	588	5,785
Brook Stream Catchment Improvements	23	317	340	26
Inventory of Urban Streams	0	159	159	163
Flood Mitigation	24	159	183	36
Rural Rivers	0	106	106	0
Vested Assets				
Vested Assets - Flood Protection	0	0	0	10
Flood Protection Projects under \$100,000	(7)	544	537	495
Total Flood Protection	796	2,520	3,316	8,389
Scope Adjustment	0	(219)	(219)	0
Total Flood Protection Less Scope Adjustment	796	2,301	3,097	8,389
Parks & Active Recreation				
Public Gardens				
Miyazu Garden Pond Relining	17	132	149	17
Neighbourhood Parks				
Land Purchase: General Reserve	0	902	902	7
Land Purchase: 74 Dodson Valley Road	0	0	0	474
Reserve Development Programme	0	162	162	0
Conservation Reserves				
Slip 0: Brook Street	5	0	5	316
Slip 2 Brook Street	10	0	10	1,063
Slip 5 Sowman Street	10	0	10	244
Slip 6 Grove Street	10	0	10	154
Slip 12 Allan Street	15	0	15	214
Slip 14 Tukuka Street	10	0	10	134
Slip 16 Endeavour Street	15	0	15	157
Slip 18 Collingwood Street	10	0	10	163
Landscape Reserve				
Retired forestry block conversion programme	6	294	300	32

Renewals: Tracks	0	34	34	165
Capital: Planting - Landscape Reserves	29	73	102	59
Capital: Mountainbike Tracks	0	169	169	0
Marsden Valley MTB Hub	0	211	211	387
Esplanade & Foreshore Reserves				
Wakapuaka Sandflats Esplanade shared path	0	261	261	0
City to Maitai Hub track	2	0	2	453
Sports Parks				
Guppy Park Facility	0	148	148	8
Capital: Minor Development - Sports Parks	0	11	11	195
Trafalgar Centre				
Renewals: Minor Assets - Trafalgar Centre	0	113	113	150
Saxton Field Stadium				
Basketball hoops	5	275	279	0
Pools				
Riverside Pool water heating system renewal	(5)	740	735	26
Play Facilities				
Playground Development Programme	0	217	217	28
Macrocarpa play structure	0	107	107	5
Marina				
Travel Lift renewal	52	845	897	108
Marina: Pontoon renewal programme	(34)	134	100	501
Capital: Minor Development - Marina	0	106	106	16
Water Sports Building	0	412	412	73
Marina Master Plan Security	0	0	0	248
Public boat ramp improvements	0	528	528	0
Health & Safety Improvements	198	0	198	44
Marina Hardstand LOS improvements	(8)	211	204	29
Saxton Field				
Hard surface renewals	0	159	159	0
Sand storage shed	93	0	93	138
Vested Assets				
Vested Assets - Neighbourhood Parks	0	0	0	9
Vested Assets - Esplanade & Foreshore Reserves	0	0	0	47
Parks & Active Recreation Projects under \$100,000				
	618	1,828	2,446	2,313
Total Parks & Active Recreation				
	1,057	8,073	9,130	7,975
Scope Adjustment	0	(767)	(767)	0
Total Parks & Active Recreation Less Scope Adjustment				
	1,057	7,306	8,363	7,975
Social				
Managing Heritage And Arts				
Art Works Programme	116	91	208	3
Founders Park				
Energy centre venue development	3	98	101	0
Cultural space development	0	106	106	0
Nelson Library				

Book Purchases	0	391	391	311
Elma Turner Library Extension/ Relocation	0	17,764	17,764	(14)
Library Ceiling strengthening	519	0	519	1,158
Nellie Nightingale Library Memorial				
Nightingale roof repair	0	204	204	0
Maitai Camp				
Maitai Campground Wastewater Renewal Project	411	0	411	476
Brook Camp				
Capital: Buildings - Brook Camp	254	53	307	148
Social Projects under \$100,000	388	810	1,198	891
Total Social	1,690	19,518	21,208	2,973
Scope Adjustment	0	(1,918)	(1,918)	0
Total Social Less Scope Adjustment	1,690	17,600	19,290	2,973
Solid Waste				
Joint Landfill	0	316	316	3,984
Solid Waste Projects under \$100,000	0	66	66	22
Total Solid Waste	0	381	381	4,006
Stormwater				
Haven/St Vincent Culvert renewal & upgrade	0	127	127	2,723
Stormwater Pump Station Renewals & upgrades	15	106	120	72
York Terrace	18	63	81	160
Intensification AP N270 City Centre	0	106	106	0
Stormwater Network Models	30	85	115	56
Capital: Freshwater Improvement Programme	100	264	364	314
Washington Valley Stormwater Upgrade	191	2,304	2,495	103
Main Road Stoke / Arapiki / Maitland Stormwater Upgrade	0	106	106	0
Capital: Mount St / Konini St	5	2,114	2,118	0
Bellevue Heights Stormwater	0	317	317	0
Tahunanui Hills Stormwater Catchment 9 - Moana Ave to Rocks	0	106	106	10
Tahunanui Hills Stormwater Catchment 4 - Bisley Ave	168	32	200	583
Rutherford Stage 1 - Stormwater Upgrade	(1)	2,653	2,651	47
Tahunanui Hills Stormwater Catchment 3 - Days Track	0	53	53	955
Minor Stormwater Improvements Programme	(2)	32	29	218
Vanguard Street LOS	54	32	86	389
Flood Recovery Minor Stormwater Improvements	0	0	0	251
Wastney Terrace stormwater (pvt drain prgm)	126	0	126	91
Bisley Avenue	0	264	264	31
Flood Recovery 2022 Intakes Resilience Cleveland Terrace	0	0	0	141
Vested Assets				

Vested Assets - Stormwater	0	862	862	3,920
Stormwater Projects under \$100,000	195	917	1,113	1,211
Total Stormwater	898	10,540	11,438	11,276
Scope Adjustment	0	(928)	(928)	0
Total Stormwater Less Scope Adjustment	898	9,612	10,510	11,276
Transport				
Subsidised Rooding				
WC 111 Sealed Pavement Heavy Works	277	159	436	1,303
WC 212 Sealed Road Resurfacing	14	1,374	1,388	2,205
WC 211 Unsealed Road Metalling	71	70	141	49
WC 224 Cyclepath renewals	0	106	106	0
WC141 Devenish Place Flood Repairs	0	0	0	208
WC141 Flood Recovery - Minor Works	0	0	0	159
WC141 Slip Repair Maitai Road	0	0	0	785
WC141 Cable Bay Road slip repairs	0	0	0	1,399
WC 141 Glen Creek washout repairs	0	0	0	531
WC141 Moana Ave slip protection	0	0	0	554
WC141 Walters Bluff slip drainage	0	0	0	168
WC 213 Drainage Renewals	16	169	185	126
WC 215 Trafalgar Centre Footbridge	35	636	672	453
WC 222 Streetlight renewals	0	317	317	321
WC225 Renewals: Footpaths	(265)	1,268	1,003	1,854
WC 341 Associated Improvements	0	211	211	0
WC 222 Traffic Service Renewals - Signals	69	93	162	298
WC 341Z School speed sign upgrades	0	0	0	117
WC 341W Songer Street signals review	0	106	106	0
WC222 Washington Valley Streetlight renewal	0	127	127	0
WC 111: Pre Seal Programme	0	0	0	293
WC 341L Minor Improvements	(7)	634	627	79
WC341Z School Speed Zone Signs	0	159	159	0
WC 341W Dommett Street LOS Capital	0	106	106	0
WC 341L: Mount Street and Konini Street upgrade	0	423	423	0
WC 341 Sharedzone - Beachville Cres	0	211	211	0
WC 151 Nelson Future Access Study	0	1,691	1,691	0
WC 341Z Waimea Road / Hampden Street intersection upgrade	135	53	188	291
WC 341 Railway Reserve Improvements	0	226	226	0
WC341L Domett St Upgrade	(39)	0	(39)	252
WC341W Widen Main Road Stoke Shared Path	0	0	0	114
WC 341W Railway Reserve Songer Street	190	0	190	105
WC341L Traffic calming to support speed reduction	93	0	93	355
WC341Z St Vincent Street Toi Toi Street raised roundabout	30	0	30	803
WC452 SFP Hospital Connection	0	0	0	815
WC 341 L Putaitai Street intersection	0	0	0	135
WC341L Road Drainage Improvements	0	0	0	249
WC 341L Streetlight Improvement	0	106	106	116

WC 341 New Footpaths	0	370	370	0
WC341W Quarantine Road Bridge Footpath (at Bolt Rd)	1	0	1	308
WC341W Railway Reserve Lighting	(176)	216	40	256
WC 452D Transport Choices	(91)	0	(91)	373
Unsubsidised Rooding				
Structures replacement	15	634	649	17
IAF Active Linear Corridor	0	0	0	1,451
Street Garden Dev	105	32	136	51
Slip 8 Atmore Terrace	11	0	11	1,222
Slip 13 Cleveland Terrace	7	0	7	101
Railway Reserve Lighting	38	0	38	1,088
Parking & CBD Enhancements				
Renewal: CBD aesthetic elements	(4)	169	165	20
Millers Acre Centre				
41 Halifax Street Public Car Parking	0	0	0	805
Public Transport				
WC 532 CBD interchange	0	106	106	48
WC 532 Bridge Street Bus interchange	95	0	95	447
WC532 PT Minor Improvements	(29)	106	77	709
WC 561 TC - bus stop facilities	0	0	0	673
Vested Assets				
Vested Assets - Unsubsidised Rooding	0	2,454	2,454	1,333
Transport Projects under \$100,000	316	1,245	1,561	2,498
Total Transport	908	13,574	14,482	25,534
Scope Adjustment	0	(1,039)	(1,039)	0
Total Transport Less Scope Adjustment	908	12,535	13,443	25,534
Wastewater				
Wastewater Pipe Renewals & upgrades	0	2,114	2,114	105
Rutherford St (Little Go Stream) Renewal - Wastewater	0	211	211	0
Collingwood St Sewer renewal Manuka to Bronte	0	0	0	121
Pipe Renewals - Wolfe Street	592	0	592	376
Rising/swallows renewals	0	106	106	0
Atawhai Rising Main renewal & upgrade - Stage 1	24	106	129	38
Capital WW network Reactive	42	106	148	397
Renewals & upgrades Swallow Rising Main Watercourse Crossing	0	0	0	106
Renewals Pump stations	0	296	296	285
NWWTP renewals	36	322	359	240
NWWTP Wetlands Plant renewal	0	264	264	28
NWWTP Resource Consent Renewal	0	317	317	447
IAF Paru Paru PS Upgrade	0	0	0	147
Pump Station upgrades	0	317	317	19
Climate Change - Emissions Reduction Strategy Implementation	29	106	134	2
Washington Valley Sewer Upgrade	17	930	947	80

Natural Hazards Risk Remediation - Wastewater	0	211	211	9
Overflow Reduction/I&I Capital Works	0	0	0	127
Awatea Place Pump station	(78)	0	(78)	1,737
Pump station resilience improvement programme	27	211	239	154
Flood Recovery 2022 - Wastewater Improvements	0	0	0	162
Trade Waste Monitoring	0	0	0	190
NWWTP Minor Upgrades	0	106	106	100
System Performance Improvements (Overflow Reduction / I&I)	0	211	211	120
Nelson Regional Sewerage	0	2,967	2,967	6,507
Vested Assets				
Vested Assets - Wastewater	0	663	663	3,284
Wastewater Projects under \$100,000	97	501	598	1,011
Total Wastewater	786	10,064	10,850	15,792
Scope Adjustment	0	(621)	(621)	0
Total Wastewater Less Scope Adjustment	786	9,443	10,229	15,792
Water Supply				
Water Treatment Plant Renewals	0	164	164	156
Rutherford St (Little Go Stream) Renewal	0	106	106	0
Renewals & Upgrades: Water Pipes	50	1,691	1,741	259
Konini Street water renewal	0	687	687	0
Washington (Rentone to Watson) water renewal	0	1,342	1,342	0
Nayland Rd - Aldinga to Songer	0	0	0	117
Bolt Road Watermain Renewal- Stage 3	457	0	457	344
Water Supply network reactive	0	0	0	505
Renewals: Commercial Meters	0	169	169	109
City Centre N270 Maitai Precinct Intensification Growth proj	0	106	106	0
Bayview Development Growth project	0	106	106	48
water pump stations - upgrades	0	116	116	44
Water Treatment Plant Upgrades	10	291	301	81
Headworks Upgrades	0	402	402	301
Capital: Backflow Prevention	0	185	185	241
Fire Flow Upgrades	0	106	106	0
Water Loss Reduction Programme	0	159	159	164
Natural Hazards Risk Remediation	61	106	167	25
WTP Fluoride Dosing	(1)	0	(1)	543
Capital: Atawhai No.2 Reservoir	16	106	122	59
Dam Upgrades	75	1,199	1,275	951
Taumata Arowai - Contractor access to mains	0	0	0	101
Flood Recovery 2022 - WTP	0	0	0	164
Flood Recovery 2022 - Headworks	0	0	0	131
Vested Assets				
Vested Assets - Water Supply	0	1,380	1,380	975

Water Supply Projects under \$100,000	10	627	637	834
Total Water Supply	679	9,045	9,724	6,152
Scope Adjustment	0	(746)	(746)	0
Total Water Supply Less Scope Adjustment	679	8,300	8,979	6,152
Total Capital Expenditure	7,724	77,954	85,677	94,604
Total Vested Assets	0	5,359	5,359	9,578
Total Joint Committees	0	3,282	3,282	10,491
TOTAL CAPITAL - Excluding Vested and Joint Committees	7,724	69,313	77,036	74,535

Statement of Comprehensive Revenue and Expenses

For the Year ended 30 June 2024

		Council		Actual 2023	Group	
		Actual 2024	Budget 2024		Actual 2024	Actual 2023
\$NZ000's	Note	2024	2024		2024	2023
Rates	3	84,741	84,383	78,235	84,741	78,235
Fees and charges	5	40,570	40,013	37,363	58,562	53,887
Subsidies and grants	4	32,273	33,674	22,447	32,921	23,497
Finance revenue	9	1,729	322	872	1,892	999
Development/financial contributions	5	2,429	3,828	6,384	2,429	6,384
Other revenue	5	17,425	15,587	21,034	16,717	18,014
Other gains/(losses)	6	(7,799)	(1,702)	(2,103)	(7,590)	(1,980)
Total revenue		171,368	176,105	164,232	189,672	179,036
Personnel costs	8	(32,616)	(30,094)	(30,337)	(58,130)	(54,519)
Depreciation and amortisation expense	19,20	(42,833)	(40,885)	(38,354)	(45,536)	(40,866)
Finance costs	9	(11,067)	(7,743)	(7,025)	(11,335)	(7,333)
Other expenses	7	(92,174)	(91,210)	(103,156)	(81,896)	(93,505)
Total operating expenditure		(178,690)	(169,932)	(178,872)	(196,897)	(196,223)
Share of joint operation's surplus	25	-	-	-	(2,420)	5,510
Deficit before tax		(7,322)	6,173	(14,640)	(9,645)	(11,677)
Income tax expense	10	-	-	-	(210)	(215)
Deficit after tax		(7,322)	6,173	(14,640)	(9,855)	(11,892)
Other comprehensive revenue						
Land and Infrastructure revaluations	19,31	89,372	38,054	165,272	89,372	165,272
Share of subsidiaries revaluations	25	-	-	-	-	(824.00)
Total other comprehensive revenue		89,372	38,054	165,272	89,372	164,448
Total comprehensive revenue		82,050	44,227	150,632	79,517	152,556
*Explanations of major variances against budget are provided in note 40.						

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

Statement of Changes in Equity

For the Year ended 30 June 2024

		Council			Group	
		Actual	Budget	Actual	Actual	Actual
\$NZ000's	Note	2024	2024	2023	2024	2023
Balance at 1 July		2,152,489	2,040,650	2,001,858	2,335,260	2,182,704
Total comprehensive revenue previously reported		82,050	44,227	150,632	79,517	152,556
Total comprehensive revenue		82,050	44,227	150,632	79,517	152,556
Balance at 30 June	31	2,234,538	2,084,877	2,152,489	159,034	2,335,260

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

Statement of Financial Position

As at 30 June 2024

			Council		Group	
		Actual	Budget	Actual	Actual	Actual
\$NZ000's	Note	2024	2024	2023	2024	2023
ASSETS						
Current assets						
Cash and cash equivalents	12	11,229	16,278	12,532	12,637	14,170
Trade and other receivables	13	32,431	22,279	29,553	35,728	33,464
Derivative financial instruments	17	551	209	44	551	44
Other financial assets	16	21,234	567	324	23,996	2,832
Inventories	15	-	-	-	543	544
Current tax receivables	14	-	-	-	36	-
Current assets held for sale	18	-	-	-	-	-
Total current assets		65,445	39,333	42,453	73,491	51,054
Non-current assets						
Derivative financial instruments	17	2,787	3,806	5,581	2,787	5,581
Investments accounted for using the equity method	25	36,788	36,663	36,663	199,364	194,800
Other financial assets	16	7,368	6,546	6,304	8,035	6,895
Property, plant and equipment	19	2,408,774	2,242,742	2,271,745	2,437,613	2,301,881
Intangible assets	20	7,014	8,415	7,723	7,376	8,026
Forestry assets	22	3,359	4,359	4,137	3,359	4,137
Investment property	23	950	930	980	950	980
Investments in subsidiaries	24	8,200	8,200	8,200	-	-
Deferred tax assets	11	-	-	-	34	65
Total non-current assets		2,475,240	2,311,661	2,341,333	2,659,518	2,522,365
Total assets		2,540,685	2,350,994	2,383,786	2,733,009	2,573,419
LIABILITIES						
Current liabilities						
Trade and other payables	27	30,826	26,277	33,297	31,737	35,228
Borrowings	28	45,550	49,048	5,650	45,550	8,472
Employee benefits liabilities	30	2,893	2,612	2,655	5,243	4,985
Provisions	29	5,518	269	3,251	5,518	3,251
Current tax liabilities		-	-	-	387	219
Total current liabilities		84,787	78,206	44,853	88,435	52,155
Non-current liabilities						
Borrowings	28	215,000	179,847	180,000	217,000	180,567
Employee benefits liabilities	30	157	140	153	175	203
Provisions	29	3,233	3,251	3,261	3,233	3,261
Trade and other payables	27	2,970	4,673	3,030	1,937	1,973
Total non-current liabilities		221,360	187,911	186,444	222,345	186,004
Total liabilities		306,147	266,117	231,297	310,780	238,159
Net assets		2,234,538	2,084,877	2,152,489	2,422,229	2,335,260
EQUITY						
Accumulated funds	31	446,788	464,651	449,822	501,594	507,192
Reserves	31	1,787,750	1,620,227	1,702,667	1,920,635	1,828,068
Total equity		2,234,538	2,084,878	2,152,489	2,422,229	2,335,260

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

Statement of Cash Flows

For the year ended 30 June 2024

	Note	Council		Actual 2023	Group	
		Actual 2024	Budget 2024		Actual 2024	Actual 2023
\$NZ000's						
Cash flows from operating activities						
Receipts from rates revenue		92,772	94,499	87,980	92,772	87,980
Subsidies and grants received		35,041	33,674	19,364	35,689	20,414
Development and financial contributions received		2,429	3,828	6,384	2,429	6,384
Receipts from other revenue		32,378	36,145	30,794	50,877	46,207
Interest received		1,729	322	872	1,892	999
Dividends received		2,611	3,621	3,119	2,626	3,136
Cash inflows from operating activities		166,860	172,089	148,513	186,285	165,120
Payments to suppliers		(91,375)	(90,098)	(87,122)	(82,017)	(77,274)
Payments to employees		(32,374)	(30,089)	(30,142)	(57,900)	(54,013)
Interest paid		(11,067)	(7,743)	(7,026)	(11,331)	(7,290)
Income tax paid		-	-	-	-	68
GST (net)		-	-	-	(26)	(26)
Cash outflows from operating activities		(134,798)	(127,930)	(124,290)	(151,274)	(138,535)
Net cash flow from operating activities	32	32,162	44,159	24,223	35,011	26,585
Cash flows from investing activities						
Receipts from sale of property, plant, and equipment		37	-	294	152	659
Receipts from assets held for sale		-	-	1,490	-	1,490
Sale of biological assets		-	7,112	-	-	0
Receipts from sale of investments		-	-	-	199	64
Repayment of community loans and advances		210	193	399	210	399
Other investments		-	-	25,000	-	25,000
Cash inflows from investing activities		247	7,305	27,183	561	27,612
Renewals		(26,077)	(26,973)	(27,557)	(26,077)	(27,557)
New capital works - growth		(9,735)	(12,069)	(16,427)	(9,778)	(16,438)
New capital works - increased level of service		(49,957)	(50,238)	(38,046)	(51,351)	(40,555)
Purchase of intangible assets		(534)	(464)	(1,667)	(712)	(1,755)
Purchase of biological assets		-	(5,592)	-	-	-
Investments in LGFA borrower notes		(2,184)	(875)	(1,278)	(2,184)	(1,278)
Other investments		(20,125)	(1,146)	-	(20,515)	(257)
Cash Outflows from investing activities		(108,612)	(97,357)	(84,975)	(110,617)	(87,840)
Net cash flow from investing activities		(108,365)	(90,052)	(57,792)	(110,056)	(60,228)
Cash flows from financing activities						
Proceeds from borrowings		77,767	45,378	118,150	79,767	121,539
Other capital contributions		-	-	-	-	-
Repayment of borrowings		(2,867)	-	(83,150)	(6,256)	(87,675)
Net cash flow from financing activities		74,900	45,378	35,000	73,511	33,864
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts		(1,303)	(515)	1,431	(1,534)	221
Cash, cash equivalents, and bank overdrafts at the beginning of the year		12,532	16,793	11,101	14,170	13,949
Cash, cash equivalents, and bank overdrafts at the end of the year	12	11,229	16,278	12,532	12,636	14,170

*Explanations of major variances against budget are provided in note 40.

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

Funding Impact Statement

For the year ended 30 June 2024

	Annual Plan 2022/23	Actuals 2022/23	Annual Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding				
General Rates, uniform annual general charges, rates penalties	54,495	54,645	57,557	57,795
Targeted rates including water by meter	33,116	33,335	36,942	37,757
Subsidies and grants for operating purposes	7,517	16,320	13,228	14,302
Fees and charges	16,540	17,387	18,354	18,138
Interest and dividends from investments	3,814	3,472	3,621	2,229
Local authorities fuel tax, fines, infringement fees, and other receipts	17,802	17,982	18,470	18,968
Total Operating Funding	133,284	143,141	148,172	149,190
Applications of operating funding				
Payments to staff and suppliers	105,942	133,494	121,302	124,790
Finance costs	4,994	7,026	7,743	11,067
Other operating funding applications	0	0	0	0
Total applications of operating funding	110,936	140,520	129,045	135,857
Surplus (Deficit) of operating funding	22,348	2,621	19,127	13,333
Sources of capital funding				
Subsidies and grants for capital	8,004	6,127	20,447	17,971
Development and financial contributions	3,733	6,384	3,828	2,429
Increase (decrease) in debt	36,959	35,000	45,018	74,900
Gross proceeds from sale of assets	7,147	1,784	0	37
Lump sum contributions	0	0	0	0
Total sources of capital funding	55,842	49,295	69,292	95,336
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	5,255	7,073	12,069	9,735
- to improve level of service	49,279	45,240	50,238	50,297
- to replace existing assets	23,577	22,320	26,973	24,993
Increase (decrease) in reserves	0	(1,312)	(1,470)	(3,054)
Increase (decrease) in investments	80	(21,405)	610	26,697
Total applications of capital funding	78,191	51,916	88,420	108,669
Surplus (Deficit) of capital funding	(22,348)	(2,621)	(19,127)	(13,333)
Funding balance	0	0	0	0

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 2024

	Annual Plan 2022/23	Actuals 2022/23	Annual Plan 2023/24	Actuals 2023/24
	(\$000)	(\$000)	(\$000)	(\$000)
Surplus/(Deficit) of operating funding from Funding Impact Statement	22,348	2,621	19,127	13,333
Subsidies and grants for capital expenditure	8,004	6,127	20,447	17,971
Development and financial contributions	3,733	6,384	3,828	2,429
Vested Assets	5,223	10,683	5,359	9,578
Gains on sale	0	0	0	0
Depreciation	(33,466)	(38,354)	(40,885)	(42,833)
Other non-cash income	1,042	2,261	(1,702)	(2,769)
Other non-cash expenditure	30	(4,365)	0	(5,030)
Net Surplus (Deficit) before taxation in Statement of Comprehensive Revenue and Expense	6,912	(14,643)	6,172	(7,322)

Financial Prudence

For the year ended 30 June 2024

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.

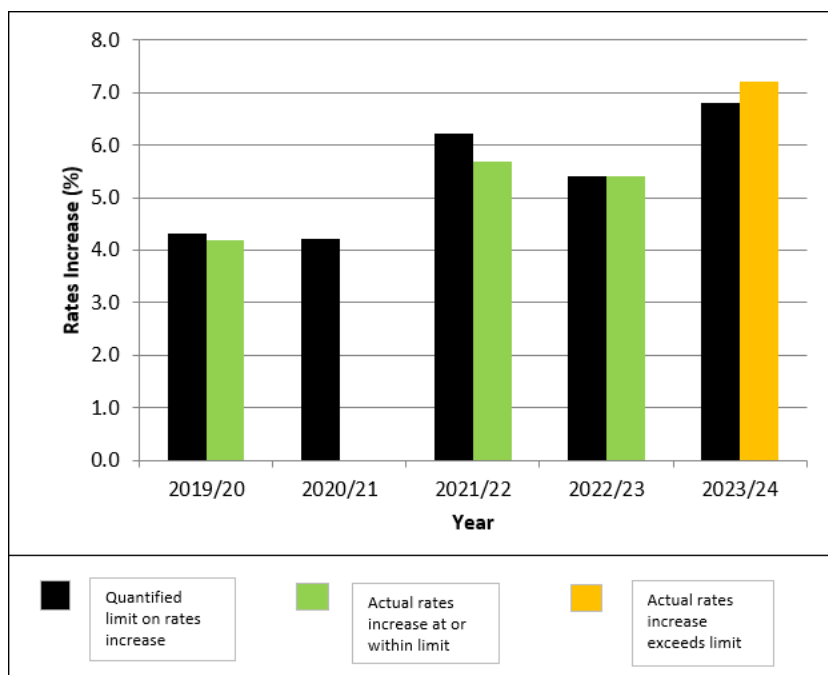
Rates affordability benchmark

The Council meets the rates affordability benchmark if:

- Its actual rates increases equal or are 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 2021-2031.



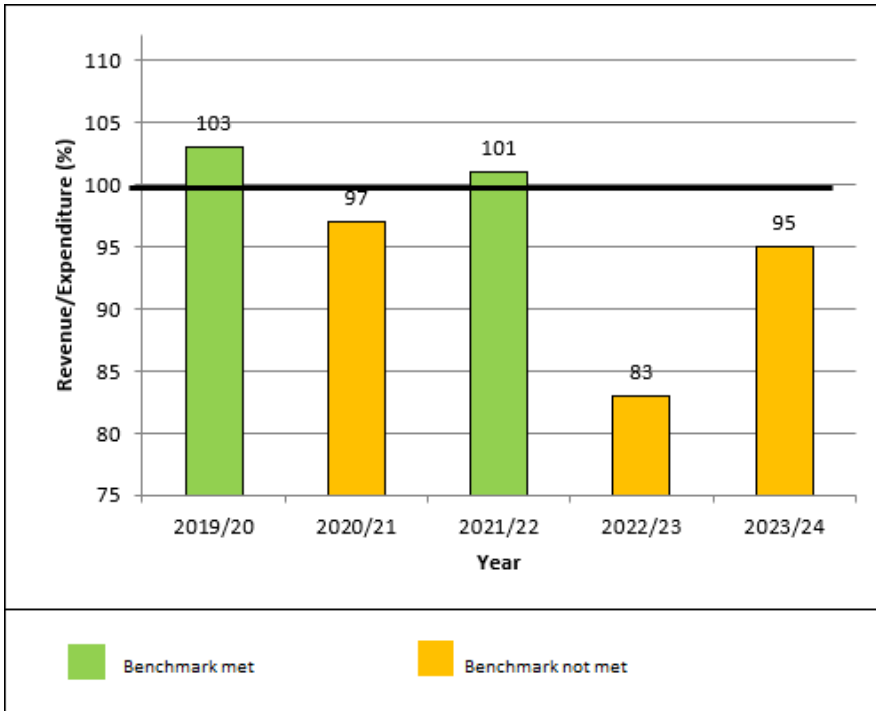
*Additional Information

Rates increases affordability (Actual rates increase vs Rates cap) was not achieved. This was due to inflationary pressures when setting the rates for 2023/24 driving up costs at Council, along with rising interest costs, higher than anticipated depreciation due to the infrastructure revaluation, and the costs from the August 2022 severe weather event.

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 2020/21, as resolved in the Long Term Plan 2021- 31. The Council did achieve the balanced budget benchmark in 2021/22 in spite of budgeting not to achieve it according to the Long term Plan 2021-31.

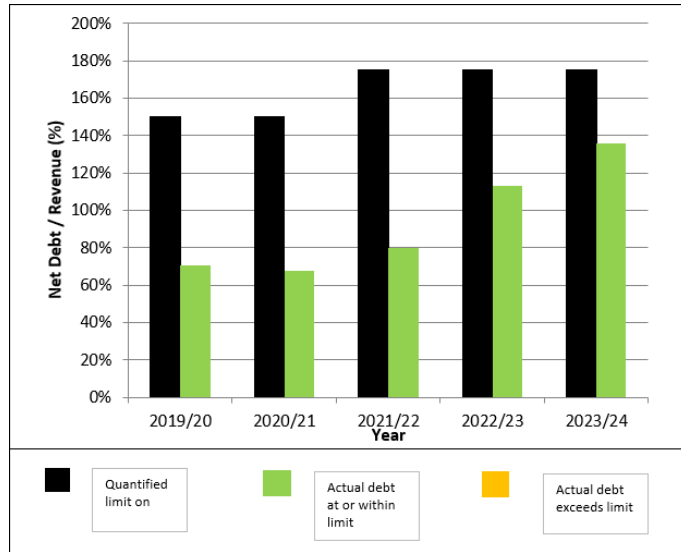
The Council had not met the balanced budget benchmark in 2022/23. This was due to unplanned expenditure on the August 2022 floods.

The Council has not met the balanced budget benchmark in 2023/24 due to an increased provision for the Tahuna sawdust mitigation, higher than anticipated depreciation due to the infrastructure revaluation and higher than budgeted insurance and interest costs

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 Council’s LTP. The quantified limit is that net external borrowings are not to exceed 175% of revenue (previously 150%). Net external borrowings are defined as external debt and overdraft less cash balances and deposits.

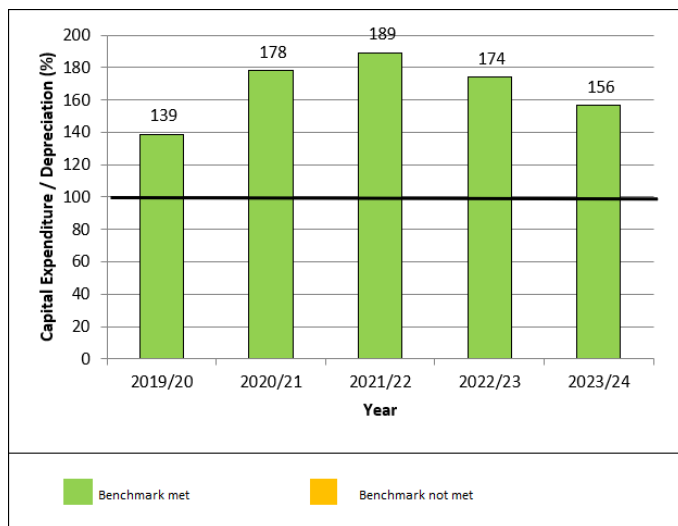


*Additional Information

It is noted that total revenue for this 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.

Essential services benchmark

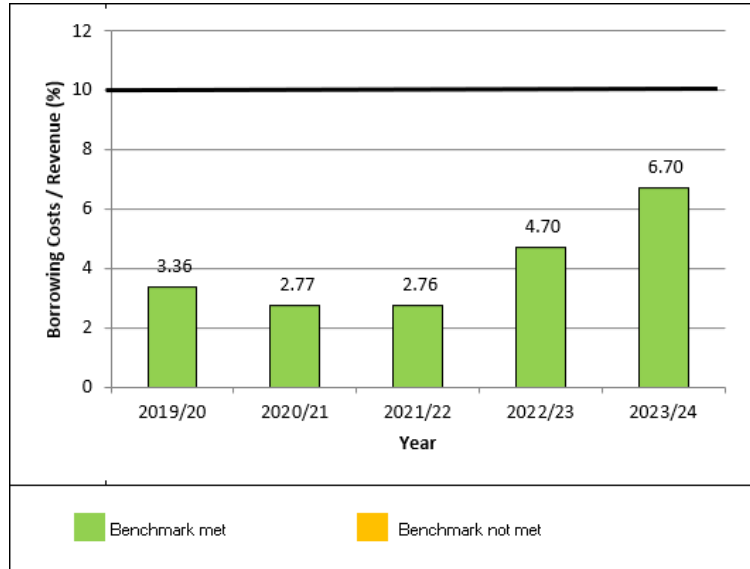
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

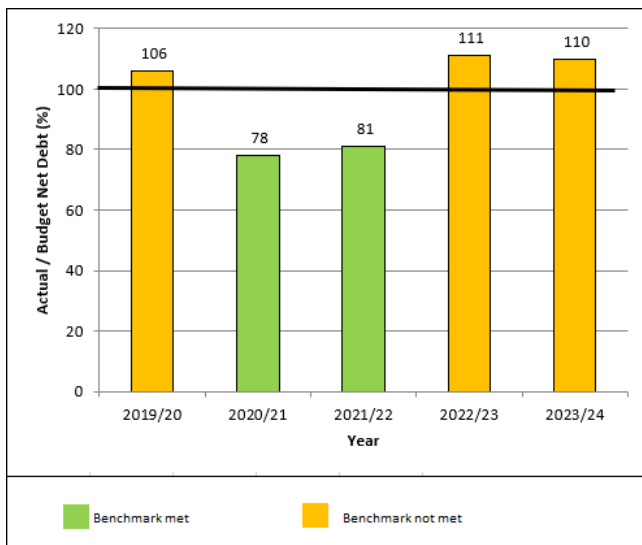
Because Statistics New Zealand projects the Council's population will not grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



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.



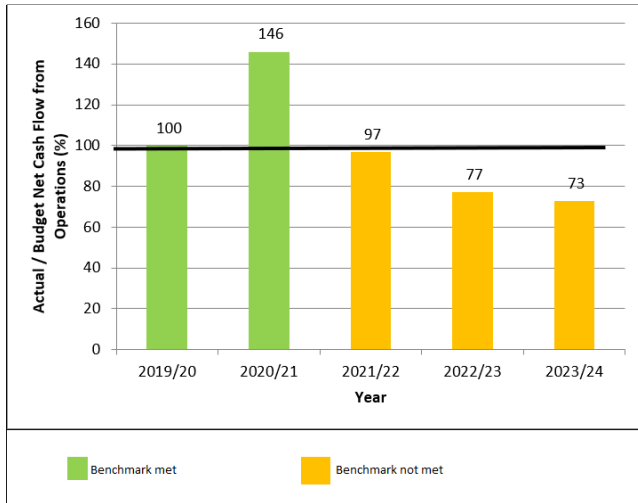
*Additional Information

The Council has not met the debt control benchmark in 2023/24. This is mainly due to the additional debt raised to fund the costs related to the weather event including property purchases and slip remediation works that were expedited from 2024/25 budget.

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 has 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 due to higher insurance and interest costs than budgeted, and lower than budgeted development contribution income.

Notes to Accounts

1 Statement of accounting policies for the year ended 30 June 2024

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 Suter Art Gallery Te Aratoi o Whakatū Trust and the Nelson Regional Development Agency – and joint operations and joint ventures.

The Council 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 Council and Group are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 31 October 2024.

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 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.

Measurement Base

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

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 Council 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.

PBE IPSAS 43 – Leases (effective reporting date 1 January 2025)

PBE IPAS 43 was issued in January 2022. This standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions.

2.2 Basis of consolidation

Subsidiaries

The Council consolidates in the Group financial statements 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 Suter Art Gallery Te Aratoi o Whakatū 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 Councils's parent entity financial statements.

Equity accounted joint ventures

The Council'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 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.

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

2 Summary of significant accounting policies (continued)

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
- 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.

2 Summary of significant accounting policies (continued)

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.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and 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 Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

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

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

2 Summary of significant accounting policies (continued)

Buildings	50-100
Improvements	Nil-20
Infrastructural Assets	
Rooding network	
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 dams	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 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 Summary of significant accounting policies (continued)

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 2024. Changes in the valuation of the forestry assets are recognised in the surplus or deficit. The valuation does not include any value in respect of carbon trading.

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

Emissions Trading Scheme for Forestry

The Council has voluntarily entered the New Zealand Emissions Trade Scheme (ETS) in respect of the 144.3 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.

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%

2 Summary of significant accounting policies (continued)

Emissions Trading Scheme

Landfill Carbon Credits

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

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

Forestry Carbon Credits

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

Council distinguishes its ETS credits into two categories:

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

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

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.

2 Summary of significant accounting policies (continued)

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 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.

2 Summary of significant accounting policies (continued)

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.

Previous accounting policy (summarised)

In the previous year, other financial assets were classified into the following categories:

- loans and receivables at amortised cost (included term deposits, related party loans, and community loans);
- held-to-maturity investments at amortised cost (included listed bonds); and
- fair value through other comprehensive revenue and expense (included shares and listed bonds).

The main differences for the prior year policies are:

- Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.
- Impairment losses on shares were recognised in the surplus or deficit.
- For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment.

2.19 Creditors and other payables

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

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

2 Summary of significant accounting policies (continued)

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.

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.

2 Summary of significant accounting policies (continued)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Council 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 from 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-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 Council 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.

2.28 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 Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

2 Summary of significant accounting policies (continued)

Property revaluation reserves

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

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 depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

The revaluation of infrastructural assets is carried out in-house 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 Summary of significant accounting policies (continued)

2.29 Three Waters Reform

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing

new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

If the water reform programmed progresses, there is likely to be a material impact on our financial statements from 1 July 2026. No allowance has been made in the 30 June 2024 financial statements for this possibility. As at 30 June 2024, the carrying value of Council's three water assets was \$980.6m (including WIP of \$54.9m). The related debt to the three water activities has not yet been allocated. Not all of these assets may transfer in the future and the fair values of these assets have not been adjusted to reflect the transfer of assets. Once the transfer has been legislated and details around the mechanism for the transfer of the water assets and any compensation has been established, the values of these assets may require adjustment.

3 Rates

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
General rates	51,143	46,824	51,143	46,824
Uniform annual general charge	7,036	8,191	7,036	8,191
Total general rates revenue	58,179	55,015	58,179	55,015
Sewerage	11,986	10,831	11,986	10,831
Water fixed charge	4,347	4,170	4,347	4,170
Stormwater	6,373	5,762	6,373	5,762
Flood protection	4,240	2,827	4,240	2,827
Total targeted rates revenue	26,946	23,590	26,946	23,590
Less - Rate remissions	(384)	(370)	(384)	(370)
Total rates, excluding targeted water supply rates	84,741	78,235	84,741	78,235

	Council	
	Actual 2024 \$'000	Actual 2023 \$'000
Rates	84,741	78,235
Metered water supply rates	10,812	9,745
Total annual rates income	95,553	87,980

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.
- 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

3 Rates (continued)

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Total gross rates, excluding targeted water supply rates	80,779	74,435	80,779	74,435
<i>Rates remissions:</i>				
Community, sporting and other organisations	(123)	(109)	(123)	(109)
Rates for affordable social and community housing	(41)	(36)	(41)	(36)
Rates penalties remitted	(42)	(17)	(42)	(17)
Rates for residential properties in commercial/industrial areas	(4)	(4)	(4)	(4)
Rates on low value properties	(4)	(3)	(4)	(3)
Heritage	(96)	(93)	(96)	(93)
Dependant relative	(2)	(2)	(2)	(2)
Land affected by natural calamity	(68)	(99)	(68)	(99)
Commercial premises under 20 square meters	(6)	(7)	(6)	(7)
Total remissions	(384)	(370)	(384)	(370)
Rates (net of remissions), excluding targeted water supply rates	80,395	74,065	80,395	74,065

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

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Rates	1,245	1,099	1,282	1,128
Metered water supply rates	677	573	682	579
	1,921	1,672	1,963	1,707

Rating base information

The revenue from rates for the year ended 30 June 2024 was based on the following rating information as at 30 June 2023.

Number of rating units 30 June 2023: 23,085 (30 June 2022: 23,027)

	Council	
	Actual 2024 \$ million	Actual 2023 \$ million
Total capital value of rating units	23,480	23,222
Total land value of rating units	12,685	12,629
	36,165	35,851

4 Subsidies and grants

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
NZ Transport Authority grants	17,587	11,722	17,587	11,722
Other central government grants	12,141	9,265	12,141	9,265
Other capital grants	182	203	182	203
Other operating grants	2,363	1,230	3,011	2,280
Three waters stimulus grants	0	27	0	27
Total subsidies and grants	32,273	22,447	32,921	23,497

5 Revenue

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Regulatory revenue	6,342	5,107	6,342	5,107
Sales of goods and services	18,138	17,385	36,048	33,815
Rents received	5,278	5,126	5,360	5,220
Consents, licences and permits	0	0	0	0
Water by meter	10,812	9,745	10,812	9,745
Total fees and charges	40,570	37,363	58,562	53,887
Development/financial contributions	2,429	6,384	2,429	6,384

Other Revenue

Infringements and fines	763	868	763	868
Petrol tax	353	395	353	395
Vested assets	9,578	10,683	9,648	10,691
Dividends	500	2,600	15	17
Insurance proceeds	763	1,818	763	1,818
Subvention Receipts	261	419	0	0
Other revenue	5,207	4,251	5,175	4,225
Total other revenue	17,425	21,034	16,717	18,014

6 Other gains/(losses)

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Gain/(Loss) on disposal of property, plant and equipment (note 19)	(4,459)	(2,212)	(4,449)	(2,224)
Loss on disposal of other assets	0	(961)	0	(961)
Net interest rate swap gain/(loss)	(2,288)	2,029	(2,288)	2,029
Gain/(loss) on changes in fair value of forestry (Note 22)	327	(736)	327	(736)
Gain/(loss) on changes in fair value of investment property (Note 23)	(30)	50	(30)	50
Fair value loss on community loans	(160)	(306)	(160)	(306)
Other fair value gains	(808)	33	(609)	168
Impairment of property, plant and equip	(381)	0	(381)	0
Total gains/(losses)	(7,799)	(2,103)	(7,590)	(1,980)

7 Other expenses

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Fees to auditors:				
- Audit fees for financial statements audit:	274	235	453	370
Audit New Zealand	274	235	375	320
Other Auditors	0	0	78	50
- Audit fees for debenture trust deed reporting	8	8	8	8
- Audit fees for Long Term Plan	114	0	114	0
Service provision	37,020	33,842	26,357	23,849
Impairment of receivables	28	24	28	24
Minimum lease payments under operating leases	339	319	484	525
Professional services fees / legal fees	5,177	4,164	5,184	4,171
Repairs and maintenance expenses	37,448	54,063	37,502	54,143
Other operating expenses	5,648	5,244	5,648	5,158
Electricity	2,412	2,588	2,412	2,588
Insurance	3,706	2,669	3,706	2,669
Other expenses	0	0	0	0
Total other expenses	92,174	103,156	81,896	93,505

Total audit fees for Council \$395,921 (2023: \$243,387), this includes \$281,921 (2023: \$226,267) for the Annual Report, \$114,000 (2023: \$0) for the Long Term Plan, as well as including the cost of audits for the Civic Trust \$9,833 (2023: \$9,120) and the Debenture Trust Deed \$8,000 (2023: \$8,000).

Audit fees were paid separately to Crowe for the 2024 audit of the Suter Art Gallery Te Aratoi o Whakatū Trust \$44,033 (2023: \$18,040) and the Nelson Regional Development Agency \$33,790 (2023: \$32,196). Audit fees were paid separately to Audit New Zealand for the 2024 audit of Nelmac \$105,000 (2023: \$85,000).

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 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Salaries and wages	31,345	29,170	56,342	52,370
Kiwisaver/superannuation schemes employer contributions	1,030	972	1,559	1,641
Increase/(decrease) in employee entitlements/liabilities	241	195	229	508
Total personnel costs	32,616	30,337	58,130	54,519

9 Finance revenue and finance costs

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Finance revenue				
Interest on interest rate swaps	0	0	0	0
Other interest received	1,729	872	1,892	999
Total finance revenue	1,729	872	1,892	999
Interest on borrowings (note 28)	(14,313)	(7,809)	(14,581)	(8,117)
Interest on interest rate swaps	3,212	935	3,212	935
Other finance costs	34	(151)	34	(151)
Total finance costs	(11,067)	(7,025)	(11,335)	(7,333)
Net finance costs	(9,338)	(6,153)	(9,443)	(6,334)

10 Income tax

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Components of tax expense				
Current tax Expense	0	0	413	376
	0	0	0	0
Adjustments to current tax in prior years	0	0	(278)	(172)
Deferred tax	0	0	75	11
Tax expense	0	0	210	215
Surplus/(deficit) before tax	(7,322)	(14,640)	(9,645)	(11,677)
Tax at 28%	(2,050)	(4,099)	(2,701)	(3,270)
Plus/(less) tax effect of:				
Non taxable revenue/adjustments	2,050	4,099	2,911	3,485
Tax expense	0	0	210	215

Nelson City Council has not recognised a deferred tax asset in relation to tax losses of \$2.5m (2023: \$2.8m). During the year ended June 2024, tax losses of \$261,328 were transferred to Nelmac by subvention payment.

11 Deferred tax assets

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
The balance comprises temporary differences attributable to:				
Employee benefits	0	0	321	339
Property, plant and equipment	0	0	(253)	(283)
Provisions	0	0	(90)	(45)
	0	0	(22)	11
Other	0	0	59	54
Total deferred tax assets	0	0	37	65

	PP&E	Other	Tax losses carried forward	Total
	\$'000	\$'000	\$'000	\$'000
Group				
Opening balance 1 July 2022	(202)	279	0	77
Credited (charged) to other comprehensive revenue	(81)	69	0	(12)
Credited (charged) directly to equity	0	0	0	0
Balance at 30 June 2023	(283)	348	0	65
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

12 Cash and cash equivalents

	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	11,229	12,532	12,637	14,118
Short term deposits with maturities of three months or less	0	0	0	52
Short term deposits maturing four to twelve months from date of acquisitions	0	0	0	0
Total cash and cash equivalents	11,229	12,532	12,637	14,170

(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.

Cash, cash equivalents, and bank overdrafts include the following for the purposes of the statements of cash flows:

	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	11,229	12,532	12,637	14,118
Short term deposits with maturities of three months or less	0	0	0	52
Short term deposits maturing four to twelve months from date of acquisitions	0	0	0	0
Total	11,229	12,532	12,637	14,170

13 Trade and other receivables

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Net trade receivables				
Rates receivable	5,907	3,126	5,907	3,126
Other trade receivables	733	773	3,474	4,018
	6,640	3,899	9,381	7,144
Net other receivables				
Other receivables	24,703	22,941	24,830	23,267
Dividend receivable	0	1,850	0	1,850
Provision for doubtful receivables	-53	-57	-59	-106
	24,650	24,734	24,771	25,011
Prepayments	1,141	920	1,576	1,309
Total current debtors and other receivables	32,431	29,553	35,728	33,464
Receivables from exchange transactions	0	0	0	0
Includes commercial sales and fees and charges outstanding that have not been subsidised by rates	15,294	12,887	18,446	16,710
Receivables from non-exchange transactions				
This includes rates outstanding along with grants, infringements and fees and charges outstanding that are partly subsidised by rates	16,024	15,746	17,282	15,985
Prepayments	1,142	920	1,576	1,309
Total debtors and other receivables	32,431	29,553	35,728	33,464

(a) Expected credit loss

The allowance for credit losses at 30 June 2024 was determined as follows:

	Less than 90 days	More than 90 days	Total
Marina Debtors Expected credit loss rate	1.50%	5%	0
Marina Gross carrying amount(\$'000)	207	45	253
Lifetime expected credit loss(\$'000)	3	2	5
General Debtors Expected credit loss rate	0.50%	1.50%	0
General Gross carrying amount(\$'000)	4,007	1,836	5,843
Lifetime expected credit loss(\$'000)	20	28	48

(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.

13 Trade and other receivables (continued)

(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.

(d) Fair value

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

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

	2024			2023		
	Gross	Provision for uncollectability	Net	Gross	Provision for uncollectability	Net
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Council						
Not past due	26,583	-20	26,563	23,577	-20	23,557
Past due 1-30 days	1,404	-3	1,402	1,699	-3	1,696
Past due 31-60 days	381	0	381	650	-1	649
Past due more than 61 days	2,971	-30	2,942	2,764	-33	2,731
Total	31,339	-52	31,287	28,690	-57	28,633
Group						
Not past due	29,104	-20	29,084	26,929	-20	26,909
Past due 1-30 days	1,404	-3	1,401	1,698	-3	1,695
Past due 31-60 days	411	0	411	773	-1	772
Past due more than 61 days	2,948	-30	2,918	2,812	-33	2,779
Total	33,866	-53	33,813	32,212	-57	32,155

14 Current tax receivables

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current tax asset	0	0	36	0
	0	0	36	0

15 Inventories

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Raw materials at cost	0	0	309	391
Merchandise at cost	0	0	19	22
Work in progress at cost	0	0	0	0
Finished goods at cost	0	0	235	151
Provision for obsolete stock	0	0	-20	-20
Total inventory	0	0	543	544

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

16 Other financial assets

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
LGFA borrower notes	990	80	990	80
Fixed interest securities	0	0	109	60
Short term bank deposit with maturities of 4-12 months	20,000	0	22,753	2,548
Community Loans	144	144	144	144
Loans to related parties	100	100	0	0
Total current portion	21,234	324	23,996	2,832
LGFA borrower notes	5,477	4,203	5,477	4,203
Fixed interest securities	0	0	780	792
Equity securities - NZ LG Insurance Corp Ltd	140	140	140	140
Community loans (note 35)	1,638	1,760	1,638	1,760
Loans to related parties	113	201	0	0
Total non-current portion	7,368	6,304	8,035	6,895

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 2.5% (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.

Short term deposits and deposits at call

The Carrying amount of the short term deposit approximates its fair value. As at 30 June 2024 there are two short term deposits of \$10 million with a fixed interest rate of 6.3% and 6.23% respectively (2023: 0).

Loans to related parties

The loan to related parties is a loan with an outstanding face value of \$225,000 to Tasman Bays Heritage Trust with a remaining term of 3 years. The loan is at a 0% interest rate, and a discount rate by year from Treasury of 4.71% (2023: 4.69%) 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 \$1,802,000 (2023: \$1,862,000), remaining term of 30 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 5.17% (2023: 4.89%).
- Nelson Centre of Musical Arts, face value \$730,000 (2023: \$730,000), term 23 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 5.11% (2023: 4.87%). Currently the loan payments are on a deferral, resuming 30 March 25.
- Others \$462,000 (2023: \$546,000), various repayment terms and interest rates.

17 Derivative financial instruments

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Interest rate swaps	551	44	551	44
Total current asset portion	551	44	551	44
Interest rate swaps	2,787	5,581	2,787	5,581
Total non-current asset portion	2,787	5,581	2,787	5,581
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	0	0	0	0
Total non-current liability portion	0	0	0	0
Total derivative financial instrument liabilities	0	0	0	0
Total net derivative financial instruments	3,338	5,625	3,338	5,625

Fair value

Interest Rate Swaps

The Council has \$201.5m notional principal of interest rate swaps (2023: \$171.5m), with maturity dates between August 2024 and December 2030. Fixed interest rates range from 1.32% to 4.5% (2023: 1.32% to 4.5%) and the weighted average interest rate of the swap portfolio is 3.32% (2023: 3.12%).

In 2024, \$89m (2023: \$60.5m) of that notional principal are forward start swaps, with start dates between July 2024 to October 2025.

18 Non-current assets held for sale

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Non-current assets held for sale are:				
Land	0	0	0	0
Buildings	0	0	0	0

19 Property, plant and equipment

Council 2024	Cost /	Accumulated	Carrying	Current	Current	Current	Current	Gain/Loss	Revaluation	Cost /	Accumulated	Carrying
	revaluation	depreciation	amount 1	year	year	year	year	on	surplus	revaluation	depreciation and	amount 30
	1 Jul 2023	and impairment	Jul 2023	additions	disposals	impairment	depreciation	disposals		30 Jun 2024	impairment	Jun 2024
	charges 1 Jul 2023				charges					charge 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
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

19 Property, plant and equipment (continued)

Council 2023	Cost /	Accumulated	Carrying	Current	Current	Current	Current year	Gain/Loss	Revaluation	Cost /	Accumulated	Carrying
	revaluation	depreciation	amount 1	year	year	year	depreciation	on	surplus	revaluation	depreciation and	amount 30
	1 Jul 2022	and impairment	Jul 2022	additions	disposals	impairment		disposals		30 Jun 2023	charge 30 Jun	Jun 2023
	charges 1 Jul				charges					2022	2023	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating assets												
Land	72,656	0	72,656	1,533	(241)	0	0	200	0	74,148	0	74,148
Buildings	30,001	(11,658)	18,343	2,631	0	0	(693)	(1)	0	32,633	(12,352)	20,281
Other plant and equipment	19,235	(11,813)	7,422	2,286	(108)	0	(1,470)	0	0	20,725	(12,595)	8,130
Library books	4,782	(2,831)	1,951	324	0	0	(441)	0	0	5,106	(3,272)	1,834
Marina	14,201	(2,537)	11,664	377	0	0	(193)	0	0	14,578	(2,730)	11,848
Motor vehicles	1,284	(494)	790	170	(1)	0	(110)	0	0	1,416	(567)	849
Other improvements	7,601	(2,072)	5,529	445	0	0	(258)	0	0	8,018	(2,302)	5,716
Landfill post closure	427	(293)	134	0	35	0	0	0	0	427	(258)	169
Total	150,187	(31,698)	118,489	7,766	(315)	0	(3,165)	199	0	157,051	(34,076)	122,975
Infrastructural assets												
At cost & valuation												
Roading	573,842	0	573,842	7,921	(52)	(28)	(11,220)	(657)	19,300	589,134	0	589,134
Water supply	216,845	0	216,845	6,515	0	(96)	(5,500)	(880)	39,095	256,075	0	256,075
Wastewater reticulation	217,055	0	217,055	13,267	0	0	(5,688)	(331)	58,746	283,049	0	283,049
Stormwater reticulation	223,709	0	223,709	18,862	0	0	(4,118)	(442)	49,126	287,137	0	287,137
Land under roads	262,969	0	262,969	869	0	0	0	(51)	0	263,787	0	263,787
Wastewater treatment plant and facilities	62,437	0	62,437	5,305	0	0	(2,038)	0	8,184	73,888	0	73,888
Water treatment plant and facilities	18,960	0	18,960	495	0	0	(1,065)	0	2,211	20,601	0	20,601
Flood protection	58,770	0	58,770	11,352	0	0	(471)	0	(12,300)	57,351	0	57,351
Car parks	1,651	0	1,651	290	0	0	(99)	0	21	1,863	0	1,863
Solid waste	7,688	0	7,688	4,192	0	132	(519)	0	889	12,250	0	12,250
Total	1,643,926	0	1,643,926	69,068	(52)	8	(30,718)	(2,361)	165,272	1,845,135	0	1,845,135
Restricted assets												
Land	175,581	0	175,581	2,471	0	0	0	0	0	178,052	0	178,052
Buildings	73,905	(17,806)	56,099	449	0	0	(1,397)	0	0	74,354	(19,203)	55,151
Improvements	93,411	(25,442)	67,969	4,294	0	0	(1,831)	(8)	0	97,705	(27,273)	70,432
Total	342,897	(43,248)	299,649	7,214	0	0	(3,228)	(8)	0	350,111	(46,476)	303,635
Total Council	2,137,010	(74,946)	2,062,064	84,048	(367)	8	(37,111)	(2,170)	165,272	2,352,297	(80,552)	2,271,745

19 Property, plant and equipment (continued)

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 charge 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
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

19 Property, plant and equipment (continued)

Group 2023	Cost / revaluation 1 Jul 2022	Accumulated depreciation and impairment charges 1 Jul 2022	Carrying amount 1 Jul 2022	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Gain/Loss on disposals	Revaluation surplus	Cost / revaluation 30 Jun 2023	Accumulated depreciation and impairment charge 30 Jun 2023	Carrying amount 30 Jun 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating assets												
Land	76,414	0	76,414	1,533	(241)	0	0	200	965	77,906	0	77,906
Buildings	43,313	(14,790)	28,523	2,641	0	0	(1,135)	4	0	45,955	(15,926)	30,029
Other plant and equipment	27,610	(16,807)	10,803	3,182	(509)	0	(2,477)	325	0	29,511	(18,187)	11,324
Library books	4,782	(2,831)	1,951	324	0	0	(441)	0	0	5,106	(3,272)	1,834
Capital work in progress	84	0	84	(72)	0	0	0	0	0	12	0	12
Marina	14,201	(2,537)	11,664	377	0	0	(193)	0	0	14,578	(2,730)	11,848
Motor vehicles	11,129	(5,672)	5,457	1,824	(676)	0	(980)	433	0	12,226	(6,168)	6,058
Other improvements	8,060	(2,203)	5,857	445	0	0	(281)	0	0	8,477	(2,456)	6,021
Landfill post closure	427	(293)	134	0	35	0	7	0	0	427	(258)	169
Art collection	7,891	0	7,891	19	0	315	0	0	0	7,910	0	7,910
Total	193,911	(45,133)	148,778	10,273	(1,391)	315	(5,500)	962	965	202,108	(48,997)	153,111
Infrastructural assets												
At cost & valuation												
Roading	573,842	0	573,842	7,921	(52)	0	(11,220)	(657)	19,300	589,134	0	589,134
Water supply	216,845	0	216,845	6,515	0	0	(5,500)	(880)	39,095	256,075	0	256,075
Wastewater reticulation	217,055	0	217,055	13,267	0	0	(5,688)	(331)	58,746	283,049	0	283,049
Stormwater reticulation	223,709	0	223,709	18,862	0	0	(4,118)	(442)	49,126	287,137	0	287,137
land under roads	262,969	0	262,969	869	0	0	0	(51)	0	263,787	0	263,787
Wastewater treatment plant and facilities	62,437	0	62,437	5,305	0	0	(2,038)	0	8,184	73,888	0	73,888
Water treatment plant and facilities	18,960	0	18,960	495	0	0	(1,065)	0	2,211	20,601	0	20,601
Flood protection	58,770	0	58,770	11,352	0	0	(471)	0	(12,300)	57,351	0	57,351
Car parks	1,651	0	1,651	290	0	0	(99)	0	21	1,863	0	1,863
Solid waste	7,688	0	7,688	4,192	0	0	(519)	0	889	12,250	0	12,250
Total	1,643,926	0	1,643,926	69,068	(52)	0	(30,718)	(2,361)	165,272	1,845,135	0	1,845,135
Restricted assets												
Land	175,581	0	175,581	2,471	0	0	0	0	0	178,052	0	178,052
Buildings	73,905	(17,806)	56,099	449	0	0	(1,397)	0	0	74,354	(19,203)	55,151
Improvements	93,411	(25,442)	67,969	4,294	0	0	(1,831)	(8)	0	97,705	(27,273)	70,432
Total	342,897	(43,248)	299,649	7,214	0	0	(3,228)	(8)	0	350,111	(46,476)	303,635
Total Group	2,180,734	(88,381)	2,092,353	86,555	(1,443)	315	(39,446)	(1,407)	166,237	2,397,354	(95,473)	2,301,881

19 Property, plant and equipment (continued)

Infrastructural assets - further disclosures

Most recent replacement cost estimates are as at 30 June 2024

Council 2024	Closing book value	Additions: constructed by Council	Additions	Most recent replacement cost estimate for revalued assets
	\$'000	\$'000	Additions: transferred to Council \$'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

19 Property, plant and equipment (continued)

Council 2023	Additions			Most recent replacement cost estimate for revalued assets
	Closing book value	Additions: constructed by Council	Additions: transferred to Council	
	\$'000	\$'000	\$'000	\$'000
Water supply:				
– treatment plants and facilities	20,601	495	0	34,676
– other assets (such as reticulation systems)	256,075	4,837	1,678	488,236
Sewerage:				
– treatment plants and facilities	73,888	5,305	0	110,918
– other assets (such as reticulation systems)	283,049	10,104	3,163	549,358
Stormwater drainage	287,137	13,881	4,981	427,551
Flood protection and control works	57,351	11,352	0	55,633
Roads and footpaths	854,784	8,943	137	1,148,695
Total infrastructural assets	1,832,885	54,917	9,959	2,815,067

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.

19 Property, plant and equipment (continued)

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 is a full valuation year which has been reviewed by Marsh Ltd as at 30 June 2024. Infrastructural assets are valued internally at depreciated replacement cost by Council Officers based on an internal valuation plus additions at cost less depreciation. For intervening years, infrastructural assets are revalued in house by means of applying an inflation index and additional uplift where necessary to align with market rates.

For sewerage, water and drainage infrastructural assets, the Statistic NZ CGPI Civil Construction - systems is used as the inflationary index. The additional uplift is reviewed and agreed by Marsh Limited through assessing factors such as recent contract pricing, market conditions, regional events, and comparable council data.

For roading assets, a combination of Statistic NZ CGPI Civil Construction - systems for water and sewerage and Waka Kotahi indices for structures and construction were used to complete the fair value update. These fair value updates are prepared in-house and peer reviewed by Marsh Limited.

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

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
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar reasons.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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, the Council could be over - or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk, 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 asset management planning activities, which provides further assurance over useful life estimates.

19 Property, plant and equipment (continued)

Specialist infrastructural assets

Specialist infrastructural assets including dams, water reservoirs and wastewater treatment plants were revalued by Marsh New Zealand Limited at depreciated replacement cost with assets optimised using least cost alternative as at 30 June 2024. Revaluations are updated annually and reviewed by Marsh Limited.

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, the last valuation taking place 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 2024. The valuation methodology has been reviewed by Marsh 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.

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 2024 based on an internal valuation plus additions at cost less depreciation. The valuation methodology has been peer reviewed by Marsh 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 under 34% NBS and have an Earthquake Prone (EPB) Notice that requires seismic work to either strengthen the buildings to at least 34% NBS or otherwise remove the risk. Hounsell Circle bus shelter was strengthened to 100% NBS, the remaining assets require remediation within their assigned compliance timeframe.

Work in progress

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

	Council and Group	
	Actual	Actual
	2024	2023
	\$'000	\$'000
Water system	3,017	1,627
Roading network	7,494	577
Land and buildings	8,716	5,729
Sewerage	10,815	18,914
Stormwater	9,208	10,816
Solid waste	1,126	1,475
Flood protection	31,290	23,530
Other	1,037	785
Total work in progress	72,702	63,453

20 Intangible assets

Council	Computer software	Emissions Trading Scheme (ETS) credits	Total
	\$'000	\$'000	\$'000
At 1 July 2022			
Cost	10,126	2,953	13,079
Accumulated amortisation and impairment	(5,689)	0	(5,689)
Net book amount	4,437	2,953	7,390
Year ended 30 June 2023			
Opening net book amount	4,437	2,953	7,390
Additions	1,241	426	1,667
Disposals	0	(91)	(91)
Amortisation charge **	(1,243)	0	(1,243)
Closing net book amount	4,435	3,288	7,723
As at 30 June 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
Council			
	Computer software	Emissions Trading Scheme (ETS) credits	Total
	\$'000	\$'000	\$'000
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
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

20 Intangible assets

Group	Computer software \$'000	Emissions Trading Scheme (ETS) credits \$'000	Total \$'000
At 1 July 2022			
Cost	11,712	2,953	14,665
Accumulated amortisation and impairment	(6,852)	0	(6,852)
Net book amount	4,860	2,953	7,813
Year ended 30 June 2023			
Opening net book amount	4,860	2,953	7,813
Additions	1,329	426	1,755
Disposals	(38)	(91)	(129)
Amortisation charge **	(1,413)	0	(1,413)
Closing net book amount	4,738	3,288	8,026
At 30 June 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

21 Depreciation and amortisation expense by group of activity

	Council	
	Actual 2024 \$'000	Actual 2023 \$'000
Directly attributable depreciation and amortisation expense by group of activity		
Corporate	526	547
Parks and active recreation	3,491	3,465
Social	1,342	1,381
Economic	1	2
Transport	12,161	11,663
Environmental management	174	177
Solid waste	817	7,970
Wastewater	10,040	4,182
Stormwater	4,740	6,573
Water supply	7,668	720
Flood protection	642	549
Total directly attributable depreciation and amortisation by group of activity	41,602	37,229
Depreciation and amortisation not directly related to group of activities	1,231	1,125
Total depreciation and amortisation expense	42,833	38,354

22 Forestry assets

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Carrying amount opening balance	4,134	5,834	4,134	5,834
Gain/loss arising from changes in fair value less estimated point-of-sale costs	327	(736)	327	(736)
Harvest	(1,102)	(961)	(1,102)	(961)
Balance at 30 June 2024	3,359	4,137	3,359	4,137

Council owns 491.7 hectares, (2023: 549.3 hectares), of Radiata Pine, Douglas Fir and Cupressus Macrocarpa planted between 1981 and 2020. Other stands totalling 81.1 hectares, (2023: 53.2 hectares), were considered to have no commercial value. Independent registered valuers PF Olsen have valued the forestry assets as at 30 June 2024. A discount rate of 7.8% (2023: 7.8%), has been used in discounting the present value of expected before tax cash flows.

The Council has entered into the New Zealand Emissions Trade Scheme in respect of 144.3 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 (2023: \$nil)

The movement of investment property is as follows:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Investment properties - fair value - opening balance	980	930	980	930
Investment properties - fair value - valuation	0	50	0	50
Investment properties - fair value - net gain (loss) from fair value adjustment	(30)	0	(30)	0
Balance at 30 June	950	980	950	980

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.

	Principal activity	Council		Group	
		Actual 2024	Actual 2023	Actual 2024	Actual 2023
		\$'000	\$'000	\$'000	\$'000
Nelson Regional Development Agency		200	200	0	0
Nelmac		2,000	2,000	0	0
Suter Art Gallery Te Aratoi o Whakatū Trust		6,000	6,000	0	0
Civic Trust		0	0	0	0
Total investment in Subsidiaries		8,200	8,200	0	0

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
Suter Art Gallery Te Aratoi o Whakatū 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:

	2024	2023
	\$'000	\$'000
Opening balance	8,200	8,200
Net investment made during the year	0	0
Total investment in subsidiaries	8,200	8,200

25 Investments in equity accounted joint ventures

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Council				
Infrastructure Holdings Limited	31,741	0	188,613	0
Tasman Bays Heritage Trust	5,047	4,922	10,751	11,003
Port Nelson Limited	0	12,708	0	137,296
Nelson Airport Ltd	0	19,033	0	46,501
Shares in associates	36,788	36,663	199,364	194,800

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.

Group	2024 \$'000	2023 \$'000
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Movements in the carrying amount of investments in equity accounted joint ventures:

Balance at 1 July	194,800	192,714
Reserve recognised on BU combination	5,841	0
Share of total recognised revenue and expenses	(2,420)	5,510
Share of revaluation gain	1,641	(824)
Share of dividend	(500)	(2,600)
Other movements	0	0
Balance at 30 June	199,364	194,800

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

	Infrastructure Holdings Ltd \$'000	Tasman Bays Heritage Trust \$'000	Total 2024 \$'000
Revenue	102,755	2,826	105,581
Depreciation and amortisation	(14,863)	(485)	(15,348)
Finance costs	(6,022)	(26)	(6,048)
Other expenses	(67,668)	(2,115)	(69,783)
Net surplus / (deficit) before taxation	14,202	200	14,402
Tax expense	(16,116)	0	(16,116)
Net surplus / (deficit) after taxation	(1,914)	200	(1,714)
Other comprehensive income	8,845	3,057	11,902
Total comprehensive revenue and expense	6,931	3,257	10,188
Shareholder's funds brought forward	379,192	31,744	410,936
Dividends	(1,000)	0	(1,000)
Shareholder's funds carried forward	385,123	35,001	420,124

25 Investments in equity accounted joint ventures (continued)

Cash and cash equivalents	9,909	354	10,263
Other current assets	15,635	81	15,716
Non-current assets	546,291	35,307	581,598
Current liabilities	(46,549)	(476)	(47,025)
Non-current liabilities	(140,163)	(265)	(140,428)
Net assets	385,123	35,001	420,124

Equity Accounted Share of Group's Financial Information:

	Infrastructure Holdings	Tasman Bays	Total
	Ltd	Heritage Trust	2024
	\$'000	\$'000	\$'000
Proportion of Council's Interest	50%	50%	
Joint Venture's Net Assets	385,123	35,001	420,124
Council's share before any eliminations and adjustments	192,562	17,501	210,063
Eliminations and Adjustments	(3,949)	(6,749)	(10,698)
Council's share of net assets	188,613	10,751	199,364
Joint venture's surplus	(1,914)	200	(1,714)
Council's share before any eliminations and adjustments	(957)	100	(857)
Elimination and adjustments	(1,211)	(352)	(1,563)
Council's share of net surplus after taxation	(2,168)	(252)	(2,420)
Joint venture's share of other comprehensive income	8,845	0	8,845
Council's share before any eliminations and adjustments	4,423	0	4,423
Eliminations and adjustments	(2,781)	0	(2,781)
Council's share of other comprehensive income	1,642	0	1,642
Opening book value 1 July 2022	181,295	11,419	192,714
Share of surplus	5,926	(416)	5,510
Dividend received	(2,600)	0	(2,600)
Movement in other comprehensive income	(823)	(1)	(824)
Closing book value 30 June 2023	183,798	11,002	194,800
Opening book value 1 July 2023	183,798	11,002	194,800
Share of surplus	(2,168)	(252)	(2,420)
Reserve recognised on BU combination	5,841	0	5,841
Dividend received	(500)	0	(500)
Movement in other comprehensive income	1,642	1	1,643
Closing book value 30 June 2024	188,613	10,751	199,364

Infrastructure Holdings	Tasman Bays	Total
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Other disclosures	Ltd	Heritage Trust	2024
	\$'000	\$'000	\$'000
Share of contingent liabilities	0	0	0
Share of capital commitments	5,131	19	5,150
Dividends received or receivable	500	0	500
	5,631	19	5,650

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.

The figures in the table 'Opening book value 1 July 2022' are the sum of Nelson Airport Limited and Port Nelson Limited. The shares of these companies have been transferred to IHL in which Nelson City Council and Tasman District Council have a 50% share of ownership each.

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.

Due to differences in the accounting treatment of grants, NCC have grossed up the IHL Revenue and Non-current assets by \$1.1m. This is because Port Nelson Ltd capitalise grants against the specific project reducing the book value of the Asset and Revenue. In this case the project is still in the WIP phase so there are no adjustments required to depreciation.

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 Defence's principal activity is coordination of emergency services.
- Regional Landfill Business Unit's principal activity is solid waste disposal services.

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

	2024	2023
Name	Percentage Ownership	Percentage Ownership
Regional Sewerage	50%	50%
Civil Defence	50%	50%
Regional Landfill	50%	50%
	2024	2023
	\$'000	\$'000
Assets		
Current assets	1,376	1,098
Non-current assets	73,455	65,297
Total assets	74,830	66,395
Liabilities		
Current liabilities	(20)	278
Non-current liabilities	(37,233)	17,311
Total liabilities	(37,252)	17,589
Revenue	10,919	10,956
Expenses	(9,969)	(9,667)
Net surplus/(deficit)	950	1,289

27 Trade and other payables

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current				
Trade payables	16,832	18,735	16,437	19,083
Deposits and bonds	714	905	714	905
Accrued expenses	3,683	3,780	4,053	4,634
Revenue in advance	4,045	3,533	4,091	3,559
Amounts due to customers for contract work	558	449	558	449
Other payables	4,719	3,436	4,776	3,448
Trust accounts	12	67	12	67
Taxes payable other than income tax	31	23	864	714
Kainga Ora - Capped fund	232	2,369	232	2,369
Total current creditors and other payables	30,826	33,297	31,737	35,228
Total creditors and other payables from exchange transactions	25,388	27,865	25,466	29,105
Total creditors and other payables from non-exchange transactions	5,207	3,064	6,040	3,755
Total current creditors and other payables from exchange and non-exchange transactions	30,595	30,929	31,506	32,860
Non current				
Housing New Zealand Suspensory Loan	0	0	0	0
Kainga Ora - Capped fund	1,937	1,973	1,937	1,973
Suter depreciation accrual	1,033	1,057	0	0
Total non-current creditors and payables	2,970	3,030	1,937	1,973
Non-current payables from exchange transactions	0	0	0	0
Non-current payables from non-exchange transactions	2,970	3,030	1,937	1,973
Total trade and other payables from exchange and on-exchange transactions	33,565	33,959	33,443	34,833

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 \$2.9m (2023: \$5.3m), with a remaining term of up to 12 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 4.87% (2023: 4.77%). \$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 12 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.

28 Borrowings and other financial liabilities

	Council Actual 2024 \$'000	Group Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current portion				
Secured				
Secured loans	550	650	550	3,472
Floating rate notes	45,000	5,000	45,000	5,000
Total secured current interest bearing borrowings	45,550	5,650	45,550	8,472
Total current portion	45,550	5,650	45,550	8,472
Non-current portion				
Secured loans	0	0	2,000	567
Floating rate notes	215,000	180,000	215,000	180,000
Total non-current portion	215,000	180,000	217,000	180,567
Total borrowings	260,550	185,650	262,550	189,039

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 2024 the Council had borrowing facilities of \$8 million with Westpac Banking Corporation (2023: \$8m), and \$15m with LGFA (2023: \$15m). At balance date \$550,000 of the total \$23m facility was drawn down (2023: \$650,000). Council also has a business card facility with Westpac with a limit of \$42,000 (2023: \$42,000).

The interest rates on the Council borrowings range from 1.03% to 6.47% (2023: 1.03% to 6.69%). The weighted average interest rate on the above loans was 6.05% (2023: 5.96%).

29 Provisions

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Regional Landfill - closure and post closure provision	218	251	218	251
Contaminated land provision	5,300	3,000	5,300	3,000
Total current portion	5,518	3,251	5,518	3,251
Regional Landfill - closure and post closure provision	3,233	3,261	3,233	3,261
Total non-current portion	3,233	3,261	3,233	3,261
Total provisions	8,751	6,512	8,751	6,512
Movements in provisions:				
Opening balance	6,512	3,520	6,512	3,520
Reassessment of liability	(62)	(8)	(62)	(8)
Movement in other provisions	2,300	3,000	2,300	3,000
Closing balance	8,751	6,512	8,751	6,512

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.

Contaminated Land

Nelson City Council is seeking to urgently remediate and then remove contaminated sawdust found at Tahunanui's back beach. Subsequent to year end, the Council has appointed a specialist consultant to manage the sawdust remediation and removal. At this stage, the full cost of the project is estimated to be \$6.01m.

The following significant assumptions have been made in calculating the provision:

- The area has been estimated at 10,500m³ (including sawdust and contaminated underlying sand), with a total of 14,000 tonnes.
- The sawdust removed is expected to be dumped at York Valley within the Nelson/Tasman landfill and transport costs are based on this assumption.
- Once contaminated material is removed clean sand will be back filled and planting completed for dune restoration.

The Ministry for the Environment has agreed to fund the lessor of a) \$3,440,666; or b) The maximum percentage (75%) of the actual total cost of the project, assessed over the duration of the project, approved by the Ministry and specified in the work programme (if any); or b) An amount equal to the difference between the actual total cost of the project and the total value (assessed by the Ministry) of any type of contribution to the project by the recipient and/or from any other source. This source of funding arose after balance date and as a result does not require an adjusting event.

30 Employee benefits liabilities

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Annual leave	2,085	1,773	3,644	3,332
Long service leave	109	109	109	109
Retirement gratuities	37	94	37	94
Sick leave	73	69	73	69
Accrued pay	589	610	1,380	1,381
Total current portion	2,893	2,655	5,243	4,985
Long service leave	112	112	130	135
Retirement gratuities	45	41	45	68
Total non-current portion	157	153	175	203
Total employee entitlements	3,050	2,808	5,418	5,188

31 Equity

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Customers' equity				
Accumulated funds	446,788	449,822	501,594	507,192
Reserves	1,787,750	1,702,667	1,920,635	1,828,068
Balance at 30 June	2,234,538	2,152,489	2,422,229	2,335,260

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Accumulated funds				
Balance at 1 July	449,822	462,485	507,161	517,107
Asset revaluation reserve movement - community housing land	0	0	0	0
Disposal of property, plant and equipment	1,238	0	1,238	0
Movement in reserves	3,050	1,977	3,050	1,977
Surplus/(deficit) for the year	(7,322)	(14,640)	(9,855)	(11,892)
Balance 30 June	446,788	449,822	501,594	507,192

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(a) Reserves include				
Property, plant and equipment revaluation reserve	1,767,102	1,678,965	1,900,226	1,804,016
Hedging reserve - cash flow hedges	0	0	(239)	350
Restricted reserves	20,598	23,652	20,598	23,652
Contingency reserve	50	50	50	50
Total reserves	1,787,750	1,702,667	1,920,635	1,828,068
Property, plant and equipment revaluation reserve				
Balance at 1 July	1,678,965	1,514,272	1,804,016	1,639,515
Net revaluation gains	89,372	165,272	0	165,080
Transfer to accumulated funds on disposal of property	(1,238)	(579)	0	(579)
Other adjustments	3	0	0	0
Balance at 30 June	1,767,102	1,678,965	1,804,016	1,804,016

Property revaluation reserves for each asset class consist of:

Land	236,169	220,370	0	281,412
Buildings	0	0	0	456
Airport	0	0	0	32,503
Art Collection	0	0	0	5,182
Sewerage system	296,280	292,616	0	292,616
Water system	248,624	238,789	0	238,789
Stormwater network	248,981	239,241	0	239,241
Flood protection network	(839)	70	0	70
Roading network	731,549	682,330	0	682,330
Solid waste	6,221	5,435	0	5,435
Forestry (NRSBU)	118	114	0	114
Wharves	0	0	0	25,868
Total	1,767,102	1,678,965	0	1,804,016
Hedging reserve - cash flow hedges				
Balance at 1 July	0	0	350	982
Fair value gains/(losses) in the year	0	0	(708)	(632)
Deferred tax movement	0	0	119	0
Balance at 30 June	0	0	(239)	350

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Restricted reserves				
Balance at 1 July	23,652	25,050	23,652	25,050
Net transfers (to)/from accumulated funds	(3,054)	(1,398)	(3,054)	(1,398)
Balance at 30 June	20,598	23,652	20,598	23,652
Contingency reserve				
Balance 1 July	50	50	50	50
Fair value movement	0	0	0	0
Balance 30 June	50	50	50	50

31 Equity (continued)

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
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)
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

Reserve	Activities to which the reserve relates	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
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		\$'000	\$'000	\$'000	\$'000
2023					
Art Council loan fund	Parks	10	0	0	10
Climate Change Reserve	Environmental	29	0	(10)	19
Community Housing Reserve	Social	10,720	54	(1,650)	9,123
Community Investment Fund	Social	1	2	(1)	2
Dog control reserve	Environmental	(246)	60	0	(186)
Events Contestable Fund reserve	Economic	313	2	(83)	232
Forestry	Forestry	955	0	(987)	(32)
Founders Park reserve	Social	345	141	(77)	409
L C Voller bequest	Social	25	0	0	25
Landfill	Solid Waste	4,640	23	0	4,663
Neighbourhood development contributions reserve	Parks	2,123	0	(158)	1,965
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	1,004	0	(710)	294
Sport and recreation grants	Parks	14	0	0	14
Subdivisions reserve	Parks	4,794	26	1,992	6,812
Walker bequest	Parks	10	0	0	10
Water financial contributions reserve	Water	21	0	(21)	0
Total restricted reserves - 2023		25,049	308	(1,705)	23,652

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

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Surplus/(deficit) after tax	(7,322)	(14,640)	(9,855)	(11,892)
Add/(less) non-cash items				
Share of associate's surplus	7,322	14,641	9,855	11,893
Depreciation and amortisation expense	42,833	38,354	45,651	40,866
Property, plant, and equipment impairment	381	0	381	0
Vested assets	(9,578)	(10,683)	(9,648)	(10,691)
(Gains)/losses in fair value of biological assets	(327)	736	(327)	736
(Gains)/losses in fair value of investment property	30	(50)	30	(50)
(Gains)/losses on derivative financial instruments	2,287	(2,029)	2,287	(2,029)
Increase in deferred tax	0	0	163	283
Joint operations surplus ex dividends	0	0	3,150	(2,910)
(Gains)/losses in fair value of investments	0	0	(199)	(135)
Movement in landfill liability	(61)	(8)	(61)	(8)
Provision for discount unwinding	968	273	968	273
Movement in Other Provisions	2,300	3,000	2,300	3,000
Other Non-Cash items	(169)	1,333	(245)	1,341
Total non-cash items	45,986	45,567	54,305	42,569
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant, and equipment	4,509	2,208	4,577	2,182
(Gains)/losses on disposal of biological assets	0	0	0	0
(Gains)/losses on disposal of intangible assets	91	91	13	129
Total items classified as investing or financing activities	4,600	2,299	4,590	2,311
Add/(less) movements in working capital items				
(Increase)/decrease in receivables	(2,850)	(5,155)	(2,236)	(5,674)
(Increase)/decrease in inventory	0	0	0	(157)
Increase /(decrease) in payables	(1,173)	10,599	(2,133)	10,814
Increase /(decrease) in employee entitlements	242	195	230	508
Net movement in working capital items	(3,781)	5,639	(4,139)	5,491
Net cash inflow/(outflow) from operating activities	32,161	24,225	35,046	26,587

33 Capital commitments and operating leases

Capital commitments

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Roading network	3,184	1,989	3,184	1,989
- Flood protection	96	3,620	96	3,620
- Other improvements	0	0	0	0
- Wastewater	2,570	1,860	2,570	1,860
- Water supply	3,086	612	3,123	612
- Stormwater	1,266	2,057	1,289	2,057
- Land & Buildings	846	2,633	846	2,633
- Solid Waste	21	50	21	50
- Parks & Recreation	1,141	248	1,141	248
- Social	517	174	517	174
- Software	1	162	1	162
- Equipment	0	0	0	0
Group	0	0	0	0
Buildings	0	0	0	0
- Property, Plant & Equipment	0	0	1,031	571
Intangible assets	0	0	0	0
- Wharf and property purchase/redevelopment	0	0	4,100	2,050
Tasman Bay Heritage Trust	0	0	0	0
- Property, Plant & Equipment	0	0	38	0
Total capital commitments	12,728	13,405	17,957	16,026

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:

	Council		Group	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Not later than one year	308	315	1,025	1,278
Later than one year and not later than five years	816	381	1,170	1,342
Later than five years	962	409	962	409
Total non-cancellable operating leases	2,086	1,105	3,156	3,029

Leases can be renewed at the Council 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 Council 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 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Not later than one year	1,750	1697	6,148	6159
Later than one year and not later than five years	3,469	3841	13,670	14978
Later than five years	1,519	1559	11,078	11082
Total non-cancellable operating leases	6,738	7,097	30,896	32,219

The Council and group amended its accounting policy for operating leases. Operating lease commitments are recognised until the date of first renewal, previously the operating lease commitment was based on the end date of the lease, including all renewal options.

The financial statements for 2023, which are presented as comparative information in the 30 June 2024 financial statements have been restated.

	Council		
	Before Adjustments 2023 \$'000	Re- statements 2023 \$'000	After Adjustments 2023 \$'000
Adjustments made to prior year			
Not later than one year	1,614.00	83	1,697.00
Later than one year and not later than five years	4,105.00	(264)	3,841.00
Later than five years	6,842.00	(5,283)	1,559.00
Total non-cancellable operating leases	12,561.00	(5,464)	7,097.00

Group

	Before Adjustments 2023 \$'000	Re- statements 2023 \$'000	After Adjustments 2023 \$'000
Adjustments made to prior year			
Not later than one year	6,076.00	83	6,159.00
Later than one year and not later than five years	15,242.00	(264)	14,978.00
Later than five years	16,365.00	(5,283)	11,082.00
Total non-cancellable operating leases	37,683.00	(5,464)	32,219.00

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.

Council:

Local Government Funding Agency

The Council 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 2023 for local currency, and a foreign currency rating of AA+ as at October 2022.

As at 30 June 2024, there are 77 councils and 5 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 2024, the LGFA had borrowings totalling \$23.03 billion (2023: \$17.7 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 scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability 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 Council 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
	2024	2023
	\$'000	\$'000
Expenditure		
Suter Art Gallery Te Aratoi o Whakatū Trust		
Operating grant	760	735
Depreciation grant	0	41
Economic Development Agency (NRDA)		
Operating grant	1,818	1,764
Contestable events fund	483	611
Other Services	60	10
Tasman Bays Heritage Trust		
Operating grant	1,076	1,164
Payables		
Suter depreciation grant	1,033	1,056
NRDA contestable events fund	42	66
	5,272	5,447

Dividends Received

The following dividends were received by Council for the year 2023/24:

Infrastructure Holdings Limited \$500,000

Subvention Receipts

The following subvention receipts were received by Council for the year 2023/24:

Nelmac Ltd \$261,328 (2023: \$418,797)

35 Related party transactions (continued)

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 4.71% (2023: 4.69%). This has resulted in an asset to council of \$212,813 (2023: \$300,984), with the last payment currently scheduled for the year 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 for the 2023 financial year was \$9.6 million (2023: \$12.0 million). As the contract was not tendered and there is no benchmarking available for these very individualised services, Council is unable to determine that the contract is at arm's length. The contract value was lower in the 2024 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.

Transactions with key management personnel

Key management personnel compensation

	Council	
	Actual 2024 \$'000	Actual 2023 \$'000
Council members		
Remuneration	782	760
Full-time equivalent members	13	13
Senior Management Team, including the Chief Executive		
Remuneration	20,503	1,854
Full-time equivalent members	11	8
Total full-time equivalent personnel	21,285	2,614
Total key management personnel compensation	24	21

35 Related party transactions (continued)

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 2024.

The only external appointment is the independent Chair and independent member of the Audit, Risk and Finance Committee. In total the payments for these advisors totalled \$24,560 (2023: \$49,315).

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

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

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 \$362,700 (2023: \$387,912).

Elected representatives

Elected representatives received the following remuneration:

Council	
Actual	Actual

	2024	2023
	\$	\$
Mayor Smith	151,194	104,731
Deputy Mayor O'Neill-Stevens	66,567	57,951
Mayor Reese	0	42,467
Deputy Mayor Edgar	0	20,292
Councillor Anderson	51,094	34,572
Councillor Bengé	51,094	34,572
Councillor Bowater	0	13,674
Councillor Brand	51,529	48,121
Councillor Courtney	51,123	48,121
Councillor Fulton	0	17,520
Councillor Hodgson	51,123	34,572
Councillor Lawrey	0	13,674
Councillor McGurk	0	17,520
Councillor Noonan	0	15,067
Councillor Paki Paki	51,094	34,572
Councillor Rainey	51,499	48,121
Councillor Rollo	51,123	39,902
Councillor Sanson	51,529	48,121
Councillor Skinner	51,494	51,932
Councillor Stallard	51,807	34,572
Total elected representatives' remuneration	782,271	760,074

26 fortnightly payments are included in this disclosure for the 2023/24 financial year. In 2022/23 there was also 26 fortnightly payments.

Council employees

At balance date, Council employed 390 staff (2023: 376). The FTE total for 2024 was 327 (2023: 325); made up of 237 (2023: 247) full-time employees (FTEs), with the balance of staff representing 90 (2023: 79) FTEs.

Total annual remuneration by band for the 390 employees as at 30 June:

	Number of employees 2024
< \$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 – \$379,999	9
Total employees	390

	2023
< \$60,000	110
\$60,000 – \$79,999	80
\$80,000 – \$99,999	85

\$100,000 - \$119,999	52
\$120,000 - \$139,999	22
\$140,000 - \$159,999	16
\$160,000 - \$279,999	10
\$280,000 - \$379,999	1
Total employees	376

37 Severance payments

Council:

For the year ended 30 June 2024, the Council made two severance payments to employees totalling \$30,771.08 (2023: nil).

Group:

For the year ended 30 June 2024, the Group made 2 severance payments to individual employees totalling \$73,000 (2023: 6 employees totalling \$119,243).

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 PBE 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:

Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
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Financial assets

Mandatorily measured at FVTSD (2022: Held for trading)

Derivative financial instruments – not hedge accounted	3,338	5,625	0	5,625
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Amortised cost (2022: Loans and receivables)

Cash and cash equivalents	31,241	12,532	0	14,170
Term Deposits	0	0	0	2,548
Receivables	28,796	28,690	0	32,261
Community loans	1,782	1,904	0	1,904
Loans to related parties	213	301	0	0

Total at amortised cost	65,370	49,052	0	56,508
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38 Financial instruments (continued)

FVTOCRE

LGFA Borrower Notes	6,467	4,283	0	4,283
Listed shares and unlisted	140	140	0	140
Fixed Interest Securities	0	0	0	852
Total at FVTOCRE	6,607	4,423	0	5,275

Financial liabilities

Mandatorily measured at FVTSD (2022: Held for trading)

Borrowings	274,550	185,650	0	189,039
Derivative financial instruments				
Derivative financial liabilities	0	0	0	0
Amortised cost				
Payables	27,763	36,327	0	37,201
Total financial liabilities at amortised cost	302,313	221,977	0	226,240

(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:

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
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

38 Financial instruments (continued)

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
30 June 2023 - Council				
Financial assets				
Derivatives	3,694	0	3,694	0
Shares	140	0	0	140
Total financial assets	3,834	0	3,694	140
Financial liabilities				
Derivatives	98	0	98	0
Total financial liabilities	98	0	98	0

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
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

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
30 June 2023 - Group				
Financial assets				
Derivatives	5,625	0	5,625	0
Shares	140	0	0	140
Total financial assets	5,765	0	5,625	140
Financial liabilities				
Derivatives	98	0	98	0
Total financial liabilities	98	0	98	0

38 Financial instruments (continued)

(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 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 2024, Council have contracts hedging a total of \$nil (2023: \$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 \$32.4 million receivables are outlined in note 13.

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

As at 30 June 2024 Council did not have any short term deposits with a maturity of less than three months (2023: \$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 2024 is \$2 million (2023: \$2.2 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 \$1,802,000 and \$730,000 (2023: \$1,862,000 and \$730,000).

38 Financial instruments (continued)

Maximum exposure to credit risk

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

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at bank and term deposits	31,229	12,532	35,390	16,718
Receivables	31,343	28,690	34,211	32,261
Community and related party loans	1,995	2,205	1,782	1,904
LGFA borrower notes	6,467	4,283	6,467	4,283
Other held to maturity investments	0	0	990	0
Private shares	140	140	140	140
Derivative financial instruments	3,338	5,625	3,338	5,625
Fixed interest securities	0	0	889	852
Total credit risk	74,512	53,475	83,207	61,783

Council is exposed to credit risk as a guarantor of all 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA-	31,229	12,532	35,390	16,718
Derivative financial instrument assets				
AA-	3,338	5,625	3,338	5,625
Other financial assets - LGFA borrower notes				
AAA	6,467	4,283	6,467	4,283
Other financial assets - loans and receivables				
AA-	0	0	22,753	2,548
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	1,782	1,904	1,782	1,904
Existing counterparty defaulted 30 June 2012, loan arrangements since reviewed and complied with	213	301	0	0
Total community and related party loans	1,995	2,205	1,782	1,904
Receivables				
Existing counterparty with no defaults in the past	31,343	28,690	34,211	32,261
Held to maturity investments	0	0	0	0
Fixed interest securities				
Existing counterparty with no defaults in the past	140	140	1,029	992
Listed shares	0	0	0	0
Existing counterparty with no defaults in the past	0	0	0	0

38 Financial instruments (continued)

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 2024 had security stock issued of \$24 m 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 (2023: \$nil).

Contractual maturity analysis of financial liabilities

	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Council 2024					
Payables	29,520	29,520	0	0	0
Secured loans	45,550	45,550	0	0	0
Derivative financial liabilities	0	0	0	0	0
Total	75,070	75,070	0	0	0

	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Council 2023					
Payables	32,347	30,373	210	584	1,180
Secured loans	205,650	25,650	45,000	85,000	50,000
Derivative financial liabilities	0	0	0	0	0
Derivative financial liabilities	98	25	0	73	0
Total	238,095	56,048	45,210	85,657	51,180

	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
Group 2024					
Payables	29,352	29,352	0	0	0
Secured loans	45,550	45,550	0	0	0
Derivative financial liabilities	0	0	0	0	0
Total	74,902	74,902	0	0	0

	\$'000	\$'000	\$'000	\$'000	\$'000
Group 2023					
Payables	33,195	31,221	210	584	1,180
Secured loans	155,174	25,898	8,998	55,278	65,000
Derivative financial liabilities	98	25	0	73	0
Total	188,467	57,144	9,208	55,935	66,180

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.

Contractual maturity analysis of financial assets

	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
Council 2023					

Cash and cash equivalents	12,532	12,532	0	0	0
Receivables	28,690	28,690	0	0	0
Other financial assets:					
- term deposits	0	0	0	0	0
- community and related party loans	2,205	239	240	602	1,124
- LGFA borrower notes	4,283	80	991	1,990	1,222
Derivative financial instruments	5,625	44	2,560	1,940	1,081
Total	53,335	41,858	3,791	4,532	3,421

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
- LGFA borrower notes	6,185	990	580	3,615	1,000
Derivative financial instruments	3,338	551	556	1,211	1,021
Total	80,561	70,947	1,306	5,316	2,991

	Contractual Cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
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Group 2023

Cash and cash equivalents	14,170	14,170	0	0	0
Receivables	32,212	32,212	0	0	0
Other financial assets:					
- term deposits	2,548	2,548	0	0	0
- community	1,904	142	147	491	1,124

and related party loans - LGFA borrower notes	4,283	80	991	1,990	1,222
Derivative financial instruments	5,625	44	2,560	1,940	1,081
Total	60,742	49,196	3,698	4,421	3,427

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

Council

	2024 \$'000				2023 \$'000			
	- 100bps Surplus	- 100bps Other equity	+100bps Surplus	+100bps Other equity	- 100bps Surplus	- 100bps Other equity	+100bps Surplus	+100bps Other equity

INTEREST RATE RISK

Financial assets

Derivative financial assets	(4,958)	0	4,717	0	4,323	0	-4,118	0
Other financial assets:								
- Community loans and loans to related parties	155	0	(145)	0	174	0	-165	0
Financial liabilities								
Total sensitivity	(4,803)	0	4,572	0	4,497	0	-4,283	0

Group

	2024 \$'000				2023 \$'000			
	- 100bps Surplus	- 100bps Other equity	+100bps Surplus	+100bps Other equity	- 100bps Surplus	- 100bps Other equity	+100bps Surplus	+100bps Other equity

INTEREST RATE RISK

Financial assets

Derivative financial assets	(4,958)	0	4,717	0	4,323	0	-4,118	0
Other financial assets:								
- Community loans and loans to related parties	155	0	(145)	0	174	0	-165	0
Financial liabilities								
Total sensitivity	(4,803)	0	4,572	0	4,497	0	-4,283	0

Council		Group	
2024	2023	2024	2023
\$'000	\$'000	\$'000	\$'000

FINANCIAL ASSETS**Fair value through surplus or deficit - not hedge accounted**

Derivative financial instrument assets	3,338	5,625	3,338	5,625
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Loans and receivables

Cash and cash equivalents	11,229	12,532	12,637	14,170
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Receivables	31,399	28,690	33,866	32,261
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Other financial assets:

- Term deposits	20,000	0	22,753	2,548
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- Community loans and loans to related parties	1,995	2,205	0	1,904
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Total loans and receivables	64,567	43,427	69,601	50,883
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Held-to-maturity

Other financial assets:

- LGFA borrower notes	6,467	4,283	6,467	4,283
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Fair value through other comprehensive revenue and expense

Equity securities - NZ LG Insurance Corp Ltd	140	140	140	140
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Listed shares	0	0	0	0
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FINANCIAL LIABILITIES**Fair value through surplus or deficit - not hedge accounted**

Derivative financial instrument liabilities	0	0	0	0
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Financial liabilities at amortised cost

Payables	29,520	30,373	29,352	31,221
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Borrowings:

- secured loans	260,550	185,650	262,550	189,039
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Total financial liabilities at amortised cost	290,070	216,023	291,902	220,260
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39 Events occurring after the balance date

Council:

Tahunanui Beach

Central government has agreed to a maximum grant amount of \$3,440,666.00 towards the Tahunanui back beach sawdust remediation project. Please see note 29 for further details.

Borrowings

Since 30 June 2024, Nelson City Council have borrowed a further \$25.0 million of which \$10.0 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 \$1.4 million more than budget:

Rates income is \$0.4 million over budget due to increased properties after the rates were set.

Fees and charges are \$0.5 million higher than budget due:

- Water by meter above budget by \$0.7m, Building and resource consents above budget by \$0.4m, and Sales of Goods above by \$0.2m, offset by;
- Casual rentals under budget by \$0.46m, and Ticket sales under budget by \$0.42m

Subsidies and grants are \$1.4 million lower than budget due to:

- Waka Kotahi income is \$3.6 million less than budgeted, IAF Active Linear Corridor \$1.5 million budgeted but not received, Contribution from Waste Minimization Fund - \$1.3m budgeted but not received, offset by unbudgeted Crown slip effected properties grant of \$4.1m.

Finance income is \$1.4 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 \$1.8 million more than budget due to the following:

- The value of assets vested to Council by developers is \$4.2 million more than budget. The timing of vested asset receipts is dependent on the development cycle of individual developers.
- Dividend/subvention income was \$3.3m less than budgeted as the Infrastructure Holdings Limited (IHL) dividend has not been accrued due to the new IHL dividend policy, resulting in a shortfall of \$3m compared to budget plus Nelmac subvention under budget by \$300,000

Other losses are \$6.1 million higher than budget due to:

- There was \$4.3 million of abandoned assets as a result of the August 2022 flood event.

Total operating expenditure is \$8.8 million higher than budget:

Personnel costs are more than budget by \$2.5 million mainly due to activity funded staff cost. These are offset by additional income.

Depreciation and amortisation expenses was \$1.9 million higher than budgeted. In the 2022/23 financials, the asset valuations saw significant increases. This resulted in a much higher depreciation expense than budgeted for, particularly in Roads, Wastewater, Stormwater, and Water Supply

Finance costs are greater than budget by \$3.3 million. This increase is due to additional pre-funding of debt (offset against additional interest income of \$1.4 million above leaving net interest over by \$1.9m) and higher interest rates and higher borrowings than planned during the year.

40 Explanation of major variances against budget (continued)

Other Expenses are greater than budget by \$1 million. This was mainly driven by the below increases/decreases:

- \$2.6 million unbudgeted Tahuna sawdust mitigation accrual.
- \$1.5 million higher than planned insurance cost due to increase in premium rates and asset values.
- \$0.6 million higher than planned Resource Consent job purchases due to higher usage of consultants due to staff vacancies (this is partially offset by higher fees and charges).
- \$3.75 million lower than planned Housing Reserve Grant. This was carried forward to next financial year as a part of Long-Term Plan Deliberations report (R28349) that went to Council on 23 May 2024.

Other comprehensive revenue is \$51.8 million more than budget:

The Land and Infrastructure Revaluations is \$89.4m compared with a budget of \$38m (\$52 million over budget):

- Infrastructure assets are revalued fully every second year, and this year is a full revaluation year. In the interim years the assets are revalued via applying industry indices to smooth out the large fluctuations. Infrastructure revaluation increases accounted for \$76.6 million, with \$52.3m specifically related to transport, contributing to a total revaluation of \$89.4 million against a budget of \$38 million
- Land was revalued in 2023/24 and increased by \$12.7 million against a Nil budget. This has no impact on rates.

Statements of financial position

Trade & Other receivables are \$10.2 million greater than budget due to a higher than anticipated receivables due at 30 June 2024. Large receivables include \$3.9 million Waka Kotahi claim accrued, \$4.01 million accrued for Crown funding for slip effected properties, \$1.1 million residential water accrual, \$1.2 million insurance and NEMA accrual, offset by \$1.6 million correction of trade waste/water overcharge.

Other financial assets are \$20.5 million higher than budget due to \$20 million of short-term deposits and LGFA borrower notes of \$0.9 million compared to \$0.08 million budgeted as a result of additional LGFA borrowing.

Derivative Financial Instruments are \$0.7 million less than budget due to decreases in interest rates.

PPE is higher than budget driven by \$90 million revaluation (\$50 million above budget).

Furthermore, the revaluation in 2022/23 was \$130 million more than budget which was not known at the time of setting the 2023/24 budget

The Council's external borrowings as at 30 June 2024 are \$260.6 million, which is \$31.6 million over budget due to additional debt raised to fund the costs related to the weather event including property purchases and slip remediation works that were expedited from 2024/25 budget. External borrowings are summarised in Note 28 of the financial statements.

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 \$1,071,829,000. 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 2024, 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 \$882,548,000 (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 \$5,329,000. 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 \$451,767,000

The sum insured for non-residential property material damage is \$459,493,000. Council is part of a Top of the South collective with total non-residential property insured of \$2,158,825,000.

Collective policy limit \$800,000,000, Council fire limit \$100,000,000

Forestry is insured to a value of \$5,097,040.

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 \$1,449,000. 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 of this reserve as at 30 June 2024 is \$475,000.

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 Council 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 Council. Intergenerational equity requires today's customers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit customers in future generations. Additionally, the Council 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 Council 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 Council 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.

Service performance reporting judgements

Council needs to comply with a new 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 2023/24.

In the preparation of the performance framework in the Long Term Plan 2021-2031 and the Annual Plan 2023/24, Council has made the following judgments in the selection of our service performance measures:

- We have reflected on the extent to which the levels of service we planned to provide to the community were best captured by performance measures
- We have retained the levels of service and performance measures consulted on with our community during the preparation of the Long Term Plan 2021-2031, which were carried through into the Annual Plan 2023/24. They are, therefore, the ones Council needs to report against in this Annual Report 2023/24
- We have analysed the levels of service and performance measures and noted areas where we propose improving them. While these changes were consulted on during the Long Term Plan 2024- 2034 process, this Annual Report comments on the performance measures contained in the Long Term Plan 2021-2031, which was in effect for the 2023/24 year
- We have surveyed our community on how we are achieving against some of the performance measures through our residents' survey, and have considered the views and feedback expressed by our residents
- 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 2021-2031 <http://www.nelson.govt.nz/assets/Our-council/Images/plans-strategies-policies/long-term-plans/ltp-2021-31/Long-Term-Plan-2021-31-FINAL-FOR-WEB-04-August-2021-updated23March22.pdf>

Changes to performance Framework from the 2022/23 year

There are no changes to the performance framework from the previous year.

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 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 Annual Plan 2023/24 process, that it is possible to continue to provide services at current levels and the related levels of services and performance measures in the Long Term Plan 2021-2031 do not need to be adjusted for funding reasons.

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 2023/24, Shape Nelson surveys, Event Audience survey, Effective Engagement survey).

- 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 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.

Performance of Council Controlled Organisations

Hinonga Kaunihera

Council is involved with several organisations that deliver strategic outcomes or public benefit for the city. During 2023/24, the organisations that Council controlled to achieve agreed community outcomes are:

Infrastructure Holdings Ltd (IHL)

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

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

Controlled by Nelson City Council

- Nelmac Ltd (CCTO)
- Nelson Regional Development Agency (CCO)
- Suter Art Gallery Te Aratoi o Whakatū Trust (CCO)
- 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 197 to 218. 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:

<http://www.nelson.govt.nz/council/plans-strategies-policies/statements-of-intent/>

<http://www.nelson.govt.nz/council/plans-strategies-policies/statements-of-expectations/>

These documents set out the objectives and activities of the organisations and provide high-level strategic direction and performance objectives from the Council.

The 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 Organisation provisions of the Act.

Infrastructure Holdings Limited (IHL)

The table below summarises IHL's actual performance against the climate related measures set out in its 2023/24 Statement of Intent. IHL's operating subsidiaries publish annual Sustainability Reports. Their 2024 Sustainability Reports provide more comprehensive details on their performance against each of the items in the table below.

Disclosure	Climate-Related Disclosures (NZ CS1) Standard Reference	FY 24 Target	Achieved	Comment
Governance	Climate Statement Clauses	FY 24 Target	Achieved	
Identify and define the governance body responsibility for oversight	Clauses 6, 7(a), 8	Fully Comply	Yes	
Define Management's role	Clauses 6 & 9	Fully Comply	Yes	
Strategy	Climate Statement Clauses	FY 24 Target	Achieved	Comment
Climate and Financial Impacts	Clauses 10 & 12	Scoped	Y	
Scenario analysis undertaken	Clauses 10 & 13	Scoped	Y	
Climate related risks and opportunities	Clauses 10 & 14	Scoped	Y In progress	Nelson Airport Port of Nelson
Anticipated impacts and financial impacts	Clauses 10 & 15	Scoped	Y	
Transition plan aspects of strategy	Clauses 10 & 16	Scoped	Y	
Risk Management	Climate Statement Clauses	FY 24	Achieved	Comment

		Target		
Integration of climate related risks identification, assessment and management	Clauses 17, 18 & 19	Fully Comply	Y	
Metrics & Targets	Climate Statement Clauses	FY 24 Target	Achieved	Comment
Define metric categories including general industry specific and other KPI's	Clauses 20, 21, 22 & 24	Scoped: Full for Scope 1 and 2 emissions	Y	
Targets used to manage climate related risks and opportunities	Clauses 20, 21 & 23	Scoped: Full for Scope 1 and 2 emissions	Y	
Green House Gas Emissions	Climate Statement Clauses	FY 24 Target	Achieved	Comment
GHG emissions assurance	Clauses 25 & 26	Internal Assurance	Y	

Group	2023/24 target	2023/24 result
Monitoring		
Net profit after tax (\$m)	11.8	(3.0)
Dividends	5.6	1.0
Treasury		
Funding Risk		
Compliance with the Group's interest rate debt profile	100%	100%
Debt Credit Metrics		
Funds from Operations/Debt (Annualised)	>13.01%	23%

Debt/EBITDA (Annualised)	<4x	3.0x
Leader Financial Covenants		
Shareholder funds/total assets	>30%	67%
Minimum Shareholder Funds (\$m)	>300	384

Port Nelson

Port Nelson is a for-profit company incorporated under the Companies Act 1993 and created pursuant to the Port Companies Act 1988. Under the Port Companies Act the Port is required to provide a Statement of Corporate Intent that describes how they intend to advance their purpose “to facilitate regional prosperity”.

Port Nelson creates value for its customers by providing a suite of marine, cargo handling, warehousing, logistic, slipway and property portfolio services. In addition, the Port has over 235,000 m² of commercial land that it develops and leases to support the fishing, marine service, and other export-related industries.

PERFORMANCE TARGETS – PORT NELSON LTD

As set out in the table below, Port Nelson achieved 40%, performance measures set out in its Statement of Intent, 10 of 25.

Area	Performance Measure	2024 Target	Result	Achievement
Customers	Cargo volumes revenue tonnes (000)	3,349	3,288	
	Container throughput TEU (000)	113	105	
	Vessel visits (greater than 100 GRT)	776	715	
	QuayConnect revenue growth (\$m)	1.0	1.7	✓
	Average container crane rate per hour	>20	19	
	Improved container truck waiting time (mins)	<15	14.5	✓
Environment	Gross reduction on FY19 scope 1 and 2 carbon emissions	18%	25%	✓
	Gross reduction on FY19 levels in scope 3 carbon emissions (PNL originated)	85%	71%	
	Port’s significant noise event >89dBh & events >85dbH (at monitor)	0 & 8	2 & 20	
	Dust events external complaints	0	2	
	Port substance spills >10L reach harbour	0	1	

People	High risk events	<=2	2	✓
	Lost time injuries (LTI) greater than 5 days off work	0	8	
	Lost time injury frequency rate (LTIFR per 200,000 hrs)	<=2.6	4.19	
	Critical risk verification reviews	44	44	✓
	Visible safety leadership events	400	468	✓
Community	Utilisation of Slipway - Calwell	85% or 312 days	85%	✓
	Sponsorship (% of underlying NPAT)	>1.2%	1.8% (113,000)	✓
	Dividend from the year \$ (% underlying NPAT)	4.5m (50%)	4.5m (73%)	✓
Shareholders	Underlying revenue	\$86.1m	\$ 84.7m	
	Underlying earnings before interest and taxes	\$16.3m	\$12.5m	
	Underlying net profit after tax	\$9.1m	\$ 6.2m	
	Underlying return on assets	2.3%	1.53%	
	Underlying return on equity	3.2%	2.12%	
	Gearing	21%	21%	✓

For more information, see Port Nelson's Annual Report for 2023/24.

Nelson Airport Ltd

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 – NELSON AIRPORT LTD

As set out in the table below, Nelson Airport has achieved 64.7% of the performance measures set out in its Statement of Intent, 11 out of 17.

Area	Performance Measure	2024 Target	Result
People, Culture and Values	Annual employee engagement survey to be undertaken	Maintain a "Great" Result (Net Promoter Score scale: >0 = needs improvement; 0-30 =good; 30-70 =great; 70-100 = excellent.) (Employee Engagement Survey Net Promoter Score between 30 - 70)	Not achieved – achieved a "Good" result
	Maintain a formal training and development programme for employees	Achieve 10 hrs/FTE of ongoing personal development	Achieved
Health, Safety and Risk	Meet all our obligations and standards under Civil Aviation Act rules	No major findings (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
	Have a behavioral based safety culture where everyone is responsible for safety on the Airport and uses the Safety Management System (SMS) daily	Top 20 risk register reviewed fortnightly by Senior Leadership Team	Not achieved. Health, safety and risk was reviewed at every SLT meeting but we adjusted our approach to review a smaller number of risks in greater detail at each session.
		One key risk reviewed at every Board meeting.	Achieved
		Board Safety walks scheduled quarterly	Achieved
Have an NAL-	Minimum of 9	Achieved	

	facilitated Health and Safety Committee in place	safety meetings with all major airside and landside PCBUs (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)	
	Enhance oversight of noise levels as set out in the Nelson Resource Management Plan	Approval of Noise management and monitoring Plan by NANEAC	Achieved
Infrastructure and Property	Maintain an asset management system to manage the condition, criticality, and life cycle of all assets	Main apron rehabilitation project completed	Not achieved - project paused for six months due to staff changes. Work has now recommenced.
	Attract commercial investment in developments that deliver our vision	Deliver new rental car base of operations project by 30 June 2024	Achieved
Financial Results	Manage financial performance to ensure we are optimising returns	Total Operating Revenues \$18.1m EBITDA \$10.4m (Earnings before interest, taxes, depreciation, amortisation, and other non-operating income/expenses)	Not achieved – Actual \$17.8m Achieved - \$11.2m
	Annual Audit	Achieve an unqualified audit opinion	Achieved
Customers and Stakeholders	Deliver an exceptional customer experience for those visiting the airport in any capacity	Maintain “Excellent” result in FY24 Customer Satisfaction Survey (Net Promoter Score scale: >0 = “good”; >20=“favourable”; >50=“excellent”; >80=“world class’.)	Achieved
	Appoint cultural advisor and provide plan for iwi engagement and strategic partnership opportunities	Implement one iwi partnership outcome by June 2024	Achieved
Environmental Sustainability	Pursue sustainability initiatives that deliver our goal to	Level 2 Airport Carbon Accreditation	Not achieved – Unanticipated delay in gaining Level 1 accreditation due to

	be carbon neutral by 2030		verification agency's processing timeframes and departure of Sustainability Manager. This impacted ability to move on to Level 2. Gained Level 1 accreditation in August 2024.
	Zero carbon emission	Complete feasibility study for green energy production on airport by June 2024	Not achieved – Study deferred pending resolution of land use discussions associated with runway extension

For the full summary of performance, see Nelson Airport's Annual Report 2023/24.

FINANCIAL PERFORMANCE – NELSON AIRPORT LTD

On 31 March 1999 Nelson Airport Limited purchased the airport assets and commenced operating the airport. The airport is owned by Infrastructure Holdings Limited, which is owned equally by NCC and TDC.

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 recreation, conservation and three waters, along with refuse and recycling and landscape architecture and planning services.

PERFORMANCE TARGETS – NELMAC LTD

As set out in the table below, Nelmac has achieved 66.67% of the performance measures set out in its Statement of Intent, 4 out of 6.

Area	Performance Measure	Target	Comment	Result
Quality of Service	Understand and strive to improve customer satisfaction	2023/24 Customer Satisfaction Survey for all Nelmac Kūmānu Customers - improving on 2021/22 score of 5.33 out of 7	Score of 5.28 was less than the 5.33 in 2021/22 due to one particularly low response combined with a poor response rate	Not Achieved
	Reduced carbon emissions year on year (adjusted for COVID)	Reduce carbon emission compared with 2023 (normalised against revenue) 2022 = 2.88t per \$100k Revenue 2023 = 2.24t per \$100k Revenue	2023 emissions were impacted by impacts from the flood recovery. 2024 emissions are 20% lower than 2022 2024 = 2.26t per \$100k Revenue	Not Achieved
People & Safety	Employee Turnover comparable to industry average	Employee turnover within 5% of the national industry average		Achieved
	Reduce average TRIFR	TRIFR reduction from 12% to under 10%		Achieved
Non-shareholder Business	Profitable growth in non NCC work	Profitable year on year growth in non-NCC work from 2023 to 2024		Achieved
Equity Ratios	Financial risk limited by maintaining appropriate balance sheet ratios	Bank Debt to Equity at or below 55%		Achieved

FINANCIAL PERFORMANCE – NELMAC LTD

Statement of Comprehensive Income

For the year ended 30 June 2024

SOI TARGET		NOTES	2024 (NZD)	2023 (NZD)
48,000,000	Revenue	1	54,848,482	56,686,930
	Cost of Sales	1	(43,952,030)	(46,283,456)
	Gross Profit		10,896,452	10,403,474
	Other Income		65,828	53,069
	Finance Costs		(308,294)	(361,964)
	Operating Expenses	1	(9,713,563)	(9,571,924)
	Operating Profit/(Loss) of Continuing Operations		940,423	522,655
	Profit/(Loss) Related to Discontinued Operations		-	-
750,000	Operating Profit/(Loss) Before Distributions & Tax		940,423	522,655
(375,000)	Subvention Payments		(261,328)	(418,797)
	Operating Profit/(Loss) Before Tax		679,095	103,858
(105,000)	Income Tax Expense	3	(203,168)	(213,997)
270,000	Net Profit/(Loss) After Tax		475,927	(110,139)
OTHER COMPREHENSIVE INCOME				
	Asset Revaluation		-	-
270,000	Total Comprehensive Income		475,927	(110,139)

For the full summary of performance, see Nelmac's Annual Report 2023/24.

Nelson Regional Development Agency

The Nelson Regional Development Agency (NRDA) was established by Council and has been operating since 1 July 2016. It was formed from the merger of two previous Council Controlled Organisations, Nelson Regional Economic Development Agency and Nelson Tasman Tourism. NRDA's mission is to unlock the economic potential of Nelson Tasman by leading inclusive and regenerative economic development, supporting businesses and people to grow, and shaping and amplifying the NRDA's profile to attract people, businesses and investment to the region.

The NRDA is 100% owned by Nelson City Council, with directors appointed by Nelson City Council. NRDA also receives funding from Tasman District Council and other third party funders.

PERFORMANCE TARGETS – NRDA

As set out in the table below, the Nelson Regional Development Agency has achieved 97% of the performance measures set out in its Statement of Intent, 34 out of 35.

Achieved: includes targeted outcomes which have been achieved via adjustment to approach or to timing, but which remain on track to meet overall SoI timeframes	
Delivery impacted or deferred: Impacted by COVID-19 or by another factor out of NRDA control such as funding and/or change in national programmes/policy	
Not achieved	
Investment Attraction and Promotion	
Regional investment proposition produced and provided to NZTE	Investment proposition produced
12+ investment referrals/promoted opportunities per year	16 opportunities
\$1m EAV secured by June 2024	\$4.5m EAV
Number of unique visitors to nelsontasman.nz increases 5% on previous year.	814k page views New website to support 2025 growth
Total engagement rate across social media channels exceeds industry average (0.91% on Facebook and 1.48% on Instagram) for year to June 2024	Facebook 2.75% Instagram 3.8%
Three campaigns and promotions delivered profiling Nelson Tasman as a great destination for visitors, businesses and talent attraction	3 Campaigns and promotions
6+ film enquiries per year and 2+ filming outcomes	4 filming outcomes
Regional events deliver over \$15m of value to the regional economy	Over \$17m value
Business & Workforce Development	
Number of businesses supported through 1:1 business advisory service (contract annual target 200).	211 businesses
Businesses have experienced positive business outcomes by reporting a net promoter score of 50+ or higher (contract annual target 50+)	NPS +93

Total annual value of capability development and R&D funding issued: contract annual target circa \$1m	Issued \$4,143,179
Businesses supported through Nelson Tasman Digital Boost: Capability improvement, reported through programme feedback.	Delivered FY23
2022/23 SOI includes Workforce Development programmes that align with the RSLG Workforce Development Plan	2024 Critical Skills Pipeline
50 businesses engaged in youth transition and employment programmes	E2E 80 businesses
80 events held at the Mahitahi Colab with 2500 total attendees	Innovation events outcomes achieved. ³
Quarterly innovation event programme delivered	11 events
70% of businesses engaged with Co.Starters programmes report an improvement in entrepreneurial capability	100% reported
Te Taiuhu Blue Economy cluster established and 20+ businesses engaged	34 businesses
3+ Partnership initiatives with climate action/industry sector groups directly supporting industry solutions for reducing carbon footprint	3 + initiatives
6+ Visitor sector business resilience training and development delivered	15 visitor sector training initiatives
Economic Strategy	
Regional Identity update project complete and endorsed by Kōkiri Forum ⁴	Regional Brand design delivered
Project Kōkiri collaboration maintained as an enduring regional partnership (minimum quarterly meetings), with actions and outcomes detailed.	Forum convened
Revised Regional Identity implementation plan in place	Plan in progress
Nelson Tasman Productivity Project developed with regional stakeholder participation and buy-in	Innovation ecosystem review
Quarterly economic profile reports aligning with shareholder and business needs	1/4 Monitor
Māori businesses engaged with NRDA report a net promoter score of 50 or higher ⁵ .	Engagement focus RBPP NPS +93
Angus and Associates Views on Tourism Research Report shows positive feedback from residents	2024 survey completed
Visitor spend in Nelson Tasman increases at a rate exceeding the national average	Total visitor spend 3% growth exceeded NZ average 2%
Organisational Management and Performance	
Future model 2022 onwards: Investigate future funding model for destination management and marketing and private sector partnerships to support programmes in 2022/23 and 2023/24	Visitor sector partners: 53; \$100k.
Investigate and confirm future service levels, location and funding model for the iSITE	Visitor information point pop up

Wellbeing and Development programme implemented by December 2022	PD delivered
Zero Carbon or Climate Positive certification is maintained	Total emissions 41.40 tCO ₂ e
The NRDA maintains a balanced/positive budget	Positive budget
NRDA delivers a clean Audit	Achieved
Zero lost-time work injuries	Zero
Stakeholder survey scheduled Q1 2024.	Completed 2024

³ The Colab has strategically shifted to a stronger focus on delivery of its innovation programme. In this context, while the 2021 target for total event numbers and attendees was not met, the Colab delivered strongly on outcome-focused Innovation activities.

⁴ 2021/22 NRDA Board identified as appropriate approver/endorser

⁵ Performance based on engagement. NPS not collected separately for Māori Business

FINANCIAL PERFORMANCE – NRDA

The NRDA commenced operations on 1 July 2016. It is fully owned by Nelson City Council and is self-administered.

Statement of Comprehensive Revenue and Expense

Nelson Regional Development Agency Limited For the year ended 30 June 2024

	NOTES	2024	2024 FORECAST FROM STATEMENT OF INTENT	2023
Revenue				
Revenue from non-exchange transactions				
Government Funding	1	927,010		1,479,005
Local Body Funding		1,850,249		1,593,446
Total Revenue from non-exchange transactions		2,777,259		3,072,450
Revenue from exchange transactions	1	310,999		204,525
Total Revenue		3,088,258	2,795,240	3,276,975
Expenses				
Depreciation and amortisation expense	2	39,090		38,133
Grants and sponsorship	3	178,640		288,522
Marketing and strategic projects		997,473		1,135,787
Employee benefits	4	1,543,609		1,467,096
Other overhead and administrative expenses	5	334,487		382,933
Total Expenses		3,093,300	2,811,213	3,312,470
Net Finance Income				
Finance income	6	73,151	18,000	51,534
Interest expense		(444)	(1,200)	(916)
Total Net Finance Income		72,708	16,800	50,618
Operating Surplus Before Tax		67,666	827	15,123
Taxation expense				
Tax Expense	11	6,510	-	849
Total Comprehensive Revenue and Expenses After Tax		61,156	827	14,274

For the full summary of performance, see NRDA's Annual Report 2023/24.

Tasman Bays Heritage Trust (Nelson Provincial Museum Pupuri Taonga O Te Tai Ao)

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 – TBHT

As set out in the table below, TBHT has achieved 80.95% of the performance measures set out in its Statement of Intent, 17 complete, 1 partially complete and 2 not complete out of 20.

ACTIONS	MEASURES/KPI	DETAIL	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 <ul style="list-style-type: none"> • Robust planning, budgeting. • fundraising and project management. 	1.1.1 <ul style="list-style-type: none"> • Project Phases 4 & 5 complete including: • Iwi design input 	<ul style="list-style-type: none"> • Interior design of taonga areas complete • Ongoing iwi design input to external screen collaboration with Robin Slow; Hui held with Robin and Manawhenua iwi. 	Complete
	<ul style="list-style-type: none"> • Detailed Design 	<ul style="list-style-type: none"> • Detailed Design complete. • Building Consent application submitted to NCC. 	Complete
	<ul style="list-style-type: none"> • Community consultation including Church St precinct owners and proprietors 	<ul style="list-style-type: none"> • Complete 	Complete
	<ul style="list-style-type: none"> • Construction commences subject to successful funding 	<ul style="list-style-type: none"> • Ministry of Culture and Heritage Regional Culture and Heritage Fund has been closed. • Ongoing discussions with the Regional Infrastructure Fund. • Lotteries Significant Project Fund not opened in 2023/24 	Not complete

1.2 <ul style="list-style-type: none"> Canvassing and securing funding sources 	1.2.1 <ul style="list-style-type: none"> Funding commitments obtained including: 	<ul style="list-style-type: none"> Nelson City Council and Tasman District Council ARC Facility funding commitment confirmed in the Councils' Annual Plans 	Complete
	<ul style="list-style-type: none"> Applications for at least two large grant funders completed, subject to timely processing of Resource Consent by NCC as per funding requirements 	<ul style="list-style-type: none"> Lotteries Environment & Heritage application successful - \$300k Rātā Foundation building projects grant application successful - \$500k City of Nelson Civic Trust funding proposal successful - \$30k McKee Charitable Trust application successful - \$15k Sargood Bequest funding application partially successful - \$5K 	Complete
	<ul style="list-style-type: none"> Funding commitment from Ministry of Culture & Heritage 	<ul style="list-style-type: none"> Ministry of Culture and Heritage Regional Culture and Heritage Fund will not reopen. 	Not complete

2. To be a highly valued visitor destination, educational provider and venue for cultural and community connection

2.1 <ul style="list-style-type: none"> Implement a programme which attracts our diverse local communities 	2.1.1 <ul style="list-style-type: none"> Design and deliver a varied visitor experience including at least three short-term exhibitions 	<ul style="list-style-type: none"> Morimoritia Ngā Taonga Tuku Iho Treasured: Objects of Mana and Significance 6 April – 9 July 2023 Code Breakers: Women in Games 11 Aug – 12 Nov Te Ara o Hine Rēhia: A Journey into the world of Kapa Haka 8 Sep – 12 Nov Thank you from Ukraine 25 Aug – 1 Oct It Started with a Stitch Community display with Nelson Embroiderers Guild 16 – 23 Oct Te Hītori Aotūroa: Learning from Nature curated by NPM, 6 Sep/23 – 5 May 24 Animal Antics: Comedy Wildlife Photography Awards 15 Dec/23 – 5 May 24 	Complete
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		<ul style="list-style-type: none"> Te Tuhi o Te Whenua: Pakohe Unearthed opened 22 June 	
	<p>2.1.2</p> <ul style="list-style-type: none"> Implement at least one new accessibility improvement 	<ul style="list-style-type: none"> Hapai Card scheme. Accessible business directory, explaining the type of access available to visitors. 	Complete
	<p>2.1.3</p> <ul style="list-style-type: none"> Refresh one manawhenua iwi case in the Museum's Regional Gallery 	<ul style="list-style-type: none"> The content for the Ngāti Kuia case refreshment completed by 30 June, however installation has been delayed until October to coincide the 'Te Tuhi o Te Whenua: Pakohe Unearthed' poroporoaki and the ability of whānau from around the country to attend. Ngāti Kuia partnership on 'Te Tuhi o Te Whenua: Pakohe Unearthed' complete Consultation in progress with Te Ātiawa about refreshing their iwi case 	Partially complete
2.2 Consolidate and attain visitation targets	<p>2.2.1</p> <ul style="list-style-type: none"> Achieve target visitation of 54,000 across all venues (excluding education) 	<ul style="list-style-type: none"> 1 July 2023- 30 June 2024: 61,294 All sites excluding Education. 200+ visitors to programmes run by Kaitiaki Taonga but not officially recorded 	Complete
2.3 <ul style="list-style-type: none"> Achieve Ministry of Education visitation target 	<p>2.3.1</p> <ul style="list-style-type: none"> Achieve target of 5,500 education visits and outreach, including early childhood, primary, and secondary groups. 	<ul style="list-style-type: none"> 1 July 2023- 30 June 2024: 5,592 students 	Complete
2.4 <ul style="list-style-type: none"> Provide a high-quality customer service and visitor experience 	<p>2.4.1</p> <ul style="list-style-type: none"> Demonstrated by a minimum of two customer surveys with rating of at least 	<ul style="list-style-type: none"> Codebreakers survey: 87.7% Satisfaction Animal Antics Survey: 91% satisfaction 	Complete

	85% satisfaction		
<p>2.5</p> <ul style="list-style-type: none"> Provide a high-quality educational service 	<p>2.5.1</p> <ul style="list-style-type: none"> Teacher satisfaction demonstrated by an average of at least 90% over all teacher evaluations. 	<ul style="list-style-type: none"> 100% satisfaction rate maintained - 1 July 2023 - 30 June 2024 (Museum Teacher Satisfaction feedback forms) 	Complete
3. To actively support and collaborate with iwi and Nelson Tasman cultural heritage organisations			
<p>3.1</p> <ul style="list-style-type: none"> Providing advice, guidance, content, mentoring and support to iwi, smaller galleries, libraries, archives and museums within Nelson Tasman 	<p>3.1.1</p> <ul style="list-style-type: none"> Provide Museum support and assistance on request to Te Taihu district museums, iwi and cultural organisations 	<ul style="list-style-type: none"> Thirty hours of professional support in September to Mana Whenua ki Mohua Network coordination of local Galleries Libraries Archives Museums (GLAM) sector One day at Collecting History event, Hope Hall. Fifty hours Curatorial professional support provided since July 	Complete
	<p>3.1.2</p> <ul style="list-style-type: none"> Organise at least two regional museum hui 	<ul style="list-style-type: none"> Hosted local GLAM hui for Auckland Medical Museum Trust presentation, 10 attendees, 2 August Coordinated local GLAM lunch and tour of Melissa Banks Exhibition, seven attendees, 20 September. Regional Hui at Murchison Museum, 18 attendees from eight institutions across Te Taihu and West Coast, 27 October. Hosted Museums Aotearoa Roadshow for regional museum Directors and Managers. 16 Attendees from Marlborough to Golden Bay, 2 May. 	Complete

4. To continue to develop and provide appropriate care for a strong Collection which is relevant and accessible to, and valued by, Nelson Tasman communities			
4.1	4.1.1	<ul style="list-style-type: none"> • Kush Coffee memorabilia collected • Donation of painting by Robin Slow "E kore a Parawhenua mea e haere ki te kore, a Rakahore" • Hei Tiki by Tim Steel • Hei Toki by Johnathan Percy Stone Art 	Complete
4.2	4.2.1	<ul style="list-style-type: none"> • Topics launched Jan 2024. • Topics include old content from website and Collection Stories published in Nelson Mail. Ensures longevity and public access of research. • Eight Topics uploaded as of 30 June, 2024 	Complete
5. To improve our sustainability performance.			
5.1	5.1.1	<ul style="list-style-type: none"> • Transport for Collection Move estimated to produce over 20 tonnes of CO2. • Possibility of using NCC e-van to move collections currently on hold due to NCC fleet optimisation exercise. • E-van (Nissan e-NV200) estimated to reduce carbon emissions for collection move by 809,412 – 955,252gs. • Instituted Terracycle box to recycle nitrile and latex gloves, also recycling tetrapacs 	Complete
5.2	5.2.1	<ul style="list-style-type: none"> • Sustainable transport options included on NPM website and promoted via competition. • Question included in visitor survey: "How did you travel to the Museum today?" 	Complete

For the full summary of performance, see TBHT's Annual Report 2023/24.

The Suter Art Gallery Te Aratoi o Whakatū Trust (Suter Gallery)

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

Performance measures and the 2023/24 commentary is set out in the table below.

Operate a visual arts destination of national importance

Performance Measure	Actual 2024	Actual 2023
Visitor key performance indicators		
Provide a vibrant visual arts destination. Target: minimum 100,000 visits per annum. Visitor numbers	107,973	105,441
Customer satisfaction survey ratings indicate at least 85% satisfaction. Target: at least 85% satisfaction. <ul style="list-style-type: none"> Satisfaction survey results 	94%	92%
People key performance indicators		
The Suter provides a positive organisational culture; fostering a culture of staff excellence and well-being by maintaining good employer policies, procedures and practices.		
<ul style="list-style-type: none"> Staff members resigned 	2	1
<ul style="list-style-type: none"> Staff turnover 	24%	12%
Health & Safety key performance indicators		
The Suter provides a safe and healthy workplace.		
<ul style="list-style-type: none"> Staff hours lost to injury 	0	0
Iwi Engagement		
The Suter honours the kaupapa of the Memorandum of Understanding [MoU] with Ko Te Pouaranga. Ko Te Pouaranga have input in projects, events and guided the development of the iwi led exhibition Kanohi Kitea (the Seen Face) and related events.		
<ul style="list-style-type: none"> Ko Te Pouaranga hui held 	4	4

Visitor experience: exciting, informing and engaging our community through art experiences

Exhibitions key performance indicators		
The Suter provides a programme of regularly changing internally produced and externally sourced exhibitions. Target: 10 – 15 new exhibitions.		
<ul style="list-style-type: none"> New exhibitions mounted 	18	21

Education key performance indicators

Providing learning experiences for regional school students that support their NZ curriculum studies based on The Suter's programmes and resources.
Target: minimum 4,000 students attend programmes.

• Students attending programmes	5,700	5037
• Schools participating	38	40

Collection: Collect and preserve, record, communicate and display our artistic heritage

Collection key performance indicators

The Suter's Collection is developed in accordance with The Suter's Collection Policy. All acquisitions and de-accessions approved by the Trust comply with the Collection Policy and related procedures.

• Acquisitions accepted	37	7
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Connecting with our community: partnerships that grow The Suter and contribute to our community

Sustainability key performance indicators

The Suter has a proactive collaborative Partnership Plan that actively includes both commercial partners and philanthropic sponsors who provide additional funding and/or supply goods and/or services to achieve project and programme goals:

• Visitor services income (retail & Friends of the Suter income)	\$325,643	\$367,215
• Fundraising and Sponsorship Income	\$102,689	\$153,357
• Donations Income	\$25,726	\$27,913

FINANCIAL PERFORMANCE – THE SUTER ART GALLERY TE ARATOI O WHAKATŪ TRUST

The Suter Art Gallery Aratoi o Whakatū Trust
Statement of Comprehensive Revenue & Expense
For The Year Ended 30 June 2024

Note	Actual 2024 \$	Budget 2024 \$	Actual 2023 \$
Revenue			
	Revenue from non-exchange transactions	1,046,837	1,014,980
4		1,095,723	
	Revenue from exchange transactions	428,659	479,141
5		426,313	
	1,475,496	1,522,036	1,494,121
Expenditure			
	Personnel Costs	715,352	650,710
6		687,279	
	Retail & Marketing	77,634	78,378
	Exhibitions	100,117	156,818
	Governance	72,668	70,617
	Building & Facilities	225,417	232,680
	Depreciation	437,916	439,549
	Other	209,517	177,488
7		186,205	
	Total Operating Expenditure	1,838,621	1,806,240
	Subtotal Operating Surplus/(Deficit)	(363,125)	(312,119)
	Revenue from Unrealised Market Adjustments	163,769	106,761
	Operating Surplus/(Deficit)	(199,356)	(205,358)

Statement of Changes in Net Assets/Equity
For The Year Ended 30 June 2024

	Actual 2024 \$	Budget 2024 \$	Actual 2023 \$
Opening Equity	20,206,358	20,206,358	20,411,716
Surplus/(Deficit) for the period	(199,356)	(255,508)	(205,358)
Closing Equity	20,007,002	19,950,850	20,206,358

For the full summary of performance, see The Suter Art Gallery Te Aratoi o Whakatū Trust Annual Report 2023/24.

Statement of compliance and responsibility

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.



Deputy Mayor of Nelson City Council



Chief Executive

Audit Report

Independent Auditor's Report

To the readers of Nelson City Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Nelson City Council (the City 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 report on the information in the City Council's annual report that we are required to audit under 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 City 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 City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 122 to 125 and pages 133 to 208:
 - present fairly, in all material respects:
- the City Council and Group's financial position as at 30 June 2024;
- the results of the 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 funding impact statement on page 126, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's long-term plan;
- the statement of service provision on pages 17 to 112 and 209 to 211:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, 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.
- the statement about capital expenditure for each group of activities on pages 114 to 121, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council’s long-term plan; and
- the funding impact statement for each group of activities on pages 19 to 112, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council’s long-term plan.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 128 to 132, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council’s and Group’s audited information and, where applicable, the City Council’s long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this 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.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor 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 an audit 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 City Council's annual plan and 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 City Council and 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 determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- 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 obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance 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.

Our responsibilities 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 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.

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 City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners*, issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out other audit and assurance engagements for the City Council and subsidiary companies. These audit and assurance engagements, as disclosed in note 7 on page 151, are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in, the City Council or its subsidiaries and controlled entities.



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Contact us

Whakapā mai

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03 546 0200

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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

Council meetings are advertised in Our Nelson. Members of the public are welcome to attend meetings of Council and its Standing and Special 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. Council meetings are also streamed live on Council's YouTube channel: youtube.com/user/NelsonCouncil

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). You need to book a time before the meeting by contacting a Council Governance Adviser on 546 0200.

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 a Council Governance Adviser on 546 0200.