



Nelson
City Council

Te Kaunihera o
Whakatū

Annual Plan

2022/23





Welcome

Contents

Mayor's foreword	3
About this Annual Plan	5
Your rates	6
Council's Vision, Priorities and Outcomes	7
• Climate change	8
• Infrastructure	9
• Environment	9
• City Centre development	10
• Housing affordability and intensification	10
• Maitai River Precinct	11
• Creating a sustainable transport culture	11
Partnerships with Māori and iwi	12
Changes from year two of the Long Term Plan 2021–31	13
Financial summary	17
Accounting information	21
Council controlled organisations	88
Annual Plan disclosure statement	89
Contact us	95

Mayor's foreword

Mayor's foreword

Kupu whakataki

Nāu te rourou, nāku te rourou, ka ora ai te iwi
With your basket and my basket, we will sustain everyone

Kia ora koutou

The past year has presented challenges, with the impacts of Covid-19 continuing to flow through the community affecting community health and wellbeing and the economy of the region. Like every other organisation, Nelson City Council has continued to adjust to these changing circumstances, while at the same time carrying on our day-to-day activities.

As we look to the next financial year, one change around the Annual Plan has been the decision not to carry out a consultation programme. This derives from the 2014 changes to the Local Government Act 2002 which mean that councils do not need to undertake consultation if the Annual Plan does not include significant or material differences from what was proposed for that year in their Long Term Plan. Time and resources that would have gone into a consultation process have been used to deliver projects and services to the community. This has been particularly helpful given disruptions from Covid-19.

The overall increase in rates that is required by Council for 2022/23 is the same as forecast for Year Two of the Long Term Plan, 5.4%. This increase is lower than the national inflation rate of 6.9% (as at March 2022).

Council continues its commitment to strengthening partnerships with iwi and Māori of Te Tau Ihu and providing opportunities for Māori involvement in Council decision-making processes in a meaningful way. Highlights for 2022/23 include the election of a new Māori Ward Councillor for Whakatū, new Māori representative appointments to Council committees, subcommittees, and business units,



and the upcoming adoption of Taonga Tuku Iho Strategy 2022-2032 (Heritage Strategy).

We will make use of Te Parikaranga communications platform for iwi and Council which was launched in 2022, and launch the Council staff Te Puāwaitanga Cultural Competency Framework.

As well as Matariki celebrations, there will be Te Wiki o Te Reo Māori (Māori Language Week) celebrations and Kapa Haka events in Whakatū as we lead up to Te Matatini National Kapa Haka Festival in 2025.

After declaring a Climate Emergency in 2019, climate change considerations are a critical part of our decision-making process from the word 'go'.

It's important we continue our work addressing this challenge and implementation of actions. In 2022/23 we will implement Te Mahere Mahi a te Āhuarangi Climate Action Plan and develop a strategic framework for climate change that sets the long term strategic direction for climate action in Nelson. We will also engage with the community on coastal hazards, undertake the

Mayor's foreword

lower Maitai River flood modelling, and develop an inventory for greenhouse gas emissions from the Nelson community.

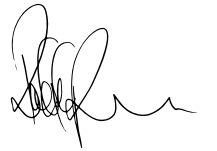
Council is encouraging the community to transition to more sustainable modes of transport - choosing active transport (including walking, cycling, skateboarding, riding scooters), and public transport more often for their journeys. This will support social and environmental wellbeing and reduce the City's greenhouse gas emissions. Activities include safety improvements, development of a parking strategy and a bus interchange in the city centre, in preparation for the launch of improved services in mid-2023.

This Annual Plan highlights the package of activities that will be undertaken by Nelson City Council in the coming year to deliver to our vision - Nelson - A Smart Little City - He Tāone Tōrire a Whakatū. There is a lot happening throughout the

year and updates will be provided through regular engagement and communication.

This Annual Plan sets out a busy but deliverable programme focussed on our Long Term Plan priorities. But ultimately, at the heart of all these projects are our people. A great city is made by great people, and Nelson has those by the bucketload. By focussing on our wellbeing, I am confident of a positive year ahead for Nelson Whakatū.

Ngā mihi nui



Rachel Reese

Mayor of Nelson: *Te Koromatua o Whakatū*



About this Annual Plan

About this Annual Plan

Council's major planning document for the current period is the Long Term Plan 2021–31. The Long Term Plan sets out Council's priorities and spending for ten years from 2021. Annual plans are produced for the years between long term plans, giving an opportunity to make necessary changes to projects and services, update budgets, and set the rates for that year.

This 2022/23 Annual Plan provides an update to year two of the Long Term Plan, highlighting the reasons for any changes to Council's work programme and the overall impact those changes will have on rates and debt.

In 2014, changes to the Local Government Act 2002 meant that councils no longer needed to consult if there were no significant or material changes from what was proposed for that year in their long term plan. This change in the Act means that the time and resources that would have gone into a consultation process can be used to deliver projects and services to the community, as outlined in the Long Term Plan.

At its meeting of 10 March 2022, Council determined that the variations from the Long Term Plan described in this 2022/23 Annual Plan were not material and did not require public consultation.



Layout of this Annual Plan

Following the introduction you will find:

- Information on rates for 2022/23.
- The vision and priorities that guide our work.
- Key projects planned for 2022/23 within each of Council's priority areas.
- The main variations to what was included in the Long Term Plan.
- Financial information and tables setting out planned expenditure for 2022/23.

You can find more information on Council's activities, services, and supporting policies in the Long Term Plan 2021–31. Copies of the Long Term Plan can be viewed at the Council Customer Service Centre at 110 Trafalgar Street, at any of our public libraries, or on our website nelson.govt.nz/long-term-plan-2021-2031

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



Your rates

What will my rates be?

The overall increase in rates that is required by Council for 2022/23, including an allowance for growth, is the same as forecast for year two of the Long Term Plan, 5.4%. This increase is lower than the national inflation rate of 6.9% (as at March 2022).

The percentage change in rates for individual properties differs from this overall increase figure. You can view examples of rates impacts for different land uses and values on pages 26–27 of this document.

The actual 2022/23 rates for each property are available on Council's website at nelson.govt.nz/rates-search.

Rating revaluation – what does it mean for me?

The three-yearly valuation of the City for rating purposes was undertaken in 2021. The new land values have been used as the basis for setting general rates from 1 July 2022.

The 2021 valuation found that:

- Over the last three years there has been a 40% lift in capital value in the Nelson residential market, and a 72% increase in residential land values, taking the average house worth to \$875,000 and average residential land value to \$508,000.
- Retail, office and industrial properties have seen lower increases in value than the residential property market, but business properties have seen significant gains.
- The major change drivers in the residential market are similar to what is happening in other centres.

The revaluation does not generate any additional revenue for the Council. Rather, the updated base means rates will be spread between ratepayers in different proportions than before. A change in the rateable land value of a property does not mean rates will change by a similar percentage.

If your land value has increased by more than the average for the City, you can expect your rates to have increased by more than the average. If your land value has decreased, this will usually mean your rates increase will be lower than the average, and in some instances your rates may have decreased.

Assistance available

You may qualify for financial help:

- Nelson City Council, on behalf of the Department of Internal Affairs, administers a rates rebate scheme. There is a base income level, however if your income is more than this you may still qualify, depending on the number of dependents you have and the total cost of your rates.
- If you are over 65, you may consider applying to postpone payment of your rates. Rates postponement allows eligible older ratepayers to defer their rates for the rest of their life, or until they sell their house. Rates owed are paid when the property is sold.

For more information about either of the above schemes, please visit nelson.govt.nz/postponements-and-rebates, or contact us – see Council's contact details on page 95.

Council's Vision, Priorities and Outcomes

Council's Vision, Priorities and Outcomes

He Whakakitenga, He Whakaarotau

Council's vision, priorities and community outcomes for Whakatū Nelson are set out in the Long Term Plan 2021–31, "Your Wellbeing, Nelson's Future – Oranga Tonutanga". The focus of Council for the ten years of the plan is community wellbeing, and this Annual Plan continues to deliver against that focus while viewing all work programmes through a climate change lens.

Vision

**He Tāone Tōrire a Whakatū
Nelson — A Smart Little City**



Mission

We shape an exceptional place to live, work and play

Community Outcomes

We shape an exceptional place to live, work and play



Council Priorities



Council's Vision, Priorities and Outcomes

Climate change Te panoni āhuarangi

The lens through which all work programmes are considered.

Responding to climate change is our biggest global challenge, and we have less than a decade to accelerate our emissions reductions to avoid the full effects of global warming. In Nelson, projected changes to our climate will impact our economy, infrastructure, natural environment, lifestyles, and future.

Acknowledging the need for urgent action, Council declared a climate emergency in May 2019. Council also adopted its Te Mahere Mahi a te Āhuarangi Climate Action Plan in 2021, a living document which sets out our commitments to address climate change over the next decade.

Our response prioritises working in partnership with iwi, central government, business, schools, community groups, households, and individuals to improve the resilience of the Nelson region. Responding to climate change is central to Te Taihū Intergenerational Strategy's vision of being good ancestors, as the greatest challenges will be faced by our tamariki (tetaihu.nz).

Projects planned for 2022/23 include:

- Implementation of Te Mahere Mahi a te Āhuarangi Climate Action Plan.
- Advancing development of a Climate Change Strategy, to set long term strategic direction for climate action in Nelson.
- Initiating community engagement on coastal hazards and lower Maitai River flooding.
- Development of an inventory for greenhouse gas emissions from the Nelson community.

Developments from central government:

In May 2022, central government finalised its emissions reduction plan and set national-level emissions budgets for 2022–2035, in response to the Climate Change Commission's recommendations. Other national-level policies expected in 2022/23 are:

- August 2022: the **National Adaptation Plan** will be finalised, which will respond to priority risks identified in the **National Climate Change Risk Assessment** (published in 2020).
- Later in 2022: the Government plans to introduce the proposed Natural and Built Environments Act and Strategic Planning Act, which will set outcomes, limits and targets in relation to climate change and provide for integrated land-use planning.
- 2023: the Government plans to introduce a Climate Adaptation Act into Parliament, which will provide tools for addressing climate change risks. Council is closely monitoring the development of national-level policies to ensure it is well positioned to respond and implement changes. Council is also taking opportunities to ensure its perspective is taken into account in the development of these policies, through making submissions.



Council's Vision, Priorities and Outcomes



Infrastructure Te tūāpapa

Infrastructure is about people – our lives, health and wellbeing ultimately depend on it.

Infrastructure is critical to the wellbeing of the City, the Nelson region, its residents, and visitors. Continuing our significant levels of investment in Nelson's core infrastructure is of fundamental importance to Council. Despite being largely unseen, our infrastructure provides the foundation for our City to develop, grow, thrive, and meet central government requirements.

Projects planned for 2022/23 include:

- Renewing numerous watermains including Arapiki Street and part of Rutherford Street.
- Renewing wastewater pipes in Wolfe Street, Rutherford Street, and Collingwood Street.
- Completion of the Awatea Place Wastewater Pump Station.
- Completing Stage 4 of the Saxton Creek Upgrade and therefore completing the entire upgrade of Saxton Creek.
- Starting the Rutherford Street Stormwater Upgrade, with completion planned for 2023.
- Continuing to engage with the **Three Waters Reform** process.

(See page 11 for Transport projects).

Environment Te taiao

Nelson's stunning natural environment is treasured by residents and visitors alike – it is part of what makes Nelson an extraordinary place.

A healthy environment is essential to our health and wellbeing and we all have a duty to care for it. The challenge of climate change has made this work all the more important.

Projects planned for 2022/23 include:

- Delivering Jobs for Nature projects.
- Developing a regional ungulate control strategy (goats, deer etc).
- Implementing online State of the Environment reporting.
- Initiating a pilot project for the restoration of salt marsh – and supporting other blue carbon projects.
- Implementing the National Policy Statement on Freshwater Management through a collaborative project with iwi and Te Taihū (Top of the South) councils.
- Engaging with the community on coastal hazard risk management.
- Continuing to implement ecological restoration plans for Council landscape, conservation, and esplanade reserves.



Council's Vision, Priorities and Outcomes

City Centre development Te whakahou tāone

The activation and revitalisation of our City Centre is focussed around Six Key Moves that Council has developed to address the significant transformative opportunities in Nelson City:

- Destination Nelson
- Walkable Nelson
- Blue-Green Heart
- Smart Development
- Liveable Centre
- Clever Business.

That transformation will be guided by Te Ara ō Whakatū – Nelson's City Centre Spatial Plan, to define the changes needed to make sure that our City Centre meets everyone's needs, now and in the future. The plan is a people-focused, place based vision for the City Centre that attracts investment, residents, talent, thriving business, families, and events – the foundations of A Smart Little City.

Projects planned for 2022/23 include:

- Implementing the Te Ara ō Whakatū City Centre Spatial Plan adopted in December 2021, including:
 - » Bridge Street Linear Park design.
 - » Investigations for a City Centre play space.
 - » Pilot project promoting materials and furnishings from the City Centre Streetscape Standards.
 - » Streets for People tactical project trials.

Housing affordability and intensification

Te āhei o te utu ā-whare me te whakapiki

Housing is one of the most basic needs for people, and stable housing is linked to positive economic, educational, and social outcomes for individuals and communities. The lack of affordable housing is one of the most significant challenges facing the Nelson region. Council will continue to work with others, including central government, the private sector, and community groups, to address the housing crisis.

Projects planned for 2022/23 include:

- Developing a Housing Plan Change to the Nelson Resource Management Plan, to enable intensification and introduce greater housing choice in urban zones.
- Producing a joint Nelson Tasman Future Development Strategy, to identify development capacity for up to 26,000 new homes and land for businesses over the next 30 years.
- Phase One of Council's Housing Reserve saw \$1.85 million in grant funding approved in 2021/22, to support the development of 19 new affordable homes in Tāhunanui and Stoke. A second funding round is expected in 2022/23.
- In 2021/22, Council approved in principle the sale of 69-101 Achilles Avenue and/or 42 Rutherford Street to Kāinga Ora for social and affordable housing development, subject to more detailed negotiations. Kāinga Ora, Council, and partners will work to advance this project in 2022/23.



Council's Vision, Priorities and Outcomes

Maitai River Precinct Te awa o Mahitahi

Key to establishing Nelson as a dynamic destination, a Smart Little City should grow into the future with a series of legible precincts that link our mountains to the sea and Maitai River. Council is investigating opportunities to develop the Maitai River Precinct with new spaces for people to enjoy, particularly through the creation of a multi-use development with a library at its heart. Council's vision for the site is to link the river to the heart of Nelson City, and for the adjacent land to be a focal point for the community.

Developments in the Maitai River and Haven precincts form links in a chain of exciting projects, led by Council and private developers, that will enhance the City to sea connection.

Projects planned for 2022/23 include:

- Work to advance a multi-use development with a library at its heart, on the corner of Halifax and Trafalgar Streets, will continue to progress in 2022/23. The first phase will be a community awareness campaign, discussing the context of the development and how investment in this space will enrich our people and our city.

The next phase of the project will be an extensive two month community engagement process. Council will seek input from a cross section of the Nelson community on the priority opportunities and experiences the multi-use development and library should deliver. These will be used in developing the design brief for the concept design phase, which will commence during 2022/23.

- New opportunities for The Anchor Building (258 Wakefield Quay), as Council looks to secure a new owner or tenant for this heritage building in the Haven Precinct. Council is open to any potential use of the building that aligns with its vision of connecting and enhancing the Precinct.
- Further development of the Nelson Science and Technology Precinct:

The Precinct has two parts: a scientific research laboratory, being developed by The Cawthron Institute, and the office park by Port Nelson Ltd,

targeted to the science and technology sectors. This nationally significant development is supported by Council's \$5.5 million funding commitment in the Long Term Plan, plus \$450,000 additional funds approved to complete stormwater work. The Precinct will be a hub for technology and science-led companies, with capacity to house 1,000 knowledge workers. Design for the first building in the park is anticipated to be completed by mid-2023, and construction to be completed in early 2025.

Work on upgrading and relocating the main stormwater system that passes down Haven Road, across the site and across SH6 is complete. This work was undertaken by Council.

Creating a sustainable transport culture Te hanga i tētahi ahurea ikiiki toitū

Council is encouraging the community to transition to more sustainable modes of transport – choosing active transport (including walking, cycling, skateboarding, riding scooters), and public transport more often for their journeys. This will support social and environmental wellbeing and reduce the City's greenhouse gas emissions.

Projects planned for 2022/23 include:

- Initiating safety improvements at Toi Toi Street roundabout and the Toi Toi Street/Vanguard Street intersection.
- Developing an implementation programme for the Parking Strategy.
- Developing a bus interchange in the City Centre, in preparation for the launch of improved services in mid-2023.
- Planning for a future signalised intersection at Franklyn Street/Waimea Road.
- Pending a national legislative change in 2022/23, Council intends to complete consultation on a Speed Management Plan and begin its implementation.

Partnerships with Māori and iwi

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

Build genuine partnerships with all eight Te Tau Ihu 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

Actions planned for 2022/23 include:

- The election of a new Māori Ward Councillor for Whakatū.
- New Māori representative appointments to Council committees, subcommittees.
- Adoption of Taonga Tuku Iho Strategy 2022/32 (Heritage Strategy) for all of the community.
- Use of Te Parikaranga communications platform for iwi and Council, launched earlier in 2022.
- Launch of Te Puāwaitanga Cultural Competency Framework for Council staff.
- Matariki celebrations.
- Te Wiki o Te Reo Māori (Māori Language Week) celebrations.
- Kapa haka events in Whakatū: Te Huinga Whetū – Regional Primary Schools competition, and Tāmaki Makaurau – Senior Regionals.



Changes from year two of the Long Term Plan 2021–31

Changes from year two of the Long Term Plan 2021–31

The Long Term Plan 2021–31 sets out a busy but deliverable programme focused on our priorities.

Changes to capital projects consist largely of movements of funds within the next few years to allow for efficient work programmes – there is no impact on the levels of service provided. There have also been some changes to operational budgets – notable changes are due to the Whakamahere Whakatū Nelson Plan being put on hold, and changes in the timing of forestry harvesting.

The main changes to planned projects and budgets for 2022/23 are:

Infrastructure – Te Tūāpapa

- Approximately \$5.1 million of upgrade works within Washington Valley, including the renewal/upgrade of wastewater, stormwater, water and roading infrastructure has been carried over one year due to the need to prioritise the connection of the new stormwater pipeline in Hastings Street to the existing culvert on St Vincent Street. \$3.8 million has been carried over from 2021/22 into 2022/23 to complete Stage 1 of the project.



Transport – Te Ikiiki



- \$448,000 is being brought forward to progress the City Centre bus interchange, in preparation for the new bus service in 2023.
- \$100,000 is being brought forward to design and upgrade the Toi Toi Street/Vanguard Street intersection to improve safety for road users and pedestrians. In addition, \$80,000 is being brought forward to improve safety at the St Vincent Street roundabout.
- \$725,000 has been carried over to 2023/24 for the Railway Reserve Lighting project. \$50,000 is allocated for work in 2022/23. A security study to determine the best location for lighting, and the design and consenting processes will get underway.
- \$733,000 for active transport corridors in Washington Valley and the hospital area has been carried over to 2023/24, to align with the Washington Valley utility upgrade and planning alongside the hospital redevelopment.
- \$814,000 has been carried over from 2021/22 into 2022/23 for sealed road resurfacing, as there were limitations by the contractor on the amount of work that could be achieved in 2021/22. \$2.2 million total budget in 2022/23 and \$1.4 million in 2023/24 will be spent under a new road maintenance contract.

Changes from year two of the Long Term Plan 2021–31

Water Supply – Te Ratonga Wai

- The water pipeline renewals programme budget has been adjusted down by \$500,000 to reflect budget increase for Arapiki Street watermain renewal.
- An additional \$849,000 is being included for the watermain renewal on Rutherford Street.
- As a result of the rephasing of the Washington Valley Upgrade, \$103,000 of Stage 1 budget has been carried over from 2021/22 and \$1.24 million of the Stage 2 budget for the renewal of the watermain has been carried into 2023/24, resulting in a budget of \$153,000 in 2022/23.
- \$275,000 has been carried over from 2021/22 to support projects associated with the proposed new water trunk main and reservoirs in Atawhai.

Wastewater – Te Para Wai

- The wastewater pipeline renewals programme budget has been adjusted down by \$1.3 million to reflect budgets increasing on specific projects in 2022/23, including renewals within Collingwood Street (\$770,000 increase), Rutherford Street (\$100,000 increase) and Wolfe Street (\$800,000 increase).
- Due to the rephasing of Stage 1 and 2 of the Washington Valley Upgrade, the 2022/23 budget for the renewal of the wastewater pipelines has been reduced from \$1.6 million to \$1.4 million, with \$1.3 million of Stage 1 Budget having been carried over from 2021/22 and \$1.5 million of Stage 2 budget carried over to 2023/24.
- A further \$198,000 has been brought forward to support projects associated with the Atawhai Rising Main renewal programme and pump station renewals.
- The Awatea Place pump station project had good progress in the early part of 2021/22 and so \$3.2 million was brought forward. Some delays in the latter half of 2021/22 caused a carry over into 2022/23 of \$2.2 million for the construction phase. Total budget for 2022/23 is \$3.7 million.

Stormwater – Te Wai Āwhā

- An additional \$1.19 million is being included for Stage 1 of the Rutherford Street stormwater upgrade.
- \$1.5 million has been carried over from 2021/22 to be added for completion of Stage 1 of the Wastney Terrace Stormwater Upgrade. Due to delays at the resource consent stage, construction did not commence until the last quarter of 2021/22.
- \$2.3 million has been carried over from 2021/22 for the completion of Stage 1 of the Washington Valley Upgrade. \$2.2 million of budget for Stage 2 of the Upgrade has been carried over to 2023/24, to enable the stormwater connection from Hastings Street to St Vincent Street to be completed first, and will be staged over two years.

The culvert on St Vincent Street and Haven Road is due to be renewed between 2025 and 2027. During the design of the Washington Valley Stormwater upgrade, it was identified that the condition of the St Vincent Street culvert requires a localised upgrade to ensure the new stormwater pipe on Hastings Street (Stage 1) can be successfully connected to this culvert. Prior to Stage 2 of the Washington Valley Upgrade commencing, the connection from Hastings Street to St Vincent Street is to be prioritised in 2022/23 with approximately \$1.85 million brought forward. The timing of the full renewal of the St Vincent Street and Haven Road Culvert will be reviewed in a subsequent Annual Plan/Long Term Plan.

Changes from year two of the Long Term Plan 2021–31

Environment – Te Taiao

- The budget for Streets for People City Centre projects has reduced from \$1.55 million to \$800,000 in 2022/23, for design, engagement and implementation of smaller projects. \$1.9 million from 2021/22 and 2022/23 has been carried over to 2023/24, to enable all the required project management steps to be completed prior to construction of projects.
- The Whakamahere Whakatū Nelson Plan was put on hold by Council resolution in November 2021, pending changes to the Resource Management Act. This has resulted in a reduction of \$3.1 million operational expenditure in 2022/23, \$3 million of which was loan funded.

Social – Te Pāpori

- The business case for the remediation of Stoke Hall is underway, and the budget of \$2 million for 2022/23 has been carried over to 2023/24.
- \$1.6 million has been allocated to action infrastructure improvements at the Maitai Campground. \$515,000 has been carried over into 2023/24 to continue the project.
- \$3.4 million was budgeted in the Long Term Plan for the library precinct development work in 2022/23. \$2.2 million has now been carried over to 2025/26 due to rephasing of the project. \$1.2 million remains for 2022/23.
- \$1.3 million for the purchase of land to increase cemetery capacity has been carried over to 2023/24, to align with the Joint Regional Cemetery Project Implementation Plan. A final decision on proceeding with a regional cemetery will be made by Nelson City and Tasman District councils, following the endorsement of a business case by the Joint Regional Cemetery Working Group.

- \$122,000 has been brought forward for the Montgomery Square toilet upgrade. The project includes Council funding from 2024/25 and 2025/26 and a grant of \$460,000 from the Ministry of Business, Innovation and Employment. The majority of the construction is expected to occur in 2023/24.
- Following detailed design, \$1.3 million has been provisionally included for earthquake strengthening of the Refinery Building (pending a decision by Council on its future use), including \$513,000 carried over from 2021/22.
- \$265,000 operational expenditure has been carried over to support delivery of Opera in the Park in 2022/23.

Parks and Active Recreation – Ngā papa rēhia me ngā mahi rēhia

- \$2.1 million budget for renewal of the Wakefield Quay sea wall in 2022/23 has been carried over into 2024/25, as the project has been deferred following further advice from engineering consultants. The additional time will also allow the project to incorporate any developments arising from Waka Kotahi/NZ Transport Agency's Nelson Future Access programme.

Economic – Te Ohaoha

- The uniform annual general charge (UAGC) has been reduced by 2% in response to increases in three waters fixed charges. Find out more on page 29.

Changes from year two of the Long Term Plan 2021–31

Corporate – Te Rangapū



- \$1.5 million has been included for Civic House ceiling tiles remediation work – \$900,000 carried over from 2021/22 and transferred from refurbishment and roof renewal budgets, and \$600,000 additional funding. This is necessary for safety as the old tiles pose a risk in the event of an earthquake. Investigation is underway to determine the most cost-effective way of resolving this safety issue.
- Civic House Refurbishment: The pandemic has changed how Council operates, and new ways of working are under consideration. Work is underway to confirm scope requirements, options and costings for the refurbishment of Civic House. \$2 million of funds budgeted in the Long Term Plan have been carried over to 2023/24, and \$517,000 transferred to the ceiling tiles project.
- Budget has been carried over from 2021/22 for Civic House roof renewal, giving a total of \$700,000 in 2022/23.
- The budget for Millers Acre remedial work has increased to \$885,000 for 2022/23. \$625,000 additional funds were approved by Council to enable the recladding project to progress. \$260,000 was carried over from 2021/22.
- Changes in the timing of forestry harvesting saw some work brought forward into the 2021/22 year. This has led to a decrease in planned income of \$2.1 million, and a decrease in operational expenditure of \$1.8 million for 2022/23. This has no rates impact.
- In the Long Term Plan, Council planned to recruit an additional 13.3 FTE (full time equivalent) staff in 2022/23. Due to wage inflation, 5.3 FTE of this will not be recruited. Overall 2022/23 Personnel are 1.27% (\$359,000) above the Long Term Plan figure, at \$28.6 million.

COVID inflation allowance

COVID-19 resulted in increased costs, posing challenges to the successful delivery of Council's capital works programme throughout 2021/22, including:

- Month-on-month cost increases for supply of materials and equipment.
- Supply chain delays and shortages, which incur costs.
- Increasing freight costs.
- A tight labour market – staff shortages and high mobility are making recruitment a challenge.
- Alert/Traffic Light levels adding to complexity and uncertainty, which flow on to pricing for services.

In order to assist Council to respond to market challenges quickly and deliver its work programme in 2022/23 and years to come, a \$1.8 million COVID inflation allowance has been included in this Annual Plan (in addition to the \$1 million allocated to 2021/22), which sits within the Corporate activity. The allowance:

- Can be called upon to supplement potential project cost 'overs' arising from the ever increasing costs described above.
- Will complement the already successful streamlined procurement process.
- Will allow Council to award tenders more quickly, and help us stay ahead of a very fast-moving, uncertain and volatile market.

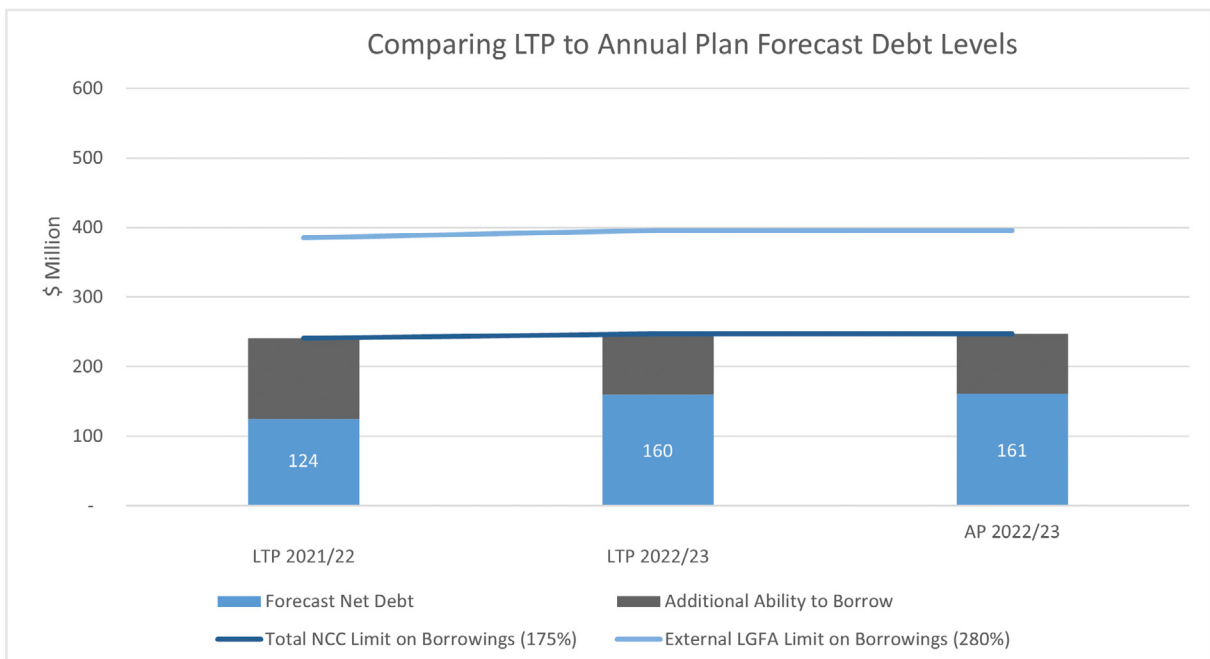
Further disruptions to the global and national economy have been seen since the figure of \$1.8 million was calculated in March 2022. Costs for materials have increased even further, and labour shortages in construction remains an extremely volatile issue, not likely to ease in the short to medium term. This is likely to result in pressure on this budget. Any requests for further funding will be brought to full Council.

Financial summary

Forecast capital expenditure is expected to be \$69.4 million (excluding vested assets, staff costs, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit), which is \$5.4 million more than planned for 2022/2023 in the Long Term Plan. Net debt is forecast to be \$161 million, \$1.1 million higher than \$159.9 million proposed in the Long Term Plan. The debt/revenue ratio has moved slightly to 114%, compared with 113% proposed.

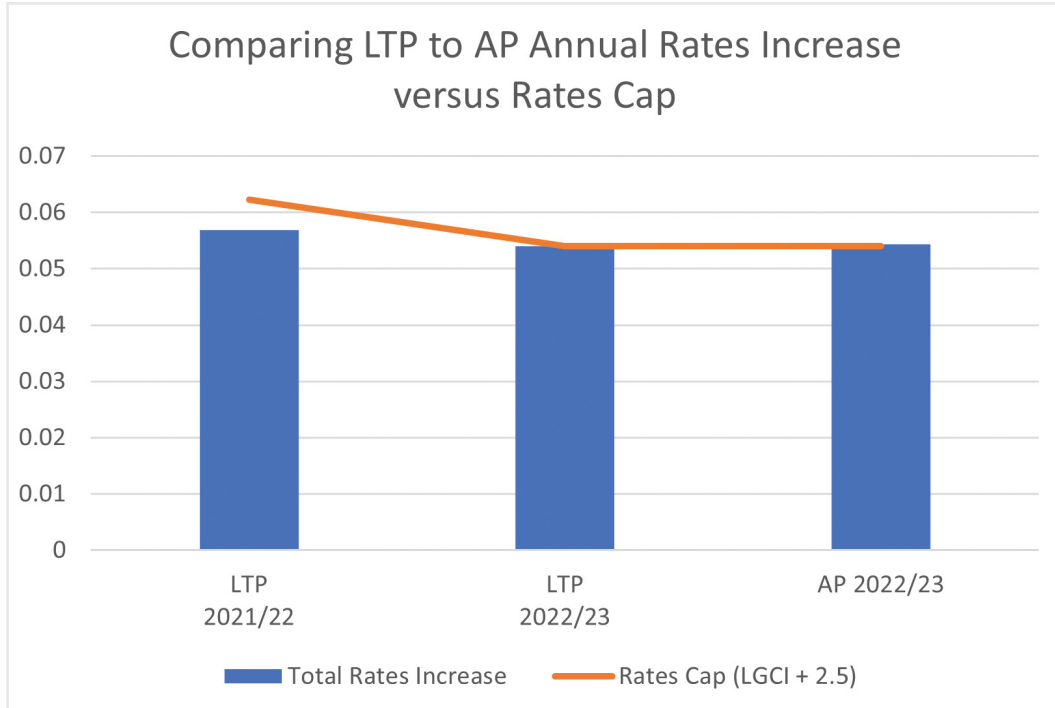
The Long Term Plan 2021–31 set out a busy but deliverable programme focused on our priorities. Changes to capital projects consist largely of movements of funds within the next few years to allow for efficient work programmes – there is no impact on the levels of service provided. Further details of the changes can be viewed on pages 13 – 16 of this Annual Plan document.

Total net debt



Financial summary

Total rates increase



Where the money will be spent

Capital works programme and operating costs

Capital expenditure is generally expenditure on assets that are expected to last more than one year. An increase in capital expenditure of \$1 million would normally increase rates by between \$100,000 and \$250,000 per annum. This covers interest, depreciation, maintenance and running costs for the asset. The reason for the range of increased costs is that depreciation and running costs vary between different assets, for example library books wear out much faster than pipes in the ground, which can last for over 80 years before they need to be replaced.

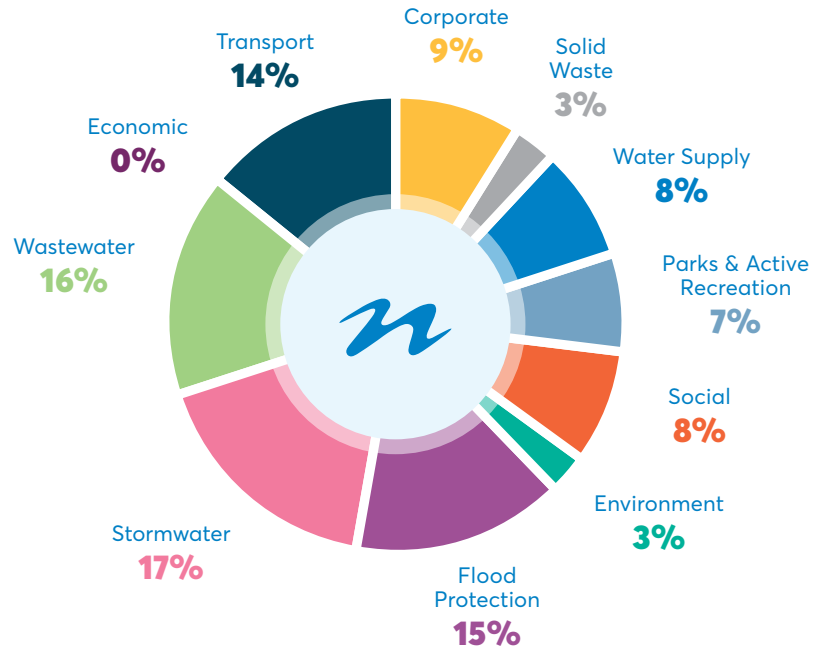
Operating costs include expenditure for items such as staff costs and overheads, asset maintenance, running costs and depreciation, interest on borrowings, and grants made by Council. An increase of \$100,000 in operating costs would normally increase rates by 0.14%, or to put it another way, 1% of rates is \$736,000. So, by considering the impact of increasing or decreasing Council expenditure you can estimate what effect any changes to our work programme will have on rates.

See graphs on the following page.

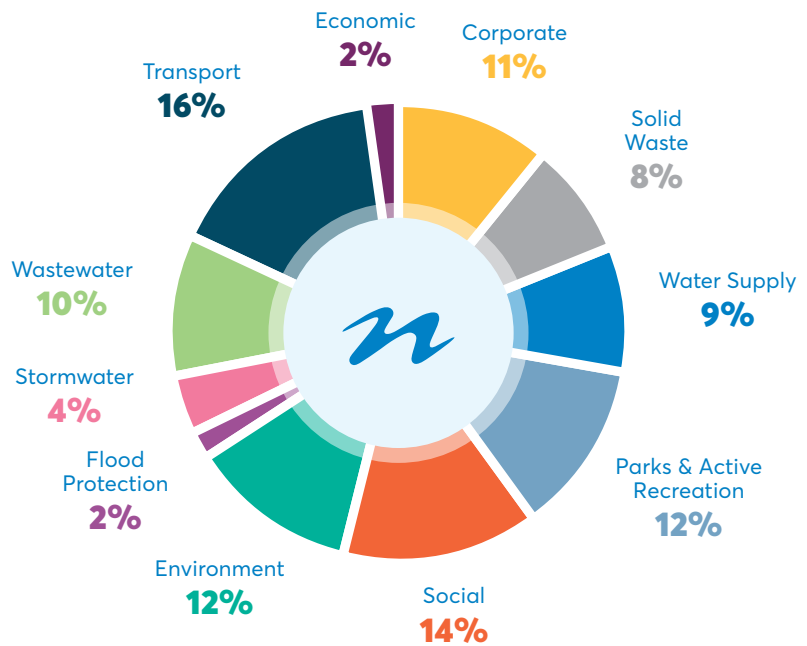
Financial summary

Where the money will be spent

Capital Expenditure



Operating Expenditure





Accounting information

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How we plan to fund the 2022/23 work programme	22
What has changed?	23
What will my new rates be?	23
Funding impact statement	24
Trade waste charges	34
Funding impact statements and reconciliation – by activity	36
Accounting policies	58
Financials	70
Statement of comprehensive revenue and expense	71
Statement of changes in net assets/equity	72
Statement of financial position	72
Cash flow statement	74
Summary of capital expenditure over \$100,000	76
Financial reserves estimates	87
Council controlled organisations	88
Annual Plan disclosure statement	89

How we plan to fund the 2022/23 work programme

How we plan to fund the 2022/23 work programme

This section of the Annual Plan outlines Nelson City Council's Financial Strategy for the next year.

Council must, under the Local Government Act 2002, manage its assets, expenses, revenues, investments, liabilities and general financial dealings prudently. It must manage these in a manner that sustainably promotes the community's current and future interests.

Keeping within the limits set out in our Financial Strategy

A key priority for Council is to keep within the rating and debt limits that were set as part of the Long Term Plan 2021–31. This means that Council will:

- Keep the overall rates increases to the Local Government Cost Index (LGCI) + 2.5% across the Long Term Plan (previously LGCI + 2%).
- Manage Council's work programme to remain comfortably within a debt to revenue ratio of 175%.

The following table summarises the Annual Plan 2022/23 values against those in the Long Term Plan.

Benchmark	Limit	Planned	Met
Rates affordability benchmark – increases	5.4%	5.4%	Yes
Debt affordability benchmark	<175%	114%	Yes
Balanced budget benchmark	>100%	98%	No
Essential services benchmark	>100%	206%	Yes
Debt servicing benchmark	<10%	3.5%	Yes

Council does not meet the balanced budget benchmark. This flows out of the 2021–31 Long Term Plan Financial Strategy, where it was acknowledged that COVID-19 has had a significant impact on Council's finances. It was resolved to have an unbalanced budget (projected operation expenditure exceeding projected operating income) for years one, two and three of the Long Term Plan, to maintain services and integrity of assets. This shortfall will be funded using Council's balance sheet (debt).

Total operating expenditure is forecast to be \$144.4 million compared to \$144.5 million in the Long Term Plan for 2022/23. Council revenues have also been examined, and total revenue for the year has decreased from \$151.4 million in the Long Term Plan for 2022/23, to \$151.3 million.

Capital expenditure is proposed to be \$69.4 million in 2022/23 (excluding vested assets, staff costs, Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit), which is significantly higher than the Long Term Plan forecast of \$64 million. The programme takes advantage of government subsidies and includes projects from 2021/22 that were deferred due to the COVID-19 lockdown and other factors. Notwithstanding challenging inflation levels the debt impact has been mitigated, and there is no impact on the levels of service provided. Changes to capital projects consist largely of movements of funds within the next few years to allow for efficient work programmes. Further details of the changes can be viewed on pages 13 – 16 of this document.

Commercial differential

The commercial differential recognises the additional Council services that businesses receive, such as extra rubbish collection, street sweeping, and events to attract visitors.

The percentage collected has been decreased by 0.5% per annum for the last four years to reduce the burden on the commercial sector. The Long Term Plan states that Council will continue to reduce the proportion of rates collected from commercial properties by 0.5% per year (to be reviewed annually) for the first three years of the 2021–31 Long Term Plan. A reduction in the commercial differential changes the distribution of the rates, but not the overall average.

How we plan to fund the 2022/23 work programme

What has changed?

	Annual Plan 2021/22 (\$000)	Long Term Plan 2022/23 (\$000)	Final Annual Plan 2022/23 (\$000)	Difference to Long Term Plan 2022/23 (\$000)
Total income	142,211	151,381	151,286	(95)
Total operating expenditure	139,813	144,470	144,374	(96)
Total capital expenditure*	64,065	64,049	69,394	5,329

*Capital Expenditure excludes vested assets, capital staff costs and Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit.

What will my new rates be?

The overall increase in rates for 2022/23, adjusting for 0.6% growth in the number of rating units, is set at 5.4%. For further information on how Council sets its rates and charges, please refer to the funding impact statement section below. The three-yearly valuation of the City for rating purposes was undertaken in September 2021. The new land values have been used as the basis for setting general rates from 1 July 2022.

The revaluation does not generate any additional revenue for Council. Rather, the updated base means rates will be spread between ratepayers in different proportions than before. If your land value has increased by more than the average for the city, you can expect your rates to increase by more than the average. If your land value has decreased this will usually mean your rates will be lower than the average, and in some instances may decrease.



Funding impact statement

How much will my rates cost?

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

- General rate, which includes the uniform annual general charge (UAGC).
- Stormwater and flood protection charge.
- Wastewater charge or commercial wastewater charge for sewage disposal.
- Water annual charge.
- Water volumetric rate.

If part of the relevant scheme:

- Postponement application charge.
- Postponement interest.

Differentials

Some rates are set on a differential basis, which means that different categories of property (for example commercial, rural or multi-unit properties) pay a different rate in the dollar. This adjustment up or down can be for various reasons, for example whether more or less Council services are provided.

Rates and charges

The 'funding impact statement' sets out the rates and charges that are planned for the 2022/23 financial year. Unless otherwise stated, rates and charges are shown including GST.

Rating units

The projected number of rating units within Nelson at 30 June 2022 is 22,884.

The projected total capital value of rating units within Nelson at 30 June 2022 is \$22,921,058,450.

The projected total land value of rating units within Nelson at 30 June 2022 is \$12,559,285,879.

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

Definition

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

Funding impact statement

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

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

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

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

Examples of rates for 2022/23

To further clarify the rates changes from 2021/22 to those for the 2022/23 rating year, a selection of properties has been shown to provide a guide.

The following table (see pages 26 and 27) is GST inclusive.

The actual 2022/23 rates for each property are available on Council's website at nelson.govt.nz/rates-search



Funding impact statement

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

Property Type	2018 Land value	2021 Land value	% Land movement	2021/22 rates
Residential	\$147,000	\$265,000	80%	\$2,351
	\$160,000	\$520,000	225%	\$2,425
	\$175,000	\$305,000	74%	\$2,510
	\$220,000	\$380,000	73%	\$2,764
	\$275,000	\$590,000	115%	\$3,075
	\$315,000	\$540,000	71%	\$3,302
	\$370,000	\$670,000	81%	\$3,613
	\$400,000	\$560,000	40%	\$3,783
	\$435,000	\$670,000	54%	\$3,981
	\$495,000	\$870,000	76%	\$4,320
	\$650,000	\$1,200,000	85%	\$5,197
Multi residential (two flats – two UAGC and wastewater charges)	\$320,000	\$510,000	59%	\$4,646
	\$1,100,000	\$1,550,000	41%	\$9,297
Empty residential section (water annual charge included if water meter is installed)	\$113,000	\$200,000	77%	\$1,453
	\$295,000	\$470,000	59%	\$2,686
	\$560,000	\$860,000	54%	\$4,186
Small holding (water annual charge included if water meter installed)	\$370,000	\$550,000	49%	\$2,698
	\$520,000	\$700,000	35%	\$3,665
Rural (water annual charge included if water meter installed)	\$920,000	\$1,380,000	50%	\$3,813
	\$2,140,000	\$2,230,000	4%	\$8,503
Commercial – outside inner city / Stoke – one unit	\$475,000	\$600,000	26%	\$8,502
Commercial – outside inner city / Stoke – one units	\$530,000	\$630,000	19%	\$9,354
Commercial – outside inner city / Stoke – three units	\$205,000	\$260,000	27%	\$4,873
Commercial – Stoke – one unit	\$44,000	\$53,000	20%	\$1,642
Commercial – inner city – two units	\$365,000	\$385,000	5%	\$7,756
Commercial – inner city – two units	\$415,000	\$435,000	5%	\$8,586
Commercial – inner city – one unit	\$1,450,000	\$1,530,000	6%	\$25,211

This table does not include water charges based on consumption. For occupied residential properties, this is charged at \$2.295 per cubic metre and an average usage of 160 m³ costing \$367.20 (GST incl).

Funding impact statement

2022/23 Rates								
General rate	UAGC @ 11%	Stormwater/ flood protection	Waste-water	Water annual charge	Total rates	% increase on 2021/22	\$ increase on 2021/22	
\$910	\$376	\$454	\$565	\$221	\$2,525	7.42%	\$174	
\$1,785	\$376	\$454	\$565	\$221	\$3,401	40.25%	\$976	
\$1,047	\$376	\$454	\$565	\$221	\$2,663	6.11%	\$153	
\$1,304	\$376	\$454	\$565	\$221	\$2,920	5.64%	\$156	
\$2,025	\$376	\$454	\$565	\$221	\$3,641	18.39%	\$566	
\$1,853	\$376	\$454	\$565	\$221	\$3,469	5.08%	\$168	
\$2,300	\$376	\$454	\$565	\$221	\$3,916	8.38%	\$303	
\$1,922	\$376	\$454	\$565	\$221	\$3,538	-6.47%	-\$245	
\$2,300	\$376	\$454	\$565	\$221	\$3,916	-1.64%	-\$65	
\$2,986	\$376	\$454	\$565	\$221	\$4,602	6.52%	\$282	
\$4,119	\$376	\$454	\$565	\$221	\$5,735	10.34%	\$537	
\$5,148	\$376	\$454	\$565	\$221	\$6,764	11.88%	\$718	
\$1,926	\$752	\$454	\$1,129	\$441	\$4,703	1.23%	\$57	
\$5,852	\$752	\$454	\$1,129	\$221	\$8,409	-9.56%	-\$888	
\$686	\$376	\$454	-	-	\$1,517	4.39%	\$64	
\$1,613	\$376	\$454	-	\$221	\$2,664	-0.81%	-\$22	
\$2,952	\$376	\$454	-	\$221	\$4,003	-4.36%	-\$182	
\$1,699	\$376	\$454	-	-	\$2,529	-6.24%	-\$169	
\$2,162	\$376	\$454	-	\$221	\$3,214	-12.32%	-\$452	
\$3,079	\$376	-	-	-	\$3,455	-9.39%	-\$359	
\$4,975	\$376	-	-	\$221	\$5,572	-34.47%	-\$2,931	
\$6,903	\$376	\$454	\$141	\$221	\$8,095	-4.78%	-\$406	
\$7,248	\$376	\$454	\$141	\$221	\$8,440	-9.76%	-\$913	
\$2,991	\$752	\$454	\$282	\$221	\$4,701	-3.54%	-\$172	
\$734	\$376	\$454	\$141	\$0	\$1,706	3.91%	\$64	
\$6,137	\$752	\$454	\$282	\$221	\$7,847	1.17%	\$91	
\$6,934	\$752	\$454	\$282	\$221	\$8,644	0.68%	\$59	
\$24,390	\$376	\$454	\$141	\$221	\$25,582	1.47%	\$370	

Funding impact statement

General rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 is based on the rateable value of the land. General rates are set at different rates in the dollar of rateable value for different categories of rateable land. The general rate is 0.34323 cents in the land value dollar (including GST) for the 2022/23 rating year for the

base differential category. An explanation of the differential categories, the relative differentials for each category and the amount in the land value dollar for each category is set out below.

This compares to the previous year's rate of 0.56582 in the land value dollar in the 2021/22 rating year for the base differential category.

Differential rates for the general rate

Council's general rate is assessed on a differential basis.

Category 2022/23	Differential %	Cents in the dollar
Residential – single unit	0.0	0.34323
Residential empty section	0.0	0.34323
Single residential unit forming part of a parent valuation, the remainder of which is non-rateable	10.0	0.37755
Multi residential	10.0	0.37755
Rural	-35.0	0.22310
Small holding	-10.0	0.30891
Commercial – excluding inner city and Stoke commercial		
100% commercial and industrial (occupied and empty)	235.195	1.15049
25% residential/75% commercial	176.4	0.94869
50% residential/50% commercial	117.6	0.74687
75% residential/25% commercial	58.8	0.54505
Commercial – inner city		
100% commercial and industrial (occupied and empty)	364.445	1.59411
25% residential/75% commercial	273.3	1.28128
50% residential/50% commercial	182.2	0.96860
75% residential/25% commercial	91.1	0.65591
Commercial – Stoke		
100% commercial and industrial (occupied and empty)	303.76	1.38583
25% residential/75% commercial	227.8	1.12511
50% residential/50% commercial	151.9	0.86460
75% residential/25% commercial	75.9	0.60374

Funding impact statement

Uniform annual general charge

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

It is assessed:

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

Over the past few years, Council has progressively been reducing the UAGC, from 15% to 13% of total rates excluding water annual charge in 2021/22, as its focussed investment in three waters infrastructure has increased the overall fixed charges, and therefore the impact on lower value properties. In response to the 2022/23 increase in three waters fixed charges, Council has made the decision to lower the UAGC to 11% from 2022/23.

Council will collect 11% of rates, excluding water annual charge and water volumetric rate, through the UAGC.

The UAGC is \$376.05 including GST per separately used or inhabited part of a rating unit for the 2022/23 rating year. The charge for 2022/23 is \$53.09 less than the charge of \$429.14 for the 2021/22 rating year.

The rates revenue sought from the uniform annual general charge and certain targeted rates set as a fixed amount has resulted in 19.31% of the total revenue from all uniform rates sought by Council. This is well within the 30% limit set by Section 21 of the Local Government (Rating) Act 2002.

Stormwater and flood protection charge

The stormwater and flood protection charge is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 per rating unit and is \$454.43 for the 2022/23 rating year.

It recovers the funding required by Council for stormwater and flood protection purposes. It is assessed on all rating units excluding:

- Rural rating units
- Rating units east of the Gentle Annie saddle
- Saxton's Island
- Council's stormwater network

The charge for 2022/23 is \$69.81 higher than the charge of \$384.62 for the 2021/22 rating year.

Wastewater charge

A targeted rate is set under Section 16 of the Local Government (Rating) Act 2002 to recover the costs required for Council's wastewater and sewage disposal system. This charge is assessed to all rating units to which Council's wastewater and sewage disposal service is connected.

The wastewater charge for residential, multi-residential, rural and smallholding properties is \$564.72 per separately used or inhabited part of a rating unit including GST for the 2022/23 rating year compared to the previous year's rate of \$502.29. The same definition of the differential categories for the general rate is used for the wastewater charge.

The wastewater charge for commercial properties is set at \$141.18 per separately used or inhabited part of a rating unit being 25% of the charge for the residential, multi-residential, rural and smallholding properties. Commercial properties are also assessed wastewater charges based on Council's Trade Waste Bylaw. These charges are set out in the Commercial Wastewater Charge – Trade Waste Charges section of the Long Term Plan 2021–31.

Funding impact statement

Water rates

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

Water annual charge

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

The annual rate for 2022/23 is \$220.69 per connection including GST compared with \$203.29 in the previous year.

Water volumetric rate

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

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

Amount/type	Cost (\$ per m ³) 2021/22	Cost (\$ per m ³) 2022/23
Usage up to 10,000m ³ per year	2.038	2.295
Usage from 10,001 to 100,000m ³ per year	1.708	1.962
Usage over 100,000m ³ per year	1.348	1.548
Summer irrigation usage over 10,000m ³ per year	1.873	2.129

The water rates represent an average increase of 12.6% for the 2022/23 year for a residential water user based on 160m³ per annum.

Differentials

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

Categories of differentials

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

General rate

Residential (single unit) – all rating units that are primarily used for residential purposes or undeveloped rating units zoned for future residential use. Residential single unit part of a parent valuation of which the remainder is non-rateable – all rating units that are primarily used for residential purposes with a portion of the rating unit that is classed as non-rateable.

Multi residential – all rating units that contain more than one residential dwelling that are capable of being used primarily for residential purposes.

Commercial – any rating unit which is used primarily for commercial use. Properties that have a portion of residential use shall have a reduced commercial differential as follows:

- 100% commercial and industrial (occupied and vacant)
- 25% residential and 75% commercial
- 50% residential and 50% commercial
- 75% residential and 25% commercial

Funding impact statement

Inner city commercial – any rating unit which is used primarily for commercial use that is located within the inner city zone, as defined in the Nelson Resource Management Plan. Properties that have a portion of residential use shall have a reduced inner city commercial differential as follows:

- 100% commercial and industrial (occupied and vacant)
- 25% residential and 75% commercial
- 50% residential and 50% commercial
- 75% residential and 25% commercial

Stoke commercial – any rating unit which is used primarily for commercial use that is located within the Stoke commercial zone, as defined in the Nelson Resource Management Plan. Properties that have a portion of residential use shall have a reduced Stoke commercial differential as follows:

- 100% commercial and industrial (occupied and vacant)
- 25% residential and 75% commercial
- 50% residential and 50% commercial
- 75% residential and 25% commercial

Rural – any rating unit having an area greater than 15 hectares which is used primarily for dairy, fattening and grazing, quarries, forestry or horticultural use.

Small holding – any rating unit which is primarily used as a small holding and having an area greater than 0.5 hectares but is less than 15 hectares.

Properties that have more than one use identified above will be placed into a rating category subject to the rating unit's majority use as determined by Council.

Amount of differentials

Council has adopted the following differentials which are calculated from the neutral base (1.0) being a residential property with a single dwelling.

- Single residential category with a non-rateable portion will have a 1.1 general rate differential
- Multi residential category will have a 1.1 general rate differential
- Rural category will have a 0.65 general rate differential
- Small holding category will have a 0.9 general rate differential

Commercial rates are set to collect 22.6% of the total rates excluding water annual charge and water volumetric rate. This has decreased from 23.1% in the Long Term Plan 2021/31 and the reduction affects all commercial properties. 22.124% of this is funded from inner city commercial properties, 1.619% from Stoke commercial properties while 76.257% is funded from commercial excluding inner city and Stoke commercial properties. This would result in commercial properties paying a total of \$19,677,059 (including water annual charge) in rates for the 2022/23 rating year compared to \$19,005,452 the previous year. Council will continue to reduce the proportion of rates collected from commercial properties by 0.5% per year (to be reviewed annually) for the first three years of the Long Term Plan 2021–31. The commercial zones of inner city and Stoke are defined in the Nelson Resource Management Plan.

Funding impact statement

The categories that are to be used for applying the general rate differential and the amount of total revenue (excluding volumetric water) to be collected from each category, for 2022/23, is as follows:

Category	Total revenue to be collected (\$)
Residential	62,415,500
Multi residential	5,745,385
Commercial (inner city, Stoke and other)	19,677,059
Rural	449,298
Small holding	1,676,757

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

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

Payments and penalties

Payment methods for rates

Payment for rates can be made by cash, EFTPOS, direct debit, direct credit and credit card.

Penalty on unpaid rates (excluding water volumetric rates)

In accordance with Sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 5% is added to each instalment or part thereof that is unpaid after the last date for payment. Previous year's rates that remain unpaid will have a further 5% penalty added.

Penalty dates

The penalty dates will be confirmed in Council's annual Rates Resolution.



Funding impact statement

Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	53,281	55,523	54,495	(1,028)
Targeted rates including water by meter	29,228	32,016	33,116	1,100
Subsidies and grants for operating purposes	7,652	7,186	7,517	331
Fees and charges	15,989	17,939	16,540	(1,399)
Interest and dividends from investments	2,451	2,925	3,814	889
Local authorities fuel tax, fines, infringement fees, other receipts	16,873	17,698	17,802	104
Total operating funding	125,475	133,287	133,285	(2)
Applications of operating funding				
Payments to staff and suppliers	105,391	107,473	105,942	(1,531)
Finance costs	3,259	4,166	4,994	828
Other operating funding applications	-	-	-	-
Total applications of operating funding	108,651	111,640	110,936	(704)
Surplus/(deficit) of operating funding	16,824	21,648	22,348	700
Sources of capital funding				
Subsidies and grants for capital	12,047	8,009	8,004	(5)
Development and financial contributions	3,628	3,733	3,733	-
Increase/(decrease) in debt	40,179	35,706	36,959	1,253
Gross proceeds from sale of assets	-	1,526	7,147	5,622
Lump sum contributions	-	-	-	-
Total sources of capital funding	55,854	48,974	55,842	6,868
Applications of capital funding				
Capital expenditure				
- to meet additional demand	4,501	6,130	5,255	(874)
- to improve level of service	45,752	44,019	49,279	5,260
- to replace existing assets	22,654	20,953	23,577	2,623
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	(228)	(480)	80	560
Total applications of capital funding	72,679	70,622	78,191	7,569
Surplus/(deficit) of capital funding	(16,824)	(21,648)	(22,348)	(700)
Funding balance	-	-	-	-

Funding impact statement

Reconciliation between the surplus in the statement of comprehensive revenue and expense and surplus/(deficit) of operating funding in the funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	16,824	21,648	22,348	700
Subsidies and grants for capital expenditure	12,047	8,009	8,004	(5)
Development and financial contributions	3,628	3,733	3,733	-
Vested assets	5,071	5,223	5,223	-
Gains on sale	-	-	-	-
Depreciation	(31,250)	(32,918)	(33,466)	(548)
Other non-cash income	-	1,128	1,042	(86)
Other non-cash expenditure	(3,922)	88	30	(58)
Net surplus/(deficit) before taxation in statement of comprehensive revenue and expense	2,398	6,911	6,912	3

Commercial wastewater charge – trade waste charges

Wastewater charges for commercial properties are set according to Council's Trade Waste Bylaw. The methodology for calculating the charges to commercial producers is complicated, but in summary Council examines the flow rates and effluent strength during the previous three years to calculate charges for the following year.

Two methods are used for commercial properties:

- Method A is applied to the largest trade waste contributor and the charge is calculated on both discharge rates and effluent strength. Charges are highest for the most concentrated and larger volumes.
- Method B applies to all other trade waste contributors, of which there are approximately 1300 in Nelson city. The charge is calculated based on the estimated volume of effluent discharged. The estimate assumes the amount of wastewater is 80% of the volume of incoming water.

Total trade waste revenue for 2022/23 is estimated to be \$2,248,000.

For 2022/23, the GST inclusive trade waste charges are:

- Trade waste A conveying charge \$846.53 per litre per minute
- Trade waste A treatment charge \$1,369.85 per kg BOD* per day
- Trade waste B combined charge \$2.60 per m³
- Wastewater charge \$141.18 per year.

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

For the previous year, 2021/22, the GST inclusive trade waste charges were:

- Trade waste A conveying charge \$733.00 per litre per minute
- Trade waste A treatment charge \$1,212.33 per kg BOD* per day
- Trade waste B combined charge \$2.22 per m³
- Wastewater charge \$125.57 per year.

Funding impact statement

Method A: quality/quantity approach

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

The 2022/23 charges compared with the previous year's charges are:

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

Year	Total cost (\$)	Average flow rate (litres/minute)	Cost/litre/minute (\$)
2021/22	9,105,258	12,422	733.00
2022/23	9,891,916	11,685	846.53

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

Year	Total cost (\$)	Average BOD loading (kg/day)	Cost/kg/BOD/day (\$)
2021/22	5,366,073	4,426	1,212.33
2022/23	6,063,323	4,426	1,369.85

Method B: quantity approach

For all other commercial premises, the tradewaste charge is simply based on the volume of effluent assessed as being discharged from the premises.

This effluent volume is calculated by multiplying the volume of water supplied into the premises by a correlation factor. The correlation factor is usually set at 0.8 unless another figure is agreed. It is assumed that 80% of the water that is distributed to a commercial property is subsequently discharged as wastewater. The trade waste charge is then calculated using a combined conveyance and treatment rate. This rate is determined annually by dividing the estimated cost of operating the sewerage system for the coming financial year by the average of the previous three year's total effluent volume. Initially, all trade waste ratepayers pay the wastewater rate that is then deducted from the trade waste charges. Any surplus is not refunded. The deficit is the payable trade waste charge.

The 2022/23 charges compared with the previous year's charges are:

Conveying and treatment, including GST

Year	Total cost (\$)	Total effluent volume (m ³)	Cost/m ³ (\$)
2021/22	14,471,330	6,528,991	2.22
2022/23	15,955,239	6,141,778	2.60

Funding impact statements and reconciliation – by activity

Transport – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	11,267	11,566	11,548	(17)
Targeted rates including water by meter	–	–	–	–
Subsidies and grants for operating purposes	4,152	4,225	4,172	(54)
Fees and charges	1,282	1,354	1,354	–
Internal charges and overheads recovered	–	–	–	–
Local authorities fuel tax, fines, infringement fees, other receipts	1,577	1,630	1,850	220
Total operating funding	18,278	18,774	18,924	149
Applications of operating funding				
Payments to staff and suppliers	13,387	13,697	13,766	69
Finance costs	–	–	–	–
Internal charges and overheads applied*	449	413	470	56
Other operating funding applications	–	–	–	–
Total applications of operating funding	13,836	14,110	14,236	126
Surplus/(deficit) of operating funding	4,442	4,665	4,688	23
Sources of capital funding				
Subsidies and grants for capital	4,059	4,299	4,655	356
Development and financial contributions	312	321	321	–
Increase/(decrease) in debt	(492)	(287)	1,502	1,789
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Total sources of capital funding	3,880	4,333	6,478	2,145
Applications of capital funding				
Capital expenditure				
- to meet additional demand	145	101	908	807
- to improve level of service	3,687	4,623	4,872	249
- to replace existing assets	4,489	4,273	5,386	1,112
Increase/(decrease) in reserves	–	–	–	–
Increase/(decrease) in investments	–	–	–	–
Total applications of capital funding	8,322	8,997	11,166	2,168
Surplus/(deficit) of capital funding	(4,442)	(4,665)	(4,688)	(23)
Funding balance	–	–	–	–

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	4,442	4,665	4,688	23
Subsidies and grants for capital expenditure	4,059	4,299	4,655	356
Development and financial contributions	312	321	321	–
Vested assets	2,322	2,392	2,392	–
Gains on sale	–	–	–	–
Depreciation	(8,645)	(9,085)	(9,125)	(40)
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	2,491	2,592	2,931	339



Funding impact statement

Water Supply – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates including water by meter	12,666	13,362	13,778	416
Subsidies and grants for operating purposes	261	–	–	–
Fees and charges	38	39	42	3
Internal charges and overheads recovered	–	–	–	–
Local authorities fuel tax, fines, infringement fees, other receipts	9	9	14	5
Total operating funding	12,974	13,410	13,834	424
Applications of operating funding				
Payments to staff and suppliers	7,337	7,489	7,539	50
Finance costs	–	–	–	–
Internal charges and overheads applied*	1,093	1,050	1,227	176
Other operating funding applications	–	–	–	–
Total applications of operating funding	8,430	8,539	8,765	227
Surplus/(deficit) of operating funding	4,543	4,871	5,068	197
Sources of capital funding				
Subsidies and grants for capital	–	–	–	–
Development and financial contributions	431	443	443	–
Increase/(decrease) in debt	199	1,274	994	(280)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Total sources of capital funding	630	1,718	1,438	(280)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	434	260	473	213
- to improve level of service	1,529	2,376	2,309	(67)
- to replace existing assets	3,210	3,953	3,724	(229)
Increase/(decrease) in reserves	–	–	–	–
Increase/(decrease) in investments	–	–	–	–
Total applications of capital funding	5,173	6,589	6,506	(83)
Surplus/(deficit) of capital funding	(4,543)	(4,871)	(5,068)	(197)
Funding balance	–	–	–	–

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	4,543	4,871	5,068	197
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	431	443	443	-
Vested assets	1,306	1,345	1,345	-
Gains on sale	-	-	-	-
Depreciation	(5,007)	(5,237)	(5,434)	(197)
Other non-cash income/(expenditure)	-	-	-	-
Net surplus/(deficit) before taxation in cost of service statement	1,273	1,423	1,423	-



Funding impact statement

Wastewater – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates including water by meter	9,361	10,271	10,776	505
Subsidies and grants for operating purposes	353	–	–	–
Fees and charges	3,227	3,303	3,173	(130)
Internal charges and overheads recovered	–	–	–	–
Local authorities fuel tax, fines, infringement fees, other receipts	1,302	1,451	1,505	54
Total operating funding	14,243	15,025	15,454	429
Applications of operating funding				
Payments to staff and suppliers	8,843	9,041	9,074	33
Finance costs	–	–	–	–
Internal charges and overheads applied*	44	75	121	46
Other operating funding applications	–	–	–	–
Total applications of operating funding	8,887	9,116	9,195	79
Surplus/(deficit) of operating funding	5,356	5,909	6,259	350
Sources of capital funding				
Subsidies and grants for capital	3,473	–	–	–
Development and financial contributions	667	686	686	–
Increase/(decrease) in debt	3,830	6,373	5,243	(1,130)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Total sources of capital funding	7,971	7,059	5,929	(1,130)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	46	263	218	(45)
- to improve level of service	9,011	8,741	7,662	(1,079)
- to replace existing assets	4,269	3,965	4,308	343
Increase/(decrease) in reserves	–	–	–	–
Increase/(decrease) in investments	–	–	–	–
Total applications of capital funding	13,327	12,968	12,188	(781)
Surplus/(deficit) of capital funding	(5,356)	(5,909)	(6,259)	(350)
Funding balance	–	–	–	–

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	5,356	5,909	6,259	350
Subsidies and grants for capital expenditure	3,473	–	–	–
Development and financial contributions	667	686	686	–
Vested assets	627	646	646	–
Gains on sale	–	–	–	–
Depreciation	(6,301)	(6,684)	(7,034)	(350)
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	3,822	557	557	–



Funding impact statement

Stormwater – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates including water by meter	4,964	5,530	5,743	213
Subsidies and grants for operating purposes	194	-	-	-
Fees and charges	5	5	5	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, other receipts	-	-	-	-
Total operating funding	5,163	5,535	5,749	213
Applications of operating funding				
Payments to staff and suppliers	2,210	2,107	2,135	28
Finance costs	-	-	-	-
Internal charges and overheads applied*	409	585	688	103
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,619	2,692	2,823	131
Surplus/(deficit) of operating funding	2,544	2,843	2,926	82
Sources of capital funding				
Subsidies and grants for capital	-	-	-	-
Development and financial contributions	368	379	379	-
Increase/(decrease) in debt	7,595	5,264	9,596	4,332
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	7,963	5,643	9,975	4,332
Applications of capital funding				
Capital expenditure				
- to meet additional demand	95	99	97	(1)
- to improve level of service	10,261	8,120	10,795	2,674
- to replace existing assets	151	267	2,009	1,742
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	10,507	8,486	12,901	4,415
Surplus/(deficit) of capital funding	(2,544)	(2,843)	(2,926)	(82)
Funding balance	-	-	-	-

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	2,544	2,843	2,926	82
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	368	379	379	–
Vested assets	816	840	840	–
Gains on sale	–	–	–	–
Depreciation	(3,256)	(3,436)	(3,519)	(82)
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	473	626	626	–



Funding impact statement

Flood Protection – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates including water by meter	2,237	2,852	2,818	(34)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, other receipts	-	-	-	-
Total operating funding	2,237	2,852	2,818	(34)
Applications of operating funding				
Payments to staff and suppliers	746	1,023	802	(221)
Finance costs	-	-	-	-
Internal charges and overheads applied*	783	963	1,154	191
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,529	1,986	1,956	(30)
Surplus/(deficit) of operating funding	708	866	862	(4)
Sources of capital funding				
Subsidies and grants for capital	3,756	2,830	2,750	(80)
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	8,138	7,473	7,973	500
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	11,893	10,302	10,723	420
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	12,601	11,139	11,499	360
- to replace existing assets	-	29	86	57
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	12,601	11,168	11,585	417
Surplus/(deficit) of capital funding	(708)	(866)	(862)	4
Funding balance	-	-	-	-

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	708	866	862	(4)
Subsidies and grants for capital expenditure	3,756	2,830	2,750	(80)
Development and financial contributions	–	–	–	–
Vested assets	–	–	–	–
Gains on sale	–	–	–	–
Depreciation	(708)	(866)	(862)	4
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	3,756	2,830	2,750	(80)



Funding impact statement

Solid Waste – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates including water by meter	-	-	-	-
Subsidies and grants for operating purposes	200	1,027	1,027	-
Fees and charges	5,518	6,386	6,695	310
Internal charges and overheads recovered	2,687	2,472	2,700	228
Local authorities fuel tax, fines, infringement fees, other receipts	2,700	3,087	2,700	(387)
Total operating funding	11,105	12,971	13,122	151
Applications of operating funding				
Payments to staff and suppliers	7,601	9,523	9,525	2
Finance costs	(18)	6	50	44
Internal charges and overheads applied*	2,717	2,498	2,735	237
Other operating funding applications	-	-	-	-
Total applications of operating funding	10,300	12,027	12,309	282
Surplus/(deficit) of operating funding	805	944	813	(131)
Sources of capital funding				
Subsidies and grants for capital	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	1,796	(67)	2,342	2,409
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	1,796	(67)	2,342	2,409
Applications of capital funding				
Capital expenditure				
- to meet additional demand	477	193	167	(26)
- to improve level of service	923	495	2,198	1,703
- to replace existing assets	1,235	475	517	41
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	(35)	(287)	273	560
Total applications of capital funding	2,600	877	3,154	2,278
Surplus/(deficit) of capital funding	(805)	(944)	(813)	131
Funding balance	-	-	-	-

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	805	944	813	(131)
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	–	–	–	–
Vested assets	–	–	–	–
Gains on sale	–	–	–	–
Depreciation	(525)	(678)	(780)	(102)
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	279	266	33	(233)



Funding impact statement

Environment – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	11,285	11,981	11,555	(426)
Targeted rates including water by meter	–	–	–	–
Subsidies and grants for operating purposes	1,809	1,356	1,706	350
Fees and charges	243	247	396	149
Internal charges and overheads recovered	50	51	51	–
Local authorities fuel tax, fines, infringement fees, other receipts	4,611	4,689	5,051	362
Total operating funding	17,997	18,325	18,760	435
Applications of operating funding				
Payments to staff and suppliers	19,120	20,860	18,422	(2,438)
Finance costs	–	–	–	–
Internal charges and overheads applied*	410	522	392	(130)
Other operating funding applications	–	–	–	–
Total applications of operating funding	19,530	21,383	18,814	(2,569)
Surplus/(deficit) of operating funding	(1,533)	(3,057)	(54)	3,004
Sources of capital funding				
Subsidies and grants for capital	–	–	–	–
Development and financial contributions	–	–	–	–
Increase/(decrease) in debt	3,248	5,289	2,238	(3,050)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Total sources of capital funding	3,248	5,289	2,238	(3,050)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	–	–	55	55
- to improve level of service	1,610	2,154	1,412	(741)
- to replace existing assets	175	78	717	640
Increase/(decrease) in reserves	–	–	–	–
Increase/(decrease) in investments	(70)	–	–	–
Total applications of capital funding	1,715	2,231	2,185	(47)
Surplus/(deficit) of capital funding	1,533	3,057	54	(3,004)
Funding balance	–	–	–	–

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	(1,533)	(3,057)	(54)	3,004
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	–	–	–	–
Vested assets	–	–	–	–
Gains on sale	–	–	–	–
Depreciation	(117)	(190)	(197)	(8)
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	(1,650)	(3,247)	(251)	2,996



Funding impact statement

Social – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	14,523	15,392	16,532	1,140
Targeted rates including water by meter	–	–	–	–
Subsidies and grants for operating purposes	197	200	200	–
Fees and charges	969	898	1,325	426
Internal charges and overheads recovered	1	1	–	(1)
Local authorities fuel tax, fines, infringement fees, other receipts	867	919	877	(42)
Total operating funding	16,557	17,411	18,934	1,523
Applications of operating funding				
Payments to staff and suppliers	14,720	14,849	18,235	3,386
Finance costs	–	–	–	–
Internal charges and overheads applied*	1,041	1,115	1,174	59
Other operating funding applications	–	–	–	–
Total applications of operating funding	15,761	15,963	19,409	3,445
Surplus/(deficit) of operating funding	796	1,447	(475)	(1,922)
Sources of capital funding				
Subsidies and grants for capital	24	437	140	(297)
Development and financial contributions	–	–	–	–
Increase/(decrease) in debt	4,377	5,919	6,537	618
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Total sources of capital funding	4,401	6,356	6,677	321
Applications of capital funding				
Capital expenditure				
- to meet additional demand	568	1,748	610	(1,138)
- to improve level of service	3,794	5,696	4,702	(994)
- to replace existing assets	1,028	552	1,083	531
Increase/(decrease) in reserves	–	–	–	–
Increase/(decrease) in investments	(193)	(193)	(193)	–
Total applications of capital funding	5,197	7,804	6,202	(1,601)
Surplus/(deficit) of capital funding	(796)	(1,447)	475	1,922
Funding balance	–	–	–	–

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	796	1,447	(475)	(1,922)
Subsidies and grants for capital expenditure	24	437	140	(297)
Development and financial contributions	–	–	–	–
Vested assets	–	–	–	–
Gains on sale	–	–	–	–
Depreciation	(1,355)	(1,393)	(1,432)	(40)
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	(534)	491	(1,767)	(2,259)



Funding impact statement

Parks and Active Recreation – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	14,132	14,679	14,282	(397)
Targeted rates including water by meter	–	–	–	–
Subsidies and grants for operating purposes	45	46	46	–
Fees and charges	576	601	601	–
Internal charges and overheads recovered	–	–	–	–
Local authorities fuel tax, fines, infringement fees, other receipts	3,622	3,806	3,768	(39)
Total operating funding	18,375	19,132	18,697	(435)
Applications of operating funding				
Payments to staff and suppliers	13,456	13,742	13,295	(448)
Finance costs	–	–	–	–
Internal charges and overheads applied*	1,901	1,879	2,190	311
Other operating funding applications	–	–	–	–
Total applications of operating funding	15,357	15,621	15,485	(137)
Surplus/(deficit) of operating funding	3,018	3,511	3,212	(299)
Sources of capital funding				
Subsidies and grants for capital	734	444	459	15
Development and financial contributions	1,850	1,904	1,904	–
Increase/(decrease) in debt	2,613	1,940	52	(1,889)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Total sources of capital funding	5,197	4,288	2,414	(1,874)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,398	3,133	2,387	(746)
- to improve level of service	2,188	652	1,333	681
- to replace existing assets	3,630	4,013	1,906	(2,107)
Increase/(decrease) in reserves	–	–	–	–
Increase/(decrease) in investments	–	–	–	–
Total applications of capital funding	8,216	7,798	5,626	(2,172)
Surplus/(deficit) of capital funding	(3,018)	(3,511)	(3,212)	299
Funding balance	–	–	–	–

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	3,018	3,511	3,212	(299)
Subsidies and grants for capital expenditure	734	444	459	15
Development and financial contributions	1,850	1,904	1,904	–
Vested assets	–	–	–	–
Gains on sale	–	–	–	–
Depreciation	(3,774)	(3,872)	(3,596)	275
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	1,828	1,986	1,978	(8)



Funding impact statement

Economic – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,570	2,574	2,535	(39)
Targeted rates including water by meter	–	–	–	–
Subsidies and grants for operating purposes	320	326	326	–
Fees and charges	10	–	–	–
Internal charges and overheads recovered	–	–	–	–
Local authorities fuel tax, fines, infringement fees, other receipts	–	–	–	–
Total operating funding	2,900	2,900	2,861	(39)
Applications of operating funding				
Payments to staff and suppliers	6,123	2,659	2,633	(26)
Finance costs	–	–	–	–
Internal charges and overheads applied*	71	135	158	23
Other operating funding applications	–	–	–	–
Total applications of operating funding	6,194	2,794	2,791	(3)
Surplus/(deficit) of operating funding	(3,294)	106	70	(36)
Sources of capital funding				
Subsidies and grants for capital	–	–	–	–
Development and financial contributions	–	–	–	–
Increase/(decrease) in debt	3,294	(106)	(70)	36
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Total sources of capital funding	3,294	(106)	(70)	36
Applications of capital funding				
Capital expenditure				
- to meet additional demand	–	–	–	–
- to improve level of service	–	–	–	–
- to replace existing assets	–	–	–	–
Increase/(decrease) in reserves	–	–	–	–
Increase/(decrease) in investments	–	–	–	–
Total applications of capital funding	–	–	–	–
Surplus/(deficit) of capital funding	3,294	(106)	(70)	36
Funding balance	–	–	–	–

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	(3,294)	106	70	(36)
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	–	–	–	–
Vested assets	–	–	–	–
Gains on sale	–	–	–	–
Depreciation	(38)	(38)	(2)	36
Other non-cash income/(expenditure)	–	–	–	–
Net surplus/(deficit) before taxation in cost of service statement	(3,332)	68	68	–



Funding impact statement

Corporate – Funding impact statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	(495)	(668)	(1,958)	(1,290)
Targeted rates including water by meter	–	–	–	–
Subsidies and grants for operating purposes	121	5	40	35
Fees and charges	4,105	5,089	2,949	(2,140)
Internal charges and overheads recovered	6,719	7,386	8,410	1,024
Local authorities fuel tax, fines, infringement fees, other receipts	4,583	5,357	5,852	495
Total operating funding	15,033	17,169	15,294	(1,875)
Applications of operating funding				
Payments to staff and suppliers	11,823	12,769	10,568	(2,201)
Finance costs	3,189	4,072	4,915	843
Internal charges and overheads applied*	652	785	831	46
Other operating funding applications	–	–	–	–
Total applications of operating funding	15,664	17,626	16,314	(1,312)
Surplus/(deficit) of operating funding	(631)	(457)	(1,020)	(563)
Sources of capital funding				
Subsidies and grants for capital	–	–	–	–
Development and financial contributions	–	–	–	–
Increase/(decrease) in debt	41,952	38,430	40,694	2,264
Gross proceeds from sale of assets	–	1,526	7,147	5,621
Lump sum contributions	–	–	–	–
Total sources of capital funding	41,952	39,955	47,841	7,885
Applications of capital funding				
Capital expenditure				
- to meet additional demand	355	342	340	(2)
- to improve level of service	398	104	2,498	2,394
- to replace existing assets	4,197	3,257	3,841	584
Increase/(decrease) in reserves	–	–	–	–
Increase/(decrease) in investments	36,372	35,796	40,143	4,347
Total applications of capital funding	41,322	39,498	46,821	7,322
Surplus/(deficit) of capital funding	631	457	1,020	563
Funding balance	–	–	–	–

Funding impact statement

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

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Surplus/(deficit) of operating funding from funding impact statement	(631)	(457)	(1,020)	(563)
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	–	–	–	–
Vested assets	–	–	–	–
Gains on sale	–	–	–	–
Depreciation	(1,524)	(1,441)	(1,485)	(44)
Other non-cash income/(expenditure)	–	–	1,072	1,072
Net surplus/(deficit) before taxation in cost of service statement	(2,155)	(1,897)	(1,433)	465



Accounting policies

Reporting entity

The Nelson City Council Group consists of Nelson City Council, its subsidiaries, associates and joint ventures.

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

Basis of preparation

These prospective statements of Nelson City Council are for the year from 1 July 2022. The draft forecast information was authorised for issue by Council on 14 June 2022.

This prospective financial information is based upon the financial statements as published in the June 2021 Annual Report and adjusted to incorporate updated assumptions and Council decisions made for the purpose of this Annual Plan. Actual financial results are likely to be different from these Prospective Financial Statements, and that difference may be material.

Statement of compliance

This forecast information has been prepared in accordance with the requirements of the Local Government Act 2002. With the exception of the funding impact statements this forecast

information has also been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) as it relates to prospective financial information and PBE FRS 42 – prospective financial statements. The prospective financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS), and other applicable financial reporting standards, as appropriate for public benefit entities.

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

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

Presentation currency and rounding

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

Summary of significant accounting policies

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

The following particular accounting policies, which materially affect the anticipated results, have been applied.

Accounting policies

Revenue

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

Exchange and non-exchange transactions

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

Rates revenue

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

Government grants

Council receives government grants, in the main from Waka Kotahi, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Government grants are generally non-exchange transactions.

Provision of commercially based services

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

Vested assets

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

Sales of goods

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

Traffic and parking infringements

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

Interest and dividends

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

Development contributions

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

Expenditure

Borrowing costs

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

Foreign currency transactions

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

Accounting policies

Grants

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

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

Operating leases

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

Cash and cash equivalents

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

Receivables

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

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

Rates are "written-off":

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

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

Derivative financial instruments

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

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

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

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

Although some members of the Group do so, the Council (parent) does not apply hedge accounting for its derivative financial instruments.

Accounting policies

Fixed assets

Property, plant and equipment consist of the following categories:

- **Operational assets** – these include land, buildings, improvements, motor vehicles, plant and equipment, library books, forestry and the marina.
- **Restricted assets** – restricted assets are land, buildings and improvements, which are owned by Council but which benefit or service the community.
- **Heritage assets** – include museum artefacts, collections and historical buildings and monuments.
- **Infrastructure assets** – infrastructure assets are the fixed utility systems owned by Council. These include the roading, water, sewer and stormwater networks.

Revaluation

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

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

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

decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

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

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

Disposals

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

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Accounting policies

Depreciation

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

Assets' depreciable lives are as follows:

Asset	Depreciable life (years)
Operational	
Buildings	50 – 100
Improvements	Nil – 20
Motor vehicles	7
Plant and equipment	2 – 30
Library books	3 – 10
Marina	30 – 50
Restricted	
Buildings	50 – 100
Improvements	Nil – 20
Roading	
Roads formation	n/a
Sub-base	n/a
Basecourse	5 – 80
Surfacing (sealed)	1 – 50
Surfacing (unsealed)	n/a
Bridges	20 – 100
Retaining/sea walls	30 – 100
Box culverts	60 – 90
Footpaths	5 – 100
Streetlights	20 – 60
Signs	15

Asset	Depreciable life (years)
Water Supply	
Pipeline	55 – 120
Manholes	58 – 110
Reservoirs and tanks	100
Dams	10 – 200
Wastewater	
Pipeline	40 – 120
Manholes	80
Pump stations	10 – 50
Oxidation pond	15 -151
Stormwater	
Pipeline	50 – 90
Bank protection	25 – 100
Manholes	90
Solid Waste	
Pipes	60 – 90
Ponds and dam	100
Gas flare	20
Resource consents	24

Accounting policies

Impairment of property, plant and equipment and intangible assets

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

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

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

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

Biological assets

Forestry assets are valued annually at fair value less estimated costs to sell for one growth cycle. The valuation methodology adopted is net present value based on the age and condition of the trees. The valuation was undertaken by PF Olsen on 30 June 2021. Changes in the valuation of the forestry assets are recognised in the surplus or deficit.

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

Intangible assets

Software acquisition and development

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

Costs that are directly associated with the development of software for internal use by Council are recognised as an intangible asset.

Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

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

Amortisation

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

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

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

Inventory

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

Work in progress

Profits on contracts are recognised progressively over the period of each contract. The contract amount included in the surplus or deficit, and the value of work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results. When it is intended at the inception of the contract that contract costs are to be fully recovered from the parties to that contract, foreseeable losses on contracts are recognised immediately.

Accounting policies

Investment property

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

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

Other financial assets

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

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

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

Subsequent measurement of financial assets at amortised cost

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

Subsequent measurement of financial assets at FVTOCRE

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

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

Accounting policies

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Instruments in this category include the Council and Group's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

Expected credit loss allowance (ECL)

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

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

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance date, which are included in non-current assets.

Trade and other receivables are initially measured at fair value, subsequently measured at amortised cost using the effective interest method less any provision for impairment and are stated at expected realisable value after providing for doubtful and uncollectable debts. Any accounts considered to be unrecoverable are written off at year end.

Loans made to community organisations if at nil or below market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the current value and the face value of the expected future cash flows of the loan is recognised in the surplus or deficit. The loans are subsequently measured at amortised cost using the effective interest method.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than twelve months after balance date, which are included in non-current assets.

With the exception of shares in the Local Government Insurance Corporation, which are recorded at their net asset value, investments other than in associated entities are measured after initial recognition at amortised cost, using the effective interest method, less impairment. Gains or losses when the asset is impaired or derecognised are recognised in surplus or deficit.

Accounting policies

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified into any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within twelve months of balance date. The Council and Group may include in this category:

- Investments that it intends to hold long term, but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the instruments. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Accounting policies

Borrowings

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

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

Creditors and other payables

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

Employee entitlements

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

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Provisions

The Regional Landfill Business Unit (a joint activity with Tasman District Council) has a legal obligation to provide ongoing maintenance and monitoring services at 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 resource consent conditions for closure and post-closure treatment. Nelson City Council has consolidated its 50% share of this provision.

Income tax

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

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

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

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

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

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

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

Accounting policies

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

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

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

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

Equity

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

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

Reserves

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

Restricted reserves

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

Council created reserves

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

Revaluation reserves

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

Statement of cashflows

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

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

Changes in accounting policies

PBE FRS 48 Service Performance Reporting replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements but the new standard that is effective from 1 July 2022 does not apply to service performance information that is prospective.

Accounting policies

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. This amendment is effective from 1 July 2021. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities. The Council has only repayment of borrowings under financing activities, thus no additional disclosure is made.

PBE IPSAS 41 Financial Instruments will replace both PBE IPSAS 29 and PBE IFRS 9. The Council has assessed the changes have minimal impact on the prospective statements

Critical accounting estimates and assumptions

In preparing this forecast information Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

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

Landfill after care costs

The Regional Landfill Business Unit (a joint activity with Tasman District Council) has a legal obligation to provide ongoing maintenance and monitoring services at the landfill site after closure.

The landfill post closure provision is recognised in accordance with New Zealand PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post closure costs into present day value.

The calculations assume no change in the legislative requirements for closure and post closure treatment.

Nelson City Council has consolidated its 50% share of this provision.

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

Financials

Council's Annual Plan 2022/23 covers the period 1 July 2022 to 30 June 2023. It incorporates operating and capital expenditure for the period for the core Council entity – consolidated statements have not been prepared to include subsidiaries.

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

This Annual Plan achieves the following:

- In general terms, maintains the current level of service for each of the Council activities.
- An ability to maintain the condition of the City's assets, although there is only limited provision for unforeseen events.
- A capital programme of \$69.4 million, which is \$5.4 million more than what was planned in the Long Term Plan.

- Forecast net debt of \$161 million at the end of June 2023.
- A 5.4% change in the total rates requirement for 2022/23, after allowing for a 0.6% growth in the rating base.

To provide a degree of certainty to ratepayers, the Financial Strategy sets limits on rate increases and levels of debt in each year of the Long Term Plan 2021–31. The table in the Annual Plan disclosure statement of this Annual Plan 2022/23 discloses Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.



Statement of comprehensive revenue and expense

Statement of comprehensive revenue and expense

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Revenue				
Rates other than metered water, net of remissions	73,643	78,185	77,967	(218)
Subsidies and grants	19,699	15,195	15,520	325
Fees and charges including metered water	39,303	42,731	41,652	(1,079)
Other revenue	13,576	14,141	15,105	964
Interest received	1	1	–	(1)
Other gains/losses	(4,010)	1,128	1,042	(86)
Total revenue	142,211	151,381	151,286	(95)
Expenses				
Personnel costs	26,894	28,280	28,639	359
Finance costs	3,171	4,078	4,964	886
Depreciation and amortisation	31,250	32,918	33,466	548
Other expenses	78,497	79,193	77,304	(1,889)
Total expenses	139,813	144,470	144,374	(96)
Net surplus/(deficit) before taxation	2,398	6,911	6,912	1
Taxation	–	–	–	–
Net surplus/(deficit)	2,398	6,911	6,912	1
Increase in asset revaluation reserves	38,076	36,072	30,554	(5,518)
Total other comprehensive revenue and expense	38,076	36,072	30,554	(5,518)
Total comprehensive revenue and expense	40,475	42,983	37,466	(5,517)

Statement of changes in net assets/equity

Statement of changes in net assets/equity

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Equity at beginning of year	1,659,247	1,699,722	1,777,155	77,433
Total comprehensive revenue and expense	40,475	42,983	37,466	(5,517)
Equity at end of year	1,699,722	1,742,705	1,814,621	71,916

The Annual Plan equity at the beginning of the year is based on 2020/21 Annual Report closing balance plus a forecast for 2021/22.

Statement of financial position

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Current assets				
Cash and cash equivalents	6,617	6,101	11,070	4,969
Inventories	–	–	–	–
Trade and other receivables	11,369	11,849	20,125	8,276
Other financial assets	1,063	1,063	3,762	2,699
Taxation	–	–	–	–
Derivative financial instruments	–	–	59	59
Total current assets	19,049	19,013	35,016	16,003
Non-current assets				
Trade and other receivables	–	–	–	–
Investments accounted for using the equity method	36,663	36,663	36,663	–
Investment in subsidiaries	8,200	8,200	8,200	–
Investment properties	955	983	998	15
Other financial assets	5,447	5,842	5,673	(169)
Intangible assets	3,579	3,579	4,023	444
Biological assets	6,390	5,533	5,758	225
Property, plant, and equipment*	1,799,238	1,878,047	1,926,907	48,860
Derivative financial instruments	–	–	1,185	1,185
Total non-current assets	1,860,471	1,938,846	1,989,406	50,560
Total assets	1,879,520	1,957,859	2,024,422	66,563

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Statement of financial position

Statement of financial position (continued)

	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	Annual Plan 2022/23 (\$'000)	Difference to LTP 2022/23 (\$'000)
Current liabilities				
Bank overdraft	–	–	–	–
Trade and other payables	22,667	22,647	23,152	505
Employee benefit liabilities	2,363	2,431	2,390	(41)
Provisions	–	–	264	264
Taxation payable	–	–	–	–
Current portion of borrowings	43,705	55,639	30,539	(25,100)
Derivative financial instruments	997	975	–	(975)
Total current liabilities	69,731	81,692	56,345	(25,347)
Non-current liabilities				
Trade and other payables	863	863	4,992	4,129
Provisions	3,849	4,116	3,538	(578)
Employee benefit liabilities	163	167	169	2
Derivative financial instruments	16,458	15,351	–	(15,351)
Non-current portion of borrowings	88,734	112,964	144,757	31,793
Total non-current liabilities	110,067	133,462	153,456	19,994
Total liabilities	179,798	215,154	209,801	(5,353)
Net assets	1,699,722	1,742,705	1,814,621	71,916
Ratepayer's equity				
Accumulated comprehensive revenue and expense	458,940	466,666	452,022	(14,644)
Other reserves	1,240,782	1,276,039	1,362,599	86,560
Total ratepayer's equity	1,699,722	1,742,705	1,814,621	71,916

The Annual Plan equity at the beginning of the year is based on 2020/21 Annual Report closing balance plus a forecast for 2021/22.

Cash flow statement

Cash flow statement

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from rates revenue	82,509	87,539	87,612	73
Subsidies and grants received	19,699	15,195	15,520	325
Receipts from other revenue	31,058	31,078	31,451	373
Development and financial contributions	3,628	3,733	3,733	-
Interest received	1	1	-	(1)
Dividends received	2,450	2,771	3,814	1,043
	139,346	140,317	142,130	1,813
<i>Cash was disbursed to:</i>				
Payments to suppliers	78,994	79,194	77,324	(1,870)
Payments to employees	26,894	28,207	28,566	359
Interest paid	3,171	4,078	4,964	886
Tax paid/(refund)	-	-	-	-
	109,060	111,479	110,854	(625)
Net cash flows from operating activities	30,286	28,838	31,276	2,438
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Other investments	519	267	-	(267)
Sale of investments and properties for resale	-	-	-	-
Repayment of LGFA borrower notes	-	-	-	-
Sale of biological assets	3,491	4,233	2,453	(1,780)
Sale of fixed assets	-	1,526	7,147	5,622
Repayment of community loans and advances	193	193	193	-
	4,203	6,219	9,793	3,574

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Cash flow statement

Cash flow statement (continued)

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	Annual Plan 2022/23 (\$000)	Difference to LTP 2022/23 (\$000)
<i>Cash was disbursed to:</i>				
Investments in LGFA* borrower notes	591	588	875	287
Community loans advanced	–	–	–	–
Other investments	74	–	300	300
Purchase of biological assets	18	46	–	(46)
Purchase of intangible assets	–	–	–	–
Purchase of fixed assets:				
• Renewals	22,464	20,879	23,577	2,698
• New works – growth	4,554	6,151	5,255	(896)
• New works – increased level of service	45,889	44,072	49,279	5,207
	73,588	71,736	79,286	7,550
Net cash flows from investing activities	(69,385)	(65,517)	(69,493)	(3,976)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Proceeds from borrowings	38,612	36,164	37,701	1,537
<i>Cash was applied to:</i>				
Repayment of borrowings	–	–	–	–
Net cash flows from financing activities	38,612	36,164	37,701	1,537
Net increase/(decrease) in cash held	(487)	(516)	(515)	1
Add opening cash balance	7,104	6,616	11,585	4,969
Closing balance	6,617	6,101	11,070	4,969
Represented by:				
Cash and cash equivalents	6,617	6,101	11,070	4,969

The Annual Plan equity at the beginning of the year is based on 2020/21 Annual Report closing balance plus a forecast for 2021/22.

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

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

Corporate

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Investment management				
Covid inflation allowance	-	-	1,800,000	1,800,000
Civic house				
Civic house refurbishment	1,100,000	2,266,000	500,000	(1,766,000)
Civic house roof renewal	944,632	-	700,000	700,000
Civic house renewal program – plant and equipment	107,500	175,100	175,100	-
Civic house ceiling tiles	200,000	-	1,500,000	1,500,000
Capital: furniture and fittings – renewals	168,000	43,260	43,260	-
Back alleyway – cycle compound shelter	149,260	-	-	-
Ground floor – science monitoring lab	114,690	-	-	-
Rental properties				
Strategic land purchases	-	-	292,500	292,500
Forestry				
Maitai Bridge	-	-	181,302	181,302
Roding Bridge	-	-	324,498	324,498
Administration				
Capital: motor vehicles	100,000	103,000	103,000	-
Computer hardware – client devices	900,000	83,430	83,430	-
Computer hardware – network devices	160,050	43,960	210,050	166,090
IT infrastructure hosting investigation	-	566,500	566,500	-
Asset management system enhancements	27,000	103,000	103,000	-
EDRMS replacement	533,500	-	-	-
Core systems enhancement	288,090	296,733	296,733	-
Corporate projects under \$100,000	696,444	418,214	473,368	55,154
Total Corporate	5,489,166	4,099,197	7,352,741	3,253,544
Scope adjustment	(539,079)	(396,545)	(674,253)	(277,708)
Total Corporate less scope adjustment	4,950,087	3,702,652	6,678,488	2,975,836

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

Environmental Management

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Monitoring the environment				
Renewals: monitoring equipment	115,392	118,854	158,854	40,000
Plant and equipment	187,736	83,095	266,900	183,805
Healthy streams	173,711	173,772	173,772	-
City development				
Streets for people	1,200,000	1,545,000	800,000	(745,000)
CBD enhancements	300,000	503,670	623,670	120,000
Navigational safety				
Renewal: Boat/Trailer	-	-	300,000	300,000
Environmental Management projects under \$100,000	6,800	55,002	104,298	49,296
Total Environmental Management	1,983,639	2,479,393	2,427,494	(51,899)
Scope adjustment	(198,364)	(247,939)	(242,749)	5,190
Total Environmental Management less scope adjustment	1,785,275	2,231,454	2,184,745	(46,709)

Flood Protection

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Maitai flood management	200,000	257,500	257,500	-
Coastal inundation modelling	200,000	206,000	206,000	-
Coastal response strategy implementation	-	103,000	-	(103,000)
Jenkins and Arapiki (airport) – flood protection	110,000	30,900	70,900	40,000
Minor flood improvement programme	40,000	41,200	121,200	80,000
Murphy Street	-	-	100,000	100,000
Whakatu Drive (Storage World)	300,000	-	-	-
Saxton Creek stage 4 upgrade	12,268,500	10,757,320	10,704,820	(52,500)
Brook Stream catchment improvements	100,000	118,450	118,450	-
Inventory of urban streams	115,000	77,250	92,245	14,995
Flood mitigation	80,000	154,500	254,500	100,000
Flood Protection projects under \$100,000	552,006	626,638	897,308	270,670
Total Flood Protection	13,965,506	12,372,758	12,822,923	450,165
Scope adjustment	(1,364,350)	(1,204,482)	(1,238,332)	(33,850)
Total Flood Protection less scope adjustment	12,601,156	11,168,276	11,584,592	416,315

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

Parks and Active Recreation

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Public gardens				
Isel Park bridge upgrade	295,000	-	50,000	50,000
Miyazu Gardens pond relining	10,670	128,750	260,848	132,098
Neighbourhood parks				
Land purchase: general reserve	853,600	879,208	879,208	-
Capital: fences and walls	126,700	10,990	10,990	-
Reserve development programme	153,350	439,604	439,604	-
Landscape reserves				
Retired forestry block conversion programme	205,000	145,230	145,230	-
Capital: planting	69,355	71,436	101,436	30,000
Landscape reserves	10,000	108,150	15,000	(93,150)
Capital: mountain bike tracks	207,000	271,580	-	(271,580)
Maitai MTB Hub	900,000	-	-	-
Esplanade and foreshore				
Modellers Pond solution	2,000,000	236,900	236,900	-
Wakefield Quay sea wall renewal	75,000	2,060,000	10,000	(2,050,000)
Esplanade and foreshore planting programme	163,350	54,951	74,951	20,001
City to Maitai Hub track	-	-	281,580	281,580
Walkways				
Tahuna Beach to Great Taste Trail (airport)	270,762	-	194,761	194,761
Sports parks				
Saltwater Cr Bridge (Haven Rd – Trafalgar Centre)	105,000	212,180	80,000	(132,180)
Capital: Trafalgar Park stand removal	15,000	181,074	-	(181,074)
Capital: minor development	10,670	103,000	103,000	-
Trafalgar Centre				
Trafalgar Centre storage solution	5,000	103,000	30,000	(73,000)
Pools				
Renewals: minor assets	110,631	133,900	133,900	-

Continued on next page

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

Parks and Active Recreation (continued)

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Play facilities				
Playground development programme	200,000	32,970	32,970	-
Stoke Youth Park	345,107	-	-	-
Marina				
Marina: pontoon renewal programme	137,000	146,260	146,260	-
Capital: minor development	100,000	103,000	103,000	-
Water sports building	-	556,200	536,200	(20,000)
Health and safety improvements	800,000	-	-	-
Saxton Field				
Cricket oval surface renewal	20,000	288,400	20,000	(268,400)
New cycle/path development	5,000	206,000	326,000	120,000
Regional community facilities				
Water sports building at marina	-	374,286	-	(374,286)
Parks and Active Recreation projects under \$100,000	1,893,422	1,773,873	2,003,062	229,189
Total Parks and Active Recreation	9,086,617	8,620,941	6,214,900	(2,406,041)
Scope adjustment	(871,067)	(822,693)	(589,129)	233,563
Total Parks and Active Recreation less scope adjustment	8,215,550	7,798,248	5,625,771	(2,172,477)

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

Social

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Managing heritage and arts				
Art Works programme	86,532	89,128	149,128	60,000
Founders Park				
Collection store H&S	150,000	576,800	676,800	100,000
Nelson Library				
Book purchases	360,000	370,800	370,800	-
Elma Turner Library extension/relocation	2,950,000	3,368,100	1,200,000	(2,168,100)
Structural improvements	200,000	-	-	-
Marsden Valley Cemetery				
Cemetery capacity purchase	-	1,339,000	50,000	(1,289,000)
Toilets (charge)				
Montgomery Square toilet renewal	-	-	122,000	122,000
Stoke Hall				
Stoke Hall remediation	100,000	2,013,650	-	(2,013,650)
Community properties				
Refinery Gallery EQ strengthening	448,000	-	1,295,767	1,295,767
Maitai Camp				
Maitai Camp capital improvements	-	-	1,600,000	1,600,000
Brook Camp				
Renewal: buildings	250,000	51,500	151,500	100,000
Brook Camp building renewals	310,000	-	225,000	225,000
Social projects under \$100,000	1,099,024	1,039,667	1,221,950	182,283
Total Social	5,953,556	8,848,645	7,062,945	(1,785,700)
Scope adjustment	(563,161)	(852,102)	(667,695)	184,407
Total Social less scope adjustment	5,390,396	7,996,544	6,395,250	(1,601,294)

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

Solid Waste

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Joint landfill upgrade	2,634,750	1,131,589	2,849,509	1,717,920
Solid Waste projects under \$100,000	-	36,050	36,050	-
Total Solid Waste	2,634,750	1,167,639	2,885,559	1,717,920
Scope adjustment	-	(3,605)	(3,605)	-
Total Solid Waste less scope adjustment	2,634,750	1,164,034	2,881,954	1,717,920



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

Stormwater

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Haven/St Vincent culvert renewal	50,000	154,500	2,000,000	1,845,500
York Terrace	100,000	103,000	103,000	-
Capital: freshwater improvement programme	80,000	154,500	154,500	-
Washington Valley stormwater upgrade	2,954,802	2,255,700	2,370,824	115,124
Capital: Mount St / Konini St	140,000	41,200	101,200	60,000
Airlie St	970,000	51,500	200,000	148,500
Tāhunanui Hills stormwater catchment 9 – Moana Ave to Rocks	50,000	103,000	-	(103,000)
Cawthron Crescent	95,877	30,900	130,877	99,977
Examiner	140,000	10,300	-	(10,300)
Rutherford stage 1 – stormwater upgrade	50,000	3,605,000	4,795,000	1,190,000
Tāhunanui Hills stormwater catchment 3 – Days Track	40,000	978,500	978,500	-
Toi Toi stormwater improvements	49,400	206,000	-	(206,000)
Vanguard Street LOS	40,000	309,000	309,000	-
Haven Road Fountain Place to Saltwater Creek	2,800,000	-	-	-
Tosswill to Tahuna stormwater upgrade	100,000	-	-	-
Wastney Terrace stormwater (pvt drain programme)	1,550,000	103,000	1,603,000	1,500,000
Centennial Park pump station outfall and stormwater treatment	1,350,000	103,000	353,000	250,000
Vested assets				
Vested assets	816,000	840,480	840,480	-
Stormwater projects under \$100,000	1,072,323	1,176,688	1,175,727	(962)
Total Stormwater	12,448,402	10,226,268	15,115,108	4,888,839
Scope adjustment	(1,125,008)	(899,705)	(1,373,750)	(474,045)
Total Stormwater less scope adjustment	11,323,394	9,326,563	13,741,358	4,414,794

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

Transport

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Subsidised roading				
Sealed pavement heavy works	150,000	154,500	154,500	-
Sealed road resurfacing	1,300,000	1,339,000	2,152,671	813,671
Cyclepath renewals	100,000	103,000	173,000	70,000
Drainage renewals	160,050	164,852	164,852	-
Trafalgar Centre footbridge	65,000	212,180	250,178	37,998
Structures replacement	535,000	56,650	476,650	420,000
Traffic services renewal – lighting	300,000	309,000	309,000	-
Renewals: footpaths	1,200,000	1,236,000	1,236,000	-
Associated improvements	200,000	206,000	-	(206,000)
Songer Street signals review	-	20,600	250,000	229,400
Washington Valley street lighting renewal	120,000	123,600	-	(123,600)
Minor improvements	600,000	618,000	200,000	(418,000)
Dommett Street – LOS capital	50,000	51,500	151,500	100,000
Toi Toi/Vanguard intersection upgrade	-	-	100,000	100,000
Toi Toi St upgrade	550,000	494,400	494,400	-
Nelson Future Access study	850,000	1,133,000	400,000	(733,000)
Selwyn Place pedestrian crossings	-	-	150,000	150,000
Railway Reserve Songer Street	-	-	200,000	200,000
Traffic calming to support speed reduction	-	-	100,000	100,000
Nile Tasman roundabout raised platform	-	-	230,000	230,000
Streetlight improvement	100,000	103,000	100,447	(2,553)
New footpaths	350,000	360,500	-	(360,500)
Quarantine Road bridge footpath (at Bolt Rd)	60,000	360,500	405,500	45,000
Railway Reserve lighting	102,041	693,673	50,000	(643,673)
Seymour Ave shared path	-	-	300,000	300,000
Asset management capex	75,000	51,500	126,500	75,000

Continued on next page

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

Transport (continued)

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Unsubsidised roading				
Structures replacement	60,000	103,000	103,000	-
Street garden dev	150,000	154,500	154,500	-
Road drainage improvements	90,000	154,500	154,500	-
Parking and CBD enhancement				
Renewal: CBD aesthetic elements	160,050	164,852	164,852	-
Millers Acre centre				
Building improvements	390,640	-	885,041	885,041
Public transport				
CBD interchange	50,000	51,500	500,000	448,500
PT minor improvements	100,000	206,000	276,000	70,000
Vested assets				
Vested assets	2,322,000	2,391,660	2,391,660	-
Transport projects under \$100,000	1,300,442	1,291,637	1,900,693	609,056
Total Transport	11,490,223	12,309,104	14,705,443	2,396,340
Scope adjustment	(846,405)	(920,117)	(1,148,190)	(228,072)
Total Transport less scope adjustment	10,643,818	11,388,986	13,557,253	2,168,267

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

Wastewater

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Wastewater model calibration	410,000	154,500	154,500	-
Wastewater pipe renewals	1,800,000	1,545,000	200,000	(1,345,000)
Rutherford St (Little Go Stream) renewal	-	515,000	615,000	100,000
Collingwood St sewer renewal Manuka to Bronte	-	-	770,000	770,000
Pipe renewals – Wolfe Street	-	-	800,000	800,000
Rising/swallows renewals	100,000	103,000	103,000	-
Atawhai rising main – stage 1	50,000	51,500	250,000	198,500
Renewals pump stations	280,000	288,400	438,400	150,000
NWWTP renewals	280,000	314,150	314,150	-
NWWTP wetlands plant renewal	100,000	257,500	257,500	-
NWWTP – resource consent	570,000	515,000	515,000	-
Nelson regional sewerage	3,147,226	2,776,339	2,398,423	(377,916)
Pump station upgrades	50,000	206,000	156,000	(50,000)
Washington Valley sewer upgrade	1,672,363	1,586,200	1,380,997	(205,203)
Awatea Place pump station	5,240,000	4,655,600	3,658,529	(997,071)
Pump station resilience improvement programme	50,000	154,500	154,500	-
NWWTP minor upgrades	100,000	103,000	103,000	-
System performance improvements (overflow reduction / I&I)	100,000	103,000	103,000	-
SCADA upgrade	18,500	126,175	126,175	-
Vested assets				
Vested assets	627,000	645,810	645,810	-
Wastewater projects under \$100,000	466,042	620,962	744,438	123,476
Total Wastewater	15,061,131	14,721,636	13,888,422	(833,214)
Scope adjustment	(1,107,236)	(1,107,611)	(1,054,733)	52,877
Total Wastewater less scope adjustment	13,953,895	13,614,025	12,833,689	(780,336)

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

Water Supply

	Annual Plan 2021/22	LTP 2022/23	Annual Plan 2022/23	Difference to LTP 2022/23
Water treatment plant renewals	20,000	159,650	159,650	-
Renewals: Headworks	75,000	118,450	118,450	-
Rutherford St (Little Go Stream) renewal	-	463,500	1,312,500	849,000
Renewals: water pipes	2,400,000	1,854,000	1,354,000	(500,000)
Washington (Rentone to Watson) water renewal	105,000	1,287,500	153,000	(1,134,500)
Arapiki watermain renewal	-	-	500,000	500,000
Renewals: commercial meters	160,000	164,800	164,800	-
Residential meters renewals	430,000	-	20,000	20,000
Water treatment plant upgrades	285,000	278,100	328,100	50,000
Capital: Atawhai Res and pump ma	175,000	-	175,000	175,000
Headworks upgrades	315,000	355,350	355,350	-
Toi Toi St water ridermain	208,816	-	-	-
Capital: backflow prevention	175,000	180,250	180,250	-
Capital: Atawhai trunk main	50,000	51,500	101,500	50,000
Pressure enhancement	100,000	-	50,000	50,000
Water loss reduction programme	150,000	154,500	154,500	-
Natural hazards risk remediation	150,000	103,000	103,000	-
Capital: Atawhai reservoir 2	150,000	154,500	254,500	100,000
Dam upgrades	165,000	1,184,500	884,500	(300,000)
Telemetry/control upgrade	20,000	128,750	128,750	-
Vested assets				
Vested assets	1,306,000	1,345,180	1,345,180	-
Water Supply projects under \$100,000	592,089	659,699	703,126	43,427
Total Water Supply	7,031,905	8,643,229	8,546,156	(97,073)
Scope adjustment	(552,996)	(709,155)	(695,105)	14,050
Total Water Supply less scope adjustment	6,478,908	7,934,074	7,851,051	(83,023)
Total				
Total capital	77,977,230	76,324,857	83,334,150	7,009,294
Less total vested assets	5,071,000	5,223,130	5,223,130	-
Total capital per funding impact statement	72,906,230	71,101,727	78,111,020	7,009,294
Less total joint committees	5,781,976	3,907,928	5,247,932	1,340,004
Total capital – excluding vested and joint committees	67,124,254	67,193,799	72,863,088	5,669,289

Financial reserves estimates

Financial reserves estimates

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

Local Government Act changes in 2010 placed more focus on the accounting for, and disclosure of, financial reserves. The Act defines reserve funds as "money set aside by a local authority for a specific purpose". Reserves are part of equity

which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity. The Act requires Council to specify the amount expected to be in the fund at the commencement of the year, the end of the year, the amount expected to be deposited in the fund during the year and the amount expected to be withdrawn from the fund during the year.

Name	Activity (\$)	Purpose (\$)	Projected balance July 2022 (\$)	Deposits/ (withdrawals) (\$)	Balance June 2023 (\$)
Nelson Institute Funds	Nelson Library	Bequest to Nelson Institute	8,936	45	8,981
LC Voller Bequest (ETL)	Nelson Library	Youth section of Elma Turner Library	24,923	125	25,048
Nelson 2000 Trust	Esplanade Reserves	Wakefield Quay development	164,607	–	164,607
Insurance Reserve	Investment Management	To fund Insurance claim excess	690,714	191,614	882,328
Health and Safety Reserve	Admin and Meeting Support	OSH compliance	32,167	161	32,328
Roading Contributions	Roading	Financial contribution for capital works	117,486	–	117,486
Walker bequest	Parks		10,221	51	10,272
Dog Control Reserve	Dog Control	Self-funded activity balance	(246,375)	2,598	(243,777)
Sport and Rec Grants Reserve	Physical Activity Fund	Ex Hillary commission fund for sport and recreation	8,369	–	8,369
Art Council Loan Fund	Physical Activity Fund	Ex sport and rec grants	10,000	–	10,000
Events Contestable Fund Reserve	Economic Development	Unspent allocation held for eligible events	193,877	–	193,877
Housing Reserve	Community Housing	Self-funded activity balance	10,352,361	(1,880,651)	8,471,710
Founders Park Reserve	Founders	Founders development	280,178	62,928	343,106
Forestry Fund	Forestry	Self-funded activity balance	1,270,955	27,652	1,298,607
Landfill	Solid Waste	Share of development of new landfill when required	4,640,176	23,201	4,663,377
Solid Waste	Solid Waste	Self-funded activity balance	1,057,540	(177,426)	880,114

Council controlled organisations

Council controlled organisations are set up to deliver public benefit for Nelson in a financially prudent manner. Often this requires particular expertise which does not sit within Council. Council controlled trading organisations are set up with the primary objective of returning a profit as well as delivering agreed strategic outcomes for Nelson.

The seven organisations that Council owns or part owns are:

- Port Nelson (50% with Tasman District Council)
- Nelmac Ltd
- Nelson Airport Ltd (50% with Tasman District Council)
- Nelson Regional Development Agency
- Tasman Bays Heritage Trust (Nelson Provincial Museum) (50% with Tasman District Council)
- Bishop Suter Trust
- City of Nelson Civic Trust

Further details on Council controlled organisations can be found in the accounting information section of the Long Term Plan 2021–31 and their respective statements of intent.

Note: Council, alongside Tasman District Council, has resolved to create a holding company for Port Nelson Ltd and Nelson Airport Ltd. The intention is that the new holding company (Infrastructure Holdings Limited) will be operational from 1 July 2022, with the underlying borrowings in Port Nelson Ltd and Nelson Airport Ltd being transferred to the Local Government Funding Agency (LGFA) over the first quarter of 2022/23. The lower cost of borrowing will flow through to increased dividends for the shareholding councils.



Annual Plan disclosure statement

For year ending 30 June 2023

What is the purpose of this statement?

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

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

Benchmark	Limit	Planned	Met
Rates affordability benchmark – increases	5.4%	5.4%	Yes
Debt affordability benchmark	<175%	114%	Yes
Balanced budget benchmark	>100%	98%	No
Essential services benchmark	>100%	206%	Yes
Debt servicing benchmark	<10%	3.5%	Yes



Annual Plan disclosure statement

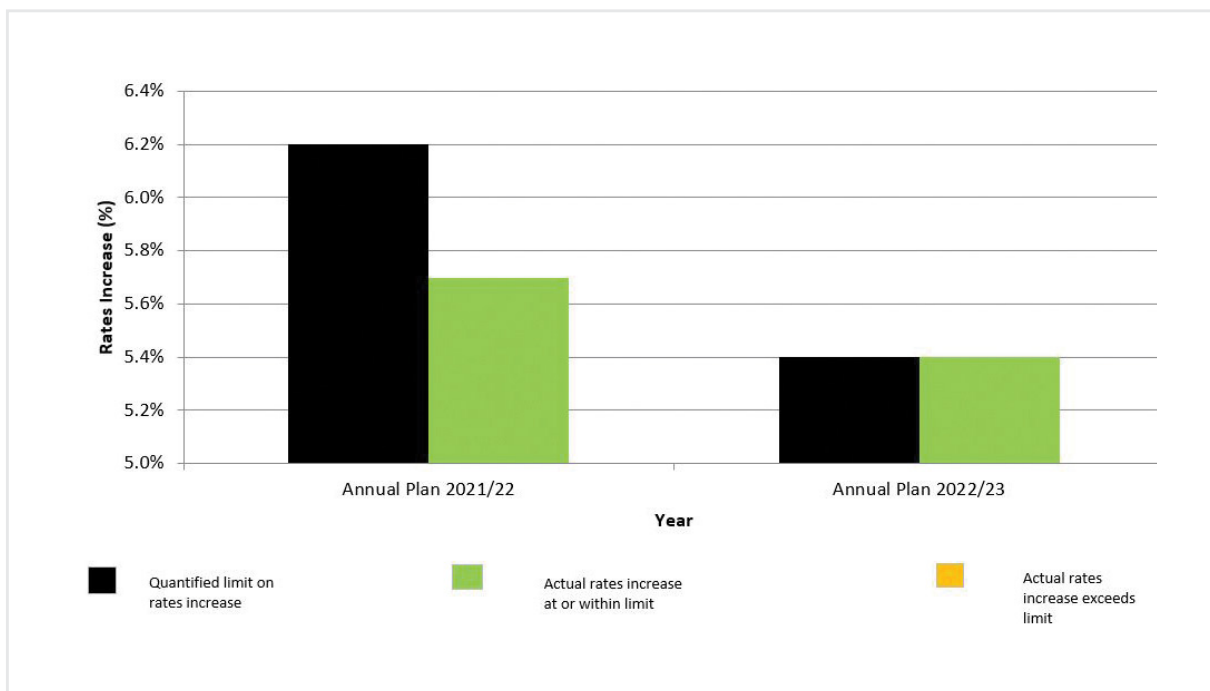
Rates affordability benchmark

The Council meets the rates affordability benchmark if –

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

Rates (increases) affordability

The following graph compares the Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the Long Term Plan 2021–31. The quantified limit is the local government cost index plus 2.5% for each year of the Long Term Plan.



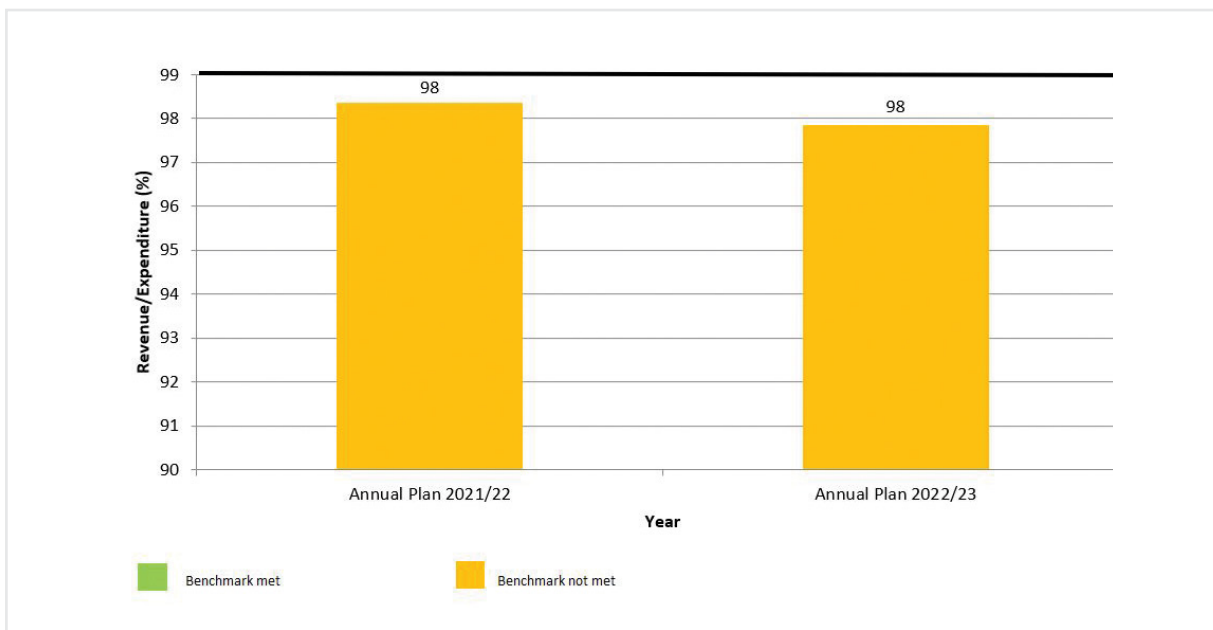
Annual Plan disclosure statement

Balanced budget benchmark

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

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

Council does not meet the balanced budget benchmark for 2022/23 – see page 22 for more information.

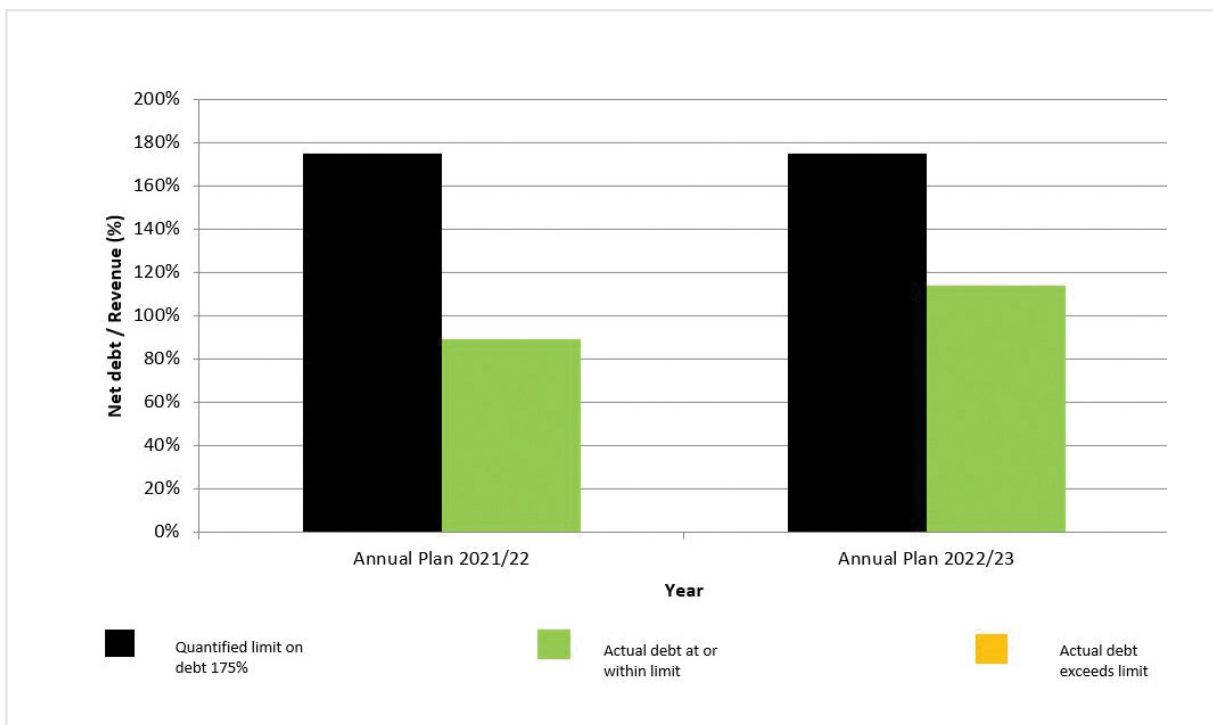


Annual Plan disclosure statement

Debt affordability benchmark

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

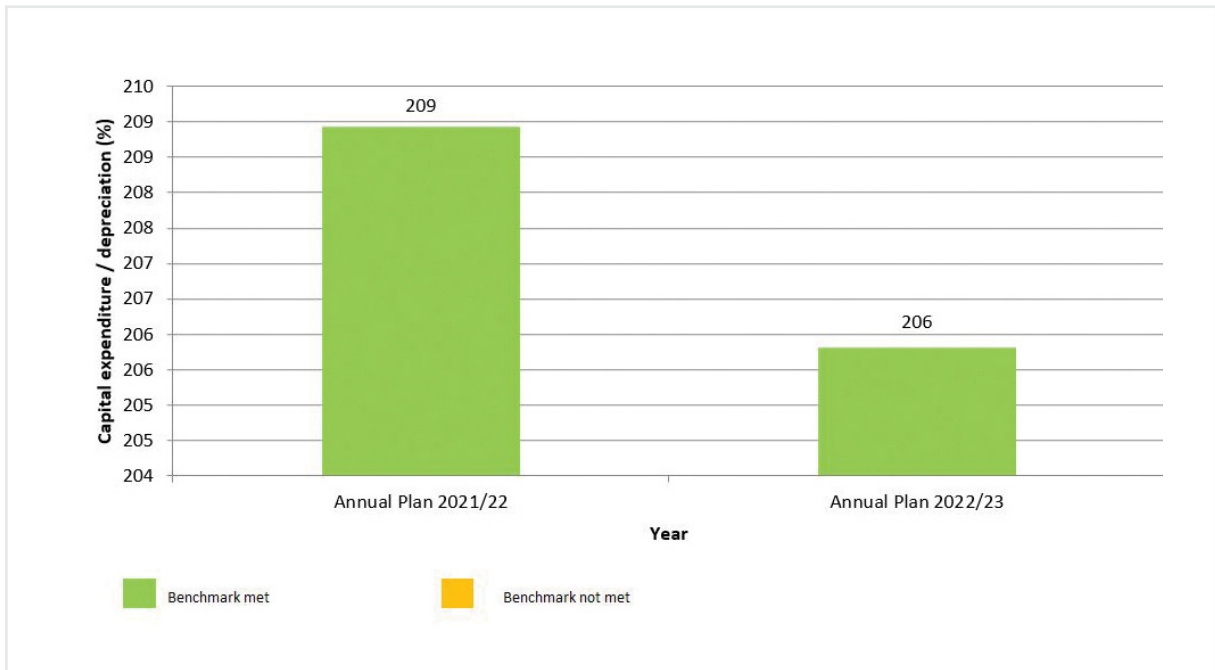
The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that net external borrowings are not to exceed 175% of revenue. Net external borrowings are defined as external debt and overdraft less cash balances, term deposits and borrower notes.



Annual Plan disclosure statement

Essential services benchmark

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

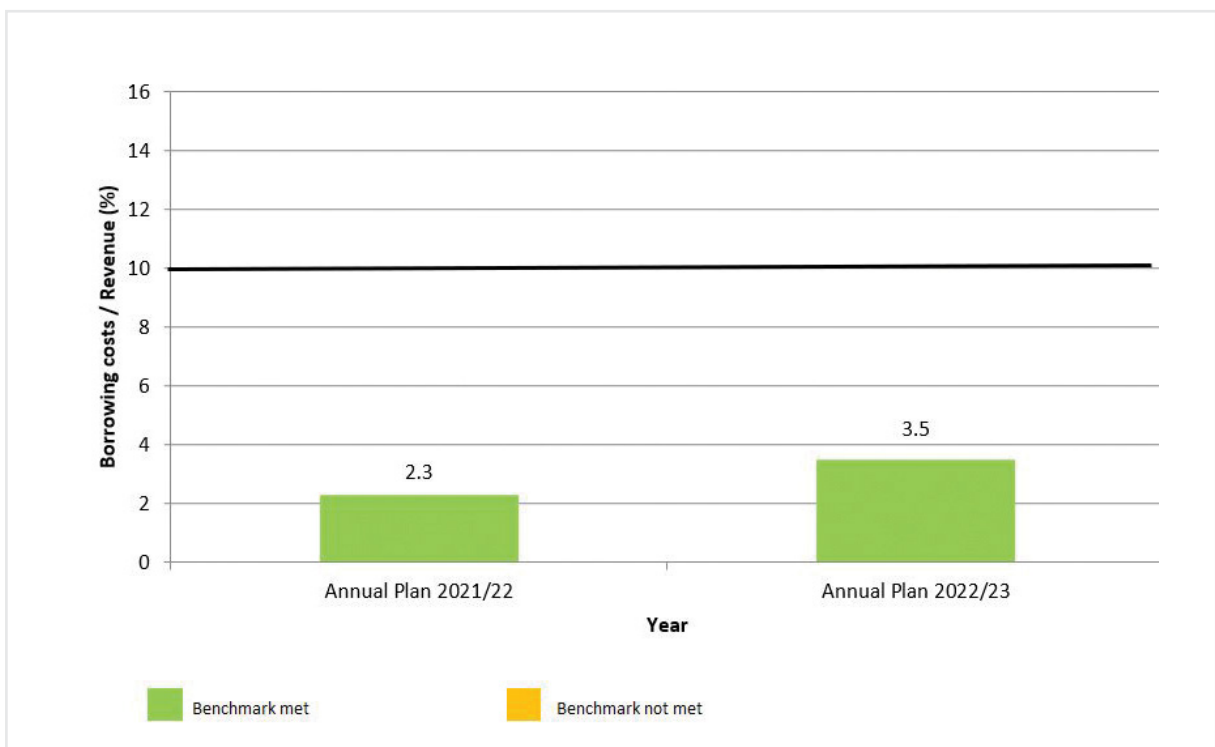


Annual Plan disclosure statement

Debt servicing benchmark

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

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



Contact us

Contact us

Contact information

 Civic House, 110 Trafalgar Street, Nelson City Council

 PO Box 645, Nelson, 7040

 enquiry@ncc.govt.nz

 03 546 0200

 nelson.govt.nz

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.

Contact us

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