



AGENDA

Ordinary meeting of the

Governance Committee

**Thursday 16 April 2015
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership: Councillor Ian Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland (Deputy Chairperson), Eric Davy, Kate Fulton, Brian McGurk, Paul Matheson, Gaile Noonan, Pete Rainey, and Mr John Peters and Mr John Murray

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)
- It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the table for discussion and voting on any of these items.

Apologies**1. Confirmation of Order of Business****2. Interests**

2.1 Updates to the Interests Register

2.2 Identify any conflicts of interest in the agenda

3. Public Forum**4. Confirmation of Minutes – 3 March 2015****10-17**

Document number A1325357

Recommendation

THAT the minutes of the meeting of the Governance Committee, held on 3 March 2015, be confirmed as a true and correct record.

Please note that as the only business transacted in public excluded was to confirm the minutes, this business has been recorded in the public minutes. In accordance with the Local Government Official Information Meetings Act, no reason for withholding this information from the public exists.

5. Status Report – Governance Committee 16 April 2015

There is no status report.

6. Chairperson's Report

FINANCE

7. Procurement Policy and Debt Management Process 18-30

Document number A1338718

Recommendation

THAT the report Procurement Policy and Debt Management Process (A1338718) and its attachments (A1293789, A1316053 and A1324271) be received.

Recommendation to Council

THAT the Nelson City Council Procurement Policy January 2015 (A1293789) be approved.

8. The Bishop Suter Trust draft Statement of Intent 2015/2016 and Half Yearly Report 31-76

Document number A1327756

Recommendation

THAT the report The Bishop Suter Trust draft Statement of Intent 2015/16 and Half Yearly Report (A1327756) and its attachments (A1325270, A1327762 and A1334741) be received;

Either

AND THAT the Trust Board be asked to make the following changes to the draft Statement of Intent (A1327762).

Or

Recommendation to Council

THAT the draft Bishop Suter Trust Statement of Intent 2015/16 (A1327762) be approved as the final version.

9. Nelson Events Strategy Funding Application South Island Masters Games

77-96

Document number A1339394

Recommendation

THAT the report Nelson Events Strategy Funding Application South Island Masters Games (A1339394) and its attachments (A1341230, A1341271 and A1340067) be received;

AND THAT Tasman Regional Sports Event Trust receive \$65,000 sponsorship through the Events Marketing and Development Fund for the 2015 South Island Masters Games subject to all contractual conditions being agreed to.

10. Tourism Nelson Tasman Ltd draft Statement of Intent 2015/16 and Half Yearly Report

97-129

Document number A1335253

Recommendation

THAT the report Tourism Nelson Tasman Ltd draft Statement of Intent 2015/16 and Half Yearly Report (A1335253) and its attachments (A1325269, A1325267 and A1334741) be received;

Either

AND THAT the Trust Board be asked to make the following changes to the draft Statement of Intent (A1325267).

Or

Recommendation to Council

THAT the draft Tourism Nelson Tasman Ltd Statement of Intent (A1325267) be approved as the final version.

11. The Nelson Regional Economic Development Agency draft Statement of Intent 2015/16 and Half Yearly Report 130-166

Document number A1335048

Recommendation

THAT the report Nelson Regional Economic Development Agency draft Statement of Intent 2015/16 and Half Yearly Report (A1335048) and its attachments (A1323924, A1323928 and A1334741) be received;

Either

AND THAT the Trust Board be asked to make the following changes to the draft Statement of Intent (A1323928).

Or

Recommendation to Council

THAT the draft Nelson Regional Economic Development Agency Statement of Intent (A1323928) be approved as the final version.

12. Economic Services Delivery Outcomes 2015-2018 167-172

Document number A1339069

Recommendation

THAT the report Economic Services Delivery Outcomes 2015-2018 (A1339069) and its attachment (A1335085) be received.

Recommendation to Council

THAT the outcomes identified in document (A1335085) be used as the basis of a contract for economic development services to be provided to Tasman District Council.

REPORTS FROM COMMITTEES

13. Audit, Risk and Finance Subcommittee – 10 March 2015

173-180

Document number A1327326

Recommendation

THAT the unconfirmed minutes of a meeting of the Audit, Risk and Finance Subcommittee, held on 10 March 2015, be received.

13.1 Corporate Report for the Period Ending 31 January 2015

Recommendation to Governance Committee and Council

THAT the landfill charges be increased from \$114 per tonnes (inclusive of GST) to \$121 (inclusive of GST) effective 15 May 2015;

AND THAT landfill users be given two weeks notice of the increase in landfill charges;

AND THAT approval is given for a transfer of all capital expenditure and debt relating to the Maitai Walkway to be made from the Inner City Enhancement account to the Unsubsidised Roading account in order to properly account for interest and debt in future years.

13.2 Liability Management and Investment Policies

Recommendation to Governance Committee and Council

THAT the Liability Management and Investment Policies, with amendments from the Audit, Risk and Finance Subcommittee, be adopted.

A copy of the Liability Management and Investment Policies can be found on the Google Drive for councillors and are available on request from an Administration Adviser.

PUBLIC EXCLUDED BUSINESS

14. Exclusion of the Public

Rob Gunn and Margaret Soderburg of Nelmac, will be in attendance for Item 6 of the Public Excluded agenda to answer questions and, accordingly, the following resolution is required to be passed:

Recommendation

THAT, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, Rob Gunn and Margaret Soderberg remain after the public has been excluded, for Item 6 of the Public Excluded agenda (Nelmac Limited draft Statement of Intent 2015/16 and Half Yearly Report), as they have knowledge that will assist the Council;

AND THAT, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that Rob Gunn and Margaret Soderberg possess relates to Nelmac Limited draft Statement of Intent 2015/16 and Half Yearly Report.

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Nelson Airport Limited Proposed Constitutional Changes This report contains information regarding constitutional changes of a Council Controlled Organisation.	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(h) To carry out commercial activities

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
2	<p>Nelson Airport Limited - Airport Land</p> <p>This report contains information regarding airport land.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
3	<p>Nelmac Limited draft Statement of Intent 2015/2016 and Half Yearly report</p> <p>This report contains information regarding a draft statement of intent and half yearly report.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities

15. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

Minutes of a meeting of the Governance Committee

**Held in the Council Chamber, Civic House, 110 Trafalgar Street,
Nelson**

On Tuesday 3 March 2015, commencing at 9.02am

Present: Councillor I Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillors L Acland (Deputy Chairperson), E Davy, B McGurk, P Matheson, G Noonan, Mr J Murray and Mr J Peters

In Attendance: Chief Executive (C Hadley), Youth Councillor (A Patterson), Group Manager Corporate Services (N Harrison), Group Manager (Chris Ward), Senior Strategic Adviser (Nicky McDonald), Manager Administration (P Langley) and Administration Adviser (F O'Brien)

Apologies: Councillors Fulton and Rainey

1. Apologies

Resolved

***THAT apologies be received and accepted from
Councillors Fulton and Rainey.***

Acland/Davy

Carried

2. Confirmation of Order of Business

Resolved

THAT the item regarding the Transfer of Delegated Authority to Council be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable a timely decision to be made with respect to the Development Contributions Policy 2015.

Barker/Davy

Carried

The Chairperson advised the late item titled Transfer of Delegated Authority to Council was to be dealt with first. This referred the draft Development Contributions Policy to Council therefore item 9 would not be dealt with at this meeting.

3. Transfer of Delegated Authority to Council

Document number A303404, late item refers.

In answer to a query, Chief Executive Clare Hadley, confirmed that the draft Development Contributions Policy needed to be consulted on as part of the Long Term Plan 2015 consultation.

Resolved

THAT the report Transfer of Delegated Authority to Council (A1323404) be received;

Barker/Noonan

AND THAT the Governance Committee refer the item regarding Draft Development Contributions Policy 2015 to Council.

Acland/McGurk

Carried

4. Interests

There were no updates to the Interests Register and no interests with agenda items were declared.

5. Public Forum

There was no public forum.

6. Confirmation of Minutes – 4 December 2014

Document number A1285209, agenda pages 7-19 refer.

Resolved

THAT the minutes of a meeting of the Governance Committee, held on 4 December 2014, be confirmed as a true and correct record.

McGurk/Peters

Carried

7. Status Report – Governance Committee 3 March 2015

There was no status report.

8. Chairperson's Report

There was no Chairperson's report.

9. Endorsement of Sister City Trip to China

Document number A1312069, agenda pages 20-21 refer.

Manager Administration, Penny Langley, presented the report.

In answer to a query, Ms Langley clarified that the purpose of the Mayoral visits to sister cities was to maintain and enhance sister city relationships. Councillors added that this was a valuable conduit to progress trade.

Group Manager Community Services, Chris Ward, noted that Nelson was already seeing the benefits of previous visits. These included the number of Chinese students at Nelson Marlborough Institute of Technology, trade links with Cawthron Institute as well as socio-cultural benefits.

Resolved

THAT the report Sister City Trip to China (A1312069) be received;

Davy/McGurk

Carried

AND THAT Her Worship the Mayor and Chief Executive, Clare Hadley's, travel to China in April 2015 be endorsed.

Davy/McGurk

Carried

Her Worship the Mayor stated that she weighed the costs and value of sister city trips carefully. She noted the importance of attending the 20 year sister city anniversary in Huangshi and development of the fledgling relationship with Yangjiang. Councillors discussed the new airline route, establishing Huangshi as a direct gateway into China and the importance of Nelson as a sister city.

In answer to a query regarding Nelson businesses joining delegate visits, Mr Ward clarified that the Economic Development Agency worked to represent local business in this regard.

10. Subcommittee Chairpersons and Delegations

Document number A1314259, agenda pages 22-27 refer.

Manager Administration, Penny Langley, presented the report.

John Peters discussed his support of the Audit Risk and Finance Subcommittee establishment.

John Murray noted his support of the Commercial Subcommittee establishment and suggested a more regular meeting pattern.

Her Worship the Mayor agreed that a 6 weekly meeting pattern would be more suitable. She thanked Mr Murray and Mr Peters for accepting Chairpersons roles of these subcommittees.

Resolved

THAT the report Subcommittee Chairpersons and Delegations (A1314259) and its attachments (A1297307 and A1312225) be received;

AND THAT Mr John Peters be appointed as Chairperson of the Audit, Risk and Finance Subcommittee;

AND THAT Mr John Murray be appointed as Chairperson of the Commercial Subcommittee;

AND THAT the draft delegations for the Audit, Risk and Finance Subcommittee and the Commercial Subcommittee as shown in Attachment 1 (A1297307) and Attachment 2 (A1312225) be approved and incorporated into the Delegations Register.

Matheson/Her Worship the Mayor

Carried

11. LGNZ Discussion Paper on the Local Government Funding Review

Document number A1309396, agenda pages 28-30 refer.

Manager Administration, Penny Langley, presented the report.

Councillors commended LGNZ for the thorough investigation of local and central government roles and suggested that this process was overdue. It was noted that it was a clear, concise and well researched document but clarity was needed in certain areas.

Her Worship the Mayor suggested contacting the Regional Sector Group to draw attention to these issues in their submission.

Resolved

THAT the report Local Government Funding Review (A1309396) and its attachment (A1311529) be received;

Davy/Matheson

Carried

AND THAT officers prepare a letter to LGNZ for signing by the Mayor and the Chairperson of the Governance Committee, covering the following points:

- ***Congratulations on a proactive approach***
- ***Demographic analysis around declining and aging population and rural/urban interaction***
- ***The functions of a unitary authority***
- ***Implications of lack of a funding stream for National Policy Statements/National Environmental Standards***
- ***The role of councils in business and economic development***
- ***Alternative avenues of finance***

Barker/Her Worship The Mayor

Carried

12. Everyman Records Limited Debt

Document number A1303283, agenda pages 31-59 refer.

Group Manager Community Services, Chris Ward, presented the report. Mr Ward advised that it was being brought back to the Committee following the auditor's reply on the matter. He clarified that the organisation, officers, and Council had changed since this event and that officers had upgraded risk procedures.

In answer to a query regarding reporting back of vital information Mr Ward clarified that this would take place through regular reporting to the Audit, Risk and Finance Subcommittee. In answer to a question regarding when significant debt would be reported back to the Audit, Risk and Finance Subcommittee, Mr Ward stated that following 90 day period of non-payment, the Audit, Risk and Finance Subcommittee would be made aware of the situation.

Chief Executive, Clare Hadley, clarified that there was now a thorough process in place and that the Everyman Records Limited case had been unique as it dealt in cash accounts which skewed the level of visibility at the time.

Councillors referenced the letter on agenda page 57 which noted police contact and queried whether the Police should be involved in the matter again.

In answer to a query about financial status investigation it was clarified that Everyman Record Limited's legal representative had advised that they were solvent. It was advised that Council had changed significantly since the time of this event, now having a comprehensive method of tracking payments and a resolution tracking system in development.

Councillor Davy proposed the following motion:

THAT the Chief Executive and Mayor be instructed to ask Police to reconsider whether any action could be taken against Mr Shaw or Everyman Records in regards to the non payment of the debt.

Attendance: The meeting adjourned for morning tea at 10.21am until 10.34am.

Regarding next steps, it was advised that preliminary discussions had taken place with the Police. Councillors who were party to the discussion stated that conversation revolved around establishing where the money went and a new process to ensure transparency.

Some concerns were raised about the value of pursuing the matter at this late stage and that it was not Mr Shaw but Everyman Records Limited that needed to be pursued.

A division was called.

Councillor Acland	No
Councillor Barker	Aye
Councillor Davy	Aye
Councillor Fulton	Apology
Councillor Matheson	Aye
Councillor McGurk	No
Councillor Noonan	Aye
Her Worship the Mayor	Aye
External Appointee – John Peters	No
Councillor Rainey	Apology
External Appointee – John Murray	Aye

The motion was passed, 6-3.

Resolved

THAT the report Everyman Records Limited Debt (A1303283) and its attachments (A1250000, A1306795, A1306797, and A1306234) be received.

THAT the Chief Executive and Mayor be instructed to ask Police to reconsider whether any action could be taken against Mr Shaw or Everyman Records in regards to the non payment of the debt.

Davy/Her Worship the Mayor

Carried

13. Exclusion of the Public

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Governance Committee – Public Excluded Minutes – 4 December 2014	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations

Davy/Barker

Carried

The meeting went into public excluded session at 10.36am.

Please note that as the only business transacted in public excluded was to confirm the minutes, this business has been recorded in the public minutes. In accordance with the Local Government Official Information and Meetings Act 1987, no reason for withholding this information from the public exists.

14. Confirmation of Minutes – 4 December 2014

Document number A1285208, agenda pages 3-4 refer.

Resolved

THAT the minutes of the part of a meeting of the Governance Committee, held with the public excluded on 4 December 2014, be confirmed as a true and correct record.

Peters/Davy

Carried

There being no further business this part of the meeting ended at 10.37am.

15. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Noonan/McGurk

Carried

Attendance: The meeting resumed in public session at 10.37am and there being no further business the meeting ended at 10.37am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

REPORT A1338718

Procurement Policy and Debt Management Process

1. Purpose of Report

- 1.1 To update the Committee on the Council's Procurement Policy and Debt Management process as requested at the Governance Committee meeting on 4 December 2014.

2. Delegations

- 2.1 The Governance Committee has oversight of the management of financial risk.

3. Recommendation

THAT the report Procurement Policy and Debt Management Process (A1338718) and its attachments (A1293789, A1316053 and A1324271) be received.

Recommendation to Council

THAT the Nelson City Council Procurement Policy January 2015 (A1293789) be approved.

4. Background

- 4.1 This report was considered at the Audit, Risk and Finance Committee on the 10 March 2015 and referred to the Governance Committee as there was value in the Committee receiving and discussing the item.

Procurement Policy

- 4.2 Council officers documented the Nelson City Council Procurement Policy in 2013 and it is now appropriate to review. Officers propose some amendments to the policy to reflect legislative changes and to bring some efficiencies to the current policy.
- 4.3 The Local Government Act 2002, section 17(a), Delivery of Services, has a requirement that all contracts should be reviewed regularly to ensure best value for money – using criteria such as cost-effectiveness, suitability, fitness for purpose.

- 4.4 The lower limit for requiring an open tender is raised from \$50,000 to \$100,000. Procurements between \$50,000 and \$100,000 now require at least three written competitive quotes but don't need to follow the open tender process. This change will result in efficiencies at a time where Council wants more focus on business cases and project management disciplines.

Debt Management Process

- 4.5 New terms and conditions and an application form to create a new debtors account have recently been introduced. Terms and conditions for debtors throughout Council have been inconsistent in the past. These new terms and conditions include standardised details to be provided by the applicant which gives greater ability to trace debtors, and the requirement for credit references. They include fundamental clauses such as the ability to cease offering services and refuse credit, and to cover any collection costs. There is the ability to refer any debt to a debt collection agency once a debt is more than 14 days overdue, with the cost being borne by the debtor. These changes are reflective of best practice.
- 4.6 The processes for managing debtors, requested at the 4 December 2014 Governance Committee meeting, are attached.

5. Options

- 5.1 The decision is to receive the report and the attachments.

6. Assessment of Significance against the Council's Significance Policy

- 6.1 This decision is not a significant decision.

7. Alignment with relevant Council Policy

- 7.1 The Procurement Policy is the Council policy.

8. Consultation

- 8.1 No specific consultation has been undertaken in preparation of this report.

9. Inclusion of Māori in the decision making process

- 9.1 No specific consultation with Maori has taken place in preparation of this report.

Nikki Harrison
Group Manager Corporate Services

Attachments

Attachment 1: Nelson City Council Procurement Policy January 2015 [A1293789](#)

Attachment 2: Nelson City Council Debt Management Process [A1316053](#) and [A1324271](#)



Procurement Policy

Effective 2 December 2013

Review Date 31 January 2015

Contact: Lynn Anderson

1. Scope

- 1.1. This policy covers activities associated with the purchasing of all goods and services by, or on behalf of the (Council). It applies equally to the Council, the Senior Leadership Team, all groups and staff – permanent, temporary or contract.

2. Policy Objectives

- 2.1. The objectives of Council's procurement policy are to provide clear direction to management and staff in relation to the purchasing function and to establish a decision framework that:
- allows Council to be financially prudent through providing the best value for money (taking into account transaction costs) over the whole life of fit-for-purpose goods, service or asset;
 - minimises relationship costs, ongoing operational costs and consequential costs;
 - appropriately manages risk, including fraud;
 - ensures purchases are made with integrity and in an open and transparent manner with full and fair opportunity for all eligible suppliers;
 - contributes to Council's sustainability objectives outlined in Nelson 2060 and requires sustainably produced goods or services whenever possible, having regard to economic, environmental, and social impacts over their life cycle;
 - promotes efficient purchasing practices and their continuous improvement;
 - addresses health and safety considerations before, during and after the purchase of plant, equipment and chemicals;
 - ensures compliance with the requirements and guidelines of the NCC Procurement Manual; and
 - ensures Council's purchasing activities are managed in accordance with its statutory and legal responsibilities.

3. Policy Statements

- 3.1. All purchasing activity within Council shall be undertaken in accordance with policy and principles and shall be in accordance with Council's Delegated Authorities:
- a Procurement Steering Committee, comprising of three Corporate Management Team members and two Leadership Team members, shall oversee procurement practice within the Council;
 - the Council will undertake its purchasing activities in the most effective and efficient manner taking into account the amount involved, the complexity and the risk to Council;

- The cost-effectiveness of current contractual arrangements in delivering services (including provision of infrastructure, public services and regulatory functions) must be reviewed within 2 years of the expiry of any such arrangement or if levels of service have changed significantly, taking into account other options for governance, funding and delivery of the service (Local Government Act 2002 Part 2 s 17A)
- Council has a commitment to sustainability and environmental protection and this will be reflected through purchasing practices;
- Council also has a commitment to health and safety and this will be reflected through purchasing practices (See Health & Safety Policy);
- The transactional cost of the evaluation of any procurement should reflect the value or level of risk of the procurement -
- procurements of less than \$10,000 where applicable, may be sourced from suppliers/service providers designated as 'preferred suppliers' where such preferred supply contracts have been established;
- for low risk procurements falling between \$2,000 and \$10,000, two to three written quotes with a specification are required. Where a supplier is of a specialist nature (ie either one or two who offer a service) then these can be approved individually without further quotes;
- A business case and at least three written competitive prices are required for purchases between \$10,000 and \$100,000, unless there are exceptional circumstances which should be approved by the Group Manager or CEO depending on the delegation level required;
- procurements for Capital Projects of low risk may also be sourced from an 'on-call' supplier where such arrangements have previously been established in the same way as for 'preferred suppliers'; if greater than \$50,000 discuss with the Group Manager;
- a Business Case or other evaluation methodology shall be required for all procurements of \$50,000 or more;
- all purchases over \$100,000 must be publicly advertised tenders unless there are exceptional circumstances and approved by the Chief Executive or Group Manager. Exceptional circumstances may include Council resolution to take an alternative approach; approved major relational purchases;
- CAPEX contracts and changes to contracts that are more than \$1million, and similarly any OPEX PO >\$1.5m, shall be presented to the Council for approval;
- from time to time an internal audit process shall be undertaken to ensure that the terms and conditions of the Council's Policy are being followed;
- where works are NZTA funded, NZTA procurement policies and procedures shall be followed.

4. Underlying Principles

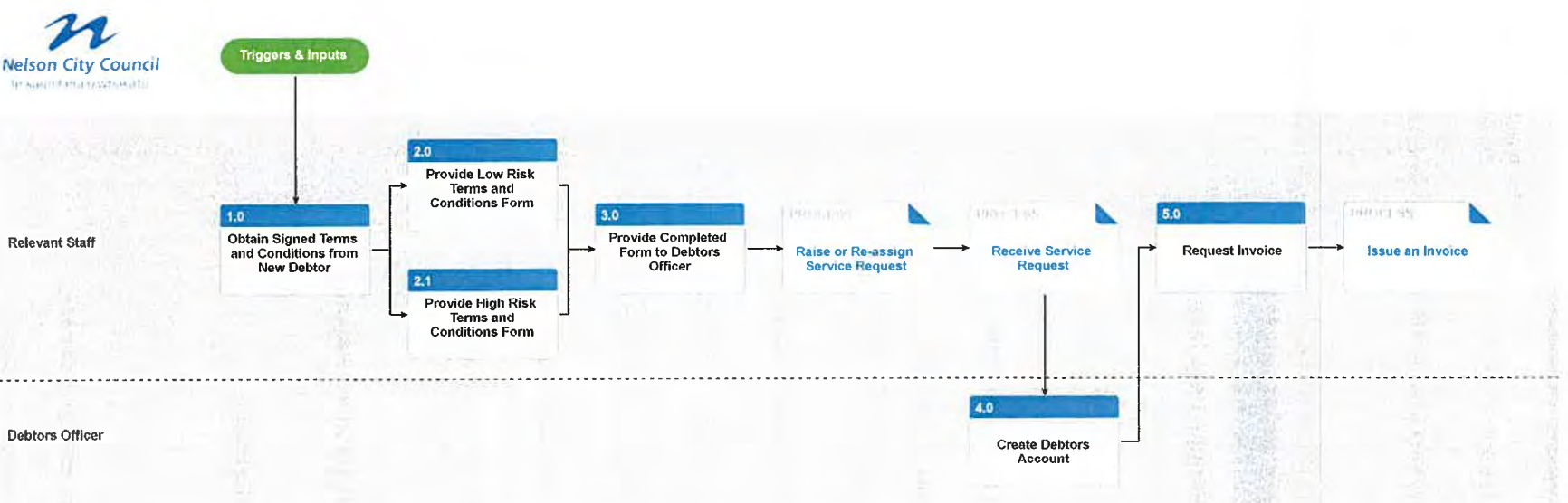
4.1. The objective of the principles is to provide outcomes consistent with the Council's broader objectives to deliver best value for money through optimized whole-of-life costing and being fit for purpose, while being fair and reasonable, and legally robust.

- Council's broader objectives for procurement are that it should:
 - be value for money, taking into account the "whole of life" costs of goods or services;
 - meet our sustainability objectives;
 - meet a justifiable and approved business purpose;
 - be effective and efficient;
 - be made transparently, so the same information is available to all potential suppliers (subject to obligations of confidentiality);
 - be fair, so that all potential suppliers are treated the same and none is unfairly disadvantaged or advantaged;
 - consider local suppliers for physical construction contracts
 - be risk-based, and
 - be strategic.
- All procurement must be in accordance with Council's financial delegations. A financial delegation is defined as "being the total amount that will be paid to a particular supplier under any one contract and is EXCLUSIVE OF GST (if any).
- Valid purchase orders shall be raised and authorised prior to the procurement unless a declared Civil Defence emergency is in place providing the Controller with access to special powers (refer Civil Defence Emergency Management Act 2002 s. 85 and s. 94. See also Nelson Tasman Civil Defence Emergency Management Group Plan 2012)
- Multiple purchase orders shall not be raised for the same procurement from the same supplier, in an attempt to reduce the level of delegated authority required.
- Multiple purchase orders must not be raised for variation orders issued under an existing contract authorised by the Engineer-to-the-Contract.
- When considering syndication Council should carefully consider the effects that joint procurement activity could have on the market.
- Documentation for supply agreements should include a carefully defined negotiation strategy along with appropriate decision structures, objectives and "exit" strategies.
- Where NZTA subsidy forms part of a project, prior approval from NZTA is required.

- Buy local is preferred - support for local organisations will be achieved through the weighting attribute system where used.
- A particular procurement method or process required by an external funding agency may take precedence over the NCC procurement policy and procedures in agreed circumstances.
- Legislative compliance is mandatory for all procurement.
- Contracts coming up for renewal must be assessed for cost-effectiveness, suitability and fitness for purpose. Further, all existing contracts must be reviewed within six year cycles (note, this does not mean that tenders can only be let for six years). Where a significant contract is reviewed, an email must be submitted to SLT showing the outcome of the review;
- Council requires its staff to declare any personal conflicts of interest which may affect, or could be perceived to affect, their impartiality (see Conflicts of Interest Register for Councillors and Group Managers). All other staff need to be mindful of their responsibilities and the need to disclose conflicts under the code of conduct [RAD_n1519332](#)
- Staff must be aware of, and comply with, the [Gifts and Supplier Invitations Policy](#) and the [Fraud Policy](#).
- Particular care should be taken in the handling of commercially sensitive information and the risks associated with intellectual property during procurement.
- The staff member who signs the contract is responsible for all its terms and conditions and therefore should be aware of all risks and exclusions pertaining to it.
- A single point of contact in Council should be established for potential suppliers during a procurement process.
- If a consultant or agent is engaged the contract must require them to observe the same ethical standards, policies, principles, procedures and behaviour that apply to staff.
- A business case or other evaluation should be done for every purchase over \$50,000
- NCC model contracts have precedence over supplier proffered contract documents, although for best practice, continuity and consistency we do employ NZTA procurement processes on non-NZTA funded projects
- Sufficient records must be kept to show that due process was followed.
- The procurement selection must meet health and safety policy objectives.
- These principles do not cover recruitment and engagement of employees, nor for the purchase of real estate.

Create a New Debtors Account v4.0

Attachment 2



A1316053

Create a New Debtors Account v4.0

Summary

Objective

To set up a debtor in Nelson City Council financial systems.

Required Outcomes:

- Terms & Conditions signed before we agree to allow a person to have a credit account with Council

Owner Lynn Anderson

Expert Julie Reed

Procedure

1.0 Obtain Signed Terms and Conditions from New Debtor

Relevant Staff

- a Provide appropriate Terms and Conditions form to prospective new debtor:

2.0 Provide Low Risk Terms and Conditions Form

Relevant Staff

- a Provide simpler version for one-off lower risk debtors:
Nelson City Council application new customer account form with terms & conditions - lower level (A1313438)

2.1 Provide High Risk Terms and Conditions Form

Relevant Staff

- a Provide version for regular debtors or where we perceive a high amount of credit will be given:
Nelson City Council application new customer account form with terms & conditions - higher level (A1296722)

3.0 Provide Completed Form to Debtors Officer

Relevant Staff

- a Provide completed form to Debtors Officer (Julie Reed) attached to Service Request using type = Finance; sub-type = Request for new debtor:

PROCESS Raise or Re-assign Service Request

Relevant Staff

PROCESS Receive Service Request

Relevant Staff

4.0 Create Debtors Account

Debtors Officer

- a Check application and credit references and if approved, create a new debtors account
- b Link the completed Terms and Conditions to the debtor account
- c Advise the relevant staff member that the debtor has been created

5.0 Request Invoice

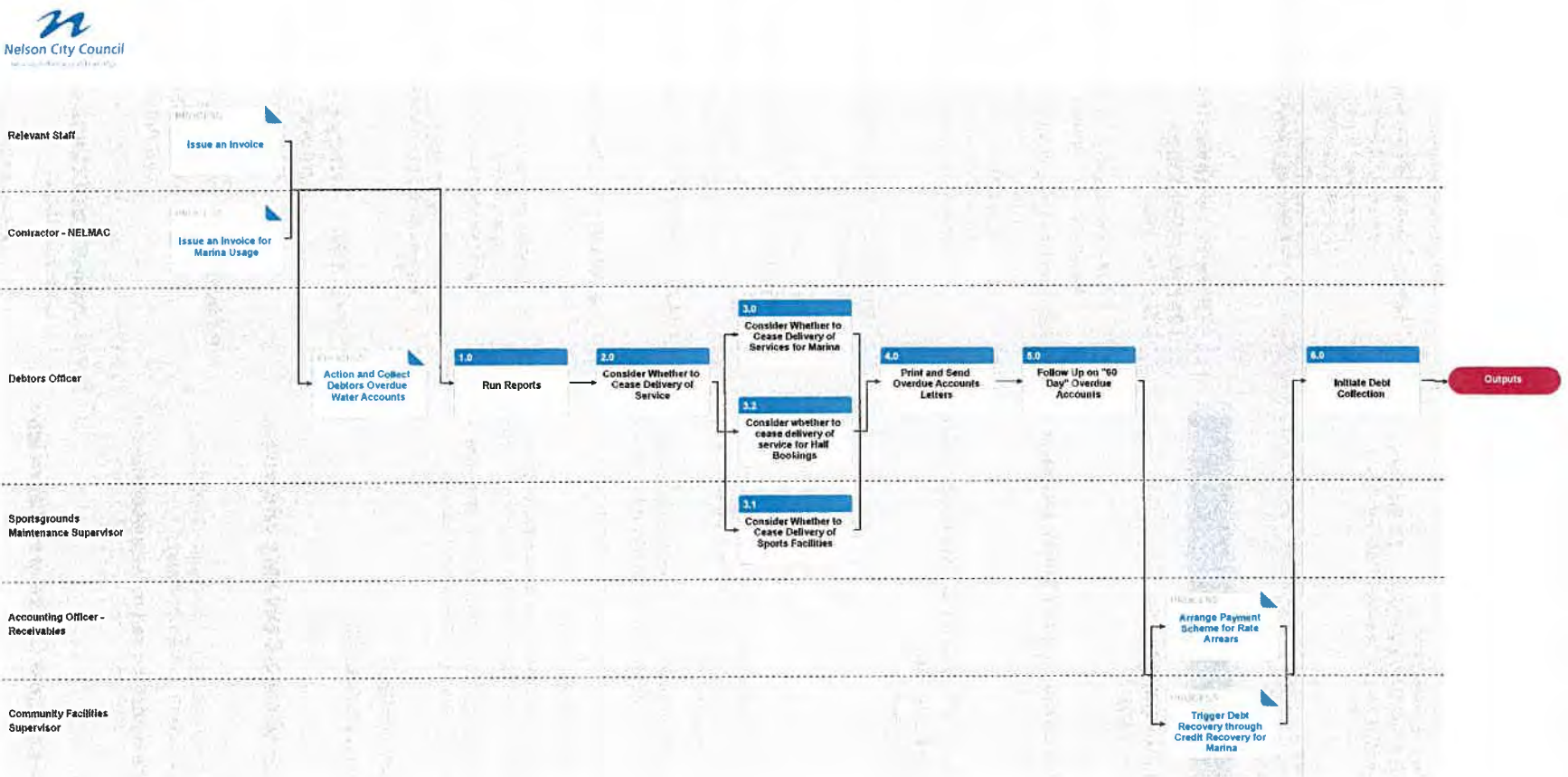
Relevant Staff

- a Request invoice for new debtor if and as required, following procedure:

PROCESS Issue an Invoice

Relevant Staff

Action and Collect Debtors Overdue Accounts v15.0



Summary

Objective

All outstanding accounts are identified and payment requested.

Required Outcomes:

- That all debt owing to Council is collected
- That debt recovery is undertaken correctly and consistently
- That debt collection is undertaken in the most efficient and effective manner

Owner Lynn Anderson

Expert Maria Michael

Procedure

▸ **PROCESS** **Issue an Invoice**
Relevant Staff

▸ **PROCESS** **Issue an Invoice for Marina Usage**
Contractor - NELMAC

▸ **CONDITIONAL** **Action and Collect Debtors Overdue Water Accounts**
Debtors Officer

1.0 Run Reports

Debtors Officer

- a Run statements at the beginning of every month to produce a statement for all accounts with a balance (this means more than, or less than \$0)
- b Run NCS report for 30 day letter - this brings up any accounts not paid by 20th of the month following the invoice

NOTE What does the 30 day letter tell the customer?

▮ Debtors Letter 30 days (A645987)

- c Run NCS report for 60 day letter - this brings up any accounts not paid by 20th of the month following the invoice

NOTE If the debtor has any other debts, do not issue the 60 day letter but instead go straight to the next activity.

NOTE What is the 60 day letter?

▮ Debtors Letter 60 days (A646243)

2.0 Consider Whether to Cease Delivery of Service

Debtors Officer

- a Consider nature of service being delivered i.e. marina, parks and reserves booking, halls bookings
- b Consider whether the debtor regularly uses these facilities

3.0 Consider Whether to Cease Delivery of Services for Marina

Debtors Officer

- a Consider whether to cease delivery of service for marina

NOTE Process to cease delivery of service for marina:

3.1 Consider Whether to Cease Delivery of Sports Facilities

Sportsgrounds Maintenance Supervisor

- a Consider whether to cease delivery of service for Parks & Reserves bookings

NOTE Sports Maintenance Supervisor to check debtors accounts before approving renewal of new seasons bookings. If an amount outstanding 2 or more months then check with Debtors Officer. If appropriate, Debtors Officer will advise customer that no further service will be provided until account settled

3.2 Consider whether to cease delivery of service for Hall Bookings

Debtors Officer

- a Consider whether to cease delivery of service for Hall bookings and Founders

NOTE Debtors Officer to review all 2 months outstanding balances for these and advises Parks and Recreation Officer then Spotless, Founders or Sport Tasman before sending letter to customer advising that services will be ceased until account settled

4.0 Print and Send Overdue Accounts Letters

Debtors Officer

- a Print and send overdue accounts letters (30 day and 60 day letters) with the statements

NOTE 30 and 60 day letters should be sent by the 2nd working day of the month.

NOTE What if there is a query on the account?

5.0 Follow Up on "60 Day" Overdue Accounts

Debtors Officer

- a Contact customer to request immediate payment, or set up a payment plan, if "60 day" overdue accounts are not paid by beginning of last week of month
- b Use "Arrange Payment Scheme for Rate Arrears" for late payment of rates, following procedure:

▸ **PROCESS** **Arrange Payment Scheme for Rate Arrears**

Accounting Officer - Receivables

▸ **PROCESS** **Trigger Debt Recovery through Credit Recovery for Marina**
Community Facilities Supervisor

6.0 Initiate Debt Collection

Debtors Officer

- a Initiate debt collection activities as appropriate.

NOTE Debt recovery charges are only incurred when outstanding debt is received through the debt collection agency. Charges are a percentage of recoveries - currently 15% (Feb 2015). Consider net gains to Council from debt recovery before initiating

The Bishop Suter Trust draft Statement of Intent 2015/16 and Half Yearly Report

1. Purpose of Report

- 1.1 To receive the half yearly report to 31 December 2014 from the Bishop Suter Trust.
- 1.2 To consider the Bishop Suter Trust's draft Statement of Intent for 2015/16.

2. Delegations

- 2.1 The Governance committee is responsible for all matters relating to Council Controlled Organisations and Council Controlled Trading Organisations.

3. Recommendation

THAT the report The Bishop Suter Trust draft Statement of Intent 2015/16 and Half Yearly Report (A1327756) and its attachments (A1325270, A1327762 and A1334741) be received;

Either

AND THAT the Trust Board be asked to make the following changes to the draft Statement of Intent (A1327762).

Or

Recommendation to Council

THAT the draft Bishop Suter Trust Statement of Intent 2015/16 (A1327762) be approved as the final version.

4. Background

- 4.1 The Bishop Suter Trust, along with the other Council Controlled Organisations (CCO's), must deliver a half yearly report to Council (s66 of the Local Government Act 2002). This should report on the

organisation's operations during that half year, and include any information required by its statement of intent. The report allows the Council an opportunity to monitor the performance of the CCO in relation to its set objectives and Council's overall aims and outcomes.

- 4.2 The half yearly report of the Bishop Suter Trust for the period ending 31 December 2014 is attached (attachment 1).
- 4.3 Each CCO must also submit a draft Statement of Intent (SOI) to council by 1 March indicating its proposed activities for the following financial year (s). The draft SOI prepared by the Trust is attached (attachment 2).
- 4.4 Schedule 8 of the Local Government Act outlines the purpose of a SOI, what is to be included, and how it is to be approved. Relevant extracts from the Schedule are attached (attachment 3).
- 4.5 The Chairperson, Craig Potton, and Chief Executive, Julie Catchpole, will be in attendance at the meeting to present the information and answer questions. The Trust has chosen to present a three year draft SOI. This will still need to be reviewed and updated annually.
- 4.6 No Statement of Expectation (SOE) was provided to help guide it in the creation of the Statement of Intent. Officers did advise that a continuation along the same lines was the general flavour that Council was expecting, recognising the limitations imposed by operating from temporary premises.

5. Discussion

Half Yearly Report

- 5.1 The last six months have seen the commencement of the transitional phase for the Suter, as it completed the move from 208 Bridge Street into its temporary premises in Halifax Street. The activities of the Trust have necessarily been affected but there has still been progress made against its key priorities.
- 5.2 A highlight of the period was the acquisition of the Rita Angus painting, 'The Apple Pickers'. The efforts of the Trust and its supporters should be acknowledged.

Draft Statement of Intent 2015/16

- 5.3 The focus of the Trust over the next year is to press ahead with the redevelopment whilst maintaining activities at its temporary premises. It also needs to progress its strategic planning in order to 'hit the ground running' once the redevelopment is complete in late 2016.
- 5.4 The Trust's key priorities identified in the draft SOI are to:
 - Operate a successful visual arts centre and public art gallery;

- Engage, educate and entertain the regional community and visitors through visual arts' programmes;
- Collect, record, interpret and preserve the artistic heritage of the Nelson/Tasman region, and New Zealand, and;
- Develop partnerships that sustain The Suter.

6. Options

- 6.1 There is no decision to be made on the half yearly report. The Trust has complied with the legislation in preparing and presenting the report to Council.
- 6.2 In relation to the SOI, the Committee can choose to either submit feedback to the Trust Board or to recommend to Council that the draft SOI be adopted as the final version (with any minor amendments). If the Committee does submit substantive feedback then the amended SOI will be brought back to the Governance Committee in July.
- 6.3 Officers believe that the draft statement of Intent is sufficiently developed to be approved as the final version, and recommend that it be approved as the final version.

7. Assessment of Significance against the Council's Significance and Engagement Policy

- 7.1 This is not a significant decision.

8. Alignment with relevant Council Policy

- 8.1 This decision is a statutory process. Support for the Suter is consistent with the Council's outcome of 'Our communities have opportunities to celebrate and explore their heritage, identity and creativity.'

9. Consultation

- 9.1 No consultation has been carried out in relation to the recommendations.

10. Inclusion of Māori in the decision making process

- 10.1 No specific consultation has been carried out with Maori.

11. Conclusion

- 11.1 The Bishop Suter Trust has complied with the Local Government Act 2002 in preparing a half yearly report and draft SOI. The Committee has the opportunity to request changes or additions to the draft SOI. Officers are not recommending that any substantive change is required, and the Committee may decide to recommend to Council that the draft SOI be approved as the final SOI for the 2015/16 year.

Chris Ward
Group Manager Community Services

Attachments

- Attachment 1: Bishop Suter Trust Half Yearly Report July – December 2014
([A1325270](#))
- Attachment 2: Bishop Suter Trust draft Statement of Intent 2015/18
([A1327762](#))
- Attachment 3: Extract from Schedule 8 of the Local Government Act 2002
([A1334741](#))

THE BISHOP SUTER TRUST

REPORT TO: Nelson City Council
Copy to Tasman District Council
FROM: The Bishop Suter Trust
DATE: 28 February 2015
SUBJECT: Half Year Financial & Performance Report to 31 December 2014

1. Introduction

This report covers financial and performance results for the Bishop Suter Trust [The Trust] for the six month period 1 July - 31 December 2014.

2. Overview of Trust and Gallery activities

Alongside its business as usual activities, The Suter was preoccupied during this period, with progressing the Redevelopment Project and securing an off-site premises for The Suter.

Sadly the 2014/15 financial year began with Donna Hiser, long time Suter Trustee passing away. She had contributed a great deal to the transition of The Suter from its mode as a private trust to that of a new charitable trust and a Council Controlled organisation, as well as to strategic planning and consideration of The Suter's redevelopment.

The partnership (NCC BST) committee, the Suter Project Governance Committee and Suter Director, worked assiduously finalising building design detail, costings, seeking consents, and the calling of tenders for construction of The Suter.

The tender was awarded to Scott Construction, one of 4 consortia who submitted tenders, and documents symbolically signed in front of The Suter on 23rd December 2014, an historic moment.

Running in parallel with these processes was the seeking of a temporary site for The Suter, and after several false starts, this was secured at 28 Halifax Street, comprising 2 adjacent tenancies. The Trust was able to progressively occupy the premises from 1 November, and from when the Gigatown campaign concluded (Gigatown having previously occupied one of the tenancies). The premises have been fitted out to accommodate The Suter's collection, offices and an exhibition and education area; The Suter Shop and Suter Café.

Exhibitions continued at 208 Bridge Street in all exhibition galleries until 16 November, after which the Original Gallery became secure temporary collection storage as collection items were packed ready for safe transfer, and storeroom equipment was, where possible dismantled, and re-assembled in new configurations at Halifax Street. Education activity centred around the remaining

exhibition, and used other Suter resources, continuing until early December. The move out of Bridge Street was done in two concentrated bursts, concluding on 9th January in readiness for the site handover to the contractors on 12 January 2015.

The Suter shop and Café continued to trade until early January. The last event in The Suter Theatre was held in early December. The high usage of the Theatre from July through to October suggests that this venue will be missed during redevelopment of The Suter.

The other activity which dominated the period was fundraising to purchase a nationally significant painting by Rita Angus, *The Apple Pickers* 1944 for the collection of The Suter. The response to the fundraising campaign and series of articles published by the *Nelson Mail*, plus broader media interest shows us that this painting will be a much loved and highly relevant community treasure. The wider community was quickly galvanised into action and the purchase price of \$245,000 was reached by December, thanks in great part to the superb fundraising skills of Dame Ann Hercus, support of the NCC, the generosity of the public and the wider apple industry.

The Suter developed the first of its off-site projects with a contribution to the Nelson Arts Festival 2014 at Founders, and began its planning for another project at Founders to coincide with Waitangi Weekend 2015. A Suter organised contribution to the 2014 Light Festival, intended to be installed in The Suter Theatre, was cancelled at the eleventh hour due to logistical and public safety concerns, a call although reluctantly made, was vindicated, with the benefit of hindsight.

Long serving staff member John Furtak retired in mid November after 32 years working at The Suter.

The Trust is pleased to report that trading is substantially in line with budget, thanks to the attention of staff and management. The Redevelopment Project forecast financials are also tracking within agreed budget and the unfavourable relocation cost variance is, in fact covered by the Project budget.



Craig Potton
Chairman, Bishop Suter Trust Board



Julie Catchpole
The Suter Art Gallery Director

3. Performance against key priorities:

The following records performance against objectives set out in The Suter's Statement of Intent 2014-2017 [Sol]. Performance achievement to date is recorded in *italics*. The numbering relates to that of the Sol

3.1 GOVERNANCE: Operate a successful visual arts centre and public art gallery:

- 3.1.1. Successfully implement the Suter Art Gallery Redevelopment Project in partnership with NCC; **Ensure that the overall Project design/ costs remain within the \$12 million budgeted and that The Suter is completed to plan, budget and timeframe:**

Tight fiscal control has been exercised over the project design, tender process, selection of contractor, move of The Suter off-site and fit-out of the Halifax Street premises.

- 3.1.2 Provide a public art gallery experience during Redevelopment (refer 3.2); **Report six monthly with visitor statistics and response:**

Note: Exhibitions were held at The Suter from July to the end of November 2014, albeit by then, only one gallery space had artworks displayed. The Café and Store remained open until 5 January 2015

Visitors to The Suter complex to 31.12.2014: 42,129 YTD to same period 2013: 47,647

Visitors to the exhibition galleries to 31.12.2014: 10,019 YTD to same period 2013: 12,675

- 3.1.3 Ensure that the Suter is well managed and operates within its agreed plans: **Reports, plans and budgets meet set deadlines. The Risk Management Plan is reviewed annually and mitigation strategies identified are implemented.**

On target

- 3.1.4 Develop a 10 year strategic plan for the BST / The Suter

Progressing

- * 3.1.5 Develop a Marketing Plan which focusses on the attracting visitors and developing resourcing for the Redeveloped Suter (refer also 3.4); **Report on progress**

Some marketing materials have been produced to solicit bequests and also for a new patrons' scheme (for contributions to collections, exhibitions and other projects)

- 3.1.6 Develop an asset management plan in relation to the new Suter facilities; **Plan prepared by 2016/17 for the ongoing maintenance of the Redeveloped Suter**

Yet to be progressed

- 3.1.7 Be a good employer by maintaining good employer policies and practices; **Report on observance of policies, health & safety, turnover and related statistics.**

No accidents reported. 1 f.t.e. retired. Position will be reviewed and replaced in 2016. Technician tasks to be fulfilled by contractors during interim period

3.2 VISITOR EXPERIENCE: Engage, educate and entertain the regional community and visitors through visual arts' programmes: Exhibitions and life- long learning opportunities:

- 3.2.1 During Redevelopment facilitate and deliver exhibition projects that contribute to significant cultural events; Projects are delivered in relation to Light Nelson 2014, Nelson Arts Festival, Waitangi Day 2015 and Centenary of WW1.

The Roots Project was our Nelson Arts Festival contribution and delivered at Founders. A collective of artists built gazebo like structures using materials such as pallets and PET bottles

A project was developed for Light Nelson for installation in The Suter Theatre, but not delivered due to technical difficulties and public safety concerns

A Waitangi weekend 2015 project, a contemporary Maori art exhibition He Kitenga A Glimpse [of a vision] was researched and prepared for installation at Founders in the Granary building. Partners in this project include NMIT, NCC, Founders and Toi Maori Aotearoa.

- 3.2.2 During Redevelopment provide displays/ exhibitions, potentially in the Suter Off-site premises and in various other spaces as opportunities arise; Displays are in locations accessible to the public, Report quarterly on progress:

See above and appendices for list of exhibitions held up to 31.12.2015

A loan exhibition of African masks and figures, Minkisi, will be installed as the first exhibition at 28 Halifax Street, from 23rd February 2015.

Newly acquired Barry Cleavin prints, are being framed in readiness for the next exhibition for Term 2 2015.

- 3.2.3 Develop a suite of exhibitions for the opening of the Redeveloped Suter; Research undertaken and loans of artworks secured. Report quarterly on progress

The theme of The Promised Land established for the first suite of exhibitions

- 3.2.4 Develop a forward exhibition programme that is diverse and stimulating, for the Redeveloped Suter including internally produced and externally sourced exhibitions; Exhibitions scheduled that meet the needs and interests of a broad audience. Report on progress quarterly

A basic outline prepared

- 3.2.5 Provide public programmes which enhance appreciation and enjoyment of the visual arts; A minimum of 20 talks/ events/ activities are held per annum.

Events held up to 31.12.2014: 10 (Note not all events were held on site) YTD 2013: 21 events

See appendices for list

- 3.2.6 Provide learning experiences for regional school students that support their NZ curriculum studies based on the Suter's programmes and resources; Target is 3,000 students from 25 schools as per the Ministry of Education LEOTC Contract milestones & post visit evaluations indicate 90% satisfaction ratings of "fine" to "great". At least one Education Advisory committee meeting held per annum.

2,647 students attended 120 Suter Educator led programmes to 31.12.2015

Compared to YTD 2013: 2223 students attended 126 Suter Educator led programmes

Education Advisory Committee met; LEOTC monitoring visit occurred and Milestone 4 Report submitted:

Monitoring feedback very positive. Satisfaction rating 100%

Education programmes ran until 11 December 2014

- 3.2.7 Seek to obtain a further LEOTC Contract; The current LEOTC contract expires on December 31 2015. Report on progress

See above

- 3.2.8 Provide out-of-school art educational activities; 50 sessions of Suter Kids Club are delivered per annum:

SKC sessions run until 31.12.2014: 57 sessions held **compared to YTD 2013: 58 sessions**

Suter Kids Club ran until December 17. Bookings are healthy for first term 2015.

3.3 COLLECTION: Collect, record, interpret and preserve the artistic heritage of the Nelson/Tasman region and New Zealand.

- 3.3.1 Develop the Suter's Collection in accordance with the Suter's Collection Policy; All acquisitions and de-accessions comply with the Collection Policy and related procedures. All acquisitions/de-accessions approved by the Trust and reported annually.

See appendices for acquisitions

- 3.3.2 Maintain and develop the 10x10 Acquisitions Fund & Collection Bequests to allow active collecting to occur; The acquisitions' funds meet or exceed budget and all such funds are used for the purposes so designated

A portion of the Acquisitions Fund, bequests' funds and results of a fundraising campaign allowed the purchase of the \$245,000 Rita Angus painting The Apple Pickers 1944

- 3.3.3 The Collection is safely relocated during the period of Redevelopment, and post Redevelopment is safely installed into new storage; The Collection is stored in environmental conditions that are in line with accepted museum practice (including temperature 18-22°C/ relative humidity 50-55%, pest control, archival materials, security and fire monitoring). There are no handling mishaps or other damage occurs to collection items

The Collection was packed for relocation, with the majority of collection items being moved to The Suter's temporary new home pre- Christmas, and without mishap.

Staff from the Nelson Provincial Museum helped with the collection shift, taping glass, loading works at Bridge Street, and unloading and placing works into the storage areas at Halifax Street- recording their new locations.

Contractors did an extraordinary job of adapting retail racks to fit Suter storage shelves, and then to fit them into the new storerooms. They also converted the materials from the painting racks to make bays for storing the larger individually packed paintings.

Because the larger and/or more vulnerable works are all individually packed, plus the fact that the storage areas have a lower ceiling, the collection is taking up virtually all available space in the storage areas. The temporary storage is much tighter than the previous storage and as a consequence it is now not easy to respond to public requests to see items.

- 3.3.4 Collection records are significantly upgraded to increase accessibility and usability, as a part of a long term strategy to provide on-line access to the collection and to enhance the reputation of the significance of the collection; **All collection items are imaged; Collection items are uploaded to internet sites including NZ Museums; Loan and other collection requests are met; Progress reported six monthly**

Some activity but collection packing took precedence during this period. Collection items loaned to the Hocken for a touring exhibition of W H Allen (an artist once domiciled in Nelson)

- 3.3.5 Initiate collection related research projects, involving community groups, to enhance knowledge about the Collection and engage the community directly with the Collection. Advance subject indexing of the Collection¹. Disseminate knowledge of the collection: **Collection related items in media; Participate in compiling the Nelson 'craft' story as a contribution to a NZ craft history project administered by Auckland Museum; Progress reported six monthly**

Collection packing took precedence during this period, however monthly "Taonga" articles appeared in Nelson Mail; weekly articles related to the Rita Angus "Apple Pickers" painting; a fashion shoot for Wild Tomato used Suter collection exhibitions as a backdrop and "The Apple Pickers" was discussed on "Summer Noelle" on National Radio. A further series of greeting cards of collection art works was also published to increase awareness of Suter collection holdings.

3.4 PARTNERSHIPS: Partnerships that sustain The Suter

- 3.4.1 Strengthen the Suter's relationship with Iwi and Maori; **Complete 3 yearly review of MoU. Honour the kaupapa of the MoU with Ko Te Pouāranga; the Redevelopment reflects the relationship**

The reviewed and revised MoU was signed on 30 September 2014.

Iwi have conducted ceremonies for the moving of the taonga (collection), closing of Bridge Street; blessing of the new site before it was fitted out as well as supporting key events

- 3.4.2 Actively engage in collaborative partnerships to support the programmes of The Suter (refer to 3.2.1 and 3.3.5), the Redevelopment and subsequent projects and programmes; **Sufficient resources are achieved to support projects**

Partners for the Waitangi Weekend 2015 project include NMIT, NCC, Founders and Toi Maori Aotearoa. Sponsorship and support has been provided by EDA, Wakatu Incorp. and Toi Maori Aotearoa

Support from the Nelson Mail was of great assistance in the Rita Angus fundraising campaign

Nelson Pine Industries; materials toward the exhibition area fit-out of the Halifax Street premises

- 3.4.3 The Friends of The Suter (FOTS) is enhanced and a patronage scheme is developed; **FOTS membership and activities is reported 6 monthly; progress on patronage scheme reported.**

¹ Through 'tagging' - a community project whereby staff and public 'tag' collection items images with subject keywords, locations and objects - a new approach to providing a public interface with art collections. The information is digitally recorded into Vernon Collection Management database

31.12.2014: 444 memberships compared with 523 at year end 30.06.2014.

- 3.4.4 The Suter contributes to other organisations and initiatives to promote Nelson/Tasman visual arts and heritage and provides leadership in fields of expertise to support the Council's provision of cultural wellbeing: **Report on contribution to the implementation of the Regional Arts Strategy, Heritage Strategy, regional museums network and other related initiatives**

Anna Marie White Suter Curator assisted NMIT final year visual arts students 'curate' their year-end exhibition at NMIT and provided teaching contributions

Input of Director to pre LTCCP consultation meeting on heritage in Nelson; Arts Panel [public art]; copy and collection images supplied for the new Nelson Arts Guide launched in December 2014; attended a meeting of Nelson City Council heritage facilities managers, resulting in joint promotions in print media for the summer period.

Nationally: Anna Marie White, having been one of 4 selectors for NZ's most prestigious contemporary art award The Walters Prize, attended the opening of the Walter's Prize exhibition and Award announcement at Auckland Art Gallery- contributing to the media conference, public panel floor talk and other related events. She also participated in the Maori Arts Market held in Wellington (courtesy of Toi Maori Aotearoa) in November (a floor-talk and guided tours) and presented a paper at an international symposium "Indigenous Modernisms: Histories of the Contemporaries", jointly convened by Victoria University and Te Papa Tongarewa.

The Suter's Educator, Esther McNaughton attended a national Art Educators conference

The Bishop Suter Trust
Statement of Comprehensive Income
As at 31 December 2014

	Six months Actual to 31/12/14	Six Months Budget	Annual Budget 2014/15	Six Months Actual to 31/12/13
Income				
General Funds				
Investments	5,398	2496	5,000	2,272
Donations & Sponsorships	3,893	4,950	10,000	2,716
Grants				
NCC - Operating	238,918	238,920	491,797	235,155
NCC - Capital and R&M	52,019	52,018	104,000	51,200
TDC	43,907	43,908	86,116	42,627
Other Capital and R&M	0	0	0	0
Exhibitions	2,248	2,750	5,000	6,286
Life Long Learning	23,692	24,000	48,000	24,731
Visitor Services & Marketing	34,435	28,125	80,000	52,983
Rent	23,851	16,500	15,000	29,293
Other Income	1,417	500	1,000	562
Total Income General Funds	429,778	414,167	845,913	447,825
Specific Purpose Funds				
Redevelopment Funds				
Other funders	92,130	54,000	1,075,000	252,734
MCH, NZLGB, and other funders			4,000,000	
Suter 2000 Trust			500,000	
Relocation Costs	(\$113,288)	(\$50,000)	(\$75,000)	-
Redevelopment Costs	(\$169)	\$0	\$0	(\$3,995)
Cuthbertson Fund				
Vesting of opening market value				
Interest and dividends earned	5,747	5,600	11,000	4,886
Burton Fund				
Vesting of opening market value				
Interest earned	2,132	600	4,000	675
Acquisitions Fund				
Donations received	200,637	20,000	50,000	15,000
Interest earned	0	0	500	29
Total Special Purpose Funds Income	187,189	30,200	5,565,500	269,330
Other Income				
Donated Collection Items at Valuation	0	5,000	10,000	2,900
Total Other Income	0	5,000	10,000	2,900
Total Income	616,967	449,367	6,421,413	720,055
Expenses				
General Funds				
Personnel Costs	205,439	213,909	414,528	204,152
Audit	0	0	19,000	57
Finance Costs	0	0	1,500	742
Administration	101,001	100,057	110,000	111,485
Governance	19,747	25,165	49,982	25,811
Exhibitions	28,183	22,000	30,000	29,771
Life Long Learning	1,990	1,500	3,048	2,767
Visitor Services	20,630	13,820	35,000	25,353
Collection	2,975	4,400	33,000	4,339
Facilities	19,621	18,938	35,000	20,721
Maintenance	11,163	16,650	25,000	9,450
Depreciation	38,981	38,125	47,581	38,125
Loss on disposal	0	0	1,681,647	0
Total General Funds Expenses	449,731	454,564	2,485,286	472,772
Net Surplus	167,237	(5,197)	3,936,127	247,283
Other Comprehensive Income	0	0	0	0
Total comprehensive Income	167,237	(5,197)	3,936,127	247,283
Net Surplus				
General Funds	(19,953)	(35,397)	(1,629,373)	(22,047)
Redevelopment Fund	(21,327)	4,000	5,500,000	248,739
Cuthbertson Fund	5,747	5,600	11,000	4,886
Burton Fund	2,132	600	4,000	675
Acquisitions Fund	200,637	20,000	50,500	15,029
	167,237	(5,197)	3,936,127	247,284

The Bishop Suter Trust
Statement of Financial Position
As at 31 December 2014

	Actual at 31/12/2014	Annual Budget 2014/15	Actual at 31/12/2013
Assets			
Current Assets			
Cash & Bank	358,312	271,947	367,992
Receivables	73,022	7,492	21,327
Other Current Assets	23,821	40,090	30,228
Specific Purpose Investments			
Redevelopment Fund			
Cuthbertson Fund Investments	289,454	300,585	283,471
Burton Fund Investments	81,052	101,052	101,052
Redevelopment Term Deposits	2,844,347	2,290,000	535,000
Total Current Assets	3,670,008	3,011,166	1,339,070
Non Current Assets			
Collection	7,371,233	7,167,124	7,127,124
Property Plant and Equipment	3,176,479	5,459,935	3,211,630
Total Non Current Assets	10,547,712	12,627,059	10,338,755
Total Assets	14,217,720	15,638,225	11,677,824
Liabilities			
Current Liabilities			
Bank Overdraft	0	0	0
Payables	68,533	67,178	40,033
Bank Loans current	0	4,231	0
Other liabilities - Hunt	0	25,000	0
Employee Entitlements	35,103	33,000	39,553
Income In Advance	2,079,323	670	42,628
Total Current Liabilities	2,182,958	130,079	122,213
Long Term Liabilities			
Bank Loans	0	0	16,169
Other Liabilities - Hunt	75,938	25,938	100,938
	75,938	25,938	117,106
Total Liabilities	2,258,896	156,017	239,319
Net Assets	11,958,824	15,482,208	11,438,505
The Bishop Suter Trust Equity			
Capital & Reserves			
General Purpose Funds			
Redevelopment Fund	9,359,926	7,747,888	9,417,560
Cuthbertson Fund	1,009,162	6,298,351	707,085
Burton Fund	387,164	375,295	358,181
Acquisitions Fund	147,615	149,684	142,361
	1,054,958	910,990	813,318
Total Trust Equity	11,958,824	15,482,208	11,438,505

Appendices

The Suter Art Gallery Exhibitions - 1st July 2014 to 31 December 2014

Dates of Exhibition	Exhibition Title	Gallery
16 May-	<i>The last Picture Show: Portraits and The Suter's earliest acquisitions</i>	Sargood Gallery: CTSC area
30 June – 11 July	<i>Top Art : Secondary School students Level 3 top scoring art folios, toured by NZQA (inserted into The Last Picture Show exhibition)</i>	Sargood Gallery
16 May – 13 July	<i>A Long Look for a Long Time; John Furtak, long serving Suter Staff member picks works from the collection</i>	Original Gallery
19 July – September	<i>Marama: Pacific Winter night; Works from The Suter collection</i>	Original Gallery
16 May- 13 July	<i>The last Picture Show,: Works from the collection with a focus on Woollaston & his contemporaries</i>	Sargood Gallery
13 September – 16 November	<i>Suspicious Minds: Works from the collection & long term loans</i>	Original Gallery
Late August-end of November	<i>The Last Picture Show: Refresh with 20th century portraits and images relating to immigration</i>	Sargood Gallery: CTSC area
19 July – ongoing until works packed in November/ December	<i>In Glorious Technicolour: Works from the collection-Refresh of paintings & other works</i>	Sargood Gallery
Off-Site		
23 September – 4 October	<i>NSAS Spring Exhibition</i>	The Refinery
16 - 27 October	<i>The Roots: Suter Art Gallery project for the Nelson Arts Festival; Constructing 2 temporary social structures using recycled materials</i>	Founders
Ceramics Wall Case		
Dates	Displayed	Selector
2 July -21 September	<i>Ceramics selected by anagama potter Darryl Frost</i>	Darryl Frost
24 September – late November	<i>Tribute to Ross Richards: Ceramics from the Collection</i>	Staff: From The Suter's collection

Public Programmes: 1st July 2014 to 31 December 2014

			numbers
July 2014			
10 July	6pm	Opening launch for Light Nelson Suter Café & Queens Gardens	315
August 2014			
13 August	12.10pm	Curator's' floor-talk; <i>Marama</i> Original Gallery	30
September 2014			
1st September	12.30pm	Public Fundraising campaign launch for the Rita Angus painting <i>The Apple Pickers</i> Suter Theatre	40
23 rd September	5.30pm	Opening: NSAS Spring Exhibition 2013 Refinery Gallery, Halifax Street	100
25 September	12.10	Lunch time film screening: <i>Lovely Rita: A Painter's Life</i> (about Rita Angus)	55
October 2014			
2 October	5.00pm	Function for apple growers and apple industry for the Rita Angus painting <i>The Apple Pickers</i> Sargood Gallery	20
3 October	5.30pm	Auction and Cocktails event: for the Rita Angus painting <i>The Apple Pickers</i> Sargood Gallery	105
23 October	4pm	Bishop Suter Trust Annual Meeting Sargood Gallery	35
November 2014			
1 November		Blessing of the new premises 28 Halifax Street	10
12 November	5.30pm	Function for significant donors to the Rita Angus painting <i>The Apple Pickers</i> fundraising campaign. <i>Hosted by the NCC Mayor Rachel Reese at the NCC Council Chambers</i>	58
13 November	5.30 pm	The End of An Era function; retirement of John Furtak and Friends of The Suter Christmas party Galleries & Cafe	250
December 2014			
6 December	9am- 5.50	NSAS market Day; Suter garage sale; NSAS Christmas Party Suter forecourt, Albion Square and McKee gallery	70 for NSAS
9 December	5.30	Event to thank apple growers at <i>Neudorf's</i>	20

Suter Theatre usage 1 July- 31 December 2014

Month	Film	Performance	Lecture	Conference	Suter event
July	11 inc.. 4 NFS; 6 film fundraisers; 1 other	1 x 5 days	1 with film	1 x 3 day	Light Nelson installation cancelled
August	26 days; inc. 22 International Film Festival; 1 NFS; 3 film fundraisers	1x3 days			
September	10 days; inc. 4 film festivals; 4 NFS; 2 film fundraisers		2		2 : Rita Angus fundraising launch; Rita Angus film
October	2 days: 2 NFS	21 days: 1x 9 days performance & Nelson Arts Festival	1		
November		1 x 2 days			
December	1				

NFS= Nelson Film Society

Collection

ACQUISITIONS

Artist	Title	Medium	Credit
Barry CLEAVIN	<i>The Cruel Cube</i> 1993	Etching and aquatint on paper 1/15,	Gift of Ann & John Hercus:
Barry CLEAVIN	<i>An A for Apteryx</i> 1993	Etching and aquatint on paper 1/15,	Gift of Ann & John Hercus:
Barry CLEAVIN	<i>Relative Obscurity</i> 1993	Etching and aquatint on paper 1/15,	Gift of Ann & John Hercus:
Alistair GRANT (1925-1997)	<i>Jeremiah in the stocks</i> c.1955	Colour etching	Gifted by Ren Kempthorne

M.T. WOOLLASTON	Untitled drawing (of a woman) c.1970s	Ink on paper	Gift
Michael OATEN	Christ in the Wilderness c. late 1970s-80s	Oils on board	Gifted by Barry James
Jack LAIRD	3 untitled marine inspired ceramics	Lustre glazed ceramics	Gifted by Dame Alison Roxburgh
Rita ANGUS (1970	The Apple Pickers 1944	Oils on canvas	Purchased with the support of NCC; donors, the apple industry, The Burton and Cuthbertson Bequests

THE BISHOP SUTER TRUST

STATEMENT OF INTENT 2015/2018

THE BISHOP SUTER TRUST

Registered Office:

208 Bridge Street, Nelson

P.O. Box 751, Nelson 7040

www.thesuter.org.nz

Temporary Office (2015/16)

28 Halifax Street, Nelson

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1. The Bishop Suter Trust Statement of Intent 2015-2018

As a Nelson City Council (NCC), council-controlled organisation (CCO) and in accordance with statutory obligations of Section 64 of the Local Government Act 2002, this Statement of Intent is for the forthcoming financial year 2015/16 and the following two financial years, ending 30 June 2018.

The purpose of this Statement of Intent is to promote public accountability and it is intended as a base against which performance can be assessed.

During 2015-2016 The Suter Art Gallery will be operating from temporary premises at 28 Halifax St, Nelson whilst a complete redevelopment project proceeds on its land at 208 Bridge Street, Nelson. It is expected to re-open as a more expansive public arts facility in mid-late 2016. There is therefore, in this Statement of Intent, transition period measures as well as an indication of the performance targets for the following 2016/17 financial year.

During this transitional period The Suter will continue to actively engage with the public through exhibition and public programmes, projects and educational activities.

The future intentions of The Suter will be set out in a ten year strategic plan which is currently under review.

Organisational description: The Suter Art Gallery Te Aratoi o Whakatū is governed by the Bishop Suter Trust, incorporated under the Charitable Trusts Act 1957, and is a not-for-profit entity established to deliver a public art gallery service for residents of Nelson and Tasman and visitors to the region. The Bishop Suter Trust has charitable status with the Inland Revenue Department and is registered with the Charities Commission.

The Suter is a council-controlled organisation whereby the NCC has the right to directly appoint 1 or more of the trustees.

Abbreviations:

The Suter Art Gallery, Te Aratoi o Whakatū	The Suter
The Bishop Suter Trust	The Trust
Nelson City Council	NCC
Tasman District Council	TDC
Council Controlled Organisation	CCO
Nelson Suter Art Society	NSAS
Long Term Council Plan	LTP

1.2 Vision

The Suter will provide access to an exciting range of visual arts and cultural experiences that enrich and inspire. The Suter will be a focal point for the Nelson and Tasman communities, an attraction for visitors to the region, enhance cultural life, promote public pride and protect our artistic heritage.

1.3 Mission:

The Suter Te Aratoi o Whakatū is the public art gallery and a key art educator for the Nelson and Tasman region. The Suter protects and documents the artistic heritage of the region through the permanent collection and provides inspiration for the future through a programme of exhibitions and life-long learning opportunities that aim to inform, challenge and engage the wider community.

1.4 Values:

The following principles underpin decision making and set the standard for performance and interactions with The Suter's communities of interest:

- Culturally inclusive: Celebrating and respecting New Zealand's cultural heritage of Tangata Whenua and Tangata Tiriti; and Nelson/Tasman's diverse past and present cultural mix
- Innovative: Apply imaginative approaches to all our activities
- Customer focussed: Responsive to our visitors' needs
- Professional: Upholding quality museum practices, underpinned with scholarship
- Relevant to our community
- A good employer
- Commercially positive: Able to attract resources and support for our activities

2 Nature and Scope of the Activities to be undertaken

The Nelson City Council's expectation is that the activities of The Suter will engage the regional community and provide a service that is of value to that community as both the owners and customers. Further, the NCC expects that the activities of The Suter will support the objectives of the Nelson Tasman Regional Arts Strategy and the Arts Policy:

2.1 Activities

- To manage and operate The Suter for the benefit of the residents of the Nelson/Tasman region and visitors.
- To promote the study, creation and appreciation of all forms of visual arts.

- To acquire, manage, interpret and preserve the Collection and taonga for the benefit of the residents of the Nelson/Tasman region and visitors.
- To develop and maintain partnerships for the mutual benefit of The Suter, the community and allied organisations.

2.2 Key Priorities

2.2.1 Operate a successful visual arts centre and public art gallery

To be achieved by:

- Optimising the use of The Suter's facilities and resources, in order to achieve its objectives.
- Working in partnership with the Nelson City Council to implement the plans for the redevelopment of The Suter as a visual arts centre; and continuing to work with other potential funders and supporters to realize these plans.
- Undertaking arts related activities that will engage the public and arouse awareness of the Redevelopment
- Building the capability - people, facilities, funding streams and processes - to ensure operational sustainability and programme innovation.

The Redevelopment Project building phase will be occurring during the 2015/16 financial year. After fit-out and a commissioning period, potentially mid-late 2016, The Suter will re-open on its Bridge Street site

Meanwhile The Suter will primarily operate out of its temporary site at 28 Halifax Street where it can hold exhibitions, run education programmes, store its collection and operate its Store and Café.

Arts projects and public programmes, including exhibitions and educational activities will occur at Halifax Street and at other sites, in partnership with other arts, cultural and heritage organisations. These 'extra-mural' projects will link with significant community cultural events, such as Waitangi Day, the Nelson Arts Festival and Light Nelson.

Suter staff will use this transition period to undertake collection care projects; build an on-line presence for The Suter and investigate the use of new media to promote the activities of The Suter, research and prepare the opening suite of exhibitions for the new Suter as well as the programmes for the following years.

As the Redevelopment proceeds, staff expert input will be required particularly with respect to collection storage systems and methods, aspects of the restoration of the Original gallery, design of display furniture and equipment, fit out and the refurbishment of The Suter Theatre.

The Trust will be also comprehensively review its strategic plan, and will be refreshing its branding, membership (Friends and Patrons), methods of

marketing and communication and looking to increase benefaction, patronage and build other supportive partnerships.

An impact of redevelopment includes the curtailing of The Suter's capacity to earn revenue from some of its traditional sources such as leases, venue hire¹ and admission charges. There will also be increased costs from renting the Halifax Street facilities.

The Project will also impact the value of building assets initially through impairment of existing building values due to the demolition of a significant proportion of the complex (2014/2015) and the need to write down book values to reflect that. Also a consequential increase in depreciation costs will arise from investment in the rebuild project.

The redevelopment of the facilities will contribute to the future achievement of the objectives of The Suter in the following ways:

- By providing appropriate spaces, plant and equipment that allow a lively programme of exhibitions and related activities to be presented;
- By adding a fourth gallery space to cater for larger exhibitions and/or concurrent exhibitions;
- By upgrading the environmental controls in galleries so that The Suter can present to the public, travelling exhibitions and art works that are currently not available to The Suter;
- Through life-long learning opportunities that occur in the galleries, the Theatre and in a dedicated education space where hands-on art activities can be undertaken;
- By providing facilities that all people can access through the elimination of access barriers;
- By ensuring that the artistic heritage of the region can be housed in conditions essential for the long term protection of this valuable and growing community asset;
- That leased facilities, retail area and foyer within the complex are attractive and fit for purpose to ensure income streams for the Trust
- That staff and volunteers are housed in a safe and functional work environment;

2.2.2. Engage, educate and entertain the regional community and visitors through visual arts' programmes:

To be achieved by:

- Providing a programme of exhibitions that appeal to a variety of audiences, and that present the visual arts in its many forms by local, national and where possible, international artists.

¹ Notably The Suter Theatre- lease and venue hire

During Redevelopment this activity will have to be delivered differently than the way it has been achieved to date at The Suter, or will be delivered in the future in the new facilities. In the transition period what can be undertaken is constrained by the size of the temporary premises and resourcing so any off site exhibition projects will be undertaken in cooperation with other parties, using their facilities and/or held in novel settings (e.g. 'pop-up' exhibitions and small themed displays). The Suter will also facilitate some visual arts projects.

A key activity will be planning, researching and preparing exhibitions for the opening of the redeveloped Suter, and the public programmes thereafter.

- Encouraging life-long learning by being a respected provider of curriculum relevant learning experiences outside the classroom (LEOTC) for the school sector, and provider of visual arts experiences for diverse audiences.

During Redevelopment The Suter will continue to offer educational activity for schools as a LEOTC provider. Also an emphasis will be on providing other types of art experiences for the public such as educational activity, talks and events

The current (extended) LEOTC Contract between the Ministry of Education and The Suter will end on 31 December 2015 and the Trust hopes to be able to bid for another Contract².

The Suter delivers after school programmes (Suter Kids Club) and these will continue to be delivered in the temporarily location.

2.2.3 Collect, record, interpret and preserve the artistic heritage of the Nelson/Tasman region, and New Zealand

To be achieved by:

- Being the recognised custodian of Nelson/Tasman region's artistic heritage by developing the Collection, disseminating information and increasing knowledge of the Collection.
- By profiling aspects of the Collection and Nelson/Tasman regions' artists through exhibitions, public programmes, publications, website and other means.

During Redevelopment one of our key projects will be to undertake research with the aim of improving Collection records³, improving the protection of and presentation of collection works (e.g. conservation treatment and reframing) and by providing online access to the Collection. It is intended that some aspects of this project will involve the community⁴

- By restoring and interpreting the heritage aspects of The Suter's building.

² This is a contestable tender process

³ Improving catalogue entries, imaging collection items to publication standard, establishing copyright status etc.

⁴ E.g. in research projects using volunteers and potentially community learning groups such as U3A

This will be realised in the Redevelopment with the restoration of heritage features and seismic strengthening of the original 1899 Bishop Suter Memorial Art Gallery building. More of the heritage fabric of this building will be revealed as a consequence of the Redevelopment, and this will facilitate interpretation of this registered historic place⁵.

2.2.4 Develop partnerships that sustain The Suter

To be achieved by:

- Developing partnerships which contribute to the delivery of programmes, development of the Collection, resources and other projects: - in particular to develop partnerships which contribute to the Redevelopment Project and the ongoing operational and collection funding of The Suter.
- Contributing to the fulfilment of the Nelson Tasman Regional Arts Strategy and Arts Policy by providing leadership in the area of visual arts.

2.3 Alignment with Nelson City Council Outcomes

People friendly places:	By providing an arts centre in which inspiring art, heritage and cultural activities take place.
A strong economy:	By encouraging a thriving arts, heritage and cultural community, through employment, exhibitions, promotion of Nelson region's arts, and as a tourism attraction.
Kind, healthy people:	By contributing to social well-being.
A fun, creative culture	By providing opportunities for social engagement and recreation
Good leadership:	By demonstrating leadership in the arts community, promoting the development of Nelson arts and being the recognised custodian of Nelson/Tasman region's artistic heritage.

⁵ This building is a NZHPT Category II Historic Place, and Category A in the Nelson RMP

3. Objectives, Performance Measures and Targets

NOTE: The following chart indicates objectives and goals for The Bishop Suter Trust for three years and the target levels of performance. For at least one of these years The Suter will be a transition situation and The Trust may or may not meet the performance targets, or be able to accurately measure achievement. Some targets are for the 2016/17 financial year when it is assumed that The Suter will have re-opened in its new facilities.

3.1 GOVERNANCE: Operate a successful visual arts centre and public art gallery:

- 3.1.1. Successfully implement The Suter Art Gallery Redevelopment Project in partnership with NCC; **Ensure that the overall Project design/ costs remain within the \$12 million budgeted and that The Suter is completed to plan, budget and timeframe**
- 3.1.2 Provide a public art gallery experience during Redevelopment (refer 3.2); **Report six monthly with visitor statistics and response**
- 3.1.3 Ensure that The Suter is well managed and operates within its agreed plans: **Reports, plans and budgets meet set deadlines. The Risk Management Plan is reviewed annually and mitigation strategies identified are implemented.**
- 3.1.4 Develop a 10 year strategic plan for the BST / The Suter
- 3.1.5 Develop a Marketing Plan which focusses on the attracting visitors and developing resourcing for the redeveloped Suter (refer also 3.4); **Report on progress**
- 3.1.6 Develop an asset management plan in relation to the new Suter facilities; **Plan prepared by 2016/17 for the ongoing maintenance of the redeveloped Suter**
- 3.1.7 Be a good employer by maintaining good employer policies and practices; **Report on observance of policies, health & safety, turnover and related statistics**

3.2 VISITOR EXPERIENCE: Engage, educate and entertain the regional community and visitors through visual arts' programmes: Exhibitions and Life- long learning opportunities:

- 3.2.1 During Redevelopment facilitate and deliver exhibition projects that contribute to significant cultural events; **Projects are delivered in relation e.g. to Light Nelson 2016, Nelson Arts Festival, Waitangi Day 2016, Centenary of WW1.**
- 3.2.2 During Redevelopment provide displays/ exhibitions, potentially in The Suter Off-site premises and in various other spaces as opportunities arise; **Displays are in locations accessible to the public, Report quarterly on progress**
- 3.2.3 Develop a suite of exhibitions for the opening of the redeveloped Suter; **Research undertaken and loans secured. Report quarterly on progress**
- 3.2.4 Develop a forward exhibition programme that is diverse and stimulating, for the redeveloped Suter including internally produced and externally sourced

exhibitions; **Exhibitions scheduled that meet the needs and interests of a broad audience. Report on progress quarterly**

- 3.2.5 Provide public programmes which enhance appreciation and enjoyment of the visual arts; **A minimum of 20 talks/ events/ activities are held per annum**
- 3.2.6 Provide learning experiences for regional school students that support their NZ curriculum studies based on the Suter's programmes and resources; **Target is 3,000 students from 25 schools as per the Ministry of Education LEOTC Contract milestones & post visit evaluations indicate 90% satisfaction ratings of "fine" to "great". At least one Education Advisory Committee meeting held per annum.**
- 3.2.7 Seek to obtain a further LEOTC Contract; **The current LEOTC contract expires on December 31 2015. Report on progress**
- 3.2.8 Provide out-of-school art educational activities; **50 sessions of Suter Kids Club are delivered per annum**

3.3 COLLECTION: Collect, record, interpret and preserve the artistic heritage of the Nelson/Tasman region and New Zealand.

- 3.3.1 Develop the Suter's Collection in accordance with The Suter's Collection Policy; **All acquisitions and de-accessions comply with the Collection Policy and related procedures. All acquisitions/de-accessions approved by the Trust and reported annually.**
- 3.3.2 Maintain and develop the Acquisitions Fund & Collection Bequests to allow active collecting to occur; **The acquisitions' funds meet or exceed budget and all such funds are used for the purposes so designated**
- 3.3.3 The Collection is safely stored during the period of redevelopment, and post-redevelopment is safely moved and installed into new storage; **The Collection is stored in environmental conditions that are in line with accepted museum practice (including temperature 18-22°C/ relative humidity 50-55%, pest control, archival materials, security and fire monitoring). There are no handling mishaps or other damage occurs to Collection items**
- 3.3.4 Collection records are significantly upgraded to increase accessibility and usability, as a part of a long term strategy to provide on-line access to the Collection and to enhance the reputation of the significance of the collection; **All collection items are imaged⁶; Collection items are uploaded to internet sites including NZ Museums; Loan and other collection requests are met; Progress reported six monthly**
- 3.3.5 Initiate collection related research projects, involving community groups, to enhance knowledge about the Collection and engage the community directly with the Collection. Advance subject indexing of the Collection. Disseminate knowledge of the Collection: **Collection related items in media; Participate in compiling the Nelson 'craft' story as a contribution to a NZ craft history project administered by Auckland Museum; Progress reported six monthly**

⁶ This may be difficult to 100% achieve due to the constrained collection storage at the temporary premises and consequent difficulties accessing works

3.4 PARTNERSHIPS: Partnerships that sustain The Suter

- 3.4.1 Strengthen The Suter's relationship with Iwi and Maori; **Honour the kaupapa of the MoU with Ko Te Pouāranga; the Redevelopment reflects the relationship**
 - 3.4.2 Actively engage in collaborative partnerships to support the programmes of The Suter (refer to 3.2.1 and 3.3.5), the Redevelopment and subsequent projects and programmes; **Sufficient resources are achieved to support projects**
 - 3.4.3 The Friends of The Suter (FOTS) is enhanced and a patronage scheme is developed; **FOTS membership and activities is reported 6 monthly; progress on patronage scheme reported.**
 - 3.4.4 The Suter contributes to other organisations and initiatives to promote Nelson/Tasman visual arts and heritage and provides leadership in fields of expertise to support the Council's provision of cultural wellbeing: **Report on contribution to the implementation of the Regional Arts Strategy, Heritage Strategy, regional museums network and other related initiatives; report on contribution nationally in areas of expertise.**
-

4. Operating Framework

4.1. Background

The history of The Suter goes back to 1895 when Amelia Suter, widow of Bishop Andrew Burn Suter, gave a collection of art works and land to encourage the establishment of an art gallery, as a memorial to her late husband. Bishop Suter initiated the Bishopdale Sketching Club in 1889, the forerunner of the Nelson Suter Art Society Inc. whose Grabham Studio and McKee Gallery were later a part of The Suter. In 1896 the Bishop Suter Art Gallery Board of Trustees was formed, and a private Act of Parliament passed allowing the transfer and acquisition of property including the Gallery's Queen's Gardens site the Matthew Campbell School buildings upon it and establishing a self-perpetuating form of trust.

The Bishop Suter Art Gallery Restructuring Act (2008) repealed The Bishop Suter Art Gallery Trustees Act (1896) and with the new Bishop Suter Trust established, the way was paved for The Suter to become a CCO of the Nelson City Council.

In May 1899 the Frederick de Jersey Clere designed Bishop Suter Memorial Art Gallery opened⁷. Later alterations included demolition of the School, and additions-further gallery spaces, workshop and studio, Theatre, foyer shop and café, the latter designed by Warren and Mahoney. On the 108th anniversary of the opening of the Original Gallery it was recognised as a Category II Historic Place.

The Redevelopment Project jointly administered by the Trust and Nelson City Council has seen most of the later additions with the exception of The Suter Theatre demolished, to make way for the expanded and more accessible facilities. The lead architects for the Redevelopment are Jerram Tocker Barron, a Nelson based firm.

⁷ This building is now generally referred to as the Original Gallery

The Collection reflects the community ownership of The Suter, with over 90% of items in it donated or acquired through benefaction. The Collection, of national significance, includes historical and contemporary art works and ceramics by New Zealand artists, plus some international works.

4.2 Governance, allied organisations and staffing

The Bishop Suter Trust has been formed by the NCC, as a charitable trust, and incorporated under the Charitable Trust Act (1957) to manage and operate The Suter Art Gallery Te Aratoi o Whakatū. As a CCO, the NCC are responsible for appointing the majority of the members of the Board, comprising 7 trustees, including a representative of Ko Te Pouāranga and ex-officio, Chair of the NSAS. Trustees are appointed for three year terms.

The Bishop Suter Art Gallery Trust Board has a longstanding relationship with the **Nelson Suter Art Society Inc.**, a voluntary incorporated society which has traditionally occupied part of The Suter premises.

The Suter 2000 Appeal Trust is incorporated and was registered as a charitable trust on 13 July 2001 to raise and administer funds associated directly with an earlier proposed Suter redevelopment project. It is independent of The Bishop Suter Trust and held in trust, significant funds now re- assigned to the Redevelopment Project.

Friends of The Suter comprises approximately 500 members of which about a third are Life members. It is not an incorporated society. Members receive regular newsletters, and talks and other events are held to advance Friends' appreciation of art in general as well as support for The Suter. Reciprocal Friends' benefits have been agreed with Christchurch Art Gallery and Auckland Art Gallery.

Ko Te Pouāranga is the name of the group consisting of representatives from each of the six recognised manawhenua Iwi trusts of Whakatu. A Memorandum of Understanding signed on 29/ 09/2014 with Ko Te Pouāranga establishes principles of partnership and confirms full, permanent as of right, Maori representation on the Board of The Suter as outlined in the Trust Deed

Staffing: The Suter's staffing complement in the temporary premises is 6.6 F.T.E.s and regular volunteer contribution equates to 24 hours per week on average.

5. Operating Environment

The following factors are likely to influence The Suter over the next three years:

Visitor trends:

Statistics for the past few financial years show an average of 30,000 visits to the exhibition galleries. It is anticipated that this level of visitation will be improved upon in the new Suter by at the very least, 20%. With a successful café and theatre operating, approximately 90,000 people used aspects of The Suter complex prior to redevelopment and these activities make a significant contribution to awareness of and funding of the operation. Over 60% of visitors are from Nelson/Tasman area, the balance being tourists - the greatest proportion domestic travellers. Efforts have been made to increase awareness of The Suter through tourism media, at I-Sites, by

developing www.thesuter.org.nz, and making links to other sites such as eventfinder.co.nz as well as local sites such as It's-on-Nelson Tasman Events.

There is a seasonal aspect to visitation - with numbers increasing through the tourist season (November-April) and The Suter being one of a relatively limited number of wet weather activities available to visitors in the region. The improvements to be achieved in the redeveloped Suter include more exhibitions and activities of interest to families, air conditioning, longer opening hours and barrier-free access to all public areas. The building will be more attractively linked to its surroundings, particularly the Queen's Gardens.

Technology:

As indicated above the internet is increasingly widely used to research places to visit, to provide virtual experiences, and to search collections. The Suter can further connect with audiences by mounting virtual exhibitions and having the Collection on line. Social media is also increasingly used to spread the word about what to see and do and working on providing Suter experiences 'virtually' will be one of a number of improvements which will be addressed when The Suter is closed for Redevelopment.

Technologies are increasingly an expected part of exhibitions- either as part of art works (new media, moving image/sound works) or to provide interaction opportunities and interpretation. Infrastructure to facilitate use of new technologies will be incorporated in the redevelopment of The Suter.

Facilities:

A mobile population experience galleries, museums and other attractions elsewhere in New Zealand, and as a consequence expect facilities to be up to a certain standard. The redeveloped Suter will have facilities that will be of a high quality and that will make The Suter a 'destination', making a far greater contribution to tourism in the region.

Collecting:

The Suter intends to keep developing its collection. Well over 90% of The Suter's Collection has been acquired by donation- either of art works or funds, reflecting community input and ownership and it is intended that we continue to grow the Collection using funds raised. It is desirable for The Suter to actively collect if the Gallery is to provide a comprehensive record of the visual arts of Nelson/Tasman, contextualised in relation to developments in New Zealand art. A collection of national significance is both a drawback and a source of local pride.

Contributors to the Acquisitions Fund will be actively involved in The Suter's collection development and as our acquisitions' programme gains momentum The Suter will continue to enhance our Collection of national significance.

During the rebuild as much cataloguing and research information as can practically be collected, will be undertaken to facilitate development of online collection access, publishing and future exhibition preparation.

Under normal circumstances The Suter endeavours to meet all reasonable requests for loans from the Collection⁸ and for illustrations for publications as further ways for the Collection to be enjoyed by the widest possible audiences, and given adequate advance notice The Suter will continue to do its best to provide access.

Resourcing:

The Suter's main income streams are local government, leases, LEOTC, sales (retail, commissions), grants and sponsorships. Additional revenue comes from memberships, donations and events/activities. During the period of redevelopment The Suter's ability to earn revenue from most of these income streams will be compromised, however the Redevelopment includes a refurbished Theatre, a new Café, and an enlarged atrium, with retail area; all of which will contribute to increased income. The Suter is a tourist attraction but as a consequence it is vulnerable to any downturn in domestic or international tourism.

6. Accountability

6.1 Information to be provided to Nelson City Council

Half Yearly

By 28 February a six month report covering Statement of Financial Performance and Statement of Financial Position, performance against targets, commentary on activities, cash flow statement, and other such information as the Trustees consider necessary to enable an informed assessment of the Trust's performance during the period being reported.

Annually:

Within three months of the end of the financial year (i.e. 30 September) the Trustees shall deliver to NCC an annual report which fulfils the requirements of Section 67 of the Local Government Act 2002, prepared to comply with International Financial Reporting Standards and audited financial statements in respect of the financial year, containing the following information as a minimum:

- A Trustees' Report including a summary of the financial results, a review of operations, and a comparison of planned and actual performance in relation to objectives.
- A financial statement disclosing actual and budgeted revenue and expenditure and comparative figures from the previous financial report.
- A statement of financial position as at the financial year end.
- A statement of cash flows.
- An Auditor's Report on the above statements and the measures of performance in relation to objectives.

⁸ Loans to other museums and galleries for exhibitions. During Redevelopment it may not be possible to meet all loan requests due to collection storage constraints.

- Any other matters that NCC and the Trustees agree shall be disclosed as appropriate.

This Annual Report shall be made available for inspection at Council offices.

7. Prospective Financial Statements

7.1. Introduction:

The Suter's Statement of Intent covers the period 1 July 2015 to 30 June 2018. The financial information contained in the Statement of Intent has been prepared to assist the NCC consider The Suter's planned performance.

The prospective financial statements are based on assumptions as to future events that The Suter may reasonably expect to occur at the time when this information was prepared. Actual results may vary, and this variation may be material, arising for instance from the redevelopment of The Suter.

7.2 Statement of Significant Assumptions

7.2.1. Fiscal support from local authorities: The Suter is a NCC CCO with the NCC's commitment to long term funding support set out in a Memorandum of Understanding. The TDC also provides an annual contribution, and the basis of this commitment is set out in the TDC's LTP, annually adjusted for CPI. To the extent the actual money allocated is less or more than that set out The Suter will need to adjust its activity levels.

7.2.2. Other revenues: Other revenues reflect forecast visitor activity levels consistent with historic trends, obligations of lessees and the restrictions and requirements of the Redevelopment Project.

7.2.3. Special Purpose Funds The Suter has historic and ongoing bequests, gifts and contributions that generally have restrictions on use. These funds are shown separately on the balance sheet.

7.2.4. Operating Expenditure Operating expenditure is forecast to continue at historic levels adjusted for inflation and the requirements of the Redevelopment Project.

7.2.5. Capital Expenditure The majority of Capital Expenditure during the period will relate to the Redevelopment of the Gallery and associated replacement of furniture and fittings.

7.2.6. Inflation: 1.6 % CPI adjustment was applied in the 2014/2015 financial year and 2% for the subsequent financial years' projected revenue from the NCC.

7.2.7. Trustees' Estimate of Trust Value: The Trustees estimate that the opening balance of funds in the annual accounts will represent the value of the Trust. The Trustees will advise NCC on an annual basis if they believe

the value to differ materially from this state. The audited opening equity at 9 August 2008 is \$9,593,656⁹.

7.2.8. Heritage Assets: This is represented by the Collection. Additions to the Collection will be recorded at either purchase price or market valuation for donated art works. The Collection is not regarded as a realisable financial asset and valuation is carried out for the purposes of insurance and compliance with NZ IFRS.

7.2.9. Dividend Policy: It is important to note that the shareholders of the Trust do not expect, nor anticipate, the Trust to pay dividends in the usual commercial manner. However the Trust anticipates, through appropriate performance measures, to review annually the non-financial dividend which will be returned to our wider regional community.

⁹ This is the date when The Bishop Suter Trust assumed responsibility for governance of The Suter Art Gallery

APPENDIX I: FINANCIAL BUDGETS

The Bishop Suter Trust
Business Plan 2016 to 2018

	Actual YE 30 Jun 2014	Plan YE30 Jun 2015 1.60%	Forecast YE 30 Jun 2015	Plan YE 30 Jun 2016 2.00%	Plan YE 30 Jun 2017 2.00%	Plan YE 30 Jun 2018 2.00%
Cpi						
	\$	\$	\$	\$	\$	\$
Statement of Comprehensive Income						
Income						
General Funds						
Investments	5,902	5,000	7,000	5,000	5,000	5,000
Donations & Sponsorships	4,396	10,000	13,500	10,000	42,600	42,600
Grants						
NCC - Operating	572,711	595,797	581,874	485,481	495,191	505,094
NCC - Depreciation				0		100,000
NCC - Depreciation Renewals Funding				0	10,000	10,000
TDC	85,255	86,116	87,813	89,569	91,360	93,187
Exhibitions	13,213	5,000	3,000	5,000	12,000	12,240
Life Long Learning	50,377	48,000	48,000	48,000	48,960	49,939
Visitor Services & Marketing	138,581	80,000	77,700	110,000	150,000	153,000
Rent	54,028	15,000	23,850	21,600	60,000	61,200
Other Income	4,232	1,000	3,000	1,000	1,000	1,000
Total Income General Funds	928,695	845,913	845,737	775,650	916,111	1,033,261
Special Purpose Funds						
Redevelopment & Capital Funds						
NCC Equity grant				0	6,000,000	
Public fund raising	437,400	1,075,000	270,697	575,694	1,550	
Interest earned	29,274		100,000	50,000		
Suter Trust - fundraising		500,000	145,000	350,000		
MCH, NZLGB and other funders		4,000,000	1,117,850	2,189,000	250,524	
Cuthbertson Fund						
Interest and dividends earned	12,607	11,000	12,000	11,000	11,800	11,800
Cuthbertson Fund unrealised market adjustment	15,515	0	0	0	0	0
Burton Fund						
Interest earned	3,798	4,000	3,500	4,000	4,600	4,600
Acquisitions Fund						
Donations received	31,125	50,000	210,000	50,000	50,000	50,000
Interest earned	29	500	100	500	600	600
Total Special Purpose Funds Income	529,748	5,640,500	1,859,147	3,230,194	6,319,074	67,000
Other Income						
Donated Collection Items at Valuation	27,778	10,000	10,000	10,000	10,000	10,000
Total Other Income	27,778	10,000	10,000	10,000	10,000	10,000
Total Comprehensive Income	1,486,221	6,496,413	2,714,884	4,015,844	7,245,185	1,110,261
Expenses						
General Funds						
Personnel Costs	413,698	414,528	395,000	422,900	451,358	460,385
Audit	10,087	19,000	11,000	19,000	19,000	19,000
Finance Costs	1,320	1,500	0	0	0	0
Administration	143,454	110,000	127,000	129,540	132,131	134,774
Relocation costs		75,000				
Governance	50,100	49,980	45,000	45,900	46,818	47,754
Exhibitions	53,943	30,000	45,000	60,000	105,000	95,000
Life Long Learning	3,895	3,048	3,048	3,109	3,171	3,234
Visitor Services	67,488	35,000	26,000	45,000	64,000	65,280
Collection	10,371	33,000	17,400	30,000	13,000	13,000
Facilities	39,536	60,000	45,000	45,000	45,000	45,000
Deferred maintenance and redevelopment planning	13,114	0	0			
Depreciation and Loss on sale						
Depreciation Landscaping	1,231	307	615	0	0	0
Depreciation Buildings	60,000	30,074	22,158	22,158	98,632	175,106
Depreciations Plant and Equipment	13,441	17,200	16,200	18,200	19,200	83,151
Depreciation and Loss on sale	74,672	47,581	38,973	40,358	117,832	258,256
Write off buildings & landscaping	183	1,681,405	1,671,610			
Total General Funds Expenses	881,861	2,560,042	2,425,031	840,807	997,310	1,141,684
Redevelopment Fund Costs						
	3,995	0	1,580,169	1,100,000	140,000	
Total Expenses	885,856	2,560,042	4,005,200	1,940,807	1,137,310	1,141,684
Net Surplus	600,363	3,936,371	(1,290,316)	2,075,037	6,107,875	(31,423)
Net Surplus						
General Funds						
Redevelopment Fund	46,834	(1,714,129)	(1,579,294)	(65,157)	(81,199)	(108,423)
Suter Renewal Fund	462,679	5,575,000	53,378	3,164,694	6,252,074	0
Cuthbertson Fund				0	0	0
Burton Fund	28,122	11,000	12,000	11,000	11,800	11,800
Acquisitions Fund	3,798	4,000	3,500	4,000	4,600	4,600
	58,932	60,500	220,100	60,500	60,600	60,600
	600,365	3,936,371	(1,290,316)	3,175,037	6,247,875	(31,423)

APPENDIX I: FINANCIAL BUDGETS CONTINUED

The Bishop Suter Trust
Business Plan 2016 to 2018

	Actual YE 30 Jun 2014	Plan YE30 Jun 2015 1.60%	Forecast YE 30 Jun 2015	Plan YE 30 Jun 2016 2.00%	Plan YE 30 Jun 2017 2.00%	Plan YE 30 Jun 2018 2.00%
Cpi						
	\$	\$	\$	\$	\$	\$
Statements of Changes in Equity						
General Purpose Funds						
Opening Equity	9,446,503	9,462,017	9,493,337	7,914,043	7,848,886	7,767,687
Surplus/(deficit) for the period	46,834	(1,714,129)	(1,579,294)	(65,157)	(81,199)	(108,423)
Closing Equity	9,493,337	7,747,888	7,914,043	7,848,886	7,767,687	7,659,264
Redevelopment Fund						
Opening Equity	454,351	723,351	917,030	970,408	3,035,102	9,147,176
Surplus/(deficit) for the period	462,679	5,575,000	53,378	2,064,694	6,112,074	0
Closing Equity	917,030	6,298,351	970,408	3,035,102	9,147,176	9,147,176
Cuthbertson Fund						
Opening Equity	353,295	364,295	381,417	393,417	404,417	416,217
Surplus/(deficit) for the period	28,122	11,000	12,000	11,000	11,800	11,800
Closing Equity	381,417	375,295	393,417	404,417	416,217	428,017
Burton Fund						
Opening Equity	141,684	145,684	145,482	149,482	153,482	157,482
Surplus/(deficit) for the period	3,798	4,000	4,000	4,000	4,000	4,000
Closing Equity	145,482	149,684	149,482	153,482	157,482	161,482
Acquisitions Fund						
Opening Equity	795,390	850,490	854,322	1,074,422	1,134,922	1,195,522
Surplus/(deficit) for the period	58,932	60,500	220,100	60,500	60,600	60,600
Closing Equity	854,322	910,990	1,074,422	1,134,922	1,195,522	1,256,122
Total Changes in Equity						
Opening Equity	0	0	0	0	0	0
Surplus/(deficit) for the period	600,365	3,936,371	(1,289,816)	2,075,037	6,107,275	(32,023)
Closing Equity	600,365	3,936,371	(1,289,816)	2,075,037	6,107,275	(32,023)
Special Purpose Funds reconciliation of equity to investments						
Redevelopment and Capital Fund						
Equity at 9 August 2008						
Accumulated surpluses	987,528	6,368,849	1,040,906	3,105,600	9,217,674	9,217,674
Opening equity applied to redevelopment	(70,498)	(70,498)	(70,498)	(760,906)	(3,105,600)	(9,217,674)
Fund equity applied to redevelopment and capital this year		(4,000,000)	(690,408)	(2,344,694)	(6,112,074)	
Investments on hand	917,030	2,298,351	280,000	0	0	0
Cuthbertson Fund						
Equity at 9 August 2008	308,981	308,981	308,981	308,981	308,981	308,981
Accumulated surpluses	72,436	62,503	84,436	83,436	95,236	107,036
Opening equity applied to collection acquisitions	(74,710)	(70,899)	(70,899)	(93,899)	(93,899)	(93,899)
Fund equity applied to collection acquisitions this year			(23,000)			
Investments on hand	306,707	300,585	299,518	298,518	310,318	322,118
Burton Fund						
Equity at 9 August 2008	114,201	114,201	114,201	114,201	114,201	114,201
Accumulated surpluses	31,281	35,483	31,483	35,483	39,483	43,483
Opening equity applied to collection acquisitions	(31,616)	(33,004)	(33,004)	(62,004)	(62,004)	(62,004)
Fund equity applied to collection acquisitions this year			(29,000)			
Interest to SOL account	(12,814)	(12,010)	(8,010)	(8,010)	(12,010)	(16,010)
Investments on hand	101,052	104,670	75,670	79,670	79,670	79,670
		(56)	(29,056)	(25,056)	(25,056)	(25,056)
Acquisitions Fund						
Equity at 9 August 2008						
Accumulated surpluses	308,205	370,967	518,305	568,805	619,405	670,005
Opening equity applied to collection acquisitions	(272,339)	(307,339)	(307,339)	(506,432)	(551,432)	(597,370)
Fund equity applied to collection acquisitions this year	(10,000)	(20,000)	(174,093)	(20,000)	(20,000)	(50,000)
Fund Equity applied to Hunt Loan repayment	(25,000)	(25,000)	(25,000)	(25,000)	(25,938)	
Value of donated works						
Investments on hand	866	18,628	11,873	17,373	22,035	22,635

APPENDIX I: FINANCIAL BUDGETS CONTINUED

The Bishop Suter Trust
Business Plan 2016 to 2018

	Actual YE 30 Jun 2014	Plan YE30 Jun 2015 1.60%	Forecast YE 30 Jun 2015	Plan YE 30 Jun 2016 2.00%	Plan YE 30 Jun 2017 2.00%	Plan YE 30 Jun 2018 2.00%
Cpi						
	\$	\$	\$	\$	\$	\$
Statement of Financial Position						
Assets						
Current Assets						
Bank	254,177	232,496	1,014,062	268,855	295,488	449,652
Cash on hand	540	540	540	540	540	540
Bank Deposit Acquisition Fund	842	18,604	11,849	17,349	22,011	22,611
Bank Deposit Burton Fund	8,165	11,956	3,165	15,956	19,956	23,956
Bank Deposits Redevelopment Fund	177,322	8,351	0	0	0	0
Receivables	1,900	7,492	7,492	7,492	7,492	7,492
Accrued Interest Burton Fund	3,048	3,674	3,674	3,674	3,674	3,674
Accrued Interest Redevelopment Fund	36,006	0	0	50,000	0	0
Other Current Assets	29,175	27,000	27,000	27,000	27,000	27,000
GST receivable	4,732	9,416	9,416	9,416	9,416	9,416
Total Current Assets	515,907	319,529	1,077,198	400,282	385,577	544,341
Specific Purpose Investments						
Depreciation Fund				0	0	0
Cuthbertson Investments	306,707	300,585	295,707	317,707	329,507	341,307
Burton Fund Investments	101,052	101,052	101,052	101,052	101,052	101,052
Redevelopment Investments	2,715,275	2,290,000	2,373,040		0	0
Total Specific Purpose Investments	3,123,034	2,691,637	2,769,799	418,759	430,559	442,359
Non Current Assets						
Collection						
Opening Balance	7,105,124	7,137,124	7,155,140	7,391,233	7,421,233	7,451,233
Additions from accumulated reserves						
Donated	27,778	10,000	10,000	10,000	10,000	10,000
Ex Cuthbertson	6,000	0	23,000	0	0	0
Ex Burton	6,238	0	29,000	0	0	0
Ex Acquisitions	10,000	20,000	174,093	20,000	20,000	50,000
Sally Hunt loan						
Total Collection Assets	7,155,140	7,167,124	7,391,233	7,421,233	7,451,233	7,511,233
Property Plant and Equipment						
Land	442,000	442,000	442,000	442,000	442,000	442,000
Landscaping	24,616	0	0	0	0	0
Depreciation Landscaping	(7,268)	0	0	0	0	0
Work in Progress	1,907	4,000,000		2,985,311		0
Buildings and fitout	2,999,997	1,107,909	1,107,909	1,107,909	1,107,909	8,755,294
Additions / Redevelopment		0	0		7,647,385	0
Depreciation Buildings	(349,040)	(151,909)	(126,104)	(148,262)	(246,894)	(422,000)
Plant & Equipment	108,961	131,124	138,011	153,011	1,663,011	1,673,011
Additions	29,050	10,000	15,000	10,000	10,000	10,000
Depreciation Plant and Equipment	(52,248)	(79,155)	(68,448)	(86,648)	(105,848)	(188,999)
Property Plant and Equipment	3,197,974	5,459,936	1,508,368	4,463,321	10,517,563	10,269,306
	10,353,115	12,627,060	8,899,601	11,884,554	17,968,796	17,780,539
Total Assets	13,992,056	15,638,225	12,746,598	12,703,595	18,784,932	18,767,239
Statement of Financial Position						
Liabilities						
Current Liabilities						
Payables	59,832	67,178	67,178	67,178	67,178	67,178
Employee Entitlements	46,310	33,000	33,000	33,000	33,000	33,000
Bank Loans current	0	4,231	0	0		
Other Liability - Hunt	25,000	25,000	25,000	25,938		
Income In Advance	590	670	670	670	670	15,000
Total Current Liabilities	131,732	130,079	125,848	126,786	100,848	115,178
Long Term Liabilities						
Other Liability - Hunt	50,938	25,938	25,938			
Ministry of Culture & Heritage	2,017,800		2,093,040			
Total Long Term Liabilities	2,068,738	25,938	2,118,978	0	0	0
Total Liabilities	2,200,470	156,017	2,244,826	126,786	100,848	115,178
Net Assets	11,791,586	15,482,208	10,501,772	12,576,809	18,684,084	18,652,061
The Bishop Suter Trust Equity						
Capital & Reserves						
General Purpose Funds	9,493,335	7,747,888	7,914,043	7,848,886	7,767,687	7,659,264
Redevelopment Fund	917,030	6,298,351	970,408	3,035,102	9,147,176	9,147,176
Suter Renewal Fund						
Cuthbertson Fund	381,417	375,295	393,417	404,417	416,217	428,017
Burton Fund	145,482	149,684	149,482	153,482	157,482	161,482
Acquisitions Fund	854,322	910,990	1,074,422	1,134,922	1,195,522	1,256,122
Total Trust Equity	11,791,586	15,482,208	10,501,772	12,576,809	18,684,084	18,652,061

Notes to the 2015-2018 SOI Budgets:

- The budgets clearly separate activities between operating and Special Purpose Funds which have independent and tagged purposes; these are:
 - Cuthbertson Fund – a historic bequest whose capital is invested and growth tagged to purchase and care for collections items.
 - Burton Fund – a historic bequest whose capital is invested and growth tagged to purchase collections items.
 - 10X10 Acquisitions Fund – Specific funds currently being sought and held in trust to purchase collection items.
 - Redevelopment Fund – This is the specific purpose fund raising that has enabled The Suter to implement a Redevelopment Plan and Project which physically commenced 12 January 2015.

APPENDIX II:**THE BISHOP SUTER TRUST STATEMENT OF ACCOUNTING POLICIES****Statement of significant accounting policies****i. REPORTING ENTITY**

The Bishop Suter Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 2005 on 5 April 2008 and is domiciled in New Zealand. The Trust is controlled by Nelson City Council as a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees

The primary objective of the Trust is to provide the people of Nelson and visitors to the region access to our cultural heritage and to the many forms of contemporary cultural expression. This means communicating the diverse ideas and experiences that art offers to the widest possible audience by the presentation of quality visual arts programmes and by developing and caring for the permanent collection.

Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

ii. BASIS OF PREPARATION**Compliance**

The financial statements of the Trust will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Financial statements will be prepared in accordance with NZ GAAP and comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The financial statements will be prepared on a historical cost basis.

Functional and presentation currency

The financial statements will be presented in New Zealand dollars and all values rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

Changes in accounting policies

No changes in accounting policies are anticipated. In the event there are they will be disclosed.

iii. SIGNIFICANT ACCOUNTING POLICIES**Revenue**

Revenue is measured at the fair value of consideration received.

Grants

Grants received from Nelson City Council and Tasman District Council are the primary sources of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as

specified in the Trust's Trust Deed. The Trust also receives grants from bodies such as Creative New Zealand, and these grants have restrictions on their use.

Council, government and non-government grants are recognized as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Other revenue

Products held for sale are recognized when a product is sold to the customer.

Where art works are donated in the Trust for nil consideration, the fair value of the work is recognised as income.

Interest income is recognized on receipt.

Volunteer services received are not recognized as revenue or expenditure as the Trust is unable to reliably measure the fair value of the services received.

Advertising costs

Advertising costs are expensed when the related service has been rendered.

Borrowing costs

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

Income Tax

The Trust has been granted Charitable status by the Inland Revenue Department, and therefore is exempt from income tax.

Leases

Finance Leases

The Trust has no finance leases.

Operating leases

The Trust has 2 leases with other parties; these leases cover the Trust's Theatre and the Café. Due to the imminent Redevelopment both leases have expired and the lessees are continuing on a quarter by quarter basis. Both have first option to re-contract in the redeveloped premises. The income received from the leases is recorded as income on receipt.

There are no incentives attached to the leases.

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 3 months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings as a current liability in the statement of financial position.

Debtors and other receivables

Debtors and other receivables are usually paid within a month. Other than operational grants, debtors are not significant.

Inventories

Inventories are held at the lower of cost or net realisable value. Any Trust published inventory remaining after 2 years is written off.

Investments

Investments are shown at actual or realisable value.

Property, plant and equipment

Land and buildings were re-valued for the Trust's opening balance. Plant and equipment were brought on at book value, i.e. cost less accumulated depreciation.

Additions

The cost of an item of property, plant and equipment is recognized 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 Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognized at cost. When an asset is acquired at no cost, or for a nominal cost, it is recognized at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are recognized in the statement of financial performance.

Subsequent costs

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

Depreciation

Depreciation is provided on a straight-line basis on all property plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	50 years (2%)
Improvements	20 years (5%)
Furniture and fittings	16 years (6.25%)
Computer equipment	5 years (20%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition:

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

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

Costs associated with the development and maintenance of the Trust's website are recognized as an expense when incurred because the website is primarily promoting the Trust's services.

Staff training costs are recognized as an expense when incurred.

Amortisation

Computer software licences are amortised on a straight line basis over their estimated useful life of 5 years. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of. The amortization charge for each period is recognized in the Statement of Financial Position.

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment are reviewed for impairment at each balance date. When impairment is recognised, the recoverable value of the asset is estimated, an impairment loss is recognised and the carrying value of the asset is reduced to its recoverable amount.

Impairment loss is recognised in the statement of financial performance.

Collection

The opening balance of the Collection is the deemed cost at market valuation at the commencement of the Trust. Items purchased for the Collection are recorded at cost. Items donated to the Collection are valued at the time of acquisition and recorded at valuation. In accordance with IFRS, the Trust will apply an impairment test to the Collection each year. The Collection is not depreciated.

Creditors and other payables

Creditors and other payables are measured at fair value.

Employee entitlements

Short term entitlements

Entitlements that the Trust expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include annual leave and holiday pay earned to, but not yet taken at balance date.

Borrowings

Borrowings are recognized at their fair value.

Good and Service Tax (GST)

All items on the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognized as part of the related asset or expense.

The net GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of the 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.

Budget figures

The budget figures are those approved by the Trustees at the beginning of the year in the Statement of Intent. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Trust for the preparation of the financial statements.

Critical accounting estimates and assumptions

The Trust has makes a number of estimates and assumptions in the preparations of the financial forecasts.

- that Council funding will be consistent with the Memorandum of Understanding and Community Plans
- A consistent level of donations has been assumed
- Commercial revenue is based on visitor numbers and historical performance
- Expenditure costs have both an historical and an actual (if known) base

Critical judgement in applying the Trust's accounting policies

The Trustees must exercise their judgement when recognizing grant income to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

APPENDIX III:**THE TRUST'S APPROACH TO GOVERNANCE****GOVERNANCE PRINCIPLES**

The Trust operates to the Principles and Guidelines for Corporate Governance in New Zealand, published by the Securities Commission New Zealand;

- Trustees should observe and foster high ethical standards.
- There should be a balance of independence, skills, knowledge, experience, and perspectives among Trustees so that the Board works effectively.
- The Board should use committees where this would enhance its effectiveness in key areas while retaining board responsibility.
- The Board should demand integrity both in financial reporting and in the timeliness and balance of disclosures on entity affairs.
- The remuneration of Trustees and executives should be transparent, fair, and reasonable.
- The Board should regularly verify that the entity has appropriate processes that identify and manage potential and relevant risks.
- The Board should ensure the quality and independence of the external audit process.
- The Board should foster constructive relationships with NCC that encourage them to engage with the entity.
- The Board should respect the interests of stakeholders within the context of the entity's ownership type and its fundamental purpose.

THE ROLE OF THE TRUST BOARD

- Ensuring that the Trust operates in accordance with its Deed of Trust.
- Ensuring that the Trust meets its objectives as defined in this Statement of Intent.
- Ensuring the Trust complies with all its lawful obligations.
- Ensuring the NCC are kept well informed on all relevant issues and that there are "no surprises" on matters likely to cause community or political concern.
- Making any decisions as to policy that are not the preserve of general management and day-to-day administration.
- Employing the Gallery Director (including entering into a performance management agreement, reviewing performance and setting remuneration).
- Ensuring sound financial management of The Trust.

COMPOSITION OF THE BOARD

- The Board is made up of 5-7 non-executive Trustees.
- Trustees are appointed by resolution of Council in accordance with the Trust Deed of The Suter Trust and the Council's policy for the appointment of Trustees.
- The Trustees appoint a Chairperson at the first meeting after the AGM.

BOARD REMUNERATION

- The NCC will set total remuneration for the Board. The Board will from time to time determine their remuneration and apportionment of this allocation cognisant of The Trust's financial position.

RISK MANAGEMENT POLICIES

- The Board shall ensure that appropriate insurance is maintained on all insurable risks of the Trust, and in particular public liability insurance and insurance of the heritage assets.
- The Board shall ensure that the Trust has procedures in place to achieve compliance with all applicable legislation.

GUIDANCE AND RESOURCES PROVIDED TO BOARD MEMBERS.

Sound financial management and systems that provide reports to the Board as follows:

- Statement of financial performance for the preceding month, year to date and year end projections.
- Statement of financial position at the preceding month end.
- Statement of cash flow for the preceding month and monthly update on expected year end position.
- Gallery Director's report addressing issues related to the Trust's performance against objectives (financial and non-financial).
- The Board will ensure that relevant training opportunities are made available to Trustees.

This 2016/2017 Statement of Intent is dated

this.....day of2015;

Signed for and on behalf of,

The Bishop Suter Trust _____ Chairperson

The Bishop Suter Trust _____ Director

Nelson City Council _____ Mayor

Nelson City Council _____ Chief Executive

Local Government Act 2002

Extract from Schedule 8

s9: Contents of statements of intent

(1) A statement of intent must, to the extent that is appropriate given the organisational form of the council-controlled organisation, specify for the group comprising the council-controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by clause 3(b) to be delivered and each of the immediately following 2 financial years, the following information:

- (a) the objectives of the group; and
- (b) a statement of the board's approach to governance of the group; and
- (c) the nature and scope of the activities to be undertaken by the group; and
- (d) the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
- (e) the accounting policies of the group; and
- (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
- (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
- (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
- (i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and
- (j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and
- (k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
- (l) any other matters that are agreed by the shareholders and the board.

Nelson Events Strategy Funding Application South Island Masters Games

1. Purpose of Report

- 1.1 To consider a recommendation from the Events Management Committee regarding the application from the Tasman Regional Sports Event Trust for \$65,000 funding to assist with the South Island Masters Games due to be held in Nelson late September and early October 2015.

2. Delegations

- 2.1 The Governance Committee has the delegation to approve Events Strategy Fund Applications up to \$100,000.

3. Recommendation

THAT the report Nelson Events Strategy Funding Application South Island Masters Games (A1339394) and its attachments (A1341230, A1341271 and A1340067) be received;

AND THAT Tasman Regional Sports Event Trust receive \$65,000 sponsorship through the Events Marketing and Development Fund for the 2015 South Island Masters Games subject to all contractual conditions being agreed to.

4. Background

- 4.1 In 2008/09 Council allocated funds for the implementation of the Nelson Events Strategy.
- 4.2 The Nelson Events Strategy focuses on economic development through support for events in the shoulder and off peak seasons. The target market is visitors from outside the Nelson region. The guiding principles for the Strategy are included as Attachment 1.
- 4.3 The funding is distributed through the Events Marketing and Development Programme. The Nelson Regional Economic Development Agency is the lead agency for the management and implementation of the Nelson Events Strategy.

5. Discussion

Application

- 5.1 The South Island Masters Games was first held in Timaru in 2000 as a Millennium Project. Due to its success, it is now a biennial event in Timaru attracting over 3,000 participants. From 2003-2009 the Games were held in Christchurch in alternate years from Timaru.
- 5.2 Following a successful bid from Tasman Regional Sports Trust, the South Island Master Games was held in Nelson in 2011 and 2013, and has secured the rights to hold the event in 2015 and 2017. It continues to be held in Timaru in alternate years.
- 5.3 The 2015 South Island Masters Games is expected to attract over 3,000 participants. In 2013 Dr Linda Liddicoat conducted a survey of participants and of the 813 attendees who responded to a question about whether they intended to participate in the South Island Masters Games in 2015, 72.2% reported that they intend to participate.
- 5.4 Of 813 attendees who responded to a question about where they live, just over 50% were from outside the Nelson Tasman region, with nearly 30% of respondents coming from Canterbury. Relevant survey results are included as Attachment 2.
- 5.5 The Tasman Regional Sports Event Trust has submitted a full application, including business plan, budgets and marketing initiatives, and has requested \$73,755 from the Events Marketing and Development Programme to be spent on marketing initiatives and activities to attract visits to the region. The application is attached as Attachment 3.

Application Evaluation

- 5.6 The Events Marketing and Development Programme Coordinator and the Events Management Committee undertook an economic impact assessment of the 2013 event using the Council's Nelson City Event Evaluation model and established that the event generated a total GDP of \$756,734.
- 5.7 If the funding is provided then the event organiser will be required to survey their attendees so the success of the event, and therefore the success of the sponsorship, can be measured and evaluated.
- 5.8 In 2013 they received \$49,999 in funding through the Events Strategy and in 2011 they received \$58,000 in funding.
- 5.9 The \$73,755 funding request represents 22% of the total \$322,585 budget for this event. However after assessing the application, the Events Management Committee does not support sponsorship to this level. Rather, it is recommended that \$65,000 be provided for specific marketing and promotional activities.

6. Options

6.1 The key decision for the Governance Committee is whether to support the recommendation to provide funding to the South Island Masters Games. The options are:

- The Committee could decline to provide funding for this event;
- The Committee could approve a lesser or greater amount of funding;
- The Committee could decide to support the recommendation to provide funding. This is the preferred option, since the event has been held in the region in 2011 and 2013 and event organisers have demonstrated that they are able to run a well-managed and successful event. Thus the funding is expected to provide the desired outcome of increased economic return for the City. The event utilises the Saxton facility, in line with Council's expressed desire to maximise use of Council facilities.

7. Assessment of Significance against the Council's Significance Policy

7.1 This decision is not a significant decision in terms of the Council's Significance Policy.

8. Alignment with relevant Council Policy

- 8.1 The recommendations in this report are consistent with Council policy.
- 8.2 There are no resourcing implications from the recommendations.
- 8.3 The recommendations in this report are consistent with Nelson 2060, particularly lifestyles and strong economy.

9. Consultation

9.1 No consultation has been undertaken on this matter.

10. Inclusion of Māori in the decision making process

10.1 Māori have not be included in the decision making process for this report.

11. Conclusion

- 11.1 The Events Management Committee fully support the application, but not to the level of funding requested.
- 11.2 Based on the economic impact assessment undertaken it is expected that the event will generate considerable economic return for the City.

- 11.3 Taking into consideration the detailed application, the Nelson Events Strategy Guiding Principles for Signatory and Major Events, and the recommendation from the Events Management Committee, it is recommended that the Tasman Regional Sports Event Trust be awarded \$65,000 sponsorship to assist with the marketing and promotion of the South Island Masters Games to be held in Nelson in September/October 2015.

Chris Ward
Group Manager Community Services

Attachments

- Attachment 1: Nelson Events Marketing & Development Programme Sponsorship Funding Guiding Principles Signatory and Major Events A1341230
- Attachment 2: South Island Masters Games 2013 Extract from Survey Results A1341271
- Attachment 3: South Island Masters Games Events Strategy Sponsorship Application A1340067



Nelson Events Marketing & Development Programme: Sponsorship Funding

Guiding Principles - Signatory & Major Events

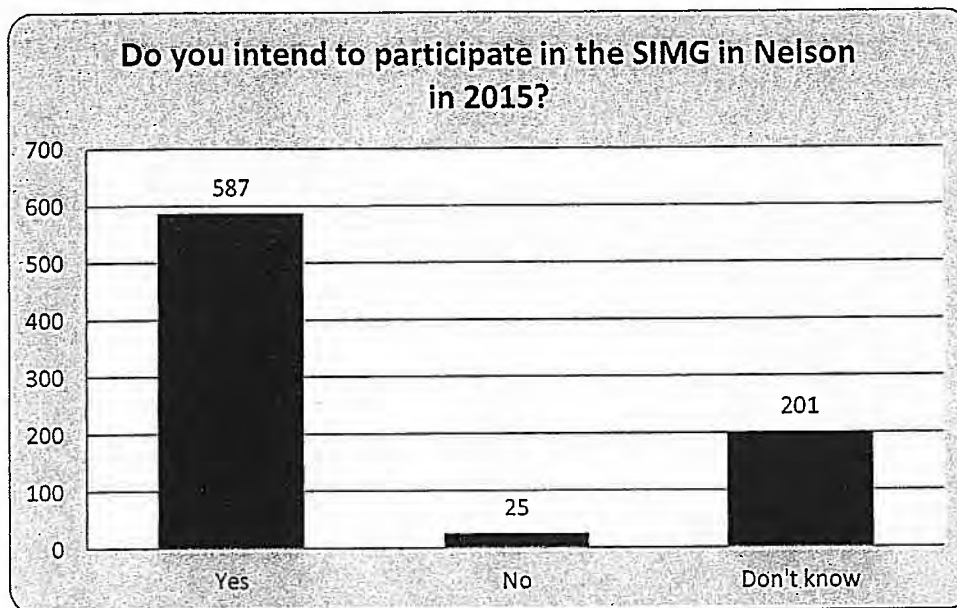
- **Economic Impact** - the event increases the number of visitors attracted to Nelson during shoulder and 'off season' periods, therefore providing incremental economic impact through timing of event.
 - Low visitation period is from 1st March to 30th November. Desirable return on investment would be in the region of 20:1
- **Seasonality / Timing** – the event is held during shoulder or 'off season' periods. The low visitation periods are from 1st March to 30th November.
- **Impact on Nelson Profile** - the event lifts the status, awareness or profile of Nelson as a destination through event marketing, participation and/or media exposure and helps to reinforce the city's identity, through:
 - Event marketing nationally/internationally
 - National/international media coverage
- **Impact on Identity** – the event showcases Nelson's distinctive identity, reinforcing the city's special features, characteristics and points of difference. Events that are exclusive to Nelson are desirable.
- **Fit with Target Markets** – the event's target markets are relevant for Nelson and/or align with the Regional Visitor Strategy.
- **Impact on environment** – the event has a positive or neutral impact on the environment and a sustainability policy has been prepared.
- **Evidence of event organiser/lead agent capabilities**
- **Future impact and viability** – the event has a strong likelihood of being a success and continuing to grow substantially in the future.
- **Located within Nelson City** – the event takes place within the Nelson City boundaries.

For more information, please contact:

Events Marketing & Development Coordinator
 Nelson Regional Economic Development Agency
 39 Halifax St, Nelson, 7010
 Email: events@eda.co.nz
 Ph: (03) 545 6858

Question 16: Do you intend to participate in the South Island Masters Games in Nelson in 2015?

A total of 813 attendees answered this question; the majority of attendees (587 attendees; 72.2%) reported that they do intend to participate in the SIMG in 2015, only 25 attendees (3.1%) reported that they do not and 201 attendees (24.7%) don't know if they will be attending the SIMG in Nelson in 2015.



'Do you intend to participate in the SIMG in Nelson in 2015' by 'Where do you live'

Answer to intention to participate in 2015:	Total respondents (% of respondents who answered Question 16)	Nelson/Tasman respondents	Non-Nelson/Tasman respondents
Yes	587 (72.2%)	327 (55.7% of those who answered Yes)	260 (44.3% of those who answered Yes)
No	25 (3.1%)	9 (36.0% of those who answered No)	16 (64.0% of those who answered No)
Don't know	201 (24.7%)	69 (34.3% of those who answered Don't know)	132 (65.7% of those who answered Don't know)

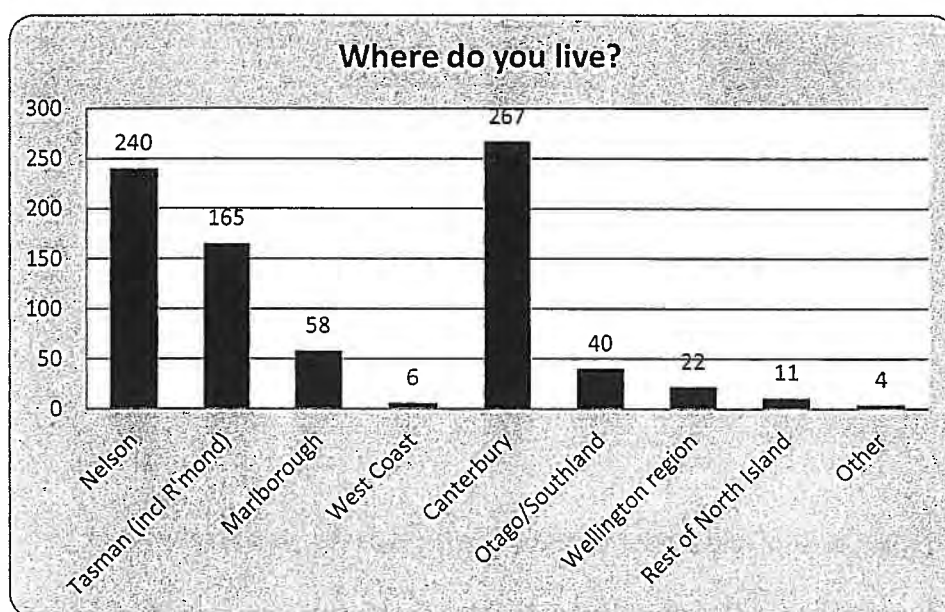
Of the 405 Nelson/Tasman attendees who answered this question, 327 attendees (80.7%) intend to participate in the SIMG in Nelson in 2015.

Of the 408 non-Nelson/Tasman attendees who answered this question, 260 attendees (63.7%) intend to participate in the SIMG in Nelson in 2015.

Of the 4 international attendees, 3 attendees (75%) reported that they intend to participate in 2015.

Question 17: Where do you live?

A total of 813 attendees answered this question; 267 attendees (32.8% of the people who answered this question) were from Canterbury, 240 attendees (29.5%) were from Nelson, 165 attendees (20.3%) were from Tasman (including Richmond) and the remaining 141 attendees (17.3%) were from Marlborough, West Coast, Otago/Southland, Wellington region, Rest of North Island or 'Other'. Of those attendees who reported they live outside New Zealand (the 'Other' category) 3 were from Australia, and 1 reported they were from 'Overseas'.



The next group of questions (Questions 18-26 inclusive) were answered by those respondents who **do not** live in Nelson – those who reported that they live in Nelson skipped straight to Question 27.

Question 18: Did you come to Nelson mainly for the Masters Games?

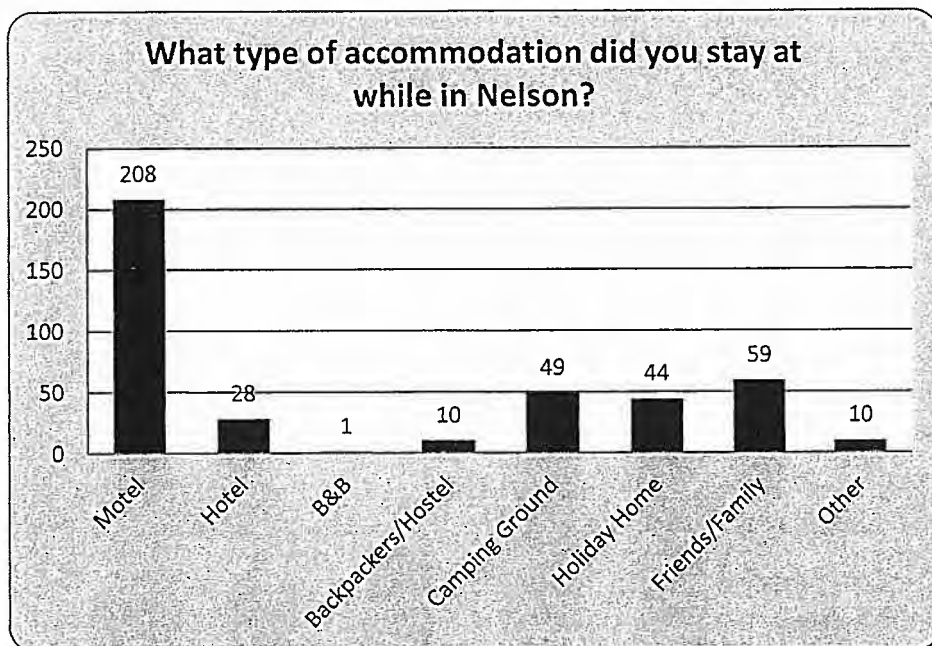
Of the 411 attendees who answered this question, 391 attendees (95.1%) came to Nelson mainly for the Masters Games and 20 (4.9%) did not. Of the 20 attendees who said they did not come to Nelson mainly for the Games, 19 respondents were from outside the Nelson/Tasman region and 1 was an international visitor.

Question 19: Did you stay overnight in Nelson?

Of the 573 attendees who answered this question, 412 attendees (71.9%) reported that they stayed overnight in Nelson and 161 attendees (28.1%) did not. Of the 412 attendees who reported they **did** stay overnight in Nelson 21 attendees (5.1%) were from Tasman (including Richmond), 391 attendees (94.9%) were from outside the Nelson/Tasman region. Of the 161 attendees who said they did **not** stay overnight in Nelson 144 attendees (89.4%) were from Tasman (including Richmond), the remaining attendees (17; 10.6%) were from outside the Nelson/Tasman region.

Question 20: What type of accommodation did you stay in while in Nelson?

Of the 409 attendees who answered this question, 208 attendees reported staying in a motel (50.9%), 59 attendees stayed with 'Friends/Family' (14.4%), 49 stayed at a camping ground, 44 stayed in a holiday home, 28 stayed in a Hotel, 10 at a backpackers/hostel and 1 at a bed and breakfast. The remaining 10 attendees reported 'Other' types of accommodation including 5 who stayed in an apartment, 4 in their camper van and 1 in the clubrooms.

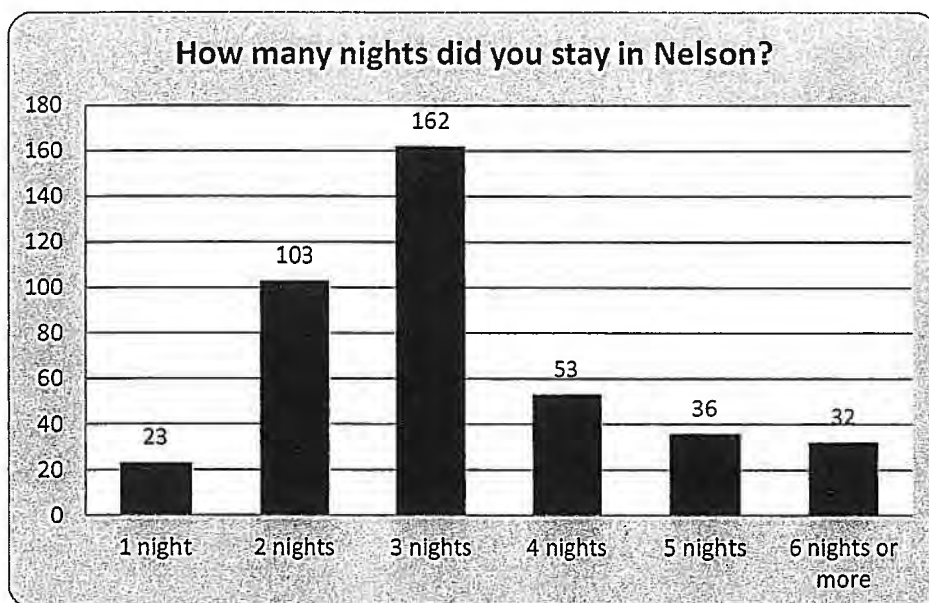


'What type of accommodation did you stay at while in Nelson' by 'Where do you live'

Answer to type of accommodation:	Total respondents	Tasman respondents (no Nelson respondents for this question)	Non-Tasman respondents
Motel	208	4	204
Hotel	28	0	28
Bed & Breakfast	1	0	1
Backpackers/Hostel	10	0	10
Camping Ground	49	2	47
Holiday Home	44	5	39
Friends/Family	59	4	55
Other	10	4	6
TOTAL:	409	19	390

Question 21: How many nights did you stay in Nelson?

Of the 409 attendees who answered this question, 23 attendees (5.6%) reported staying 1 night, 103 attendees (25.2%) stayed 2 nights, 162 attendees (39.6%) stayed 3 nights, 53 attendees (13.0%) stayed 4 nights, 36 attendees (8.8%) stayed 5 nights and 32 attendees (7.8%) stayed 6 or more nights.





Nelson Events Marketing & Development Programme Sponsorship Application Form - Signatory & Major Events

SECTION ONE: APPLICANT EVENT DETAILS			
Name of Event:	South Island Masters Games 2015		
Date(s) of Event:	26 September – 4 October 2015		
Time(s) of Event:	All day – sports events generally take place during daytime; social events in evenings		
Venue(s):	Various locations throughout the region including: Games Village and numerous events to be hosted at Saxton Field facilities including pavilions, stadium, athletics track, netball courts, football fields, softball diamonds and archery range. Other venues to be confirmed by individual codes/sports include: Nelson Golf Club, Nelson Harbour for water sports, Maitai Valley for mountain biking, Nelson Hinemoa Croquet Club, Isel Park, Action Entertainment and Sports Centre, Nelson Suburban Club, Ngawhatu Domain, Mosey Grayson Memorial Gymnastics Centre, Stoke Bowling Club, Tahunanui Bowling Club, Results Gym, Tahunanui Sands Reserve and Sports Grounds. Social Function venues: Games Village marquee (to be erected adjacent to Saxton Stadium and pavilion)		
Location(s):	Will the event be held within Nelson City Council boundaries? YES If not, where?		
Event categories: (please circle)	Visual arts & crafts Food, wine & brewing Education, heritage & culture	Music & performing arts Wellness, eco & recreation Other:	<div style="border: 1px solid black; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">Sports</div> Markets & fairs
Is the event an Annual, Biennial (once every 2 years) or other? Biennial. Since 2011 has been held alternatively at Timaru. Sport Tasman has secured the 2015 and 2017 rights to hold the Games in Nelson.			
Event website address: www.simasters.co.nz			
Amount of Nelson Events Marketing & Development Programme sponsorship sought: \$73,755.00			
If successful, what do you intend on using the Nelson Events Marketing & Development Programme sponsorship for: (please provide detailed breakdown) The South Island Masters Games destination and event-driven sport festival that will attract more than 3000 participants and supporters to Nelson in September. The funding we are seeking represents a 23% investment of the overall cost and will underpin a \$95,000.00 marketing programme to drive participant registration to the largest sporting and recreation participation event in the South Island. Proposed expenditure to achieve these specific objectives within our overall event strategy are: Games Entry Book and Direct Mail - \$12,655.00 Analysis of the 2013 Games entry data showed that 85% of registrations were made online. As a response to this we have dramatically reduced the number of entry booklets being printed and distributed this year. Instead we will have a stronger on-line and social media campaign to attract registrations. This has resulted in a similarly significant reduction in the budget for this item.			

Communications - \$8,000.00

We would need to engage a communications consultant to manage online media opportunities, creative material design, social media content development, creative competitions, promotional videos for YouTube, Twitter, Facebook and use at other events around the country.

Signage and Cross Promotion - \$6,200.00

Again in conjunction with Nelson Tasman Tourism we will deliver on-site promotion at targeted events such as South Island Masters Games Timaru (October 2014) and targeted other events from October 2014 to September 2015. Costs include travel, accommodation and any applicable site fees or related costs. To update portable, promotional display unit with destination and event content. The display wall will be used at other targeted events to attract visitors to the region for this event as well as to holiday here. The display wall will also travel with sports coordinators to various national events around the country. Several billboards will be produced for outside display in various sites throughout the country.

Sport Liaison - \$13,900.00.00

Many of the larger sports such as netball and football struggle in their busy schedules to do justice to marketing the Games within their own network. We believe that engaging a sport liaison person would be beneficial to increasing the number of registrations from those larger sports by making direct contact with regional sports organisations and clubs in places such as Canterbury, Marlborough and Wellington. This cost would cover wages and expenses of a sport liaison person with extra registrations generating additional gross income and GDP for the region (see Business Plan).

Regional Marketing Programmes - \$33,000.00

Event-driven marketing programmes (with strong destination marketing linkage) to key target markets: Christchurch and Canterbury, Wellington and Marlborough. This would include radio, print, on-line and social media advertising. It would be linked in with the Nelson Tasman Tourism Spring marketing campaigns, and leveraged with other partners.

Has the event applied for or received funding from the Nelson City Council for this year's event or for the event in previous years? YES Please outline what type of funding and amount applied for/received:

2011 – applied for \$75,000.00, received \$58,000.00; 2013 – applied for \$70,500.00, received \$49,999.00

Name of applicant organisation: Tasman Regional Sports Trust t/a Sport Tasman

Is organisation a legal entity? YES

If yes, please indicate what type: Incorporated Society Trust Association Company

Is organisation GST registered? YES **If yes, GST #:** 53-760-740

Name of contact person for this application: Tony Thomas

Postal address of contact person: PO Box 3197, Richmond, Nelson 7050

Telephone: 03 546 3303

Fax: 03 546 3300

Mobile: 0274863990

Email: tony.t@sporttasman.org.nz

Name of event organiser (if different to above): Rita Merriman

Postal address of event organiser: As above

Telephone: 03 923 2311

Fax: 03 546 3300

Mobile: 029 770 3158

Email: rita.m@sporttasman.org.nz

How is event managed and governed? Please list key people and positions:

The event "South Island Masters Games" is owned by South Island Masters Games Timaru Inc., an incorporated society. The rights to host the Games in Nelson in 2015 and 2017 (with further renewal rights) have been awarded to the Tasman Regional Sports Trust.

Tasman Regional Sports Trust is one of 14 regional sports trusts throughout the country. Its mission is to have More People More Active More Often through the development and support of sport and recreation opportunities in local communities. Its event management arm stages sports events in the region that offer mass participation and encourages, nurtures and recognises volunteers supporting events in the region.

Tasman Regional Sports Trust was incorporated under the Charitable Trusts Act 1957 on 15 May 1991 (No. 508685) and registered with Charities Commission under the Charitable Trust Act 2005 as a charitable trust on 14 September 2007 (CC11102).

Trustees:

The Board of the Tasman Regional Sports Trust is made up of council and community representatives appointed by our five contributing territorial authorities.

Current trustees are:

Nelson – Phil Thomason, Tim Skinner
Tasman – Richard Kempthorne
Marlborough – Karen Hartshorne, Brian Dawson
Buller – Maraea Casey, Margaret Grant
Kaikoura – John Diver

The Board meets regularly during the year to provide governance and set direction for the Trust, and to monitor progress against its annual business plan and key performance indicators.

Event Managers

Sport Tasman employs two dedicated event management personnel, Rita Merriman and Jane Miles, who will coordinate the management of the Games. Between them they have significant experience in event management both nationally and internationally and have both been involved in previous South Island Masters Games in Nelson. This experience will be pivotal to the success of the 2015 Games. Other Sport Tasman staff will also be involved including General Manager Tony Thomas and Operations Manager Paul Marlow. They will report to the Trust board on a regular basis and will comply with meeting, monitoring and reporting requirements of other stakeholders.

Sports Event/Tournament Delivery

The Games will offer 40-50 different sporting events over nine days/nights. Delivery of each of these sports events/tournaments will be contracted to the various sports codes i.e. regional associations, clubs or private companies such as Nelson Bays Volleyball, Athletics Nelson and Cycling Nelson. An army of volunteers will manage the individual sports competitions and assist Sport Tasman staff to manage the Games Village and administration.

What insurance do you carry? Public liability / Other (please specify)

Sport Tasman carries public and statutory liability insurance of \$5million.

SECTION TWO: EVENT DESCRIPTION

Event concept and brief outline:

The South Island Masters Games is an annual festival of sport for people primarily over the age of 35. Since 2011 it has been held alternately between Nelson and Timaru. South Island Masters Games spans nine days (two weekends and the weekdays in between). It will offer 40 - 50 different sporting events/tournaments covering traditional sports, team events and social/fun games.

The event is open entry – there are no qualification criteria. There is no requirement to be nominated by or to represent a club or sport, and participants are encouraged from any area of New Zealand or overseas not just the South Island.

Participants pay a registration fee which contributes to the overall promotion and running of the event,

and a sports fee which is paid to the individual sports codes/clubs for running their particular sporting event/tournament.

Besides the sporting activities, which usually take place during the day, the social programme caters for all tastes with themed entertainment nights featuring live performances and music.

Brief history of the event, including event attendance levels, etc.:

The first Games were held in Timaru in 2000 as a Millennium Project. It was such an outstanding success that it has been continued and is now a biennial event in Timaru. From 2003 to 2009 it was held in alternate years in Christchurch

In 2009 the late Colin Aitken instigated a bid, with the support of Sport Tasman and Nelson City and Tasman District Councils, to host the 2011 and 2013 Games in Nelson. The range of facilities and amenities, support of the sporting codes, good climate and supportive atmosphere made Nelson an easy frontrunner.

The inaugural event in Nelson in 2011 was deemed a success with 2,900+ registrations, 1,300+ visitors, a successful volunteer recruitment drive and a post event survey response rate of 70% saying they would participate in the 2013 Games. The EDA event evaluation model assessed the total income generated by the event at just under \$1.4million and with a resultant GDP of \$627,000.

The 2013 Games in Nelson, although not attracting as many participants as expected, attracted close to 2400 entrants. There was a notable decline in entries from Canterbury which could be attributed to the earlier earthquakes and the resultant decline in sport participation in the region. However, even though entry numbers were not as high as expected the economic benefit to the region as evaluated by the EDA was more than in 2011 with total income generated of \$1.6million and a resultant GDP of \$716,000.

Special theme or focus for the event:

Masters sports is "More Than Just Sport", it is a celebration of sports people's heroism and camaraderie that sees an eclectic group of participants bring the accumulated years of skill and competition together to enjoy the spectacle that is sport.

Part of the format that the participants particularly welcome, is that winners get recognised. Over 5,000 gold, silver and bronze medals will be presented at the Games with great fanfare. While mass participation is a key focus of the event, recognising the winners and thanking our volunteers are other key facets that make the event memorable and pleasurable.

The competitive nature of sport is by no means lacking at the Games as was evident at the 2013 Nelson Games where 14 NZ age group records were set in the indoor rowing alone.

The sports programme provides an opportunity to showcase some of the regions premiere sporting facilities and wonderful natural environments in which many of the Games outdoor activities will take place.

Target market(s) and expected attendance figures, including participants, spectators, trade stalls, other:
(best estimate but please do not exaggerate)

The Games are targeted mainly at New Zealanders over the age of 35 (or a lower age in some sports) who enjoy participating in organised sport. There is no requirement to be registered with a club or national body and participants are welcome from any area of New Zealand or overseas.

- The largest market segment is the 35 to 59 year age group, which represents about 70% of participants.
- Approximately 51% of participants are female and 49% male.

The key geographic visitor target markets are:

- Previous participants
- Christchurch and Canterbury
- Marlborough/West Coast
- Otago/Southland
- Wellington/North Island

Additionally, domestic tourists visiting Nelson during spring 2015 (e.g. for other events) are potential target markets.

The market is large and growing with the general trend of an aging population. It is centred on active, healthy baby boomers and older Gen-Y's aged 35-up.

Masters athletes are busy people with lots going on at work and at home. The Masters Games provides an opportunity to escape.

Market research at previous Games identified six market segments:

Achievers	Highly motivated and competitive, aim to achieve personal bests and win medals, want to keep up or compete against the best.
Groupies	Group bonding/mateship/camaraderie, do things in groups (often in team sports), like socialising together, safety in numbers, competitive, don't like to lose but don't dwell on it, Masters is an escape from their real lives, an opportunity to socialise in a competitive sport setting.
Tribals	Motivated by the experience, enjoy the competition but sport is not the driving force, it is the occasion, like to get dressed up in team colours or theme, great social activities are important.
Social Networkers	Use the Games to create social encounters, opportunities to interact, meet new people, like social occasion, participate in sports but main motivation is meeting people, often will volunteer services.
Win at all costs	Highly competitive, want to win and beat opponents, status seeking, risk takers, willing to bend/break rules.
Party Animals	Any excuse to party, use the Games as an excuse for social activity with mates, skewed to male and under 40/35.

Entry fees: cost for adult, child, student, etc.:

Proposed Entry Fees are as follows:

Registration Fee per person: \$65

Registration Fee Discounted to \$47 if paid by 1 July 2015.

Additional Late Fee \$20 if paid after 31 August 2015 (most sports closed, only applicable to some sports).

Measuring Attendance: Please advise how you plan to measure the number of attendees, and where they are visiting from.

We will use RegOnline, a registration management system, which enables us to capture a range of demographic information such as age, gender, and registrant city.

Accommodation: Provide an overview of your estimated accommodation figures, including number of beds / night, average length of stay (number of nights), accommodation type (eg hotels, motels, backpackers, camping, home hosted, etc.), accommodation location (e.g. Nelson City).

Based on surveys at previous South Island Masters Games events in Nelson, we estimate that approximately 50% of Games participants and supporters will be from outside the region. This will equate to 1250 competitors and registered supporters attending the 2015 Games with up to a further 870 unregistered supporters are expected into the region.

At the 2013 South Island Masters Games Nelson there was an average stay of 3.2 nights per visitor.

In 2015 we expect that some visitors will arrive before or after their sports to take advantage of the wide range of other activities and attractions in the region. Assuming the average visitor stay in Nelson is 3.2 nights, then the estimated total bed nights for 50% of the expected 2500 registrants and 50% of their 870 supporters would total 5392. This does not include locals who choose to stay in paid accommodation during the Games.

We also expect a small number of participants will bring their children as the Games will be held over the school holidays and will be encouraged to stay longer for sightseeing and tourist activities.

We expect some participants will visit/attend other attractions/events such as Founders Heritage Park, Happy Valley, Tahunanui Fun Park, art galleries, the Nelson Provincial Museum and the Nelson Arts Festival activities, so will want to stay at accommodation before or after participating in the Games.

Other information about event:

We will incorporate a number of leveraging strategies to maximise the return on investment into the Games programme.

Firstly the Games marketing strategies will focus on destination marketing, promoting the wide variety of activities and recreational opportunities for competitors to participate in and encouraging them to "play and stay" for extra days.

This will be supported by the Games programme which will incorporate opportunities for competitors to participate in other recreational activities in the region e.g. WOW, Arts Festival, the Saturday Market and shopping.

SECTION THREE: GUIDING PRINCIPLES (attach additional pages if required)

Economic Impact – explain how the event increases the number of visitors attracted to Nelson.

Target numbers for 2015 Games (see business plan for further details)

Based on the Nelson 2013 participant figures, we conservatively estimate 2500 participants will take part in the South Island Masters Games 2015. In addition we estimate – up to 870 unregistered supporters.

SIMG 2011 Registrant numbers: 2926 Bed Nights: 4597 (based on visiting competitors and 50% of supporters)

SIMG 2013 Registrant numbers: 2377 Bed Nights: 3691 (based on visiting competitors and 50% of supporters)

SIMG 2015 Registrant numbers: 2400 Bed Nights: 5392 (based on visiting competitors and 50% of supporters)

Economic Impact

Data from the 2013 South Island Masters Games using the McDermott Miller Nelson City Event Evaluation Tool showed the direct spend from hosting the Games as \$1.6 million with a resultant GDP of \$716,000. We estimate that the figures for the 2015 Games would show a 14% increase on 2013 figures which would equate to a total spend being in the vicinity of \$2.2million and GDP of just over \$1.0million.

Seasonality / Timing – explain the reasons for holding the event at that time.

Historically this event has always been held in October.

This roughly sits at the end of the winter sports season and at the start of the summer sports season. This is an excellent time for teams to have an end of season or start of season trip away.

The Games held in Nelson have fallen within school holidays which works well for certain groups such as teachers and parents.

October being shoulder tourist season, presents an ideal opportunity to attract additional visitors to the region.

Impact on Regional Profile – explain how the event lifts the status, awareness or profile of Nelson as a destination through event marketing, participation &/or media exposure.

We will focus on a mix of destination and event-driven marketing. The marketing campaigns will integrate with and enhance the Spring 2015 Nelson Tasman Tourism marketing campaigns as well as the Nelson Arts Festival.

The marketing mix will include direct marketing to an existing South Island Masters Games 8,500+ database including a 6000+ email database; as well as the Sport Tasman database covering Nelson, Tasman, Marlborough, Kaikoura and Buller of 5000+ email addresses.

The marketing strategy will include press releases around promotional items and character stories aimed at media in the target market areas.

Using a post event participant survey we will measure the media impact, and awareness and attitudes of participants to Nelson.

Impact on Identity – explain how the event showcases Nelson's distinctive identity, reinforcing the city's special features, characteristics and points of difference. Is the event exclusive to Nelson?

In our promotion campaign we will highlight Nelson's great history, facilities and wonderful natural environments. We plan to highlight Nelson's waterfront and beaches through various water based sports such as yachting, sea swimming, rowing and new to the Games this year waka ama and stand up paddle boarding.

Building on the successful marketing campaign for the 2013 Masters Games we plan to continue to promote Nelson as a recreational playground and to link the Nelson playground concept with "playing" in the Masters Games.

Fit with Target Markets – explain how the event's target markets align with Regional Visitor Strategy.

The South Island Masters Games occurs in the shoulder season and is a match with the broader target market segments of the Nelson Tasman Tourism regional visitor strategy.

The South Island Masters Games are targeted mainly at domestic tourists with the key geographic visitor target markets being:

- Previous participants from outside the Nelson Tasman Region
- Christchurch and Canterbury
- Marlborough/West Coast
- Otago/Southland
- Wellington

The target age group is generally over the age of 35 (or a lower age in some sports). The largest market segment is the 35 to 59 year age group, which represents about 70% of participants.

Historically, approximately 51% of participants are female and 49% male.

Impact on environment – explain how the event has a positive or neutral impact on the environment. More information should be provided in the Sustainability Policy.

Sport Tasman works to a policy of sustainability. The purpose of the policy is to ensure that the South Island Masters Games integrates environmentally sustainable practices into its purchasing decisions and operating practices wherever it is practical.

Sustainability practices will be integrated into the purchasing decisions and operating practices of the South Island Masters Games including a focus on:

- Reducing waste and pollution;
- Reducing water and energy consumption;
- Ensuring that wherever possible we purchase the product we use from sustainable sources;
- Compliance with all relevant environmental legislation and regulations; and
- Support local manufacturers and suppliers wherever possible.

This will be done by:

- Ensuring that a sustainability lens is applied in planning and monitoring processes;
- Applying, wherever practicable, water and energy saving technologies;
- Focusing on the reduction of waste produced and pollution;
- Minimising the use of environmentally hazardous materials;
- Establishing recycling systems;
- Encouraging and supporting sustainable transport options.

Evidence of lead agent/event organiser capabilities – explain any previous event experience of both the event organiser and/or the event organisation. Please attach supporting documents (such as references, list of past events and roles, past financial statements, post-event research, attendee surveys, etc).

Sport Tasman – Project Managers

The project team of Rita Merriman, Jane Miles and Tony Thomas have between them a wide range of event management skills and experience to draw on.

The team aims to deliver an outstanding Games experience for each participating athlete, supporter, volunteer, administrator and sponsor.

Having previously been involved in managing the 2011 and 2013 Masters Games the team is confident of delivering another spectacular event in 2015.

Experience of Key Project Personnel

Rita Merriman, Senior Advisor Community Sport - Sport Tasman

Rita is a vital part of the team with extensive local knowledge and contacts. Rita has an extensive events management background. She has over 15 years of experience managing conferences and events throughout Canada and New Zealand, including the World Veterans Table Tennis Championships in Vancouver.

Tony Thomas, General Manager Community Sport - Sport Tasman

Tony is one of the most experienced Sports Trust General Managers in the country with more than 20 years of service in the sport sector. Tony has a proven track record in sport at the highest level managing the NZ Beach Volleyball national tour for several years and Sydney 2000 Olympic Beach Volleyball tournament officials.

Jane Miles, Advisor Community Sport – Sport Tasman

Jane has played, officiated and organised sport in the Nelson region for over 40 years. Over this time she has established an in-depth knowledge of local sport, a working relationship and a strong network within the sports community. She maintains an active interest in all sport. Jane has experience in a variety of event management roles which have seen her involved with numerous regional events, South Island Masters Games and the 2014 NZ Open Badminton Championships.

Future impact and viability – explain how the event has a strong likelihood of being a success and continuing to grow substantially in the future.

The Games have been running since 2000 and is an established, successful event. When held in Timaru it has always attracted 2000 – 3000 participants.

In 2011 and 2013 Nelson continued to deliver on a strong South Island Masters Games reputation. Sport Tasman is looking forward to continuing to build this event for the benefit of the wider Nelson community.

With an ageing demographic the Nelson/Tasman region lends itself to being a hub for Masters' sport. Geographically Nelson is also well suited to hosting sporting events having great facilities such as Saxton Field, natural sporting playgrounds of beach, river and mountain and beautiful weather to match.

Previous Games highlighted, within the Nelson sporting community, strong support for the event and a desire to be part of the action. Sporting codes have again been invited to register their interest in participating in the Games. Over 45 codes participated in the 2013 Games taking the opportunity to showcase their sport which will again be involved in this year's event as well as two new sports.

Based on post event research of the 2013 Games 96% of attendees indicated they would recommend the Games experience to friends and colleagues and over 72% said that they would be back in 2015.

In post event discussions with sport coordinators and the business community there was a very positive attitude towards the Games.

The Nelson/Tasman region offers a wide range of 'stay and play' opportunities. The Games marketing plan will implement strategies to capitalise on these opportunities.

The Nelson Games will continue to look to exploit the largely untapped Wellington market and also focus on Canterbury which with post-earthquake recovery well under way in respect to sports infrastructure has enabled people to again focus on sport opportunities.

With positive outcomes in 2013, the target for 2015 is for 2500 participants.

Located within Nelson City – does the event take place within the Nelson City boundaries? If not, explain why event takes place where it does and outline economic benefit that Nelson City may receive from event visitors.

The event venues will primarily be within Nelson City. Most of the accommodation, food and beverage, retail spending and transport use is expected to be within Nelson City. We anticipate that most of the additional tourism expenditure (recreation, arts and culture) will be in Nelson City but a portion will be throughout the greater Nelson region. We have not got a basis for estimating these values at this stage, but with the Games Village located at Saxton Field including the social/evening activities, we anticipate that this is where the majority of economic benefit will be derived. 68% of events are taking place at venues in Nelson. Just one of those venues, Saxton Sports Complex, will account for 62% of all participants....

71% of the businesses that advertised in the entry book were Nelson businesses.

SECTION FOUR: SUPPORTING DOCUMENTATION

Include copies of each of these with your application form.

Note: lengthy documents are not required, provided these plans have been well thought out and the necessary information is provided.

Please provide one additional B&W unbound copy on plain paper.	
Three Year Business Plan – This should include the following information: <ul style="list-style-type: none"> • Event goals and objectives; projected budget overviews (detail required for current year*) • Current project plan, includes milestones and timeframes • Organisation structure, including responsibilities 	
Marketing & Promotions Plan – This should include the following information: <ul style="list-style-type: none"> • Marketing objectives • Marketing strategies including advertising and PR activities and timelines (local and national) • Person responsible and previous experience in events/marketing/PR • Detailed marketing and promotions budget 	
Draft Event Budget * – This detailed budget should include the following: <ul style="list-style-type: none"> • All revenue sources and expected income balanced with expenditure • Profit & loss forecasts, cash flow projections • Confirmed & potential sponsors, both financial and in-kind (\$ confirmed/sought) 	
Sustainability Policy – This should include the following information: <ul style="list-style-type: none"> • Waste minimisation plan and targets, incl plans for complying with relevant environmental legislation and regulations • Communication to employees, customers, suppliers, attendees & other stakeholders 	
Resources and Consents - Please advise what resources and consents may be required from the Police or Nelson City Council in order for your event to proceed, including but not limited to: <ul style="list-style-type: none"> • Alcohol license • Road closure • Traffic management plan • Resource consents (re: noise, lighting, hours, placement and size of structures, parking) • Building consent (if erecting any structure larger than 10m2) • Fire / explosives permit 	
Certificate or documentation confirming legal entity – This document should provide: <ul style="list-style-type: none"> • Evidence of the legal status of the event organisation 	

I confirm that the information provided on this application is true and complete.

I confirm that I am authorised to make this application on behalf of the event organisation.

If this application is successful, I agree to the following terms and conditions:

- Funds will be transferred to the event bank account upon successful completion of the event, unless agreed in advance by the Events Management Committee (EMC).
- Funds will be utilised as in the conditions outlined by EMC.
- The event will comply with all sponsorship requirements as outlined by the EMC.
- The event will comply with all legislative & EMC requirements relating to the preparation and delivery of the event and event plans, including all necessary permits and approvals.
- The event will comply with all meeting, monitoring and reporting requirements as outlined by the EMC.
- The event will not be transferable out of Nelson for a minimum period of three years after funding has been provided.

Signed by: _____ Name(s): _____
Position(s): _____

Signature(s): _____
For and on behalf of: Organisation Name _____
Date: _____

Please send your sponsorship application form and supporting documentation to:

Email: events@nelsonnz.com Post: Events Marketing & Development Coordinator
Nelson Tasman Tourism
PO Box 788, Nelson 7040

For further enquiries, please contact Events Marketing & Development Coordinator, Nelson Tasman Tourism, on (03) 545 6856 or events@nelsonnz.com.

Tourism Nelson Tasman Ltd draft Statement of Intent 2015/16 and Half Yearly Report

1. Purpose of Report

- 1.1 To receive the half yearly report to 31 December 2014 from Tourism Nelson Tasman Ltd (NTT).
- 1.2 To consider the NTT's draft Statement of Intent for 2015/16.

2. Delegations

- 2.1 The Governance committee is responsible for all matters relating to Council Controlled Organisations and Council Controlled Trading Organisations.

3. Recommendation

THAT the report Tourism Nelson Tasman Ltd draft Statement of Intent 2015/16 and Half Yearly Report (A1335253) and its attachments (A1325269, A1325267 and A1334741) be received;

Either

AND THAT the Trust Board be asked to make the following changes to the draft Statement of Intent (A1325267).

Or

Recommendation to Council

THAT the draft Tourism Nelson Tasman Ltd Statement of Intent (A1325267) be approved as the final version.

4. Background

- 4.1 NTT, along with the other Council Controlled Trading Organisations (CCTO's), must deliver a half yearly report to Council (s66 of the Local Government Act 2002). This should report on the organisation's operations during that half year, and include any information required by

its statement of intent. The report allows the Council an opportunity to monitor the performance of the CCTO in relation to its set objectives and Council's overall aims and outcomes.

- 4.2 The half yearly report of the NTT for the period ending 31 December 2014 is attached (attachment 1).
- 4.3 Each CCTO must also submit a draft Statement of Intent (SOI) to council by 1 March indicating its proposed activities for the following financial year (s). The draft SOI prepared by the NTT Board is attached (attachment 2).
- 4.4 Schedule 8 of the Local Government Act outlines the purpose of a SOI, what is to be included, and how it is to be approved. Relevant extracts from the Schedule are attached (attachment 3).
- 4.5 No Statement of Expectation (SOE) was provided to the NTT. A review of Economic Development Services, including tourism, has been signalled and officers believed that it was desirable to wait the outcomes of this before signalling any change of expectations in relation to NTT. The SOI therefore continues the direction set in previous years.
- 4.6 Whilst the SOI only has to cover one year, NTT has chosen to submit a 3 year SOI in order to show its future direction. NTT will still have to deliver an updated SOI next year.

5. Discussion

Half Yearly Report

- 5.1 Nelson Tasman saw a 3.7% increase in total guest nights in the year ending 31 December, with growth in both the domestic and international markets. I-site income is slightly above budget and the loss is less than budgeted for. Projections for the second, busier half of the year are favourable.
- 5.2 NTT has made some good progress on conference marketing and has continued to build relationships aimed at bringing more cruise ships to Nelson.

Draft Statement of Intent 2015/16

- 5.3 The draft SOI carries on from the direction of previous years. However, the budgets have been modified to reflect changes in income and expenditure as a result of Tasman District Council's review of expenditure on this activity.
- 5.4 The Board's key activities identified in the draft SOI are to:
 - Regional Marketing - the strategic marketing and promotion of the Nelson Tasman region as a visitor destination.

- Tourism Development and Monitoring - strategic planning, leadership and advocacy for the tourism sector
- Nelson i-Site - managing and operating high quality, cost effective services
- Company management - company operates within sound financial parameters

5.5 Whilst objective 1.2 states a role for NTT in the development of new products for the region, there is also a need for NTT to be proactive in working with Uniquely Nelson and other local stakeholders to leverage tourism opportunities from events and community facilities in Nelson.

6. Options

6.1 There is no decision to be made on the half yearly report. The Trust has complied with the legislation in preparing and presenting the report to Council.

6.2 In relation to the SOI, the Committee can choose to either submit feedback to the NTT Board or to recommend to Council that the draft SOI be adopted as the final version (with any minor amendments). If the Committee does submit substantive feedback then the amended SOI will be brought back to the Committee in July.

7. Assessment of Significance against the Council's Significance Policy

7.1 This is not a significant decision.

8. Alignment with relevant Council Policy

8.1 This decision is a statutory process. Support for NTT is consistent with the Council's outcome of 'Our region is supported by an innovative and sustainable economy.'

9. Consultation

9.1 No consultation has been carried out in relation to the recommendations.

10. Inclusion of Māori in the decision making process

10.1 No specific consultation has been carried out with Maori.

11. Conclusion

11.1 NTT has complied with the Local Government Act 2002 in preparing a half yearly report and draft SOI. The Committee has the opportunity to request changes or additions to the draft SOI. Officers are not recommending that any substantive change is required, and the Committee may decide to recommend to Council that the draft SOI be approved as the final SOI for the 2015/16 year.

Chris Ward
Group Manager Community Services

Attachments

- Attachment 1: Tourism Nelson Tasman Ltd half yearly report July – December 2014 ([A1325269](#))
- Attachment 2: Tourism Nelson Tasman Ltd draft Statement of Intent 2015/16 ([A1325267](#))
- Attachment 3: Extract from Schedule 8 of the Local Government Act 2002 ([A1334741](#))



Tourism Nelson Tasman Ltd (trading as NelsonTasman Tourism)

Six Month Report to Shareholders – 1 July-31 December 2014

This report outlines the company's results for the first half of the 2014-2015 financial year.

Key Performance Indicator 1: Regional Marketing

Achieve growth in international and domestic visitor markets, increase length of stay, increase convention bureau ranking, increase website visits and increase private sector investment.

1.1 International Marketing Activities

The purpose of Tourism Nelson Tasman Ltd's (TNTL) investment in international marketing activities is to grow the number of visitors and visitor spend from these activities. This is done primarily through hosting international media and film crews, hosting and educating offshore tour agents and New Zealand inbound tour wholesalers. Hosting key influencers that sell the Nelson Tasman region is one of the most cost-effective ways of promoting the region.

During the past six months TNTL international activities included:

- Trade training with 70 NZ inbound tour operators
- Trade training with 250 Australian agents in NZ
- Hosted 15 individual media files (59 people)
- Hosted 19 individual tour agent groups (186 people)
- Hosted 50 youth and adventure agents from around the world
- Promoted region at Kiwilink India tradeshow with 380 travel agents
- Promoted region at Kiwilink China tradeshow with 90 agents
- Promoted region at Perth tradeshow with 90 agents to market the direct Air NZ Perth-Christchurch flight

Fourteen media files (out of 15) hosted in the region produced \$5,403,432 of Equivalent Advertising Value (EAV). If we had had to pay for advertising in print magazines, newspapers, online channels and TV promotion this is the value it would have cost the organisation.

TNTL has done a significant amount of work with Tourism New Zealand (TNZ) and Film New Zealand to promote the region to Middle-earth enthusiasts with the release of The Hobbit: The Battle of the Five Armies and previous Hobbit and Lord of the Rings film locations. The region has seven film locations and is considered by TNZ as one of the key regions to visit for fans.

TNTL also continued its marketing activities in China, India and South-east Asia. There is opportunity for the region to attract these visitors in the future if we can maintain our current level of marketing activities. The company has maintained its investment in Australia, the United Kingdom, USA and Europe and by year-end it is anticipated we will see growth from our traditional markets and emerging markets.

The last twelve months work has resulted in five cruise ships during the period December – February 2015, two of which visited in December 2014. Ship sizes to date are <500 passengers in the luxury, boutique sector. Work is continuing on attracting larger vessels.

- 6 December 2014 Caledonia Sky, Nelson
- 26 December 2014 Europa, Tarakohe, Kaiteriteri, Nelson
- 17 January 2015 L'Austral, Nelson
- 27 January 2015 L'Austral, Nelson
- 10 February 2015 L'Austral, Nelson (overnight on 9 Feb)

1.1.1 Cricket World Cup 2015 Activities July – December 2014

The high definition film footage TNTL has in their film library continues to be requested and used by multiple film production companies including footage being shown live on TV with the recent Black Caps vs Sri Lanka cricket match in January 2015. The team has continued its marketing activity in key Cricket World Cup 2015 countries. In addition, the following activities have been undertaken in first six months.

- 15 and 30 second vignettes (short video clips) developed for International Cricket Council. The 30" sec clips will be shown in advert breaks and 15" sec clips shown at the Oval
- TNZ commissioned a film shoot in December for all CWC2015 and U-20 FIFA World Championship host cities to have tourism video clips developed. These will be loaded onto a B-Roll (broadcast roll) for all international broadcasters to have access to use during games in Nelson and outside of Nelson
- Attended special travel agent training in India to promote Nelson as visitor destination for supporters and broadcasters
- Trade training and notification to agents in Australia and United Kingdom (done in Auckland) to promote Nelson as host city
- Three Indian TV broadcast stations have requested B-Roll from NTT

1.2 Conference and Domestic Marketing

The purpose of TNTL's investment in conference and domestic marketing activities is to grow visitation and visitor spend during the period of May-September (shoulder and winter season) and enhance summer season visitor levels. This is done primarily through hosting and educating Professional Conference Organisers, hosting domestic media and film crew, and collaborating with Air New Zealand and Interislander on key domestic campaign activities. Key events attended included Meetings 2014, Convene South and a new event this event which was the PCO Conference in Canberra.

1.2.1 Conference Marketing

During the past six months the team has sent 1648 regional visitor guides, 1280 map pad sheets, 500 delegate passports and information packs to conference organisers, assisted 14 conference bid enquiries, 2 incentive enquiries, 5 general conference enquiries, hosted 3 PCO familiarisation trips and assisted 1 international bid enquiry.

This year TNTL has become a gold member of Conventions Incentive NZ (CINZ) and this has allowed access to the lucrative Australian market. TNTL is targeting incentive groups and conferences between 150-300 delegates.

Examples of successful bid conference assistance included:

- Ora King Salmon October 2014
- AZALT Conference 2016 (languages/teachers)
- International Democratic Education Conference April 2015
- NZ Law October 2015
- Health 2000 September 2015
- Stormwater Conference 2015

Conference Bids Awaiting Confirmation:

- iMedia Brands July 2015
- Bus and Coach Association 2016
- Assurity Conference 2016

1.3 Domestic Marketing

From a domestic leisure perspective, the team has worked closely with Air New Zealand, Nelson Airport and Palmerston North Airport with direct flights resulting in 80-85% load factors. TNTL in conjunction with Nelson Airport and Nelson City Council continues to lobby with Air New Zealand for a Auckland-Nelson-Queenstown route.

During the past six months TNTL has initiated a number of domestic promotion activities.

- Auckland Foodshow 31 July – 3 August (attended by 8 food producers)
- Hosted media from Good Health Choices magazine (July)
- Hosted Wilderness Magazine (September)
- Negotiated contract with Nelson Tasman Cycle Trust as primary marketing agent for cycle activities in the region. Advising and coordinating promotions
- Hosted NZ Herald Travel Editor (October) for opening of Tasman Great Taste Trail, Kaiteriteri leg
- NZ Herald featured Nelson Tasman in travel publication (21 October)
- Christchurch Star special convention article (October)
- Provided information for Air NZ travel APP (November)
- Coordinated a Tourism NZ Great Taste Trail cycle film shoot (November)
- Hosted Dish Magazine for future article on culinary offering (next April edition)
- Coordinated information for Air NZ Kia Ora magazine (January issue)
- Coordinated Interislander special 14-page feature in summer edition
- Negotiated contract with Wine Nelson (formerly Nelson Wineart) to assist with marketing

1.4 Website Performance www.nelsonnz.com

- | | |
|--|--|
| • Achieve \$15,300 website listing revenue | Achieved \$ 19,515 |
| • Increase number of website page visits by 3% | Achieved 28.16% (2014: 94,981, 2013: 74,113) |
| • Increase visits via mobile devices by 20% | Achieved 111.30% (2014: 19,499, 2013: 9,228) |

1.5 Commercial Accommodation Monitor Results Year-ending 31 December 2014

The Nelson Tasman region saw a 3.7% increase in total guest nights compared to a 1.1% increase last year. This was attributed to a 5.0% increase in international guest nights (previous year 3.9%) and 3.0% in domestic nights (-0.4% result in previous year). It is pleasing to see growth in both international and domestic guest nights. The domestic results reflect changes with timing of events, campaigns with Air New Zealand and activity in the conference market.

Benchmark against South Island Result

Key points:

- Nelson Tasman region achieved the 2nd highest length of stay at 2.26 nights
- Nelson Tasman region attracts the 3rd highest number of guest nights behind Canterbury and Queenstown, both who have international airports
- Nelson Tasman attracts 3rd highest domestic visitors behind Canterbury and Queenstown
- Nelson Tasman attracts the 3rd highest level of visitor spend at \$490million per year behind Queenstown and Canterbury
- Nelson Tasman attracts the 4th highest number of international guest nights behind Queenstown, Canterbury and West Coast
- International growth in the South Island has been driven by the Chinese market. Nelson Tasman is relatively new to this market. Key itineraries currently include travelling to Canterbury and Queenstown
- Domestic growth is driven by the conference and leisure markets particularly cycle tourism in Waitaki and Central Otago

Table 1.0 CAM South Island Year-End 31 December 2014 Results

SOUTH ISLAND GUEST NIGHTS 6-Months YE December 2014									
	Total GN %	Dec-14	Int %	Dec-14	Dom %	Dec-14		South Island	Spend in \$millions
RTO		Total Guest Nights		International		Domestic	Length Stay	Rank in GN	YE Mar 2014
Marlborough	5.4	707,496	11.0	339,402	7.0	368,094	1.81	6	250
Canterbury	5.8	3,293,842	9.4	1,395,838	3.3	1,898,004	2.05	1	1260
Hurunui	7.9	351,678	-3.5	88,864	12.4	262,814	1.69	12	tba
MacKenzie	12.9	536,872	18.3	367,509	2.8	169,363	1.29	8	tba
Timaru	18.2	310,236	2.2	67,395	23.5	242,840	1.85	14	tba
West Coast	11.2	1,201,585	10.8	699,191	11.8	502,394	1.41	4	310
Wanaka	1.9	658,520	9.7	384,015	-7.2	274,506	2.20	7	250
Queenstown	10.4	3,043,371	10.5	1,997,755	10.3	1,045,616	2.70	2	1370
Waitaki	12.0	381,557	25.3	119,773	6.8	261,785	1.59	11	110
Central Otago	6.9	313,200	11.5	61,241	5.9	251,959	2.23	13	120
Dunedin	5.9	874,904	1.6	319,098	8.5	555,807	1.80	5	420
Clutha	7.7	80,386	15.4	29,675	3.7	50,711	1.55	15	40
Fiordland	16.8	490,715	15.4	328,585	19.7	162,130	1.98	9	130
Southland	5.9	389,412	0.9	107,277	8.0	282,135	1.76	10	260
SOUTH ISLAND	9.2	12,633,774	9.9	6,305,618	8.3	6,328,158	1.9		
Nelson Tasman	3.7	1,250,879	5.0	452,807	3.0	797,073	2.26	3	490

Source: Statistics NZ, Commercial Accommodation Monitor YE December 2014

Table 2.0: Seven-Year Trend: Commercial Accommodation Monitor Guest Nights (000s)

Year	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
								YTD Dec
Total Guest Nights	1271567	1213154	1249659	1231200	1227603	1198825	1240052	1250879
Domestic	837528	782238	795297	780685	789350	774669	794740	797073
International	434039	430916	454362	450515	438253	424156	445312	453807

Table 2.0 indicates when reviewing seven year trends of guest nights, **total guest nights** year-end December 2014 shows the region has exceeded 2009-2010 total guests nights achieving 1,250,879, and international and domestic guest nights are close to achieving 2009-2010 figures at 797,073 and 453,807. It is projected once January, February and March guest nights are factored into year-end March 2015 figures, the region may exceed previous high levels of guest nights since statistics were collected in 2000. Source: Statistics NZ

Key Performance Indicator 2: Tourism Development

Provide leadership with development activities that lead to increased economic contribution from tourism to the regional economy

No KPIs in this section of SOI are required to be reported against in six-month report.

Key Performance Indicator 3: Nelson i-SITE

Nelson i-SITE is managed efficiently and effectively and meets revenue targets

NELSON i-SITE PERFORMANCE 1 July – 31 December 2014

Over the six month period the Nelson i-SITE income streams totalled \$166,083 exceeding budget by \$7,915. This was a 5.0% increase against budget. Revenue from commissions on booking sales were behind budget by (6.2%), this was incurred in the first few months of the period, the latter months being on track with budget.

Table 3.0 Nelson i-SITE: Net Income Result 1 July – 31 December 2014

i-SITE	YTD Net Income \$	YTD Net Budgeted Income \$	Variance \$	Var %
Nelson i-SITE	166,083	158,168	7,915	5.0%

Source: TNTL Accounts 31 December 2014

Good cost control has seen both administration and labour expenses below budget and contributing to net revenue for the period exceeding budget by \$13,504.

Table 4.0 Nelson i-SITE: Net Profit Result 1 July – 31 December 2014

i-SITE	YTD Net Profit \$	YTD Net Budgeted Profit \$	Variance \$	Var %
Nelson i-SITE	(24,632)	(38,136)	13,504	35.4%

Source: TNTL Accounts 31 December 2014

Key Performance Indicator 4: Company Management

Company operates with sound financial parameters and is a good employer

Key performance indicators in the 31 December 2014 Statement of Financial Performance show for the six month period the company has a net profit result of \$16,396.

Table 5.0 Financial Indicators

Closing Balance 30.06.14	Key Indicator	Closing Balance 31.12.14
\$85,639	Working capital	\$67,755
\$134,807	Equity	\$152,919
\$25,269	Net profit	\$16,396

Net Profit (Loss) as at 31 December 2014:

YTD Budget: (\$1,702) YTD Actual: \$16,396 Favourable variance: \$18,098

Financial results for the six months ended 31 December 2014 are attached.

3.0 FUTURE OUTLOOK

During the six-month period ownership of TNTL shifted to being 100% owned by Nelson City Council.

In March 2015 NCC will commence a review of tourism, economic, event, facility and Uniquely Nelson's services. We look forward to working with Council to help achieve improved outcomes for their services with regional marketing services and economic outputs.



**PHIL TAYLOR
CHAIR**

1.1 OBJECTIVES, PERFORMANCE MEASURES AND TARGETS

OBJECTIVE 1.1 Regional Marketing	PERFORMANCE MEASURE	TARGET	REPORT CYCLE 6 MONTHLY	REPORT CYCLE ANNUAL
Achieve growth in international and domestic guest nights and visitor length of stay	Commercial Accommodation Monitor	Perform better against South Island average: <ul style="list-style-type: none"> • International guest nights • Domestic guest nights • Visitor length of stay from 2.17 to 2.18 nights 	✓	✓
Participate in activity in emerging markets (China, India, SE Asia and luxury)	Regional Tourism Indicators	<ul style="list-style-type: none"> • Increase visitor transactions from emerging markets by 5% 		✓
Increase private sector investment in regional marketing	Private sector investment in NTT programmes	<ul style="list-style-type: none"> • Increase total investment by 2% • Achieve International Marketing Group minimum investment of \$50,000 per annum • Achieve Convention Bureau minimum investment of \$25,000 per annum 		✓ ✓ ✓
Improve region's performance as a conference and meeting destination	Convention Activity Survey ranking	<ul style="list-style-type: none"> • Improve from 12th NZ Convention Bureau ranking to 11th 		✓
Improve utilisation of website www.NelsonNZ.com	Website statistics	<ul style="list-style-type: none"> • Achieve \$18,000 website listing revenue • Increase number of website page visits by 3% • Increase visits via mobile devices by 20% 	✓	✓ ✓ ✓

OBJECTIVE 1.2 Tourism Development	PERFORMANCE MEASURE	TARGET	REPORT CYCLE 6 MONTHLY	REPORT CYCLE ANNUAL
NTT provides leadership in assisting growth and new product development for region	Update 2007-2016 Nelson Tasman Regional Tourism Strategic Plan (NTRTSP)	<ul style="list-style-type: none"> Update NTRTSP by 31 December 2014 		✓
Improve economic performance as a visitor destination	Regional Tourism Estimates	<ul style="list-style-type: none"> Increase visitor spend by 3% per annum 		✓
Communities value tourism and the work NTT undertakes	Ratepayer visitor opinion via annual survey	<ul style="list-style-type: none"> 80% of ratepayers surveyed value tourism 		Bi-annual. Not required in 2014-2015
To include Tangata Whenua in tourism and encourage involvement	Support development of Maori tourism enterprises	<ul style="list-style-type: none"> Meet with local Iwi to assist and promote participation in tourism investment Meet with other Maori organisations to discuss participation in tourism investment 		✓ ✓

OBJECTIVE 1.3 Nelson i-SITE	PERFORMANCE MEASURE	TARGET	REPORT CYCLE 6 MONTHLY	REPORT CYCLE ANNUAL
Nelson i-SITE is managed efficiently and effectively	Commercial revenue meets agreed budgets	<ul style="list-style-type: none"> Meets budget 	✓	✓
	i-SITE Qualmark standards	<ul style="list-style-type: none"> Exceeds Qualmark minimum compliance standards 		✓

OBJECTIVE 1.4 Company Management	PERFORMANCE MEASURE	TARGET	REPORT CYCLE 6 MONTHLY	REPORT CYCLE ANNUAL
The company operates within sound financial parameters	Net profit, working capital and company equity	<ul style="list-style-type: none"> Net Profit meets budget Working capital of \$50,000 Maintain equity level of at least \$120,000 by 30 June 2015 	✓	✓
Company consults and communicates with stakeholders about NTT's activities and performance	Industry Annual Survey	<ul style="list-style-type: none"> Show an increase in survey respondents on a per segment basis 		✓
Company regularly informs shareholders of activities and plans	SOI, 6 monthly updates and AGM	<ul style="list-style-type: none"> Approved SOI, 6-Month Report and Annual Report 	✓	✓
To be a good employer	Adherence to relevant employment legislation	<ul style="list-style-type: none"> All legislative requirements are met 		✓
	Staff satisfaction survey	<ul style="list-style-type: none"> Overall staff satisfaction rate is 80% 		✓

Objectives to be achieved during 2014/2015 for start of 2015/2016 Year:

1. Have in place an adequately funded organisation which ensures ongoing investment in regional marketing (conference, domestic leisure and international activities) which will ensure the Nelson region is competitive and continues to prosper
1. Have an agreed rating model and structure for shareholder investment which will deliver effective regional marketing and information services for visitors and local communiti

6 MONTH REPORT TO 31 DECEMBER 2014

STATEMENT OF COMPREHENSIVE INCOME	Actual YTD 31-Dec-14	Budget YTD 31-Dec-14
Revenue from trading	318,761	307,712
Funding income	381,259	375,151
Other revenue	400	750
Total revenue:	700,420	683,613
Employee benefit expense	(336,328)	(332,897)
Operating expenses	(334,830)	(333,975)
Operating (loss) profit:	29,262	16,741
Investment revenue	6,709	1,750
Finance cost	(1,105)	(1,046)
Depreciation and amortisation	(18,470)	(19,147)
Profit (loss) before taxation:	16,396	(1,702)

STATEMENT OF FINANCIAL PERFORMANCE	Actual YTD 31-Dec-14	Actual YTD 31-Dec-13
Assets		
Bank	\$ 431,372	\$ 449,336
Current Assets	\$ 245,602	\$ 361,234
Total Cash & Current Assets	\$ 676,974	\$ 810,570
Non-current Assets	\$ 87,263	\$ 128,403
Total Assets	\$ 764,237	\$ 938,973
Liabilities		
Current Liabilities	\$ 609,219	\$ 766,128
Non-current Liabilities	\$ 2,099	\$ 17,365
Total Liabilities	\$ 611,318	\$ 783,493
Working Capital	\$ 67,755	\$ 44,442
Net Assets	\$ 152,919	\$ 155,480
Equity		
Current Year Earnings	\$ 16,396	\$ 24,244
Issued Capital	\$ 50,000	\$ 50,000
Retained Earnings	\$ 86,523	\$ 81,236
Total Equity	\$ 152,919	\$ 155,480

Attention: The Director, Nelson Tasman
75 Trafalgar Street, PO Box 353, Nelson 7041, New Zealand
Tel: +64 3 546 6128 Fax: +64 3 546 6876
email: info@nelson12.com Web: www.nelson12.com

TOURISM NELSON TASMAN LTD
(TRADING AS NELSON TASMAN TOURISM)

DRAFT STATEMENT OF INTENT

2015-2018

Registered Office: 75 Trafalgar Street, Nelson

Directors: Phil Taylor (Chair), 198 Hill St, Richmond, Nelson

Larry Lumsden, 32 Crombie Green, Northwood, Christchurch

Sharon McGuire, 34 Cambelldon Crescent, Stoke, Nelson

Terry Horne, 1 Di Leva Way, Nelson

Chief Executive: Lynda Keene, 77 Panorama Drive, Enner Glynn, Nelson

Overview

Nelson Tasman Tourism (NTT) is a regional tourism organisation (RTO), one of 30 throughout New Zealand. It is owned by Nelson City Council (NCC) and is structured as a Council Controlled Trading Organisation (CCTO). The funding from NCC includes an annual grant from Tasman District Council. The company generates substantial additional income from the products and services it provides to the tourism sector, Tourism New Zealand (TNZ) and visitors.

The company employs experienced business Directors and tourism and marketing professionals and through their expertise provide an essential public service and economic return to the region in excess of \$490million spent by visitors each year (Source: Ministry of Business, Innovation & Employment, Regional Tourism Estimates year-end March 2014).

The primary areas of activity are to promote the region through marketing activities, support tourism development activities and provide visitor information services through the Nelson i-SITE. Performance is measured against key performance indicators in the company's Statement of Intent.

Nelson Tasman Tourism – Vision for the Region

"That tourism in Nelson Tasman is vibrant and sustainable, providing a major contribution to the regional economy."

Nelson Tasman Tourism – Company Mission

To bring together people, information and investment in creative ways to deliver leading regional marketing, tourism development and quality information services.

1. NATURE AND SCOPE OF THE ACTIVITIES TO BE UNDERTAKEN

The purpose of NTT is to deliver economic benefits for Nelson City Council, the region as a whole, to stakeholders through regional marketing, tourism development and monitoring and visitor information services:

- 1.1. **Regional Marketing** - the strategic marketing and promotion of the Nelson Tasman region as a visitor destination. Domestic and international marketing activity focuses on achieving visitor growth during the shoulder and low season (May-Sep). The company's principle mode of activity is to leverage off regional infrastructure, events and the private sector tourism activity to achieve visitor growth. For example this includes leveraging off:
 - Major events such as RWC2011 and the CWC2015 which can achieve extensive international exposure of the region
 - New infrastructure such as Tasman's Great Taste Trail and Dun Mountain Trail which provide strong opportunities to promote cycling in the region
 - Key and iconic regional visitor attractions such as Abel Tasman National Park and Coastal Walk, Kahurangi National Park and Heaphy Track, Nelson Lakes National Park and the Te Araroa Trail in Mount Richmond Forest Park
 - The region's cultural and artistic and environmental values
 - City conference and event offering to attract corporate/business visitors
 - Partnership with Nelson Airport and Port Nelson to attract leisure and business visitors and cruise ship visitors.
- 1.2. **Tourism Development and Monitoring** – strategic planning, leadership and advocacy for the tourism sector. Provide professional, impartial and objective advice and information to assist new project concepts and developments that contribute towards increased visitor spend. For example:
 - Development and implementation of the Nelson Tasman Regional Tourism Strategic Plan (NTRTSP)
 - Air connectivity and attracting increased services, frequency and new airlines
 - Nelson Fringed Hill Gondola project
 - Brook Waimarama Sanctuary Trust project
 - Kohatu Motorsport Park development (known as New Zealand Central Motorsport and Adventure Park)
 - Conference and performing art facilities i.e. Trafalgar Centre
 - National park management plans and Local Government planning
 - Tourism monitoring and commentary and advice to NCC, collation and interpretation of statistics, liaison with national tourism bodies and regional tourism organisations
 - Working with Nelson Regional Economic Development Agency (NREDA) to contribute towards achieving outcomes in the Regional Economic Development Strategy
- 1.3. **Nelson i-SITE** - managing and operating high quality, cost effective services.
- 1.4. **Company Management** - company operates within sound financial parameters

1.1 OBJECTIVES, PERFORMANCE MEASURES AND TARGETS

OBJECTIVE 1.1 Regional Marketing	PERFORMANCE MEASURE	TARGET	REPORT CYCLE 6 MONTHLY	REPORT CYCLE ANNUAL
Achieve growth in international and domestic guest nights and visitor length of stay	Commercial Accommodation Monitor	<p>Perform better collectively against the average result from regional competitors (Dunedin, Northland, Hawkes Bay, Bay of Plenty, West Coast):</p> <ul style="list-style-type: none"> • International guest nights • Domestic guest nights • Visitor length of stay 	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>
Strategically invest in activity in emerging markets (China and India)	Regional Tourism Estimates	<ul style="list-style-type: none"> • Increase visitor spend from emerging markets against previous year 	✓	✓
Increase private sector investment in regional marketing	Private sector investment in NTT programmes	<ul style="list-style-type: none"> • Increase total investment by 2% (through collaborative partnerships with Cycle Trust, Wine Nelson and other activities) • Achieve International Marketing Group (IMG) minimum investment of \$50,000 per annum • Achieve Convention & Domestic Marketing Group (CDMG) minimum investment of \$25,000 per annum 		<p>✓</p> <p>✓</p> <p>✓</p>
Improve region's performance as a conference and meeting destination	Convention Activity Survey ranking	<ul style="list-style-type: none"> • Maintain 10th ranking attracting conference business against NZ Convention Bureaux • Host minimum of 6 Professional Conference Organisers (PCOs) 		<p>✓</p> <p>✓</p>
Improve utilisation of website www.NelsonNZ.com	Website statistics	<ul style="list-style-type: none"> • Achieve \$25,000 website listing revenue • Increase number of website page visits by 5% • Increase visits via mobile devices by 10% 	✓	<p>✓</p> <p>✓</p> <p>✓</p>

OBJECTIVE 1.2 Tourism Development & Monitoring	PERFORMANCE MEASURE	TARGET	REPORT CYCLE 6 MONTHLY	REPORT CYCLE ANNUAL
NTT provides leadership in assisting growth and new product development for region e.g. Tasman Great Taste Trail, Dun Mountain Trail, Trafalgar Centre development, Brook Waimarama Sanctuary, proposed Nelson Gondola project, Kohatu Motorsport Park etc. Work with NREDA to assist with achieving REDs outcomes	Nelson Tasman Regional Tourism Strategic Plan (NTRTSP) Facilitate new Nelson air routes, attract new airline or increased frequency of flights Showcase and provide advice and marketing assistance to strategically important new community and visitor ventures Facilitate growth in cruise ship visits Gross Domestic Product (GDP) contribution	<ul style="list-style-type: none"> Establish and commence implementation of NTRTSP by 30 September 2015 Work with airlines to achieve one new airline route or increased frequency by 30 June 2016 Facilitate and make presentations to industry and stakeholders Increase number of cruise ship visits against previous Show increase in GDP contribution over previous REDs value of \$128m 	✓	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓
Improve economic performance as a visitor destination	Regional Tourism Estimates	<ul style="list-style-type: none"> Increase total visitor spend by 2% per annum 		✓
To include Tangata Whenua in tourism and encourage involvement	Support development of Maori tourism enterprises	<ul style="list-style-type: none"> Meet with local Iwi to assist and promote participation in tourism investment Meet with other Maori organisations to discuss participation in tourism investment 		<ul style="list-style-type: none"> ✓ ✓

OBJECTIVE 1.3 Nelson i-SITE	PERFORMANCE MEASURE	TARGET	REPORT CYCLE 6 MONTHLY	REPORT CYCLE ANNUAL
Nelson i-SITE is managed efficiently and effectively	Commercial revenue meets agreed budgets	<ul style="list-style-type: none"> Meets budget 	✓	✓
	i-SITE Qualmark standards	<ul style="list-style-type: none"> Achieve Qualmark compliance standards 		✓

OBJECTIVE 1.4 Company Management	PERFORMANCE MEASURE	TARGET	REPORT CYCLE 6 MONTHLY	REPORT CYCLE ANNUAL
The company operates within sound financial parameters	Net profit, working capital and company equity	<ul style="list-style-type: none"> Net Profit meets budget Increase revenue by 3% from trading Working capital of \$50,000 Maintain equity level of at least \$120,000 by 30 June 2016 	✓ ✓	✓ ✓ ✓ ✓
Company consults and communicates with stakeholders about NTT's activities and performance	Industry Annual Survey	<ul style="list-style-type: none"> Show an increase in survey respondents Two industry forums per year 		✓ ✓
Company regularly informs NCC of activities and plans	SOI, 6 monthly updates and AGM	<ul style="list-style-type: none"> Approved SOI, 6-Month Report and Annual Report 	✓	✓
To be a good employer	Staff satisfaction survey	<ul style="list-style-type: none"> Overall staff satisfaction rate is 80% 		✓
	Health & Safety	<ul style="list-style-type: none"> Zero serious harm accidents 3 staff briefings per year 		✓ ✓

2. INFORMATION PROVIDED TO SHAREHOLDER: 1 July 2015 - 30 June 2016

- 1.2.** Before 1 March a 'six month' report covering an abbreviated Statement of Financial Performance and Statement of Financial Position, performance indicators, commentary on activities and other such information as the Directors consider necessary to enable an informed assessment of the Company's performance during the period being reported.
- 1.3.** Within three months after the end of the financial year (i.e. 30 September) the Directors shall deliver to the shareholder a draft annual report which fulfils the requirements of Section 67 of the Local Government Act 2002, prepared to comply with International Financial Reporting Standards, and audited financial statements in respect of the financial year, and within three months provide a final annual report containing the following information as a minimum:
- An annual report to be sent to the shareholder including a summary of the financial results, a review of operations and a comparison of performance in relation to objectives not less than twenty working days before the Annual General Meeting (generally in the third week in October) and any recommendation as to dividend.
 - A financial statement disclosing actual and budgeted revenue and expenditure and comparative figures from the previous financial report.
 - A statement of financial position as at the financial year end.
 - An Auditor's report on the above statements and the measures of performance in relation to objectives.
 - Any other information that would normally be available to a controlling private shareholder, thereby enabling the shareholder to assess the value of their investment in the Company.
 - Any other matters that the shareholder and the Directors agree shall be disclosed as appropriate.
 - This Annual Report shall be made available for inspection at Council office.
- 2.3** An annual business plan will be developed each year outlining the overall business strategy and programmes for the Company.

2. PROCEDURE TO BE FOLLOWED WITH PURCHASE OF SHARES IN OTHER COMPANY OR ORGANISATION

The procedure to be followed before subscription for, or purchase of, or other acquisition of shares in any company or organisation, shall be by resolution of the Directors, excepting that any significant diversification or addition to existing activities will be referred to the shareholder for approval.

3. DIRECTORS' ESTIMATE OF COMPANY VALUE

The Directors' estimate that the opening balance of shareholder funds in the annual accounts will represent the value of the Company. The Directors will advise the shareholder on an annual basis if they believe the value to differ materially from this state. The opening balance of equity projected at 1 July 2015 is \$161,072 which includes the marketing reserve of \$60,605.

The projected ratio of consolidated shareholder funds to total assets at 1 July 2015 is 32%.

Based on the nature of Tourism Nelson Tasman Limited's (TNTL) business the shareholder accepts no dividend is required to be paid to the shareholder as a result of the company's activities.

4. BUDGETS

The Company's budgets for the period 2015-2018 are attached as an appendix.

Budgets have been prepared taking into account the historical operating costs for the Company and planned activity for the next three years.

The operating budget has been prepared under the advice of NCC that base funding of \$664,878 is available for the 2015-2016 year inclusive of 1.6% CPI adjustment.

6.1 Budget Assumptions

- Shareholder funding is comprised of:
 - NCC 2015-2016; \$664,878 adjusted for CPI at 1.6% for years two and three
- Revenue from trading includes private sector investment in website, visitor guide, memberships and brochure displays and revenues from i-SITE booking sales, retail sales and other income.
- Depreciation and amortisation assumes capital expenditure in 2015-2016 for website and HD film library
- Operating expenses include regional marketing investment, collateral production, standing charges and finance and administration costs

Once funding levels are confirmed from NCC, upon the advice of Audit NZ the Company will prepare the Company financial position to operate as a going concern.

- The Company will enter the 2015-2016 year in what is anticipated to be a period that will see some growth in international markets and a highly competitive domestic market.
- The Company will continue to experience changes in Company revenue streams due to changing tourism trends. The Company will continually review activity to ensure it adjusts appropriately.
- The Company has an ongoing commitment to exploring opportunities for new sources of revenue and improved yield.
- Discretionary marketing spend will be held until the fourth quarter each year and only expended then if revenue allows in order to work within budget and income fluctuations.

The Company has a marketing reserve policy to retain 1.7% of council funding inclusive of CPI adjustment each year. This is shown as a separate item as at 1 July 2015 of \$60,605.

5. REVIEW OF COMPANY

We understand the present intention of NCC is to retain the services that NTT currently provides but the structure required to do that is yet to be determined.

The work NTT does contributes significantly not only to the wellbeing of the city and region's tourism sector but to the regional economy as a whole through the broad advantages visitor activities bring on a daily basis. The marketing activities also have a broad reach in branding the region, stimulating business investment, coordinating activities and encouraging people to choose to live in our region. This valuable work should not be lost and must continue.

APPENDICES:

APPENDIX I: THE BOARD'S APPROACH TO GOVERNANCE

GOVERNANCE PRINCIPLES

The Company operates to the Principles and Guidelines for Corporate Governance in New Zealand, published by the Securities Commission New Zealand;

- Directors will observe and foster high ethical standards.
- There will be a balance of independence, skills, knowledge, experience, and perspectives among Directors so that the Board works effectively.
- The Board will use committees where this would enhance its effectiveness in key areas while retaining Board responsibility.
- The Board will demand integrity both in financial reporting and in the timeliness and balance of disclosures on entity affairs.
- The remuneration of Directors and executives should be transparent, fair, and reasonable.
- The Board will regularly verify that the entity has appropriate processes that identify and manage potential and relevant risks.
- The Board will ensure the quality and independence of the external audit process.
- The Board will foster constructive relationships with the shareholder that encourages engagement.
- The Board will respect the interests of the stakeholder within the context of the entity's ownership type and its fundamental purpose whilst maintaining the best interest of the Company.

THE ROLE OF THE BOARD

- Ensuring sound financial and strategic management of the Company.
- Ensuring the Company meets its objectives as defined in this Statement of Intent.
- Ensuring the Company complies with all its lawful obligations.
- Ensuring the shareholder is kept well informed on all relevant issues and that there are “no surprises” on matters likely to cause community or political concern.
- Making any decisions as to policy that is not the preserve of general management and day-to-day administration.
- Employing the Chief Executive (including entering into a performance management agreement, reviewing performance and setting remuneration).

COMPOSITION OF THE BOARD

- The Board is made up of four non-executive Directors.
- The shareholder will be responsible for appointing Directors to the Board.
- The procedure for appointment of Directors Council Controlled Trading Organisations.
- The Board will appoint a Chair at the meeting following each Annual General Meeting.

BOARD REMUNERATION

- The Board will provide its shareholder with their recommendations on remuneration no longer than three months in advance of the AGM. Following consultation with NCC the shareholder will approve the total remuneration for the Board at the Annual General Meeting. The Board will be responsible for deciding the apportionment of this amount.

RISK MANAGEMENT POLICIES

- The Board shall ensure that appropriate insurance is maintained on all insurable risks of the Company, and in particular public liability insurance.
- The Board shall ensure that the Company has procedures in place to achieve compliance with all applicable legislation, including adherence to International Financial Reporting Standards.

GUIDANCE AND RESOURCES PROVIDED TO BOARD MEMBERS.

Sound financial management and systems that provide reports to the Board as follows:

- Statement of financial performance for the preceding month, year to date and year end projections.
- Statement of financial position at the preceding month end.
- Projected Year-End cash-flow position
- Chief Executive's report addressing issues related to the Company's performance against objectives (financial and non-financial).
- The Board will ensure that relevant training opportunities are made available to Directors

APPENDIX II Statement of Accounting Policies and Budgets

Statement of Accounting Policies

Reporting Entity

Tourism Nelson Tasman Ltd is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. Tourism Nelson Tasman Ltd is owned 100% by NCC.

The Company is a Council Controlled Trading Organisation as defined in S6 (1) of the Local Government Act 2002.

The primary objective of the Company is to market the Nelson Tasman region as a visitor destination and operate the Nelson i-SITE, rather than make a financial return. Accordingly, the Company has designated itself as a public sector public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Tourism Nelson Tasman Ltd have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Local Government Act 2002. The financial statements are for the year ended 30 June.

Basis of Preparation

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Differential Reporting

The Company qualifies for differential reporting, under the Framework for Differential Reporting, in that it is not publicly accountable and is not large. The Company has taken advantage of all differential reporting exemptions except it has chosen to present a Statement of Cash Flow.

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ equivalents to International Financial Reporting Standards, as appropriate for public benefit entities (NZ IFRS PBE).

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Company, with the exception of certain items for which specific accounting policies are identified.

Functional and Presentation Currency

The financial statements are presented in NZ dollars and all values are rounded to the nearest dollar. The functional currency of the Company is New Zealand dollars.

Changes in Accounting Policies

There have been no changes in the accounting policies.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Accounting Policies

The following accounting policies which materially affect the measurement of comprehensive income and the financial position have been applied:

1 Revenue

Revenue is measured at the fair value of consideration received.

2 Grants

Grants received from Nelson City Council are the primary source of funding for the Company and are restricted for the purposes of the Company meeting its objectives as specified in its Statement of Intent.

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants in advance, and recognised as revenue when conditions of the grant are satisfied.

3 Other revenue

Revenue from products held for sale is recognised when a product is sold to a customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Interest income is recognised using the effective interest method.

Where physical assets are donated or vested in the Company for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Company are recognised as revenue when it obtains control over the assets.

4 Goods and services tax

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables, which are stated with GST included.

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.

5 Taxation

Entities which qualify for differential reporting concessions are not required to account for deferred income tax in accordance with NZ IAS 12(PBE). Tourism Nelson Tasman Ltd has elected to account for income tax in accordance with the taxes payable method. Under the taxes payable method, income tax expense in respect of the current period is equal to the income tax payable for the same period. The income tax effects of temporary differences, unused tax losses and unused tax credits under NZ IAS 12(PBE) are not recognised.

6 Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

7 Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using effective interest method.

8 Borrowings

The Company has elected to defer the adoption of NZ IAS 23 Borrowing Costs in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, borrowing costs are recognised as an expense in the period in which they are incurred.

9 Cash and cash equivalents

Cash and cash equivalents includes cash in 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.

10 Plant, property and equipment

The Company has the following classes of assets:

Plant and equipment

Vehicles

All fixed assets are recorded at cost, less accumulated depreciation and impairment losses.

Additions

Of the above, 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 Company and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at its date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive income.

Subsequent costs

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

11 Intangible Assets

Software acquisition and development

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

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Company, are recognised as an intangible asset.

Computer software licenses are amortised on the rates allowed by the Income Tax Act 2007. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised where the remaining balance is charged. The amortisation charge for each period is recognised in Statement of Comprehensive Income.

12 Depreciation

Depreciation is charged at the rates allowed by the Income Tax Act 2007. The depreciation rates of major classes of assets have been estimated as follows:

Plant and Equipment	6.5% to 80.4% DV & CP
Intangible Assets	36 % CP - 60 % DV
Vehicles	36% DV

13 Inventories

Inventories are stated at the lower of cost, determined on a first in, first out basis, and net realisable value.

14 Financial instruments

The Company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, accounts receivable, accounts payable and loans.

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Comprehensive Income. All financial instruments are recognised in the Statement of Financial Position.

15 Leases

15.1 Operating leases

Operating lease payments are where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items. Lease payments under an operating lease are charged as expenses on a straight line basis over the lease term.

Lease incentives received are recognised in the Statement of Comprehensive Income over the lease term as an integral part of the total lease expense.

15.2 Finance leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are transferred to the Company, are classified as finance leases. The leased

assets are recognised as non-current assets in the Statement of Financial Position and are depreciated over the period the Company is expected to benefit from their use. The corresponding liability is also recognised in the Statement of Comprehensive Income.

16 Employee entitlements

Provision is made in respect of the Company's liability for annual leave and wages owed at balance date. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

The Company recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Company anticipates it will be used by staff to cover these future absences.

17 Statements of cash flow

Cash and cash equivalents means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments with maturities less than 3 months in which the Company invests as part of its day to day cash management.

Operating activities include cash received from all income sources of the Company and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Company.



PHIL TAYLOR
CHAIR

Approved by Shareholder on(date):

.....
for Nelson City Council

.....
for Nelson City Council

Appendix A: Draft SOI Budget 2015-2018

TOURISM NELSON TASMAN LTD

Prepared for Statement of Intent 2015-2018

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME		Budget 2015-2016	Budget 2016-2017	Budget 2017-2018
Revenue from trading		636,297	662,981	680,556
Funding income		664,878	672,316	679,873
Other revenue		1,500	1,500	1,500
Total revenue:		1,302,675	1,336,797	1,361,929
Employee benefit expense		(657,204)	(667,079)	(677,113)
Operating expenses		(587,580)	(629,104)	(649,269)
Operating (loss) profit:		57,891	40,614	35,548
Investment revenue		3,500	8,000	12,000
Finance cost		(3,295)	(1,535)	(1,535)
Depreciation and amortisation		(53,561)	(40,960)	(38,028)
Profit (loss) before taxation:		4,534	6,119	7,985

PROSPECTIVE STATEMENT OF FINANCIAL POSITION		Budget 2015-2016	Budget 2016-2017	Budget 2017-2018
Current assets		295,113	300,206	309,199
Non-current assets		115,061	89,741	65,399
Total Assets:		410,174	389,948	374,598
Current liabilities		244,568	218,223	194,888
Non-current liabilities		0	0	0
Equity		165,606	171,725	179,710
Total equity and liabilities:		410,174	389,948	374,598

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY	Share Capital	Accumulated (Loss) Profit	Marketing Reserve	Total Equity
Balance at 1 July 2015	50,000	50,467	60,605	161,072
Total comprehensive income for the year		4,534		4,534
Transfer to marketing reserve		(11,303)	11,303	0
Balance at 30 June 2016	50,000	43,699	71,908	165,606
Balance at 1 July 2016	50,000	43,699	71,908	165,606
Total comprehensive income for the year		6,119		6,119
Transfer to marketing reserve		(11,429)	11,429	0
Balance at 30 June 2017	50,000	38,388	83,337	171,725
Balance at 1 July 2017	50,000	38,388	83,337	171,725
Total comprehensive income for the year		7,985		7,985
Transfer to marketing reserve		(11,558)	11,558	0
Balance at 30 June 2018	50,000	34,815	94,895	179,710

Appendix B: List of Stakeholders TNTL Works With

National Stakeholders

- Tourism New Zealand (TNZ)
- Department of Conservation (DoC)
- Tourism Export Council of New Zealand (TIANZ)
- Tourism Industry Association (TECNZ)
- Cruise New Zealand (CNZ)
- Convention Incentives New Zealand (CINZ)
- Backpackers, Youth & Adventure Travel Association (BYATA)
- Ministry of Business, Innovation & Employment (MBIE)
- Statistics New Zealand
- Qualmark NZ
- i-SITE New Zealand
- Air New Zealand
- Interislander
- Hotel chains in New Zealand
- BookIt booking agency

Regional Stakeholders

- Nelson City Council
- Tasman District Council
- Department of Conservation (local conservancy)
- Nelson Regional Economic Development Agency
- Nelson Chamber of Commerce
- Uniquely Nelson
- Nelson Marlborough Institute of Technology,
- Nelson Airport
- Port Nelson
- Sports Tasman
- Nelson Motel Association
- Nelson Bed & Breakfast Association
- Tasman Bay Promotions Association
- Golden Bay Promotions Association
- Nelson Lakes Promotion Association
- Nelson Tasman Cycle Trust
- Wine Nelson
- Nelson Gondola Trust
- Brook Waimarama Sanctuary Trust
- Nelson Tasman Cycle Trust
- Kohatu Motorsport Park
- Tahunanui Retail Association
- Kaiteriteri Reserve Board
- Plus, regional tourism operators >300

Local Government Act 2002

Extract from Schedule 8

s9: Contents of statements of intent

(1) A statement of intent must, to the extent that is appropriate given the organisational form of the council-controlled organisation, specify for the group comprising the council-controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by clause 3(b) to be delivered and each of the immediately following 2 financial years, the following information:

- (a) the objectives of the group; and
- (b) a statement of the board's approach to governance of the group; and
- (c) the nature and scope of the activities to be undertaken by the group; and
- (d) the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
- (e) the accounting policies of the group; and
- (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
- (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
- (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
- (i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and
- (j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and
- (k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
- (l) any other matters that are agreed by the shareholders and the board.

The Nelson Regional Economic Development Agency draft Statement of Intent 2015/16 and Half Yearly Report

1. Purpose of Report

- 1.1 To receive the half yearly report to 31 December 2014 from the Nelson Regional Economic Development Agency Trust (the EDA).
- 1.2 To consider the EDA's draft Statement of Intent for 2015/16.

2. Delegations

- 2.1 The Governance committee is responsible for all matters relating to Council Controlled Organisations and Council Controlled Trading Organisations.

3. Recommendation

THAT the report Nelson Regional Economic Development Agency draft Statement of Intent 2015/16 and Half Yearly Report (A1335048) and its attachments (A1323924, A1323928 and A1334741) be received;

Either

AND THAT the Trust Board be asked to make the following changes to the draft Statement of Intent (A1323928).

Or

Recommendation to Council

THAT the draft Nelson Regional Economic Development Agency Statement of Intent (A1323928) be approved as the final version.

4. Background

- 4.1 The EDA, along with the other Council Controlled Organisations (CCO's), must deliver a half yearly report to Council (s66 of the Local Government

Act 2002). This should report on the organisation's operations during that half year, and include any information required by its statement of intent. The report allows the Council an opportunity to monitor the performance of the CCO in relation to its set objectives and Council's overall aims and outcomes.

- 4.2 The half yearly report of the EDA for the period ending 31 December 2014 is attached (attachment 1).
- 4.3 Each CCO must also submit a draft Statement of Intent (SOI) to council by 1 March indicating its proposed activities for the following financial year (s). The draft SOI prepared by the Trust is attached (attachment 2).
- 4.4 Schedule 8 of the Local Government Act outlines the purpose of a SOI, what is to be included, and how it is to be approved. Relevant extracts from the Schedule are attached (attachment 3).
- 4.5 No Statement of Expectation (SOE) was provided to the EDA. A review of Economic Development Services has been signalled and officers believed that it was desirable to wait the outcomes of this before signalling any change of expectations in relation to the EDA. The SOI therefore continues the direction set in previous years.

5. Discussion

Half Yearly Report

- 5.1 The EDA continues to provide economic development services across a range of work streams. The Trust made a slight net loss over the six month period, in line with expectations.

Draft Statement of Intent 2015/16

- 5.2 The focus of the Trust over the next year is to continue with delivery of its programme in line with the Regional Economic Development Strategy, as revised in 2014.
- 5.3 The Trust's key priorities identified in the draft SOI are to:
 - Facilitate economic development projects that build national and international competitiveness
 - Provide economic advice to the Region
 - Provide ongoing assessment of the Region's performance.
- 5.4 It is noted that many of the objectives of the EDA are not time limited. Council may wish to request milestones for projects it deems as priorities.
- 5.5 It is also noted that base funding is now provided solely by Nelson City Council, with the Tasman District Council paying a service contract to Nelson City Council for economic development services.

6. Options

- 6.1 There is no decision to be made on the half yearly report. The Trust has complied with the legislation in preparing and presenting the report to Council.
- 6.2 In relation to the SOI, the Committee can choose to either submit feedback to the Trust or to recommend to Council that the draft SOI be adopted as the final version (with any minor amendments). If the Committee does submit substantive feedback then the amended SOI will be brought back to the Committee in July.
- 6.3 Officers believe that the draft Statement of Intent is sufficiently developed to be approved as the final version.

7. Assessment of Significance against the Council's Significance Policy

- 7.1 This is not a significant decision.

8. Alignment with relevant Council Policy

- 8.1 This decision is a statutory process. Support for the EDA is consistent with the Council's outcome of 'Our region is supported by an innovative and sustainable economy.'

9. Consultation

- 9.1 No consultation has been carried out in relation to the recommendations.

10. Inclusion of Māori in the decision making process

- 10.1 No specific consultation has been carried out with Maori. The EDA engages with iwi on the development of the Regional Economic Development Strategy, which guides this SOI.

11. Conclusion

- 11.1 The EDA has complied with the Local Government Act 2002 in preparing a half yearly report and draft SOI. The Committee has the opportunity to request changes or additions to the draft SOI. Officers are not recommending that any substantive change is required, and the Committee may decide to recommend to Council that the draft SOI be approved as the final SOI for the 2015/16 year.

Chris Ward
Group Manager Community Services

Attachments

- Attachment 1: Nelson Regional Economic Development Agency half yearly report July – December 2014 ([A1323924](#))
- Attachment 2: Nelson Regional Economic Development Agency draft Statement of Intent 2015/16 ([A1323928](#))
- Attachment 3: Extract from Schedule 8 of the Local Government Act 2002 ([A1334741](#))



Half Yearly Report

December 2014

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1. CHAIRMAN'S OVERVIEW

In the period 1st July 2014 to 31st December 2014 the Nelson Regional Economic Development Agency (EDA) has continued in the facilitation of many projects and activities, has worked closely with councils on various issues and provided economic advice and assessment of the region's performance to stakeholders with an update of "Tracking the Economy" released in November 2014. Support from the EDA's sponsors is acknowledged in enabling the EDA to deliver these outcomes over the last 6 months. Our sponsors include The Bowater Motor Group and Vodafone Ltd.

Key achievements in the 6 month period were:

- Economic Summit held in late June 2014 with good attendance and positive feedback from attendees.
- Phase 2 of the Regional Economic Development Strategy (REDS) was completed in the period and delivered to councils and other interested parties in July 2014.
- Provision of \$849,108 of capability development and R&D funding to regional businesses through the Regional Business Partner programme funded by NZTE and Callaghan Innovation.
- Appointment of a Project Manager to progress an innovation precinct in the region was made in the period and utilised funding from NCC provided for a 2 year period.

In 2009, as a result of new legislation, the EDA was declined Charitable Trust status under the Charities Act 2005. Following this decision the EDA requested an exemption from the imposition of income tax from the Inland Revenue Department but this request was declined. The EDA received a clean audit from the Auditor General's Office for its financial report for the year ended 30th June 2014, notwithstanding the EDA's disagreement with the Audit Office's view on how the EDA should pay tax. The EDA continues to heed the advice from the CFO of Nelson City Council in its payment of tax.

The finances are well managed and at 31 December 2014 the closing equity of the business was \$359,475. It is considered that reserves are sufficient to provide a financial buffer for the business and provide the EDA with the capability to fund projects in advance of receipt of funds specific to that project or to fund projects that meet the EDA's criteria for support consistent with our strategic objectives aligned to the Council's SOI. The full year budget for 2014/2015 provides for a Total Operating Deficit of \$23,900 and it is the board's intention to fund projects in the region that meet the EDA's strategic criteria from the Trust's cash reserves with a consequent planned reduction in year-end equity to \$323,600.

The Board continues to have total confidence in Chief Executive, Bill Findlater, who manages the EDA in a financially prudent manner. He is ably assisted by Office Manager, Teresa Eddy, Development Manager, Melissa Hutcheson, and Project Assistant, Lesley McQue.

Paul Dalzell
Chairman
24 February 2015

2. OPERATION OF THE BOARD

The Board consists of the following trustees:

- Paul Dalzell (Chairman)
- Ropata Taylor
- Robin Whalley
- Ifor Ffowcs-Williams

Paul Dalzell was reappointed as Chairman in October 2012.

The Board continues to operate within the parameters of its governance policies and during the half year period has carried out a performance review of the Chief Executive.

2.1. Meeting Attendance

During the period 1 July 2014 to 31 December 2014 there were 6 meetings. Total meetings attended:

Paul Dalzell	6
Ropata Taylor	5
Robin Whalley	6
Ifor Ffowcs-Williams	6

3. ROLE AND FUNCTIONS OF THE NELSON REGIONAL ECONOMIC DEVELOPMENT AGENCY

Principal Objective (Source: Local Government Act 2002 s59 (1))	a	Achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the Statement of Intent; and
	b	Be a good employer; and
	c	Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates, and by endeavouring to accommodate or encourage these when able to do so.
Purposes of the EDA are to coordinate, promote, facilitate, investigate, develop, implement, support and fund initiatives relating to economic development, employment growth and improve average incomes within the Nelson region for the benefit of the community including, but without limitation: (Source: Deed of Trust Nelson Regional Economic Development Agency, 2004)	a	To coordinate and promote strategy projects described in the Nelson Tasman Regional Economic Development Strategy.
	b	To build relationships with Tangata Whenua to ensure the economic development aspirations of Maori are realised.
	c	To coordinate and promote economic development and infrastructure development, in the Nelson Region.
	d	To work with, provide advice to, and articulate issues concerning the needs of the Nelson region to central and local government, crown entities and the private sector.
	e	To promote the economic well-being of the community of the Nelson region.
	f	To coordinate and promote scientific research in the Nelson region.
	g	To support the development of key industries and businesses in the Nelson region.
	h	To create, maintain, support and develop regional information databases including but without limitations, databases containing information on regional assets, companies and workforce.
	i	To coordinate and apply funds and other resources supplied from central government and from the private sector, for the attainment of the purposes of the Trust.
	j	To promote the Nelson region as a desirable place to live and invest.
	k	To promote employment opportunities and coordinate workforce development in the Nelson region.
	l	To form strong working relationships with economic development agencies in neighbouring regions and develop joint initiatives.
	m	To undertake initiatives which the Trustees believe are of significant benefit to the Nelson region.
	n	Without restricting the scope of the foregoing, to take all and ancillary and related actions to achieve these purposes.
	o	Any private benefit derived by an individual, business, or anyone receiving funding from the Trust (other than remuneration for their services as a trustee or employee) will be incidental to the pursuit of the Trust's charitable purposes.

4. 2014/15 INITIATIVES

Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational work stream	Completion Indicators	Timeline	Narrative
1.1	Regional Economic Development Strategy (REDS)	To be determined by Action Item responsibilities and timelines	Ongoing	Key initiatives identified and work plans incorporated into current business as usual and FY16 work streams
1.2	Regional Business Partner (RBP) Programme NZTE and Callaghan Innovation (CI)	Regional companies supported to utilise NZTE capability development vouchers and Callaghan Innovation's R&D Grants programmes	Ongoing	Successful management of RBP contract Q1 and Q2 reports delivered on time Current FY15 RBP spend to date is approximately \$775,000
1.3	Education	Closer relationships between business sector, NMIT and research organisations established. Education Nelson established and strategy developed.	Ongoing	CEO continued engagement with NMIT on China and Business programmes CEO engaged with NMIT, Cawthron Institute & business sector on a number of potential opportunities including hosting several visiting business delegations from China. Education Nelson Tasman strategy work 2/3 completed. Presentation to NCC and TDC on 12 th February.
1.4	Aquaculture / Seafood / Marine	Marine City concept progresses through to scoping exercise with further development to be determined. Ongoing participation in meetings and appropriate advice provided.	Ongoing	Scoping stage completed. Next stage is to draft Project Manager position description and advertise role CEO continues to participate in meetings and discussion on Horoirangi Aquaculture developments

Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational work stream	Completion Indicators	Timeline	Narrative
1.5	Cluster and Sector Support Clusters: Engineering, Aviation Sectors: Horticulture, Forestry, Tourism	Continued support of industry clusters such as the Engineering Cluster and the Aviation Cluster Horticulture, forestry and tourism sectors provided with advice and information as required and requested Support Marlborough Food & Beverage Innovation (FBI) cluster by providing access to R&D grants and linking in Nelson Tasman companies where appropriate.	Ongoing	Provide admin support for Engineering and Aviation cluster meetings and communications Provide information and advice when requested Participated in FBI workshops. To date one FBI member has requested R&D grant assistance, for a non-FBI related R&D project
1.6	SME Development	New, emerging and existing business ventures provided with appropriate assistance to facilitate development	Ongoing	Project Manager for INNOVATE hired December 2014. Advisory and Governance groups setting KPIs for next six months. Ongoing engagement with SMEs and start-up companies .
1.7	Youth Employment	YES successfully delivered in 2014 New work stream identified and implemented. Graduation successfully completed. Recommendations and work plan identified.	Ongoing	YES 2014 was successful with one team representing Nelson in the YES National competition. CEO & Development Manager participated in Dragon's Den & other YES events. EDA contracted to engage with regional businesses around securing youth employment. Initial round of meetings with companies completed and follow on round progressing. 18 September 2014 ITO Graduation successfully completed Draft plan for REDS Education to Employment initiative ready for review.

Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational work stream	Completion Indicators	Timeline	Narrative
1.8	Events Strategy	Contract with NCC well managed. Suitable events identified, contracted and managed.	Ongoing	10 projects have been approved for funding.
1.9	Inter-regional Collaboration	Establish closer relationships between business, industry and government; opportunities identified	Ongoing	Attended South Island EDA workshop 25 November 2014. Regular SI EDA collaborative meetings are now scheduled.
1.10	International business opportunities; Key market: China	Regional profile raised and generation of business interests with Nelson region	Ongoing	EDA has hosted delegations from sister city Huangshi, Yangjiang and has assisted with several business delegations from China. EDA has assisted with several trade inquiries from Chinese business interests and queries on China business from Nelson businesses. The EDA hosted a number of visits from the Chinese Consulate including the Consul-General.
1.11	Regional Identity Project	Working group produces a regional identity strategy and proposal for delivery	30 June 2015	DNA group drafted strategy for regional identity project and key stakeholder meetings held. Next steps include continued stakeholder meetings and revision of strategy before formal launch.
1.12	Aged	Ageing Workforce event is a success Initiatives and work plan for delivering outcomes to aged white paper identified	4 September 2014 Ongoing	58 attendees attended the event with local and national speakers including EDA. EDA is participating in a Community Strategic Plan for an Ageing Population (CPAP) steering group. Next step is to conduct a scoping exercise across the region.
1.13	Maori Economic Development	Facilitate investment within region to build assets for regional iwi	Ongoing	CEO is part of a planning group for a Maori Economic Summit to be held in November 2015.

Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational work stream	Completion Indicators	Timeline	Narrative
1.14	Oil and Gas industry	In conjunction with Taranaki, Otago and Southland regions identify opportunities in servicing the oil & gas industry	Ongoing	The CEO was asked to assist in gaining an oil exploration permit for Tasman District.
1.15	Cricket World Cup 2015 (CWC2015)	Regional profile raised as a result of hosting CWC2015	30 March 2015	CEO participates in regular CWC Regional Coordination Group meetings
1.16	Attracting Investment	Potential investors have access to information, contacts and introductions to make informed investment decisions	Ongoing	<p>EDA provided regional information for the NZTE Capital Investment website.</p> <p>EDA is to host a Foreign Direct Investment Master Class on behalf of NZTE for EDAs from the upper South Island.</p> <p>EDA is engaged with senior MBIE Immigration executives on the attraction of migrant investors to the region.</p>

Operational Plan 2: Primary Provider of Economic Development Advice				
Ref.	Operational work stream	Completion Indicators	Timeline	Narrative
2.1	Economic Connection and Catalyst	Requests for information, reports and papers are delivered in a timely manner with relevant information to support Council and industry in making sound business decisions	Ongoing	CEO provides advice and connections as requested. EDA provides statistical reports and information as requested.
2.2	Summit and Workshops	Annual Economic Summit organised and held with good attendance and positive feedback. Other workshops successfully delivered.	30 June 2015 Ongoing	The 2014 summit attracted 130 stakeholders. EDA presented at and was a sponsor of the August Motueka Economic Summit EDA sponsored the Commerce Nelson ASPIRE Event.
2.3	Lee Valley Water Augmentation project	Lee Valley Dam is approved for construction	Ongoing	EDA submitted in support of the dam and commissioned and released an economic assessment of the benefits of the dam.

Operational Plan 3: Primary Provider of Ongoing Assessment				
Ref.	Operational work stream	Completion Indicators	Timeline	Narrative
3.1	Tracking the Economy	Publication of high quality Tracking the Economy report every six months.	Ongoing, six monthly.	Report released in November 2014. Next report underway for March 2015 release.

5. FINANCIAL PERFORMANCE

5.1. Nelson Regional Economic Development Agency Income and Expenditure Account

Income & Expenditure For period ending: Dec-2014

	YTD Actual	YTD Budget	Full Year Budget	Full Year Projection
Income				
Nelson City Council	114,235	111,650	223,300	228,470
Tasman District Council	103,724	105,750	211,500	211,500
Donated Goods and Services	3,600	3,600	7,200	7,200
Interest Received	11,277	6,000	12,000	21,000
Recoveries & Other Income	2,477	2,050	4,100	4,100
Contract Management Fees	46,250	36,750	73,500	93,500
Total Administration Income	281,562	265,800	531,600	565,770
Less Expenses:				
Labour Costs	124,823	125,040	250,080	250,080
Standing Charges	31,594	14,430	28,860	68,660
Administration	70,259	79,050	158,100	151,600
Depreciation	3,560	4,000	8,000	8,000
	230,236	222,520	445,040	478,340
Operating Surplus (Deficit)	51,326	43,280	86,560	87,430
Less Contributions to Projects	53,891	54,000	108,000	105,000
Total Operating Surplus (Deficit) before tax	(2,565)	(10,720)	(21,440)	(17,570)
Less Taxation	-			6,300
Total Operating Surplus (Deficit) after tax	(2,565)	(10,720)	(21,440)	(23,870)

5.2. Nelson Regional Economic Development Agency Balance Sheet

Balance Sheet				
	As at Dec-14	Jun-14	SOI Budget Jun-15	Projection Jun-15
Equity				
Opening Equity	359,475	366,834	317,200	359,500
Administration Surplus (Deficit)	(2,565)	(7,358)	(22,040)	(23,900)
Closing Equity	356,910	359,475	295,160	335,600
Represented by the following Net Assets				
Current Assets				
Bank	428,097	251,042		
Bank Investments	250,000	400,000		
Debtors	6,630	33,680		
Provisional Tax	-	-		
Total Current Assets	684,727	684,722		
Less Current Liabilities				
Sundry Creditors	76,868	201,966		
GST	536	2,204		
Provision for Income Tax	(2,692)	(285)		
Revenue Received in Advance – Projects	263,087	133,784		
Total Current Liabilities	337,799	337,669		
Net Current Assets	346,928	347,053	280,160	323,600
Plus Fixed Assets	9,982	12,422	15,000	12,000
	356,910	359,475	295,160	335,600

5.3. Comment

The Administration deficit is tracking less than budget mainly due to additional contract management fees and interest.

The projected deficit for 2014 is similar to that previously budgeted.

5.4. Accounting Policies

The Financial Statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993, International Financial Reporting Standards and the Local Government Act 2002, and the pronouncements of the New Zealand Institute of Accountants. The accounting policies listed in the EDA's 2014/2015 Statement of Intent, which materially affect the measurement of results and financial position, have been applied.

5.5. Transactions with related parties

During the period the EDA received the following income from Nelson City Council:

Operating Grant		\$114,235
Project Grants	Creative Industries	\$4,718
	Events Strategy	\$100,000
	Events Implementation	\$12,321

During the period the EDA paid the Nelson City Council \$16,569 for rent.

6. INTENTIONS TO 30 JUNE 2015

The EDA intends to continue meeting the objectives outlined in the 2015/16 Statement of Intent and the projected budget in this report.

Paul Dalzell
Chairman



Statement of Intent

2015-2016

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FOREWORD FROM THE BOARD OF TRUSTEES

The Nelson Regional Economic Development Agency (EDA) was set up in 2003 as a Nelson City Council controlled organisation and was accepted as a Charitable Trust under the Charities Act 1957. In 2009, as a result of new legislation, the EDA was declined Charitable Trust status under the Charities Act 2005. The EDA requested an exemption from the imposition of income tax from the Internal Revenue Department but this request was declined.

Board members have considerable expertise and experience in governance and fiscal oversight and remain confident that the finances of the EDA will be managed in a prudent manner to respond to changes in the business environment. The Board is confident that the EDA will meet the purposes of the Trust Deed through its adherence to its three strategic directions; to facilitate economic development projects that build national and international competitiveness; to provide economic advice to the region; and to provide ongoing assessment of the region's performance. It is noted that the initiatives detailed in this SOI are indicative and may be amended in response to a changing economic or political environment.

An updated Economic Development Strategy for the Nelson Tasman Region was presented to Council in July 2014. The Strategy Document included a list of KPI's by which the progress of initiatives may be measured and these progress measurements are detailed by the CEO in his report that follows this foreword from the Board. I confirm it is the Board of Trustees' intention to report on progress made against the stated KPI targets on a 6 monthly or annual basis as data availability permits.

It is noted that Council is conducting a review of its economic development services. The purpose of the review is to provide recommendations for effective and efficient delivery of economic development services for Nelson. We welcome this review and look forward to the implementation of any recommendations that improve the efficiency in delivery of economic development of the region.

Base funding for 2015/16 provided to the EDA by Nelson City Council and Tasman District Council is anticipated to be an aggregate amount of \$440,000. The EDA will supplement this base funding with supplementary income from management fees or project funding. It is anticipated that incremental income in excess of \$790,000 will be generated from other funding channels to be made available for project and business support.

Financial Overview		
	Forecast 2014/2015	Budget 2015/2016
Opening Equity	359,500	335,600
Surplus/Deficit	(23,900)	(61,660)
Closing Equity	335,600	273,940
Net Working Capital	323,600	261,940
Fixed Assets % of Equity	4%	4%

Paul Dalzell (Chairman)

Robin Whalley (Trustee)

Ropata Taylor (Trustee)

Ifor Ffowcs-Williams (Trustee)

Kevin Armstrong (Trustee)

Mayor – Nelson City Council

Councillor – Nelson City Council

1. INTRODUCTION FROM THE CHIEF EXECUTIVE

The (EDA) is a not-for-profit Nelson City Council controlled organisation, operating under the Local Government Act 2002.

Registered Office: Nelson City Council
110 Trafalgar Street, Nelson 7010

Physical Address: Millers Acre Centre – Taha o te Awa,
39 Halifax Street, Nelson 7010

Postal Address: P O Box 370, Nelson 7040

Chairman: Paul Dalzell, 39 The Cliffs, Nelson

Chief Executive: Bill Findlater, 26a Bledisloe Avenue, Stoke 7011



The EDA is now well established with an established regional profile.

The recently completed Regional Economic Development Strategy, Regional Prosperity, will provide a number of new initiatives for the 2015/16 financial year. There will also be a continuation of several current work streams.

For the first time, Regional Prosperity introduced a number of progress measurements for the region to work toward.

They are:

- The average annual increase in regional GDP between 2014 and 2020 is greater than the national average over that period
- GDP per capita for the region is above the national average
- The median weekly income, median average weekly earnings for those in paid employment, and median weekly household income in the region are above the national average
- 85% of the region's 18 year olds will have achieved NCEA Level 2 or equivalent qualification in 2017
- The regional home affordability index remains below the national average

Our operational plan will continue to focus on working collaboratively with key stakeholders across the region to initiate and participate in economic development projects that should provide growth in our region.

The organisation will continue to operate with a focus on costs.

We will continue to build on the strong relationship with Councilors, council executive and staff; with the regional business community; research sector; education sector; government elected representatives and government agencies. These relationships are fundamental to the successful development of the region.

We will continue to work collaboratively with other EDAs and organisations to achieve greater opportunities for our region.

Bill Findlater
Chief Executive Officer

2. OVERVIEW OF THE EDA

2.1. Vision

The EDA will be acknowledged as the region's authority on economic development information, facilitator of projects of national and international benefit, and supplier of regional performance indicator data.

2.2. Mission

Facilitate sustainable economic development of the region that enhances economic vitality, taking into account the region's cultural and environmental values.

The mission encompasses two key messages:

- The EDA is a facilitator of growth; and
- Economic vitality should not come at the expense of the region's cultural, social and environmental values.

2.3. Key Stakeholders

- Nelson City Council
- Tasman District Council
- Marlborough District Council as part of the Te Tau Ihu (Top of the South) region
- Central government agencies tasked with responsibilities for economic development, labour, social services and the environment
- Staff and contractors of the EDA
- Business agencies
- Industry sectors and clusters that contribute to the region's economy
- Businesses, entrepreneurs and commercial investors
- Iwi
- Education providers and students
- EDA sponsors
- The region's community

2.4. Role and Functions

The Principle Objectives of the EDA are as specified in the Local Government Act 2002, s59 (1).

The Purposes of the EDA are specified in the Deed of Trust for the Nelson Regional Economic Development Agency, 2004.

Please refer to those documents for detail of the organisation's role and functions.

2.5. Governance

2.5.1. Board Structure

The Deed of Trust allows for three to five trustees to be appointed by the Nelson City Council. In 2004 three trustees were appointed, with an additional trustee appointed in 2007 and in 2015. The Board's current trustees are:

- Paul Dalzell, Chairman
- Robin Whalley
- Ropata Taylor
- Ifor Ffowcs-Williams
- Kevin Armstrong.

2.5.2. Remuneration

The Nelson City Council will set total remuneration for the Board at its Annual General Meeting. The Board will be responsible for deciding the apportionment of this amount.

2.5.3. Overarching Governance Policies

The EDA Board has adopted a policy framework that has specific governance policies in four key areas:

- **Governance Process policies** describe the way in which the Board is to conduct its own business, including the relationship it has with its Chief Executive and the operational side of the Agency.
- **The Board/Chief Executive Linkage policies** describe the model of accountability and the way in which the Board transfers its authority to the Chief Executive.
- The purpose of **Executive Limitations policies** is to place boundaries around the Chief Executive's sole discretion, to develop and implement programmes and activities to achieve the ends or outcomes defined by the Board.
- **The Operational policies** are specific policies approved and authorised by the Board of Trustees to provide guidance as to what is expected from the Trustees, the Chief Executive and staff in operational matters.

For detail of the EDA's Governance Process Policies, please refer to the document "Governance Policies", available on request.

3. OPERATING ENVIRONMENT

Whilst the EDA is focused on economic development, the Trustees and staff understand that developing the economy must not come at the expense of the social, cultural and environmental values that are important to the region's communities. The EDA also must consider stakeholder requirements and the economic climate.

3.1. Nelson City Council and Tasman District Council

A major influence on the EDA's operating environment is the content of the Councils' Long Term Plans. Alignment of the Long Term Plans with the Regional Economic Development Strategy and Strategic Initiatives is an important outcome to enhance the Nelson Tasman region with positive community outcomes.

The EDA will acknowledge the valued support of Nelson City Council as its primary funder through various forms of media and documentation.

3.2. Nelson-Tasman Regional Economic Development Strategy

The Nelson Tasman Regional Economic Development Strategy (REDS) was developed after wide-ranging consultation with the region's Councils, key industries, business agencies and support sectors. One of the key provisions in the agency's Trust Deed is to coordinate and promote strategy projects identified in the REDS.

The purpose of the regional strategy is to clearly identify the region's key and emergent economic drivers, propose sectors that show the best opportunities and identify common barriers and constraints to achieving optimum economic development.

3.3. Regional Business Partner Network

The EDA, in conjunction with Nelson Tasman and Marlborough Chambers of Commerce, has formed a partnership to deliver business programmes on behalf of NZTE and Callaghan Innovation to businesses across Nelson and Marlborough seeking government assistance and support for growth.

The Chambers will offer capability assessments and training vouchers on behalf of NZTE and the EDA will deliver the R&D Grants programme to businesses undertaking research and development.

3.4. Tracking the Economy

The Tracking the Economy report is produced every six months, and provides a consistent series of metrics which measure the state of the regional economy, in comparison to both national figures and those of selected comparator regions.

3.5. Current State of the Region

The solid growth in the Nelson-Tasman and national economies over 2013 and 2014 is expected to slow down and consolidate. The high export prices of recent times, especially dairy products and logs have undergone a major downward adjustment, with flow-on effects to primary sector incomes and spending. A rebound is expected in 2015, leaving the Canterbury rebuild, the strengthening Auckland residential construction effort, and a significant increase in net inward migration as the drivers of national growth in the meantime.

Global economic prospects

The global economic backdrop has been focusing on recovery from the GFC as a dominant theme, with the unwinding of policy measures adopted during that time influencing the world economy's risk profile for the worse.

Other global downside risks arise from the continued fragility of some of the European regional economies, several of which have underperformed against modest expectations. In China, firm policies were adopted to curb growth in lending and in real estate, contributing to the general slow start we saw to 2014. Closer to home, Australia continues to transition away from resource-sector drivers to a more broadly-based growth, stimulated by low interest rates encouraging consumption and the housing market. This is helping to offset the tight fiscal policy designed to manage deteriorating government finances.

Given all of this, the general consensus among international forecasters is that we will see an ongoing slow withdrawal of monetary policy stimulus in the major economies, thus allowing global growth momentum to strengthen gradually.

The New Zealand economy

On the home front the strong rise in economic activity, fuelled by the Christchurch rebuild and high international commodity prices, gave us growth of more than 4% in 2013-14. However a weakening of global growth momentum has knocked back export prices for dairy products and logs, with flow-on effects to primary sector incomes and spending that are yet to take full effect. 2015 is expected to be a period of consolidation, as growth eases back to more usual levels and softens the recent upward pressure on inflation.

Although the high kiwi dollar of the last five or six years is now starting to be corrected, the exchange rate is unlikely to weaken sufficiently to benefit the export sector until New Zealand's international interest rate premium reduces, and other central banks follow our lead.

Australia has become less of a draw for Kiwi citizens, as evidenced by the turnaround in net migration from loss (for the last four years) to gain - expected to peak at 42,000 this year - and this trend looks set to continue.

Historically, the most significant effect of increases in net migration has been increased demand for housing. This contributes to construction activity, which has shown an upturn recently. Over the longer term the ageing population will also drive growth in the construction of aged care facilities and of housing, as the demand for housing transitions to larger numbers of smaller households.

Looking further ahead, it is expected that the trends for consolidation of businesses in primary industries, and increases in the use of technology will continue, with a concurrent growth in the numbers of higher-skilled jobs in the region. The Skilled Migrant Category comprises 47% of all migrants and Nelson's attractiveness as a good place to live will only increase as more jobs become available in the higher-skilled occupations, leaving the region well-placed to attract the growing numbers of migrants leaving other developed countries.

3.5.1. Performance of the Nelson Tasman economy

The Nelson City and Tasman District regional economies are dependent on each other, and are also linked to the Marlborough economy, through a variety of sectors including forestry, seafood, horticulture, tourism, pastoral farming, engineering, aviation, health and education.

The estimated total GDP value for the region in 2013 was \$3.8 billion. The local economy is driven by five key export-based clusters - horticulture, forestry, seafood, pastoral farming and tourism - along with significant contributions from engineering, ICT and aviation. Regional support sectors include wholesale and retail, business support services, health, construction and education.

Nelson-Tasman has performed well over the last four years, mirroring the overall New Zealand pattern:

- Regional GDP growth was higher than the New Zealand average in 2009, 2010, 2011 and 2013.
- The Nelson Tasman GDP per capita was 2% higher than the New Zealand average in 2004, however in 2013 sat at 94% of the New Zealand average.
- Business units in all five key sector clusters decreased between 2009 and 2012 due to consolidation and mechanisation, however all five clusters experienced GDP growth during this period. Horticulture, forestry, seafood, farming and tourism accounted for 38% of regional GDP in 2012.

Unemployment figures have improved for the last two quarters available (June and September 2014) for the Te Tau Ihu region (Nelson, Tasman, Marlborough and West Coast). Further good news was seen in tourism guest nights - up 2.5 percent in the year to November 2014, although this growth has been slower than nationally, which was 5.4%.

Perhaps related to this, regional economic confidence improved in September 2014 (one of only two regions to do so) after a sharp drop in June, whereas New Zealand overall has declined.

Continued focus on research and development, and applied science/technology research and education will establish closer alignment between NMIT, the Cawthron Institute, other businesses, industry and government leading to more opportunities being identified. The region will be promoted as New Zealand's pre-eminent location for marine-related research, education and facilities.

3.5.2. Employment and Unemployment

As at June 2014, the four-quarter average number of employed people in Nelson-Tasman was 55,600, up from 53,800 a year earlier and 52,600 in 2012 (Statistics New Zealand Household Labour Force Survey). The unemployment rate was 4.0%, down from 4.7% in 2013 and 4.9% in 2014.

Median weekly income levels in the region were further below the median New Zealand income levels in 2014 than they were in the preceding four years. (In 2010 Te Tau Ihu was at 94% of NZ total, in 2014 this was down to 89%).

3.5.3. Key Economic Drivers

Like other regions, Nelson-Tasman is dominated by SMEs (under 20 employees) - however this includes businesses that have zero employees, which make up 64% of all business units in Nelson Tasman. In 2013 there were only 53 businesses in Nelson Tasman that employed 100+ people and those 53 businesses employed 24% of the region's employees.

In terms of regional specialisation, analysis by Berl (2013) on the share of employment and GDP of the region's export sectors shows that seafood and pipfruit in Nelson Tasman have more than ten times the share of employment and GDP than those sectors nationally. Forestry and horticulture in general also have higher levels of activity.

3.5.4. Infrastructure

The adequacy of the region's infrastructure is critical to achieving economic development. The two priority infrastructure issues, among many, are roading corridors and a solution to the water supply issues arising from population and production growth within the region.

The Nelson Tasman region has one of the highest export road freight per its population. Close to 30% of the region's GDP is generated from bulk commodity production road transport, so efficient transport corridors are a key element of the region's infrastructure.

The issue of water resource and water supply augmentation is strategic for the whole region, as water is a critical resource for population growth and economic development in primary sector production and processing as well as other key regional industries.

The proposed Lee Valley dam will have storage security for a 1 in 66 year drought. It would provide for anticipated residential growth in the Richmond, Brightwater, and Wakefield area for 50+ years and also has a proposed further built-in future regional city supply (100 yr horizon).

4. STRATEGIC DIRECTIONS

4.1. Strategic Objectives

The Board intend to continue to pursue the EDA's three operational strategic objectives confirmed for the 2015/2016 Statement of Intent. These are:

- Facilitate economic development projects that build national and international competitiveness
- Provide economic advice to the Region
- Provide ongoing assessment of the Region's performance.

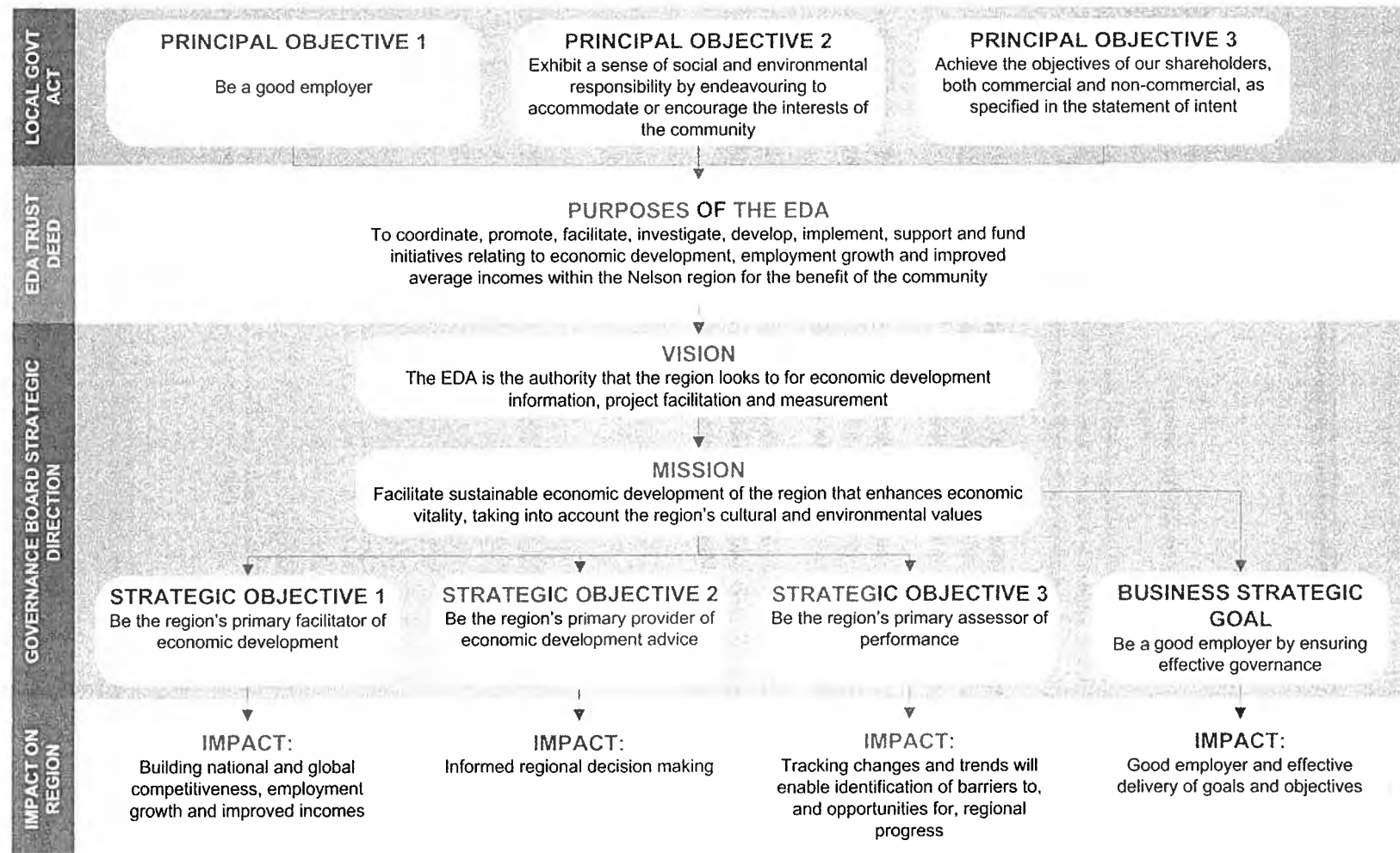
The EDA will continue to support and work with those industries and sectors which are prepared to invest in the region for their, and the region's future. Results will not necessarily be measurable immediately as investment will focus on the development of future production.

Projects that focus on human resources, natural resources, capital formation and technological advances are the four driving forces for economic development, therefore the EDA will be looking for opportunities with regional industry sectors to facilitate projects.

Whilst this Statement of Intent describes several initiatives, the EDA is a small and flexible organisation, capable of acting quickly as and when required. As the economic climate changes and opportunities or threats occur, the EDA will consider initiatives accordingly.

The following table illustrates how the hierarchy of principal objectives of a council-controlled organisation (Local Government Act 2002) and the purposes of the EDA Trust Deed are linked to form the foundation of the Board's strategic vision, mission and key objectives.

4.2. Strategic Overview



4.3. Strategic Initiatives for 2015/16

The following Operational Plans deliver ongoing economic connections and advice, and generate catalyst points for further development and exploration with a consistent focus on our key Strategic Objectives. These initiatives will be achieved using the EDA's existing resources, and with external support where appropriate.

Operational Plan 1: Primary facilitator of economic development projects			
Operational work stream	Completion Indicators	EDA Role	Timeline
Aquaculture / Seafood / Marine	<p>Promote region as NZ's pre-eminent location for marine-related research, education and facilities.</p> <p>Horoirangi experiences sustainable growth</p> <p>NMIT's aquaculture provision is well subscribed</p>	<p>Facilitate the development of the Marine City 2025 concept</p> <p>Manage Marine Region Project Manager</p> <p>Provide support and assistance to the partners as required.</p> <p>Support NMIT's aquaculture training provision</p> <p>Provide advice and assistance to the sector</p>	Ongoing
Youth Employment	<p>All YES programmes are available to the region's schools and supported by the appointed coordinator</p> <p>Provision of services delivered as contracted with NCC and as agreed with MTFJ</p> <p>Annual ITO graduation</p> <p>Workforce strategy plans aligned with key government agencies and industry.</p>	<p>Sponsor and support the Young Enterprise Scheme (YES), including admin support for YES contractor.</p> <p>Connections / Mayors' Taskforce for Jobs (MTFJ) – Work with NCC and TDC Mayors on future work streams in this area;</p> <p>Organise annual ITO graduation.</p> <p>Maintain an overview of Workforce Development needs</p> <p>Facilitate work on White Paper recommendations.</p>	<p>Ongoing</p> <p>August 2015</p>

Operational Plan 1: Primary facilitator of economic development projects			
Operational work stream	Completion Indicators	EDA Role	Timeline
Events	Identify, recommend and fund events that meet Events Strategy guidelines	<p>Manage and facilitate the Events Strategy in conjunction with NCC and NTT;</p> <p>Identify and assist with development of suitable events;</p> <p>Review funding applications and make recommendations;</p> <p>Manage events budgets</p>	Ongoing
Attracting Investment	Successful attraction of investor migrants to the region	<p>Engage with NZTE and Immigration New Zealand on regional attraction and retention of skilled and investor migrants</p> <p>Assist potential investors with connections and contacts</p>	Ongoing
SME Development / Start-up	<p>New, emerging businesses supported to grow and develop</p> <p>Region recognised and welcoming and supportive to start-up businesses</p>	<p>Advance regional innovation ecosystem development through Innovate and Bridge Street Collective</p> <p>Provide business support services to start-up and existing businesses through RBP programme, referrals to NTBT and other business support organisations.</p>	Ongoing
Regional Business Partner Network - NZTE and Callaghan Innovation (CI)	Regional companies successfully access RBP funding and demonstrate growth and successes as a result	<p>Contract manage RBP programme; Provide regular R&D funding update to regional partners and participate in joint business support meetings</p> <p>Assist businesses to access Callaghan Innovation R&D grant funding</p>	Ongoing

Operational Plan 1: Primary facilitator of economic development projects			
Operational work stream	Completion Indicators	EDA Role	Timeline
Cluster group facilitation / sector assistance	<p>Support provided as needed</p> <p>FBI businesses successfully access R&D grants</p> <p>Sector successfully accesses RBP services and attend organised networking sessions</p> <p>Provide financial support to Cycle Trails Trust</p> <p>Digital strategy adopted and implementation plan developed</p>	<p>Facilitation and administrative support to Engineering and Aviation clusters and to horticulture and forestry sectors</p> <p>Support Marlborough Research Centre's (MRC) Food & Beverage Innovation (FBI) cluster by providing access to R&D grant funding;</p> <p>Provide RBP services and networking opportunities for F&B/Natural Product/Nutraceutical businesses</p> <p>Engage with Tourism sector through Nelson Tasman Cycle Trails Trust</p> <p>Support IT and all key regional sectors through rollout and delivery of digital strategy</p>	
Oil and Gas industry	Opportunities identified and action taken	In conjunction with Taranaki, Otago and Southland regions identify opportunities in servicing the oil & gas industry	Ongoing
Regional Identity Project	Nelson Shines strategy successfully adopted and integrated across the region	<p>Provide ongoing support to DNA (Dedicated Nelson Associates) on 'Nelson Shines' regional identity strategy rollout</p> <p>Investigate/facilitate development of appellation/branding for the region</p>	Ongoing

Operational Plan 1: Primary facilitator of economic development projects			
Operational work stream	Completion Indicators	EDA Role	Timeline
International business opportunities; Key market: China	Regional profile raised and generation of business interests with Nelson region	Facilitate meetings for businesses on EDA-led China delegations and during EDA-hosted delegations from China; Co-host China networking sessions for regional businesses; Work with businesses that are not engaged with NZTE programmes; Provide advice to businesses wishing to engage with China and to Chinese businesses in Nelson region	Ongoing
Applied Research and Education	Establish closer relationships between business, industry and government; opportunities identified	Ongoing advice, facilitation and closer alignment with NMIT and Cawthron Institute on R&D, and applied research and education	Ongoing
Education	Develop awareness of regional employment needs; Young people are employment ready Increased numbers of international students in the region NMIT China programme partners strengthened	Progress education to employment initiatives; Provide ongoing advice and engagement with secondary schools through Youth Guarantee, Trades Academy and CATE Work with Education New Zealand (ENZ) to facilitate work of Education Nelson Assist NMIT with their China programme Participate on NMIT Business Studies Advisory group	
Maori Economic Development	Opportunities for iwi economic development identified and actioned	Facilitate investment within the region to build assets for iwi Facilitate Maori Economic Summit	Ongoing November 2015
Aged	Ageing population strategy developed	Participate in Ageing Population Steering Group Facilitate work on White Paper recommendations	Ongoing

Operational Plan 2: Primary Provider of Economic Development Advice			
Operational work stream	Completion Indicators	EDA Role	Timeline
Economic Connection and Catalyst	Positive feedback received on Economic Summit initiatives identified and actioned	Organise and host annual Economic Summit	June 2015
	Economic Impact Assessments delivered	Facilitate twice-yearly regional businesses leaders meetings	Ongoing
	White Papers delivered; Recommendations pushed through appropriate channels	Deliver economic impact assessment (EIAs) reports as requested	
	Newsletters include timely and relevant content	White Papers; write white papers on relevant topics as requested	
		Develop and deliver updated newsletter content	
Physical Infrastructure	Upgrade of Transit roads, development of sustainable energy infrastructure, construction of a convention centre, increased telecommunication capacity, development of water storage projects.	Provide facilitation, advice and/or assessment on regional infrastructure projects: Water, Transport, Airport, Port, Ultra Fast Broadband and Wi-Fi	Ongoing
Waimea Community Dam	Waimea Community Dam is approved for construction	Provide economic advice	Ongoing

Operational Plan 3: Primary Provider of Ongoing Assessment			
Operational work stream	Completion Indicators	EDA Role	Timeline
Provide six monthly key statistical information to Councils and the community on relevant performance measures	Reports delivered	Produce twice-yearly Tracking the Economy Reports:	August 2015
		Complete updating of report; Co-ordinate input from contributing parties;	February 2016
		Produce hard copies and distribute to key stakeholders;	
		Ensure all information is published online	

5. FINANCIAL INFORMATION

5.1. Trustees' Estimation of Equity

The Trustees estimate that the opening value of equity in the annual accounts will represent the Agency's value. The Trustees will advise the Nelson City Council on an annual basis if they believe the value to differ materially from this state. The Trustees estimate that the opening balance of accumulated funds at 1 July 2015 will be \$335,600. The estimation is the best guess based on accounts for month ended 31 December 2014.

5.2. Budgets

Income	2015-2016	2016-2017	2017-2018
Nelson City Council base funding	240,000	245,616	251,609
Tasman District Council base funding	200,000	204,000	208,100
Interest received	15,000	14,000	13,000
Other operating income	11,380	11,460	11,540
Anticipated project funding	790,000	720,000	760,000
Total consolidated Income	1,256,380	1,195,076	1,244,249
Less Expenses			
Employee benefit costs	255,100	260,230	265,470
Other operational expenditure	233,940	243,630	243,380
Depreciation plant & equipment	8,000	8,000	8,000
Direct project expenditure	816,500	746,500	786,500
Total Operating Expenses	1,313,540	1,258,360	1,303,350
Operating Surplus before tax	(57,160)	(63,284)	(59,101)
Taxation	4,500	4,200	3,900
Operating Surplus after tax	(61,660)	(67,484)	(63,001)

5.3. Projects

The anticipated management fee recovery from projects in the budget and total anticipated project funding figures have been made on a conservative basis.

5.4. Accounting Policies

Financial Statements will be prepared in accordance with the requirements of the Financial Reporting Act 1993, International Financial Reporting Standards and the Local Government Act 2002, and the pronouncements of the New Zealand Institute of Accountants.

Financial Activities comprise activities that change the equity and debt structure of the Agency. The following particular accounting policies, which materially affect the measurement of results and financial position, have been applied.

6. REPORTING REQUIREMENTS

The following reports will be provided to the Nelson City Council:

Report	Purpose	Due Date
Half Year Report	<ul style="list-style-type: none"> Provide evidence of progress against objectives and financial performance to 31 Dec 2015 Commentary on activities and other such information as the Trustees consider necessary to enable an informed assessment of the Agency's performance for the period 1/7/15 to 31/12/16 	28 Feb 2016
<i>Draft</i> Statement of Intent	<ul style="list-style-type: none"> Provide information as to intent for the financial year 2015/16 and give council opportunity to comment 	1 March 2016
Feedback on <i>Draft</i> Statement of Intent	<ul style="list-style-type: none"> Obtain feedback from council in a timely manner 	30 April 2016
Final Statement of Intent	<ul style="list-style-type: none"> Obtain approval from Council on SOI for 2016/17 	30 June 2016
Annual Report	To provide: <ul style="list-style-type: none"> Financial Statement of Performance Financial Statement of Position Statement of Cash flows Performance against objectives Trustees' summary of performance Auditors report Any other matters that the Trustees consider necessary 	30 Sept 2016

Paul Dalzell, Chairman
Board of Trustees
Nelson Regional Economic Development Agency
28 February 2015

Local Government Act 2002

Extract from Schedule 8

s9: Contents of statements of intent

(1) A statement of intent must, to the extent that is appropriate given the organisational form of the council-controlled organisation, specify for the group comprising the council-controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by clause 3(b) to be delivered and each of the immediately following 2 financial years, the following information:

- (a) the objectives of the group; and
- (b) a statement of the board's approach to governance of the group; and
- (c) the nature and scope of the activities to be undertaken by the group; and
- (d) the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
- (e) the accounting policies of the group; and
- (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
- (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
- (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
- (i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and
- (j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and
- (k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
- (l) any other matters that are agreed by the shareholders and the board.

Economic Services Delivery Outcomes 2015-2018

1. Purpose of Report

- 1.1 To agree on a framework for delivery of Economic Development Services to Tasman District Council.

2. Delegations

- 2.1 The Governance Committee has responsibility for business, economic development and tourism in Nelson.

3. Recommendation

THAT the report Economic Services Delivery Outcomes 2015-2018 (A1339069) and its attachment (A1335085) be received.

Recommendation to Council

THAT the outcomes identified in document (A1335085) be used as the basis of a contract for economic development services to be provided to Tasman District Council.

4. Background

- 4.1 As part of their Long Term Plan Consultation Document, Tasman District Council (TDC) has stated:

The Council [TDC] is proposing to fund \$400,000 per annum in total for these two organisations, both of which are now owned by Nelson City Council. The \$400,000 is proposed to be funded from the general rate. The Council will negotiate a three year funding agreement with Nelson City Council regarding the services this funding will purchase. The \$400,000 is a reduction of \$218,670 provided for the two organisations in 2014/2015 and reflects an expected improvement in service delivery.

- 4.2 Whilst this level of funding is yet to be confirmed, it is reasonable to assume there will be some form of contract for economic services delivery between TDC and Nelson City Council.
- 4.3 In developing the contract with Council rather than with the individual agencies, TDC recognises that Council is undertaking a review of its

economic development services and wishes to allow for flexibility in the delivery model.

- 4.4 A draft set of outcomes has been developed (attachment 1), based on discussions with TDC officers and its Corporate Services Committee. Initially these were prepared in order to give some context to the statement in the Consultation Document. However, it seems reasonable to use these as a basis for development of the service contract.

5. Discussion

- 5.1 The overarching outcomes, numbered 1 to 10 were developed by TDC. The bullet points under these have been pulled from the SOI's of the Nelson Regional Economic Development Agency (EDA) and Tourism Nelson Tasman Ltd. (NTT).
- 5.2 If any changes are proposed, Council has to ensure that those activities are covered by the relevant draft SOI.
- 5.3 Feedback is sought from the Committee as to whether any outcomes are seen as incompatible with Council's strategic direction for NTT and the EDA.
- 5.4 The agreed outcomes will then be used as a basis for negotiating a service delivery contract with TDC once their LTP decisions have been made.

6. Options

- 6.1 Council may choose to approve the outcomes as the basis for contract negotiations as they are, or recommend changes are made. Changes should be aligned with direction given in the draft Statements of Intent for the EDA and NTT.
- 6.2 Council could choose to adopt the outcomes as part of its own expectations for economic services delivery. There is no requirement to do so but that would show a commitment to shared regional approach to economic services delivery.

7. Assessment of Significance against the Council's Significance and Engagement Policy

- 7.1 This is not a significant decision.

8. Alignment with relevant Council Policy

- 8.1 This decision is not in conflict with any previous Council decision.

9. Consultation

- 9.1 Consultation has only been carried out with representatives from Tasman District Council.

10. Inclusion of Māori in the decision making process

10.1 Maori have not been consulted on this matter.

Chris Ward

Group Manager Community Services

Attachments

Attachment 1: Draft Proposal to Tasman District Council from Nelson City Council ([A1335085](#))

First Draft Proposal to Tasman District Council from Nelson City Council for provision of Economic Development Services

Background

Tasman District Council (TDC) has made provision in its Long Term Plan for funding towards regional economic development services. This proposal sets out what Nelson City Council (NCC) intends to deliver at the regional level. Initially these services will be delivered by a combination of the Nelson Regional Economic Development Agency (NREDA) and Tourism Nelson Tasman Ltd (NTT), however NCC is conducting a review of this delivery model and changes may be made to it with the intention of increasing efficiency in relation to outcomes delivered to both NCC and TDC.

General Approach

NCC and TDC believe that the continuing economic development and long term sustainability of the Nelson Tasman region requires us to tell our story effectively to visitors, prospective investors, students, businesses and our own residents. We believe Nelson Tasman is a special place to work, study, live and visit because of the combination of its accessible natural environment, special built places and lifestyle. The councils will couple this with an enabling/business friendly approach towards planning, regulation and the provision of infrastructure.

Outcomes

NCC will work with TDC to refine the outcomes desired in the economic development activity. This proposal is based on those outcomes previously identified:

1. strengthens the **region's image and identity** in a consistent way that tells the story of the Nelson Tasman region
 - development and implementation of regional tourism strategic plan
 - promotion of region as premier NZ food and beverage producer
 - support development of aquaculture research and production
 - provide funding and marketing support for a coherent events programme across the region
2. **leverages the value** in that image and brand by all – what is our offering/point of difference?
 - marketing of whole of region to key traditional and emerging markets through tradeshow, industry forums in collaboration with Tourism NZ.
 - promotion of region as premier NZ food and beverage producer
3. **shares information and (builds) knowledge** that benefits all sectors of the regional economy as well as monitors the market place for emerging trends and positions Nelson Tasman to capitalise
 - provide advice and facilitate meetings for businesses involved with Chinese markets
 - development of ageing population strategy
 - facilitation of Maori Economic Development Summit

- support for Education Nelson – regional initiative to attract foreign students @ secondary and tertiary levels
 - facilitate knowledge transfer from Cawthron/NMIT to local businesses
 - develop opportunities for Nelson Tasman businesses in Chinese markets
 - advocate for Waimea Water Augmentation
 - development of new NTT website
4. establishes the **strategic partnerships** (internal and external) that are critical to success
- maintain key relationships with Nelson Airport & Port Nelson to support leisure, convention and cruise ship markets
 - maintain and develop environmental tourism relationships (DOC/ National Parks/Brook Waimarama/Farewell Spit etc)
 - support for Education Nelson – regional initiative to attract foreign students @ secondary and tertiary levels
 - strategic support for engineering, aviation, horticulture and forestry services
 - Support IT sector and implement digital strategy
 - Work with Taranaki, Otago and Southland to identify opportunities in oil and gas sector
 - Joint marketing of South Island destinations with Christchurch Airport
 - Marketing partnerships with Tourism bodies to ensure representation on national and international campaigns
5. develops skills, innovates and recognises **excellence in performance** especially in service
- Manage Regional Business Partner Network programme
 - Assist businesses to access Callaghan Innovation R&D funding
 - Support for start-up businesses
 - Liaison with Nelson Tasman Business Trust
 - Sponsor and support Young Enterprise Scheme
 - Delivery of Connections programme and youth employment initiatives
 - Organise and host annual regional economic summit
 - Advocacy for support for businesses seeking Qualmark
6. changes the extreme **seasonality** of our visitor sector
- Targeted support for events in winter months/shoulder season
7. reduces the (perception of) relative **geographic isolation** and makes it a strength
- development of new touring routes with Christchurch West and Kaikoura
 - support for Air New Zealand regional marketing
8. leads to **investment of capital** and retains and attracts the best people
- Engage with NZTE and Immigration NZ on regional attraction of skilled and investor migrants
 - Provide point of contact for potential investors

9. results in **better use of Council/community assets**

- Provision of regional marketing promoting built and natural assets
- Leveraging opportunities on back of sports and cultural events identified and promoted

10. measures and tracks trends and **reports on performance of the economy** that is meaningful

- Produce tracking the economy reports (twice yearly)
- Establish system to collate and disseminate economic reports and statistics
- Collation and dissemination of tourism accommodation monitor results and RTO surveys

Minutes of a meeting of the Audit, Risk and Finance Subcommittee

Held in the Council Chamber, Civic House, 110 Trafalgar Street, Nelson

On Tuesday 10 March 2015, commencing at 9.01am

Present: Mr J Peters (Chairperson), Councillors I Barker and B McGurk, and Mr J Murray

In Attendance: Her Worship the Mayor R Reese, Councillor G Noonan, Chief Executive (C Hadley), Group Manager Corporate Services (N Harrison), Manager Operations (S Davies), Manager Communications (P Shattock), Manager Administration (P Langley), and Administration Adviser (S McLean)

1. Apologies

There were no apologies.

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

It was agreed that the Interests Register would be presented to the next Audit, Risk and Finance Subcommittee meeting.

4. Public Forum

There was no public forum.

5. Delegations and Terms of Reference

Document number A1297307, agenda page 6 refers.

The Chairperson said the Subcommittee's terms of reference would be reviewed to ensure they were in line with best practise, and any proposed changes would be reported to the Governance Committee for consideration.

In response to a question, Group Manager Corporate Services, Ms Harrison, advised that monitoring of capital projects was included in the delegations under monitoring of financial and service performance.

6. Status Report – Audit, Risk and Finance Subcommittee 10 March 2015

Document number A1324298, agenda page 7 refers.

Resolved

THAT the Status Report – Audit, Risk and Finance Subcommittee 10 March 2015 (A1324298) be received.

Barker/Murray

Carried

7. Chairperson's Report

The Chairperson highlighted the important and necessary step of establishing the Audit, Risk and Finance Subcommittee. He said the focus was on improving responsibilities and undertakings in the areas of audit, risk and finance, and he was looking forward to working with officers and the Subcommittee to achieve this.

8. Corporate Report for the Period Ending 31 January 2015

Document number A1313350, agenda pages 8-26 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report.

In response to concerns about report information not being considered by the Governance Committee, it was confirmed that all councillors receive a copy of Audit, Risk and Finance Subcommittee agendas. The Chief Executive, Clare Hadley, added there was ongoing discussion between group managers and committee chairpersons in regards to financial items and outcomes for each committee.

In response to a question, Ms Harrison advised there were likely to be further savings this financial year, but that some savings highlighted in the report were as a result of timing differences. She added that asset managers would be revising projections in April, in order to inform the final Long Term Plan 2015-25.

In response to a question, Ms Harrison advised that the total shareholder funds increase included a mix of surplus and reserve movements.

Ms Harrison said the transfer of funds to the Unsubsidised Roothing account was required because the Maitai Walkway was not considered to be close enough to the city to be covered in the Inner City

Enhancement account. She said the Maitai Walkway funding had been split into three accounts, with a portion in parks and reserves. Ms Harrison added that the Inner City Enhancement account was mainly funded by parking income.

There was agreement that the Major Projects Status Report was beneficial for the Subcommittee, and it could be further improved by including details of project size and overall timeframes.

In response to a question about projects with budgets in the red category, Manager Operations, Shane Davies, confirmed that those projects would stall if New Zealand Transport Agency (NZTA) funding was not received. The Chief Executive, Clare Hadley, highlighted the high degree of confidence in receiving NZTA funding due to the inclusion of those projects in the Regional Land Transport Plan.

In response to questions, Ms Harrison advised that any funds received from forestry insurance claims were kept within the account that the claim related to. She said that Emissions Trading Scheme (ETS) payments had been made and the price was lower than budgeted and lower priced euro credits were able to be used for the current years liability up to 31 December 2014. It was suggested that the topic of ETS be a matter for a future memo or report to the Subcommittee.

There was a discussion on landfill charges, with concern raised about the percentage increase in these charges.

Senior Asset Engineer – Solid Waste, Johan Thiart, explained that the budget had included material from Buller and the Nelson Waste water treatment plant which did not materialise.

Senior Asset Engineer – Solid Waste, Johan Thiart, spoke about the budgeted 20% dry solids in Nelson North wastewater sludge, and the intention to increase this to 40% dry solids by delaying the carting of dewatered sewage sludge. He advised the decrease in water content would then reduce tonnage costs, resulting in overall savings for Council.

Ms Harrison advised that even if savings from sludge dry solids were taken into account, this would not come close to recovering this year's loss in the landfill account.

Mr Thiart advised that if landfill charges were not increased, the majority of the prior year surpluses in the landfill reserve fund would be used to offset the projected deficit for this year. He added that increasing the fees from May 2015 would still result in the need to use a portion of the prior year's surplus.

It was highlighted that landfill fees were already set to increase in July 2015 to the amount recommended in the report. It was also noted that the higher fee appeared to be at market value.

Mr Thiart advised that the joint landfill agreement with Tasman District Council would not be affected, as the decision called for was only applicable to this financial year.

In response to a question, Ms Harrison confirmed that the landfill account was a closed account.

In response to a comment on replacing water meters, Mr Davies confirmed the process for replacement was already underway.

After discussion on the list of Additional Major Projects which were reported to Council separately, it was agreed that further details would be provided in future so the Subcommittee could understand and assess any potential risks to those projects.

Comments were made on the fixed rate maturity profile. Ms Harrison advised that the figures reflected Council's ability to issue term debt for the past two years. She added the profile also reflected that there had been no increase in short term debt this financial year.

The recommendations were taken separately.

Resolved

THAT the report Corporate Report for the Period Ending 31 January 2015 (A1313350) and its attachments (A1313445, A1314763, A1314760, A1313550, A1313349 and A793514) be received and the variations noted.

Barker/McGurk

Carried

Recommendation to Governance Committee and Council

THAT the landfill charges be increased from \$114 per tonnes (inclusive of GST) to \$121 (inclusive of GST) effective 15 May 2015;

AND THAT landfill users be given two weeks notice of the increase in landfill charges;

McGurk/Murray

Carried

AND THAT approval is given for a transfer of all capital expenditure and debt relating to the Maitai Walkway to be made from the Inner City Enhancement account to the Unsubsidised Roading account in order to properly account for interest and debt in future years.

Barker/McGurk

Carried

9. Letter to the Council on the Audit for the Year Ending 30 June 2014

Document number A1304574, agenda pages 27-37 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report.

In response to a question, Ms Harrison advised that the indices used in the revaluation of infrastructural assets were being reviewed in response to the comments from Audit.

There was discussion on the reduction in staff numbers and Council's ability to carry out control functions. The Chief Executive, Clare Hadley, advised that staff numbers referenced in the Audit letter included vacancies at the time of audit. She said there had been no significant impact on operations as a result of restructuring, and there was no ongoing concern amongst management in relation to staff numbers.

In response to a question, Mrs Hadley advised that a consultant was assessing the impact to Council of the new health and safety requirements for contractors. She said there would likely be an adjustment to the level of health and safety expertise in the organisation.

Mrs Hadley assured the Subcommittee that Council's health and safety requirements and procedures were extended to contractors and consultants.

It was agreed that the Subcommittee would benefit from a follow up report containing management responses to the points raised in the Audit letter.

Resolved

THAT the report Letter to the Council on the Audit for the Year Ending 30 June 2014 (A1304574) and its attachment (A1297813) be received;

AND THAT a follow up report on points raised in the Letter to the Council on the Audit for the Year Ending 30 June 2014 be prepared for the Audit, Risk and Finance Subcommittee.

Murray/Barker

Carried

Attendance: The meeting adjourned for morning tea from 10.17am to 10.35am.

10. Procurement Policy and Debt Management Process

Document number A1312127, agenda pages 38-50 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report.

It was agreed that the report on Procurement Policy and Debt Management Process should be referred to the Governance Committee as there was value in the Committee receiving and discussing this item.

It was suggested that the Subcommittee would benefit from a report on Council's Debt Management Policy.

Attendance: The meeting adjourned from 11.04am to 11.12am.

Resolved

THAT the report Procurement Policy and Debt Management Process (A1312127) and its attachments (A1293789, A1316053 and A1324271) be referred to the Governance Committee;

AND THAT a report on the debt management policy be brought to the next Audit, Risk and Finance Subcommittee meeting.

Murray/Barker

Carried

11. Liability Management and Investment Policies

Document number A1312122, agenda pages 51-79 refer.

Group Manager, Corporate Services, Nikki Harrison presented the report.

In response to a question, Ms Harrison explained the purpose of forward start swaps and collars. She highlighted that forward start swaps were a mechanism to lengthen the term of a swap portfolio.

It was agreed that the Liability Management Policy (LMP) should include reference to Council not undertaking speculation.

In response to questions, Ms Harrison advised that the measure on equity had been removed from the Specific Borrowing Limits section of the LMP. She said the register of guarantees provided would be presented to the Subcommittee on an annual basis. Ms Harrison advised the Debenture Trustee was Foundation Corporate Trust and detail on this could be included in the LMP.

It was agreed that the first sentence in the New Zealand Local Government Funding Agency section of the LMP needed further clarification.

Her Worship the Mayor highlighted that the use of the dividend stream to reduce rates could be assessed by the Subcommittee in the future.

Concerns were raised that investments in the Marina and camping grounds were not included in the Investment Policy. It was suggested that several Investment Policies could be created based on different types on investment.

In response to a question, Ms Harrison advised that the miscellaneous loans section in the Investment Policy referred to loans to organisations such as Theatre Royal and Nelson Enterprise Loan Trust. She added that information on these loans would be reported to the Subcommittee on an annual basis.

It was agreed that the Investment Principles section in the Investment Policy would be updated to reflect that any investment would have risk and would be appropriately managed.

Concern was raised about reference to Council holding no investments purely for income earning purposes. It was queried if this reflected current holdings, and if not, if Council's portfolio would be impacted. It was agreed that if any investments held for purely income earning purposes were identified, these would be listed in the Investment Policy.

It was agreed that the first sentence in the New Zealand Local Government Funding Agency section of the Investment Policy needed further clarification.

Resolved

THAT the report Liability Management and Investment Policies (A1312122) and its attachments (A1261456 and A1261457) be received.

Barker/Murray

Carried

Recommendation to Governance Committee and Council

THAT the Liability Management and Investment Policies, with amendments from the Audit, Risk and Finance Subcommittee, be adopted.

Barker/Murray

Carried

12. Proposed Meeting Dates

It was clarified that the Subcommittee could meet in-between set meeting dates should the need arise.

It was noted that a work plan for the Subcommittee may be arranged.

It was suggested that the proposed meeting dates be reviewed to ensure alignment with the adoption of the Annual Report.

Her Worship the Mayor reminded the Subcommittee that any workshops for the Subcommittee would need to be confirmed through the Chairperson's Report.

There being no further business the meeting ended at 11.56am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date