Nelson City Council
Te Kaunihera o Whakatū

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31 July 2024

Memo to: Elected Members

Memo from: Governance Advisers

Subject: COUNCIL – 1 AUGUST 2024 – LATE ITEM

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7. Late Item: Mayor's Report

Document R28698

A report titled Mayor's Report is attached and to be considered as a major late item at this meeting. This report was listed as item 7 on the public agenda for the Council meeting on 1 August 2024 to ensure elected members were aware that it would be presented to this meeting.

Section 46A(1)-(6) of the Local Government Official Information and Meetings Act 1987 and Standing Order 9.7 require that agendas are distributed with the associated reports. As this report was not distributed with the agenda for this meeting, it must be treated as a major late item to be considered at this meeting.

In accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 9.12, a procedural resolution is required before a major item that is not on the agenda for the meeting may be dealt with.

In accordance with section 46A(7)(b)(i) the reason why the item was not on the agenda is because it came to hand after the agenda had been distributed.

In accordance with section 46A(7)(b)(ii) the reason why discussion of this item cannot be delayed until a subsequent meeting is because a resolution on the matter is required before the next scheduled meeting of the Council to enable a timely decision to be made.

Recommendation

That the Council

1. ***Considers the item regarding Mayor's Report 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.

Council

Nelson City Council
Te Kaunihera o Whakatū

1 August 2024

Report Title:	**Mayor's Report**
Report Author:	**Hon Dr Nick Smith - Mayor**
Report Authoriser:	
Report Number:	**R28717**

1. Purpose of Report

1.1 To provide an update on the future of Nelson Marlborough Institute of Technology and approve a submission to Government.

2. Recommendation

That the Council

1. ***Receives the report Mayor's Report (R28717) and its attachment (1118544611-7829); and***

2. ***Authorises His Worship the Mayor and the Chief Executive to make a submission to Government, after all Councillors are circulated a draft and given the opportunity to comment, on the future of Nelson Marlborough Institute of Technology broadly along the lines of the attached joint letter (1118544611-7829) from the Nelson, Marlborough and Tasman Mayors, the eight Te Tauihu iwi and four business organizations advocating for a standalone and locally governed tertiary education institution.***

3. Future of Nelson Marlborough Institute of Technology

3.1 A critical issue for our region is the future of our polytechnic. I have been working hard over the past month with others to try and secure its future as a stand-alone tertiary education provider.

3.2 Our polytechnic started in 1905 as the Nelson Technical Institute on land provided in Hardy St by the Nelson City Council. It evolved into the Nelson Polytechnic in 1971 and then became the Nelson Marlborough Institute of Technology (NMIT) in 2000. It has consistently performed well in student achievement, partnering with industry and in attracting international students. It has excelled in areas like nursing, maritime industries, commerce and the arts.

3.3 The mega-merger of NZ's 16 polytechnics into Te Pukenga in 2020 by the previous Government was justified by some institutes getting into financial trouble. NMIT

had a strong financial track record and had reserves of close to $20 million. The ROVE was unsuccessful with student achievement falling, a revolving door of chief executives, staff morale plummeting and worsening deficits. We have been particularly disadvantaged in losing the opportunity to market Nelson as a great place to study and to partner closely with local industry.

3.4 NMIT is for many in the region the only practical opportunity to get a tertiary education. It's importance to business is in upskilling staff and improving productivity. The students NMIT attracts to the region from around NZ and from abroad add economic activity and vibe to the city. There is also an important synergy for Nelson with our Cawthron Institute, NZs largest independent science organisation.

3.5 The new Government is dismantling Te Pukenga and is publicly consulting in coming weeks on alternatives. Some advisers want Nelson to be a branch of Christchurch's polytechnic or of the Open Polytehcnic based in Lower Hutt.

3.6 The Nelson, Tasman and Marlborough Mayors, eight Te Tauihu iwi and four business organisations wrote jointly to Government earlier this month advocating a return to our own locally governed institution. I have reinforced this message in meetings with the Tertiary Education Minister Penny Simmonds, the Prime Minister and other Ministers.

3.7 I view a strong and independent NMIT as an important contributor to our Council's ambitions to revitalise the city centre. The contribution is more than economic as the presence of more young people and more international students adds energy and diversity to the city. We are more likely to attract international and domestic students when we have the opportunity to market the unique characteristics of the region.

3.8 It is my expectation that the Government will any day release its consultation document on the future of polytechnics and NMIT. The indications are that submissions will close in early September and may be before our next Council meeting. This is such an important issue for the city and region that it is important that any submission be in the name of the full Council. My proposal enables wide involvement of Council but also ensures it can be submitted on the expected timetable.

Attachments

Attachment 1: 1118544611-7829 Letter to MInister Simmonds re NMIT 08July24 Final ⇩

8th July 2023

Hon Penny Simmonds,

Minister of Tertiary Education and Skills.

Kia Ora Minister,

Re: Re-establishment of Nelson Marlborough Institute of Technology

The impending Government decision on the future of NMIT is critical to the future of our wider Te Tauihu region that encompasses the geographical regions of Marlborough, Nelson and Tasman. We have come together as three Councils, eight Iwi, two Chambers of Commerce and two Economic Development Agencies to put the case for NMIT's re-establishment. We believe the best interests of our region and for Government are for NMIT to be re-established as a standalone entity.

Our region has one of the smallest state sectors of any part of New Zealand as a consequence of us not having a university, tertiary hospital, prison or any other big state sector employer. This makes us very loyal to NMIT and very focused on ensuring it succeeds. There is some resentment that NMIT lost its independence, not through failings of its own, but as a consequence of polytechnics in other parts of New Zealand getting into financial difficulty.

We recognise that this decision on NMIT has to be made in the context of wider decisions on the future of the 16 polytechnics that were merged into Te Pūkenga. However, there are a number of factors that make the case for NMIT to be standalone particularly strong.

1. NMIT CRUCIAL TO UPSKILLING AND INCREASING PRODUCTIVITY

Our region is more isolated from a university than any other. This makes it much more important to the region but also makes a standalone institution more financially viable. A large number of young people leave the region to study, however, there are also many who have family ties or other commitments who cannot leave the region. NMIT plays a critical role in enabling thousands of our local people to upskill and obtain qualifications who otherwise would not. The importance of this is reinforced by our region having a level of productivity 20% less than the national average.

2. UNIQUE INDUSTRIES BETTER SERVED BY LOCAL INSTITUTION

Our region's major industries fishing, viticulture, aviation/aerospace and aquaculture are unique nationally. They are niche sectors in most parts of NZ but mainstream here. Our region makes up 85% of our wine and 60% of seafood exports, yet we are just 3% of the population. NMIT had a strong track record of working with these industries and helping grow the unique skills and qualifications to support their success. A standalone local skills institution will be able to give these sectors the skills they need far more effectively than a subsidiary or federated entity.

3. A TRACK RECORD OF SUCCESS AND FINANCIAL VIABILITY

NMIT is one of NZ's oldest polytechnics. It started in 1905 as the Nelson Technical School on land in Hardy St donated by the Nelson City Council. It later evolved into the Nelson Polytechnic in 1970 and then became the Nelson Marlborough Institute of Technology in 2000 until merged in 2022 into Te Pūkenga. NMIT was one of only a few polytechnics over the past three decades that proved itself to be financially sustainable. It has the advantage of being large enough to have sufficient economies of scale, while not so large as to be cumbersome and bureaucratic. It has also been responsive to industry training needs resulting in few competing private training establishments in the region. This too improves its financial sustainability.

4. OPPORTUNITIES IN INTERNATIONAL EDUCATION BEST LED LOCALLY

NMIT had significant success in international education prior to Covid. This was achieved through both the quality of programmes offered and the unique off-campus experiences the region has to offer with its mountain biking, tramping and kayaking in our three National Parks and assets within the Marlborough Sounds. The

standardised pricing and marketing model from Te Pūkenga has disadvantaged NMIT's international education. We believe NMIT as a standalone institution can better attract international students to our region with the benefits of additional students, export earnings, a more vibrant region and part-time workers for many sectors facing skills shortages. Community leaders have had recent discussions with George Brown College from Canada on these opportunities and these are more likely to succeed if led by a standalone institution.

5. STRONG GOVERNANCE CAPACITY/RESEARCH/IWI RELATIONSHIPS

Our region is well capable of providing the management and governance skills for a standalone training institute. The pleasant climate, safe community and abundant recreational opportunities and amenities make us an attractive place for skilled professionals.

We have an active branch of the Institute of Directors and, as a popular retirement centre, we attract many highly experienced and qualified directors to our region. This is reinforced by our region having grown New Zealand's largest independent science organisation – the Cawthron Institute – that now employs over 300 scientists meaning that we have more scientists per head than any other region in NZ. The benefits to the region from the synergy between the Cawthron and NMIT are best built from both being independent identities.

We also have strong relationships at Base Woodbourne between RNZAF, Airbus and a signed accord with Air New Zealand that supports NMIT's unique aviation engineering training centre; and also with the New Zealand Wine Centre that brings together government and wine industry bodies alongside NMIT. I would also note that the eight Te Tauihu iwi and three Councils recently entered into a governance agreement that bodes well for supporting NMIT as a standalone entity. NMIT has established strong iwi/Māori partnerships and has a track record of working proactively with our eight Te Tauihu iwi to successfully lift Māori participation, whilst also working with iwi/Māori organisations to deliver programmes that fit the needs of our diverse population.

We note that Government will be initiating a formal process of consultation on what will replace Te Pūkenga. We welcome this opportunity but wanted to set out as early as possible our ambitions for our region. We believe the approach we are advocating for is consistent with your ambitions for regional communities to have a greater role in their Polytechnics and skills training.

We have a reasonable understanding of NMIT's latest financial performance, know that changes will be required to ensure financial sustainability, but we are quite confident it can be achieved. We do believe access to the remaining $9 million ring fenced reserves from NMIT will be required to help the transition. These reserves arose from the cash held by NMIT when the Te Pūkenga mega-merger occurred.

We would much prefer that our region was able to get on with reestablishing NMIT as an independent institution sooner rather than later. We are concerned that five years of turmoil has already been very destabilising for the institution and resulted in the loss of talented staff. We worry that if NMIT is put into some intermediate federate model, it will only add to the uncertainty and delay the benefits of local autonomy. Our preference would be to move to an interim governance structure as quickly as possible. We would welcome the opportunity to work with your officials on a transition plan.

We welcome your visit and the opportunity to engage. We are collectively determined to work with you to get a good long-term outcome for skills development across the Te Tauihu region.

Ngā mihi nui,

Councils		
Hon Dr Nick Smith Mayor of Nelson **Nelson City Council**	Tim King Mayor of Tasman **Tasman District Council**	Nadine Taylor Mayor of Marlborough **Marlborough District Council**

Te Tauihu iwi			
Hemi Sundgren General Manager **Ngāti Tama**	Callum Kātene Tumuaki | Chair **Te Rūnanga o Toa Rangatira**	Corey Hebberd Kaiwhakahaere Matua **Rangitāne o Wairau**	Hinemoa Conner Heamana | Chair **Ngāti Apa ki Te Rā Tō**
Caroline Palmer Heamana | Chair **Ngāti Koata**	Eugene Whakahoehoe General Manager **Ngāti Kuia**	Shane Graham Pouwhakahaere | CEO **Ngāti Rārua**	Rachel Hāte Heamana | Chair **Te Ātiawa o te Waka a Māui**

Regional organisations			
Venus Guy President **Nelson Tasman Chamber of Commerce**	Stephen Waters Interim CEO **Marlborough Chamber of Commerce**	Neil Henry Manager of Strategic Planning and Economic Development **Marlborough District Council's Economic Development Team**	Sarah-Jane Weir Chair **Nelson Regional Development Agency**