

# **OPEN**

# **MINUTE ITEM**

# **ATTACHMENTS**

**Ordinary meeting of the**  
**Nelson City Council**

**Wednesday 27 March 2019**  
**Commencing at 09:00am**  
**Council Chamber**

**Civic House**

**110 Trafalgar Street, Nelson**

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**To the readers of Nelson City Council's consultation document**

**Independent Auditor's Report  
on the proposed amendment of the 2018-28 long-term plan**

I am the Auditor-General's appointed auditor for the Nelson City Council (the Council). I have audited the information in the consultation document on pages 28 to 37 about the proposed amendment of the 2018-28 long-term plan (long-term plan), using the staff and resources of Audit New Zealand. We completed our audit on 27 March 2019.

**Opinion**

In my opinion:

- the information in the consultation document about the proposed amendment of the long-term plan provides an effective basis for public participation in the Council's decisions about the proposed amendment, because it:
  - fairly represents the reasons for and implications of the proposed amendment; and
  - identifies and explains the main issues and choices facing the Council and the city, related to the proposed amendment; and
- the information and assumptions underlying the information in the consultation document related to the proposed amendment are reasonable.

**Basis of Opinion**

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the proposed amendment.

We did not, as part of our audit work, evaluate the security and controls over the publication of the consultation document.

## Item 5: Adoption of the Consultation Document for the 2019/20 Annual Plan /Community Housing: Attachment 1

### **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document that meet the purposes set out in the Local Government Act 2002 (the Act); and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93D of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

### **Independence and quality control**

In carrying out our audit, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to our work in carrying out all legally required external audits, we have carried out an engagement in the areas of the Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these assignments, we have no relationship with or interest in the Council or any of its subsidiaries.



Jacques Coetzee  
Audit New Zealand  
On behalf of the Auditor-General, Wellington, New Zealand

**Subsequent amendments to the Annual Plan 2019/20 Consultation Document to be tabled at the Council meeting on 27 March 2019.**

**Annual Plan 2019/20**

Landfill Charges – Consultation (page 29)

The fees and charges for the York Valley regional landfill facility are set by the Nelson/Tasman Regional Landfill Business Unit. The Business Unit takes into account the local disposal levy required by each Council to undertake their solid waste activities. In Nelson, this local disposal levy is used to manage the Pascoe Street Transfer Station, undertake waste minimisation initiatives, green waste disposal and recycling which in total comes to \$2.4 million.

Current issues in international commodity markets have had an impact on recycling, not only for Nelson, but for the rest of New Zealand, and many countries worldwide. We have made the decision to continue to recycle in the 2019/20 year, recognising the strong commitment from our community.

In setting the fees and charges, other important factors are taken into account, such as the costs to run the landfill and increased costs for the Emission Trading Scheme (ETS).

Taking all of these factors into account, the landfill fee for 2019/20 is proposed to be set at \$163/tonne (including GST). The cost in 2018/19 was \$141/tonne (including GST) giving an increase of \$22/tonne.

~~The joint landfill fees are set by Nelson City and Tasman District Councils. For 2019/20 they are proposed to be set at \$163/tonne (including GST). The cost in 2018/19 was \$141/tonne (including GST) giving an increase of \$22/tonne. This is due to increased costs for Emission Trading Scheme (ETS), contract renewal and the local disposal levy paid to each Council.~~

Natureland (page 31)

In the Long Term Plan 2018-28, it was agreed that Council would continue to support Natureland with an operating grant of \$248,000 in 2018/19 and an annual grant of \$170,000 per year after this, for 2019/20 and 2020/21. We have recently received a letter from Natureland Wildlife Trust, raising their concerns that \$170,000 would not be sufficient to continue current operations as they are currently delivered, and requesting further funding from Council.

If the funding of \$170,000 per annum is insufficient for Natureland Wildlife Trust, the following options could be considered:

1. Council increases funding by \$78,000 from \$170,000 to \$248,000 per annum. This would be funded from general rates and increase rates by 0.1% per annum.
2. Natureland reduces the services that it provides. For this option, the funding would remain at \$170,000, and therefore there would be no impact on rates.

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/Community Housing: Attachment 2

3. Council confirms the outcomes it is seeking from Natureland then seeks expressions of interest or tenders from other parties to operate the facility. ~~We note that, as this is a specialist operation, Council has found the field of interested operators is quite limited when we have sought tenders in the past.~~ For this option, the funding would not be more than \$170,000 (and could be less depending on the outcomes sought), and therefore there would be no impact on rates.
4. Natureland Wildlife Trust will close down its facility. If this is the option that is decided, the \$170,000 would still be required in 2019/20 to fund costs associated with closing down.

Council is seeking public feedback on these four options.

Financial Impacts of Community Housing (to be inserted at page 33)

The financial impacts for the 2019/20 Annual Plan have been calculated on the basis that the sale of the Community Housing assets will go ahead, reflecting Council's preferred option, half way through the financial year. For the purpose of these calculation the sale price has been assumed as net book value, with no gain or loss. If Council does not resolve to sell these assets, Council will incur additional costs of \$230,000 and net debt would increase by \$8.382 million.

**Community Housing**

Section 6. Assumptions (page 51).

*New clauses.*

- 6.2 The calculations for the upgrade of the units (approximately \$20 million spread over 20 to 25 years) is based on a square metre rate of \$3,000 (excluding GST).
- 6.3 It has been assumed that there are no other changes to the Long Term Plan 2018-28.

# Item 7: Nelson Tasman Future Development Strategy - Consultation Documents: Attachment 1

## **Draft outline for consultation**

### **WHERE DO WE GROW FROM HERE?**

HAVE YOUR SAY ON THE NELSON TASMAN FUTURE DEVELOPMENT STRATEGY

#### **[BROCHURE]**

##### **Introduction**

Nelson and Tasman are growing fast. We need to determine how we best manage this growth for the long-term benefit of the community and the environment. Managed well, growth can make our two regions better places to live, work and play.

We are asking for your views on three different scenarios for how we grow over the next 30 years. This is also your chance to suggest other places where you think we should allow housing or business to be located.

##### **A Growing Region**

Growth forecasts vary but the two Councils will need to find space for up to 12,000 extra homes over the next 30 years – this is on top of the extra residential land we have already planned for. Along with more houses, will come more shops, offices and commercial services.

If high-growth population forecasts eventuate, there will also be more industrial activities taking place in our region. We know that we have industrial land which is not currently being used or could be better used and this should be sufficient to meet future needs. However, to ensure some flexibility we have looked at a number of possible new industrial/business areas.

##### **Growth Options**

An initial round of public feedback, at the start of 2019, gave us a broad idea of your preferences and priorities. We have developed three scenarios as examples of how future growth could occur. We want to get your feedback on the areas that have been included (and excluded) from these scenarios, as well as any other options, before preparing a final Future Development Strategy. This has helped us develop three potential growth options outlined in this document.

Planning where we should grow in the future means we need to make choices and there will be trade-offs, no matter what direction we take. How we grow in the future depends on what we value as a community. It is likely that we will need to change the way we accommodate growth. Now we need to hear from you – which option or mix of options do you prefer?

Common themes from the earlier feedback round were:

- new housing developments should occur in areas that are close to employment, services and open spaces and in a way that promotes social well being
- avoid developing land of high productive value and areas prone to sea level rise.

Most feedback supported building up existing urban areas rather than building out. But there were a range of views.

##### **What is a Future Development Strategy?**

A Future Development Strategy sets out the long-term picture for future urban growth. It looks out over 30 years – 2018 to 2048.

In the short term (the next 10 years) the plans that we have in place provide enough capacity to meet expected growth. Given how fast we have been growing we are continuing to plan for high growth, but we will monitor and track how and where we are growing to enable us to respond to changing trends. This approach will help us future proof our strategy.

In the longer term (2029-2048) we do not have enough capacity to meet expected demand. Our focus, therefore, needs to be on the longer term to ensure that we have enough capacity.

## Item 7: Nelson Tasman Future Development Strategy - Consultation Documents: Attachment 1

The Future Development Strategy is a high-level strategy; it does not set out the detail of how or where future housing and business areas will be developed. This detail will be developed through a series of subsequent, more detailed, plans and strategies that the Councils will also consult on.

### Some things to keep in mind

Our communities and environment will change over the next 30 years. When planning for the future we need to remember:

- There will be more older adults, but under a high growth projection there could also be many more people of working age
- Housing needs to be more affordable for people on low to moderate incomes
- Climate change will see sea levels rise and more extreme weather patterns
- How and where people work may change
- Types of infrastructure may change, for example, rather than reliance on large networks ~~such as centralised wastewater treatment~~, there may be more small scale, locally based systems
- Roads will get busier and so alternatives like building up public transport and walking and cycling networks are needed
- Different models of housing and living arrangements may become more desirable.

### How the options have been developed

We have identified a range of areas in Nelson and Tasman where growth might be accommodated and then evaluated (at a high level) their relative advantages and disadvantages against environmental, social, economic and cultural criteria.

The possible growth areas have been identified based on previous work, iwi, community and stakeholder feedback. To help guide identification of possible growth areas, we have applied a set of general design and planning principles ([see box](#)).

New housing developments can take many forms:

- Intensification of existing urban areas can range from small units being added to a property through to redevelopment involving apartments in and around the edges of town centres.
- Expansion areas may be rural-residential areas through to new master planned communities with a mix of housing types.

For more on the range of new housing possibilities, see the [types of developments box](#).

Realistically we will need to provide for a mix of building-up existing urban areas (intensification) and ~~building-out around existing settlements~~ ~~some~~ (expansion ~~(building-out)~~ into rural areas). There may even be the need for a new settlement if population growth is high.

This map shows all of the development areas identified. ([Refer Regions-wide map, with insets for Murchison, Takaka and outlying settlement areas](#)). You get an opportunity to comment on all of these areas in the feedback form attached ([insert link](#)).

Possible urban intensification areas are purple  
Possible urban expansion areas are yellow  
Possible business areas are orange  
Possible rural residential areas are turquoise  
Possible mixed-use areas (residential and commercial) are maroon.



## Item 7: Nelson Tasman Future Development Strategy - Consultation Documents: Attachment 1

*Insert map*

"photo of map with areas" (to refresh people's memory and make it easier for people to know which areas they wish to provide feedback on)  
Showing these areas does not mean that all of these areas will be need to be developed. Also, the strategy looks out over 30 years, so some areas, if needed, may not be developed for 15 or 20 years.

### **The options scenarios**

There are some important choices and trade-offs to be made as we select the combination of development areas that best meet our communities' long term needs.

To help work through the options, we have developed three different scenarios:

1. Enabling housing choices, while avoiding areas that are likely to be subject to sea level rise
2. Enabling housing choices while avoiding land of high productive value
3. Balanced option: Enabling housing choices while taking into account both these constraints.

Each scenario can provide enough housing to meet a high growth population projection (that is, they provide room for at least 12,000 extra dwellings, between 2028 and 2048).

### **Scenario 1: Enabling housing choices while addressing sea level rise**

Under this scenario, the possible development areas have first been selected through two criteria:

1. Financial feasibility. Areas that may be expensive to develop or costly to service with infrastructure are not included in this scenario.
2. Sea level rise. Areas that may be subject to long term sea level rise [under current policy settings \(which do not yet include a coastal hazards adaptation strategy\)](#) are not included in this scenario ~~For example~~, parts of the Nelson Central area, ~~as well as in~~ Tahunanui, Mapua and north of the city at Wakapuaka Flats.

*Insert map*

Under this scenario, around 40% of future growth is accommodated through intensification and 60% through urban expansion.

Residential intensification could take place in Nelson South, Stoke, Richmond, Motueka, Brightwater and Wakefield. Urban expansion would be possible in places like Kaka Valley, Saxton, Richmond South, Brightwater, and inland of Mapua and Motueka.

### **Scenario 2 Enabling housing choices while protecting land of high productive value**

Under this scenario the possible development areas have also been selected through two criteria:

1. Financial feasibility. Areas that may be expensive to develop or service with infrastructure are not included in this scenario
2. Land of high productive value. Areas that are on high productive land that is feasible for intensive rural uses are not included in this scenario.

Land south of Richmond, Brightwater, Mapua, Coastal Tasman and Motueka has been excluded under this scenario. Possible development areas at Murchison and Takaka are also not included in this scenario.

## Item 7: Nelson Tasman Future Development Strategy - Consultation Documents: Attachment 1

*Insert map*

Under this option, there is around 50% of growth occurs through intensification and 50% through expansion areas. The intensification areas are similar to the first scenario. Possible urban expansion areas include Hira, Kaka Valley, Pigeon Valley, Stringer Road and Seaton Valley.

### **Scenario 3 Combination of outcomes**

This scenario provides for a balance between enabling housing supply and avoiding areas subject to sea level rise or land of high productive value. It retains some of the development areas that were not included in Scenarios One and Two where these areas provide an:

- Ability to support social cohesion
- Ability to support a good geographic distribution
- Ability to support the regions centres hierarchy
- Ability to provide affordability and choice of dwelling prices and types.

Under this scenario, if all urban expansion areas were developed, then 30% of growth would occur through intensification and 70% through urban expansion.

The main areas retained under this scenario are:

#### **Nelson City Centre**

Initial consultation on the Future Development Strategy signalled the importance of building on existing urban centres. Increasing the proportion of residents living within the city centre supports economic vibrancy, social connectedness and community well-being. Whilst part of the Nelson City Centre is subject to flooding and (in the longer-term coastal inundation), measures can be taken to reduce the exposure to these risks for residents and businesses.

#### **Vanguard**

As an extension of the City Centre, this area could potentially provide for a mix of smaller-scale business activities and apartments, providing for a transition between residential areas and the Centre.

#### **Richmond South**

This proposed residential area is on the south-west side of Richmond and features land of relatively high productive value. The area is a mix of smaller titles that are not used for intensive production, and larger sites that are used productively. This area rates well in relation to proximity to existing settlements, low carbon emissions, and feasibility and attractiveness for development. On this basis it is appropriate that the suitability of this site be tested further through public consultation. Richmond has also been recognised in economic models as providing capacity for some of Nelson City's business demand. Having recently converted 50 hectares of zoned business land to housing areas in the Lower Queen Street area, it is important that we continue to provide for business land demands.

#### **Seaton Valley Flats – elevated**

This is a relatively small and constrained area that sits alongside a substantial area that is suitable for further investigation. The site forms a cohesive whole with the surrounding development areas and could be considered for residential development.

#### **Mariri Hills and Lower Moutere hills**

The settlement of Motueka faces particular challenges due to sea level rise, flooding hazards and highly productive land. The Mariri hills area, both on the coastal and inland sides, represent an opportunity for Motueka to grow while avoiding those constraints.

## Item 7: Nelson Tasman Future Development Strategy - Consultation Documents: Attachment 1











### **Central Takaka and Murchison**

Exclusion of sites on the basis of highly productive land means that the more remote and isolated settlements (such as Takaka and Murchison) are left with few development options. Therefore, it is appropriate that growth sites in these locations be included for discussion.

| Development Principles  |
|---|
| Development of any selected option should support good urban design within the development area (streets, open spaces, built environment, walking and cycling and should <a href="#">have good access to sun and natural light</a> <del>not be south facing</del> ) |
| Streams, coastlines, areas of native vegetation within development areas are protected and enhanced   |
| New stand-alone greenfield urban areas and areas of expansion should be of a sufficient size to support local neighbourhood services and community facilities   |
| Infill or redevelopment areas should support an improved network of centres and multi-modal transport options and provide good access to open space   |
| Growth areas will be subject to structure / master planning before rezoning and development occurs, identifying areas to be set aside   |

Item 7: Nelson Tasman Future Development Strategy - Consultation Documents:  
Attachment 1

Development Types

| Type of residential development | Description  |
|---------------------------------|--|
| Intensification                 |  Additional infill units and town houses on some sites  |
|                                 |  Two storey terrace housing / town houses on some sites   |
|                                 |  Some 3 storey terrace, some low rise apartments, some mixed use – shops on ground floor, apartment above |
|                                 |  Mixed use area in and around city centre - some 4 to 6 storey apartments                                 |
| Urban expansion                 |  Subdivision into smaller lots or a mix of smaller and bigger lots: average lot size 300m <sup>2</sup>   |
|                                 |  Standard residential subdivision - average lot size 550m <sup>2</sup>                                  |
|                                 |  Lower density residential subdivision - average lot size 700m <sup>2</sup>                             |
|                                 |  Larger sections - average lot size 1000m <sup>2</sup>  |
|                                 |  Life style type development with an average lot size 1,500m <sup>2</sup>                               |
|                                 |  Rural-residential with an average lot size 1ha   |

Commented [AU1]: Papakainga, tiny house, and co-housing types will be added

**Draft outline for consultation**

**WHERE DO WE GROW FROM HERE?**

**HAVE YOUR SAY ON THE NELSON TASMAN FUTURE DEVELOPMENT STRATEGY**

**[SURVEY]**

Nelson and Tasman are growing fast. We need to determine how we best manage this growth for the long-term benefit of the community and the environment. Managed well, growth can make our two regions better places to live, work and play.

We are asking for your views on three different scenarios for how we grow over the next 30 years. For more information about the different scenarios [click here](#).

**Feedback**

The final strategy is likely to be a blend of different growth options. It may also include areas that have not yet been assessed but are suggested in feedback, or have been excluded from the scenarios above.

In getting to that final strategy, the scenarios highlight some key choices to be made. Your feedback will help us work through the options.

The survey below is [in](#) three parts.

In the first section, we want to understand which of the three scenarios you think is best.

We then want to get your feedback on key choices we have to make about the scenarios before we finalise the strategy.

Finally, we will ask you about any comments you have about the specific areas identified on the scenario maps.

**Contact and Demographic Information**

Name:  
Company or organisation (if applicable):  
Telephone:  
Email:

Age:

Nelson / Tasman / other resident

**Scenarios:**

1. Which of the three scenarios do you think is best for the long-term future of the two Regions?
2. Is there anything you would change in your preferred scenario?

**Key choices:**

**Adapting to sea level rise**

Some of the best places for intensification are in areas potentially subject to sea level rise, such as Central Nelson including areas to the north, for example the Wood. Without controls, (whether through individual site remedies or larger community protection schemes) there is uncertainty around the future impacts of flooding events. Higher tides and/or storm surges are already having an impact on development in this area. Nelson City Centre has been excluded under the first scenario due to exposure to coastal inundation, but it is an area that rated very well in the evaluation against a wide range of criteria.

3. *Would you support ~~Nelson City the Councils~~ exploring a climate change ~~adaptation responses strategy~~ to reduce risks to coastal areas ~~in order to enable development and intensification~~?*

Yes/No

4. *If yes, why?*

5. *If not, why?*

**Safeguarding land of high productive value**

To protect land of high productive value, there is an emphasis on intensification, with housing proposed around centres such as Nelson City Centre, Tahunanui, Stoke and Richmond, as well as in Motueka and Brightwater. ~~Urban expansion a~~ New development areas that avoid land of high productive value are have also been identified, but they these are located some distance away from main centres, increasing infrastructure and transport costs. For example, ~~Hira to the north of Nelson City~~ Mariri Hills may be needed as a large new housing area if we are to avoid developing land of high productive value in Tasman.

6. *Do you think longer travel distance and bigger infrastructure costs are an appropriate trade off for protecting land of high productive value?*

Yes / No

7. *If yes, why?*

8. *If no, why not?*

9. *Do you think greater intensification of existing urban areas is a better alternative than developing land of high productive value?*

Yes/No.

*If no, why not?*

### **Making a balanced decision**

Under Scenario Three, several development areas are identified as possible housing areas even though they are located on productive land or are subject to sea level rise. These areas provide for a range of desirable social and economic outcomes, as well as a better geographical spread of options.

Scenario Three provides for a wide range of choices in terms of total housing capacity. In particular, there are a range of possible urban expansion areas in Tasman District. Up to 20,000 dwellings could be provided if all these areas were developed but this is unlikely, even under a high growth future.

10. If only some of the possible urban expansion areas were to be incorporated into the final strategy, which areas would you ~~choose~~choose, and why? Of the main areas shown, which do you think should be developed? (drop down list)

(The Wood, Vanguard, Saxton, Atawhai Hills, Hira, Richmond South, areas around Brightwater, Pigeon Valley, Mapua extension, Tasman /Aporo, Lower Moutere / Mariri Hills).

11. The only options to expand Takaka and Murchison townships involve land of high productive value. If these areas cannot be used for housing, then this may slow the growth of these townships. Do you think these areas should be developed?

Yes/No

Why/Why not?

12. Two options have been explored in each of Takaka and Murchison. Do you think that the correct option has been included in this scenario?

Yes/no

13. Which option do you think is preferable and why?

### **Specific development areas**

Here you can comment on any of the development areas shown, including those that did not score well for the assessment under the three scenarios (shown as salmon coloured areas on the map).

14. If you want to comment on any specific development areas, then list the areas here.....

- Do you see any issues with more houses in this area?
- What are some of the advantages of having more housing here?
- Thinking about the next 20 or 30 years, what type of housing do you think would be appropriate?
- If the development area is for business, do you see any issues with business land here?



- Do you think we should provide some new business [opportunities-land](#) around the District, or rely on current vacant business land?

15. If more housing is not to be accommodated in this area, then where would you suggest housing go instead?

16. Are there other development areas that should be considered? List the area

**Other comments**

17. Are there other points you wish to make to inform the final strategy?

**Next steps**

- Public feedback received
- Drop ins held across Nelson and Tasman
- Public feedback closes 8 May 2019
- Council workshop 11 June
- Finalise strategy in June / early July.

## Item 8: Notice of Motion from Councillor Rutledge: Submission on the Reform of Vocational Education Consultation: Attachment 1

4 April 2019

Civic House, 110 Trafalgar Street  
PO Box 645, Nelson 7040, New Zealand

Hon Chris Hipkins  
Minister of Education  
C/- Reform of Vocational Education Team  
By Email:  
vocationaleducation.reform@education.govt.nz

P 03 546 0200  
E [rachel.reese@ncc.govt.nz](mailto:rachel.reese@ncc.govt.nz)  
[nelson.govt.nz](http://nelson.govt.nz)

Dear Minister

### **NELSON CITY COUNCIL SUBMISSION ON REFORM OF VOCATIONAL EDUCATION**

Thank you for the opportunity to provide feedback on your proposals regarding reform of the vocational education sector. This submission represents the views of the Nelson City Council, and is also provided in support of the Nelson Marlborough Institute of Technology's (NMIT) submission. We see NMIT as a key partner in delivering on our aspirations for Nelson as the Smart Little City, he tāone tōrire a Whakatū.

We welcome aspects of the proposals you have put forward. In particular, those relating to the delivery of a more robust and quality-driven funding model that enables holistic and future-focused education, and the creation of Centres of Vocational Excellence.

Reflecting our region's evident strengths, NMIT has particular expertise in the areas of viticulture, maritime, aviation engineering, aquaculture, and artificial intelligence. Existing productive relationships between NMIT, industry stakeholders, and our local science and research community could be further enhanced through Centres of Vocational Excellence. This could enable us to fully capitalise on our strengths, and offer a high-quality education and investment proposition for our region and the wider sector. Subject to understanding further details about how such a model would work, we stand ready to work alongside you and local stakeholders to bring such a possibility to fruition.

On the other hand, the proposals regarding a centralised "New Zealand Institute of Skills and Technology" do raise particular concerns regarding their potential to hamper local autonomy and generate regional inequities. Our residents are rightly proud of NMIT, and have supported it since its establishment in 1905, including via an initial gift of land upon which the campus was built. NMIT's first rate educational offerings are underpinned by its commitment to providing future-focused learning and "work and world ready graduates". It has an established record of investing in innovation, for example its maritime simulation system, which is the only one of its kind in the country. NMIT's engagement with industry and employers was recognised as a particular strength when its NZQA category 1 status was reaffirmed in 2017, and NMIT also has close and effective relationships with local iwi. With around \$100 million in assets, and cash reserves of approximately \$20 million, the Institute also has a healthy balance sheet.

The presence of a strong, regionally-branded tertiary provider delivers significant benefits for Te Tau Ihu (the Top of the South). This includes a sizeable contribution to our local economy, drawing

## Item 8: Notice of Motion from Councillor Rutledge: Submission on the Reform of Vocational Education Consultation: Attachment 1

talent and investment to the area, promoting our unique regional credentials and industry strengths, and offering school leavers – who may otherwise leave the region – a meaningful education and employment pathway. The latter is particularly important as we grapple with the implications of an uneven demographic profile and ageing population.

We do not want to see the strengths and unique character of an important regional institution diminished by these reforms. The matters of greatest concern to us include a loss of the regional autonomy that enables NMIT to be responsive, nimble, and genuinely connected to the needs of the local community. This rests on sound governance that is rooted here. A model that outsources critical decisions to a national governing body has the potential to be unnecessarily bureaucratic and result in regional imbalances. We are not convinced that the creation of a regional leadership group – mandated only to advise – would be sufficient to offset these risks. We are also concerned by potential implications for local jobs and course provision.

Furthermore, potential centralisation of NMIT's assets and application of its carefully accumulated reserves elsewhere would do little to reward prudent financial management by NMIT's board, nor incentivise it into the future. It would also deprive our region of the investment of monies generated and intended for use here. Seeking to shore up struggling parts of the sector by redistributing surpluses therefore risks creating an inequity for Te Tau Ihu.

We accept that there is a need to focus on underperforming Institutes of Technology and Polytechnics (ITPs) and pursue efficiency gains wherever possible. There is also a strong rationale for identifying and promulgating best practice throughout the sector. We consider that this could be best achieved by centralising a limited suite of functions, including those considered under the Tu Kahikatea/Network model.

We also note that proposals regarding alternative delivery models for apprenticeships and in-work training are prompting concerns for local employers, Industry Training Organisations, Private Training Organisations, and their respective students and apprentices. We encourage you to provide reassurance that the move to Industry Skills Bodies and delivery of training by ITPs will be implemented in a manner that avoids widespread redundancies, loss of expertise and skills from the sector, and disruption for learners.

In summary, Nelson City Council recognises that there are genuine questions regarding the financial sustainability of some vocational education providers and the delivery of value for money for New Zealand tax payers. We support your ambition to address these points. However, we struggle to see that this necessitates sector-wide reforms that could impact negatively on strong performers such as NMIT. We encourage you to arrive at an approach that supports regional autonomy while also ensuring high quality educational outcomes.

Yours sincerely

**Rachel Reese**  
Mayor of Nelson