



# AGENDA

**Ordinary meeting of the**

**Governance Committee**

**Thursday 7 March 2019  
Commencing at 9.00a.m.  
Council Chamber  
Civic House  
110 Trafalgar Street, Nelson**

**Pat Dougherty  
Chief Executive**

Membership: Councillor Ian Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland, Mel Courtney, Bill Dahlberg (Deputy Chairperson), Gaile Noonan, Mike Rutledge, Tim Skinner, Stuart Walker, Mr John Murray and Mr John Peters

Quorum: 6

Nelson City Council Disclaimer

Please note that the contents of these Council and Committee Agendas have yet to be considered by Council and officer recommendations may be altered or changed by the Council in the process of making the formal Council decision.

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Order 12.1:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings
- 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

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 room for discussion and voting on any of these items.

**1. Apologies**

Nil

**2. Confirmation of Order of Business**

**3. Interests**

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

**4. Public Forum**

4.1 James Lazor, General Manager, Rainbow Sports Club Incorporated - update for Elected Members about the Club

4.2 Brian Nelson, representing Family Trust - Location of the Montgomery Square Market

4.3 Jacquie Walters - Renewal of the Nelson Saturday Market

4.4 Pic Picot - Nelson Saturday Market

4.5 Nita Knight, representing The Nelson Market Limited - the Nelson Market

**5. Confirmation of Minutes**

5.1 29 November 2018

**8 - 21**

Document number M3945

Recommendation

***That the Governance Committee***

***Confirms the minutes of the meeting of the Governance Committee, held on 29 November 2018, as a true and correct record.***

**6. Chairperson's Report**

**7. International Relationships Policy**

A report entitled 'International Relationships Policy' was left to lie at the Governance Committee meeting on 29 November 2018. An updated report on this matter will come to a future Governance Committee meeting.

**8. Nelson Regional Development Agency - Statement of Expectation 2019/2020**

**22 - 42**

Document number R9977

Recommendation

***That the Governance Committee***

***Receives the report Nelson Regional Development Agency - Statement of Expectation 2019/2020 (R9977) and its attachment (A2066390).***

Recommendation to Council

***That the Council***

***Confirms the general matters to be included in the Nelson Regional Development Agency Statement of Expectation letter as those identified in paragraphs 4.5 to 4.12 of report R9752; and***

***Confirms the following specific matters to be included in the Nelson Regional Development Agency Statement of Expectation letter as those identified in paragraphs 4.13.1 to 4.13.9 of report R9752 and summarised below:***

***(a) Council priorities***

***(b) Stakeholders***

***(c) Partnerships with iwi and Māori***

***(d) Promoting the regions***

***(e) Funding***

***(f) Deliverables and budget***

***(g) Advice***

***(h) Agility***

***(i) Te Taihu Strategy 2077 Regional Growth Strategy***

***Confirms the Nelson Regional Development Agency's review of Board performance will be completed by 1 November 2019.***

**9. Governance Committee Quarterly Report to 31 December 2018**

**43 - 54**

Document number R9849

Recommendation

***That the Governance Committee***

***Receives the report Governance Committee Quarterly Report to 31 December 2018 (R9849) and its attachments (A2124377, A2131712).***

**PUBLIC EXCLUDED BUSINESS**

**10. Exclusion of the Public**

Recommendation

***That the Governance Committee***

***Excludes the public 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:***

| <b>Item</b> | <b>General subject of each matter to be considered</b>                           | <b>Reason for passing this resolution in relation to each matter</b>   | <b>Particular interests protected (where applicable)</b>  |
|-------------|--|--|---|
| <b>1</b>    | <b>Governance Committee Meeting - Public Excluded Minutes - 29 November 2018</b> | Section 48(1)(a)<br><br>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"> <li>Section 7(2)(h)<br/>To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> </ul> |

| Item | General subject of each matter to be considered                                | Reason for passing this resolution in relation to each matter   | Particular interests protected (where applicable)  |
|------|--|---|--|
|      |  |   | <ul style="list-style-type: none"> <li>Section 7(2)(i)<br/>To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>  |
| 2    | <b>Montgomery Square Market - Licence Expiry</b>                               | Section 48(1)(a)<br><br>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"> <li>Section 7(2)(i)<br/>To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul> |
| 3    | <b>Nelson Regional Development Agency - Appointment of Directors and Chair</b> | Section 48(1)(a)<br><br>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"> <li>Section 7(2)(a)<br/>To protect the privacy of natural persons, including that of a deceased person</li> </ul>  |
| 4    | <b>Nelson Centre of Musical Arts - Reappointment of Trustees</b>               | Section 48(1)(a)<br><br>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"> <li>Section 7(2)(a)<br/>To protect the privacy of natural persons, including that of a deceased person</li> </ul>  |
| 5    | <b>The Bishop Suter Trust - Trustee Remuneration 2018/19</b>                   | Section 48(1)(a)<br><br>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"> <li>Section 7(2)(i)<br/>To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul> |

| Item | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter  | Particular interests protected (where applicable)   |
|------|---|--|---|
| 6    | <b>Haven Precinct Project: Next Steps</b>       | <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"> <li>• Section 7(2)(i)<br/>To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>   |
| 7    | <b>Update on Strategic Property Matters</b>     | <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"> <li>• Section 7(2)(h)<br/>To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> <li>• Section 7(2)(i)<br/>To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul> |

**Note:**

- **Lunch will be provided.**
- **Youth Councillors Nico Frizzell and Adam Burton will be in attendance at this meeting.**



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## **Minutes of a meeting of the Governance Committee**

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

**On Thursday 29 November 2018, commencing at 9.00a.m.**

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**Present:** Councillor I Barker (Chairperson), Her Worship the Mayor Reese (via audio link), Councillors L Acland, M Courtney, B Dahlberg (Deputy Chairperson), G Noonan, M Rutledge, T Skinner, S Walker, Mr J Murray and Mr J Peters

**In Attendance:** Councillors B McGurk and M Lawrey, Group Manager Environmental Management (C Barton), Group Manager Community Services (R Ball), Group Manager Corporate Services (N Harrison), Group Manager Strategy and Communications (N McDonald), Governance Advisers (J Brandt and E Stephenson) and Youth Councillor N Rais

**Apologies:**

### **1. Apologies**

There were no apologies.

### **2. Confirmation of Order of Business**

The Chair advised that the order of business would be changed to accommodate external attendees.

### **3. Interests**

Mr John Murray declared an interest in Item 4 of the public excluded agenda – Strategic Property Central City.



#### **4. Public Forum**

##### **4.1 Sarah Holmes, Manager, and Gillian Williams, Trustee - Nelson Tasman Business Trust (NTBT) Annual Report**

Sarah Holmes, introduced Trustee, Gillian Williams. Ms Holmes thanked Council for its ongoing support and tabled a copy of the NTBT Annual Review.

Attendance: Councillor Walker left the meeting from 9.09a.m. until 9.11a.m.

Ms Holmes spoke to a PowerPoint presentation and answered questions regarding the percentage of businesses using the Trust from the CBD and working with Uniquely Nelson.

##### **Attachments**

- 1 A2104523 - NTBT Annual Review 2017-18
- 2 A2102485 - NTBT PowerPoint Presentation

##### **4.2 Mark Rawson, Chief Executive, Nelson Regional Development Agency and Les Edwards, Commercial & Marketing Manager, Tasman Rugby Union - the impact of the All Blacks game for Nelson**

Les Edwards, and Mark Rawson provided a PowerPoint presentation and spoke regarding the success of the All Blacks game, noting that the vast majority of people they spoke to were supportive of the match. Topics discussed included the match build up, the Fan Trail, TV viewing figures, free buses, the benefits of having the stadium close to the CBD, the quality of the turf, central city activation, the Traffic Management Plan, a long-term stadium strategy and learnings going forward.

##### **Attachments**

- 1 A2102476 - NRDA PowerPoint presentation

Item 4 of the Public Excluded agenda was considered next.

#### **4.3 Exclusion of the Public**

Steve Baigent, Managing Director, Patrick Shone, Commercial Manager Cephass and Elizabeth Crawshaw, Venture Communications, were in attendance for Item 4 of the Public Excluded agenda to answer questions, accordingly, the following resolution was required to be passed:

Resolved GOV/2018/088

***That the Governance Committee***

***Confirms, in accordance with sections 48(5) and 48(6) of the Local Government Official Information and Meetings Act 1987, that Steve Baigent, Managing Director, Patrick Shone, Commercial Manager Cephas and Elizabeth Crawshaw, Venture Communications, remain after the public has been excluded, for Item 4 of the Public Excluded agenda (Strategic Property Central City), as they have knowledge relating to these matters that will assist the meeting.***

Noonan/Rutledge

Carried

Resolved GOV/2018/089

***That the Governance Committee***

***Excludes the public 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:***

Noonan/Rutledge

Carried

|          |  |   |  |
|----------|--|---|--|
| <b>4</b> | <b>Strategic Property Central City</b> | Section 48(1)(a)<br><br>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"> <li>• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> <li>• Section 7 (2) (g) To maintain legal professional privilege</li> </ul> |
|----------|--|---|--|

|  |  |  |  |
|--|--|--|--|
|  |  |  | <ul style="list-style-type: none"> <li>Section 7(2)(h)<br/>To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> </ul> |
|--|--|--|--|

The meeting went into public excluded session at 9.32a.m. and resumed in public session at 9.49a.m., at which time Mr J Murray returned to the meeting.

## 5. Confirmation of Minutes

### 5.1 11 October 2018

Document number M3827, agenda pages 11 - 15 refer.

The 11 October 2018 minutes (A2088748) were tabled for confirmation, as they had been omitted from the agenda.

Resolved GOV/2018/090

***That the Governance Committee***

***Confirms the minutes of the meeting of the Governance Committee, held on 11 October 2018, as a true and correct record.***

Courtney/Dahlberg

Carried

#### **Attachments**

1 A2088748 - Governance Committee 11 October 2018 minutes

### 5.2 25 October 2018

Document number M3857

Resolved GOV/2018/091

***That the Governance Committee***

***Confirms the minutes of the meeting of the Governance Committee, held on 25 October 2018, as a true and correct record.***

Courtney/Dahlberg

Carried

## 6. Chairperson's Report

There was no Chairperson's Report.

## 7. Nelson Regional Development Agency (NRDA) - Statement of Expectation (SOE) 2019/2020

Document number R9752, agenda pages 16 - 78 refer.

Group Manager Environmental Management, Clare Barton, highlighted the specific proposed inclusions for the SOE letter, covering areas of focus. Ms Barton answered questions regarding the application to the Provincial Growth Fund for the whole of the Top of the South and development of the Regional Economic Growth Strategy.

Further questions and discussion took place regarding the initiative for the application, how economic development would be driven, key initiatives, NRDA performance relating to driving Council's vision for economic development and Tasman District Council's arrangements with the NRDA.

Mr John Murray advised that he had some questions that needed to be discussed in public excluded session due to commercial sensitivity.

### Exclusion of the Public

Resolved GOV/2018/092

#### ***That the Governance Committee***

***Confirms, in accordance with sections 48(5) and 48(6) of the Local Government Official Information and Meetings Act 1987, that Mark Rawson, Chief Executive, Nelson Regional Development Agency, remain after the public has been excluded, for discussion relating to Item 7 of the open section of the agenda - Nelson Regional Development Agency (NRDA) - Statement of Expectation (SOE) 2019/2020, as he has knowledge relating to this matter that will assist the meeting.***

Acland/Walker

Carried

Resolved GOV/2018/093

#### ***That the Governance Committee***

***Excludes the public 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:***

Acland/Walker

Carried

|          |   |   |  |
|----------|---|---|--|
| <b>7</b> | <b>Nelson Regional Development Agency (NRDA) - Statement of Expectation (SOE) 2019/2020</b> | Section 48(1)(a)<br><br>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"> <li>• Section 7(2)(i)<br/>To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul> |
|----------|---|---|--|

The meeting went into public excluded session at 10.07a.m. and resumed in public session at 10.39a.m.

It was agreed that it would be prudent for the committee to be brought up to date in the development of the SOE/SOI process and that the matter be left to lie.

Resolved GOV/2018/094

***That the Governance Committee***

***Leaves the item Nelson Regional Development Agency - Statement of Expectation 2019/2020 to lie on the table and not be further discussed at this meeting.***

Noonan/Dahlberg

Carried

The meeting was adjourned at 10.42a.m. and reconvened at 10.50a.m.

## **8. Bishop Suter Trust - six-monthly presentation**

Julie Catchpole, Director of the Bishop Suter Trust, accompanied by John Hambleton, Trustee, PowerPoint presentation.

Attendance: Due to an urgent matter, Councillor Skinner left the meeting at 11.05a.m.

Ms Catchpole and Mr Hambleton answered questions regarding financial sustainability and Tasman District Council funding.

It was noted that the Suter Gallery's satisfaction result in the Residents' Survey was 85%, which was higher than its target of 80%.

**Attachments**

- 1 A2101856 - Bishop Suter Trust PowerPoint presentation

**9. Bishop Suter Trust - Statement of Expectation 2019/20**

Document number R9824, agenda pages 79 - 118 refer.

Executive Officer, Michelle Joubert, outlined the specific expectations to be included in the Statement of Expectation (SOE) letter and it was agreed that information regarding the impact of the Suter Gallery on the Nelson economy be included in the next round of information gathering. Discussion took place regarding Tasman District Council (TDC) funding.

Her Worship the Mayor requested two additional matters be included in the SOE, regarding climate change responsiveness and TDC funding.

Resolved GOV/2018/095

***That the Governance Committee***

***Receives the report Bishop Suter Trust - Statement of Expectation 2019/20 (R9824) and its attachment (A1923167).***

Dahlberg/Noonan

Carried

Recommendation to Council GOV/2018/096

***That the Council***

***Confirms the general matters to be included in the Bishop Suter Trust Statement of Expectation 2019/20 letter as those identified in paragraphs 4.1 to 4.14 of report R9824; and***

***Confirms the following specific matters to be included in the Bishop Suter Trust Statement of Expectation letter:***

- ***Governance succession plan; and***
- ***Resilience; and***
- ***Good employer obligations; and***
- ***Climate Change responsiveness, including risk resilience, mitigation and adaption; and***
- ***Development of the relationship with Tasman District Council with a view to increasing funding from that source.***

Dahlberg/Noonan

Carried

## **10. Sister Cities Co-ordinator Report (Agenda Item 13)**

Document number R9881, agenda pages 236 - 239 refer.

Sister Cities Co-ordinator, Gaile Collingwood, spoke to her report. Ms Collingwood said that the Nelson Miyazu Association numbers had dropped and asked whether anyone was interested in becoming part of the organisation to deliver the sister city relationship. She noted that she had presented at the Brook Reserve hearing and that a new Mayor of Miyazu had been elected.

Resolved GOV/2018/097

***That the Governance Committee***

***Receives the report Sister Cities Co-ordinator Report (R9881).***

Dahlberg/Peters

Carried

## **11. International Relationships Policy (Agenda Item 10)**

Document number R9827, agenda pages 119 - 136 refer.

Attendance: Councillor Noonan left the meeting from 11.47a.m. until 11.52a.m.

Manager Governance and Support Services, Mary Birch, answered questions and discussion took place regarding context with the sister city relationship, the degree of international engagement through the Mayor's office, analysis of economic benefit and the lack of iwi engagement.

Councillor Dahlberg, seconded by Councillor Walker, moved the following motion:

*That the Governance Committee*

*Receives the report Sister Cities Policy (R9827) and its attachment (A2076807); and*

*Requests that an International Relationships Policy be developed.*

Dahlberg/Walker

It was agreed that more work on the policy was required. A motion was moved by Mr Murray, seconded by Councillor Noonan that the matter be left to lie.

Attendance: Councillor Skinner returned to the meeting at 12.10p.m.

Resolved GOV/2018/098

***That the Governance Committee***

***Leaves the item International Relationships Policy to lie on the table and not be further discussed at this meeting.***

Murray/Noonan

Carried

## **12. Results of the 2018 Residents' Survey (Agenda Item 11)**

Document number R9839, agenda pages 137 - 223 refer.

A PowerPoint presentation was provided. Policy Adviser, Gabrielle Thorpe, Group Manager Strategy and Communication, Nicky McDonald and Manager Transport and Solid Waste, Marg Parfitt answered questions and discussion took place regarding the online survey, survey methodology and the survey results topic by topic.

Attendance: Councillor Dahlberg left the meeting from 12.43p.m. until 12.45p.m.

Attendance: Councillor Walker left the meeting from 12.45p.m. until 12.50p.m.

Further discussion took place on driving broader community engagement.

Attendance: Mr Murray left the meeting from 12.56p.m. until 12.58.p.m.

Resolved GOV/2018/099

***That the Governance Committee***



**Receives the report *Results of the 2018 Residents' Survey (R9839) and its attachment (A2042796); and***

**Notes the actions that are planned to improve services for those activities that have lower levels of satisfaction; and**

**Notes the 2018 Residents' Survey results (A2042796) will be communicated to the public through Our Nelson and Council's website.**

Noonan/Courtney

Carried

**Attachments**

- 1 A2067004 Results of the 2018 Residents' Survey PowerPoint presentation

The meeting was adjourned at 1.03p.m. and reconvened at 1.33p.m.

### **13. Exclusion of the Public**

Lee Babe, Chief Executive and Rob Gunn, Chair, Nelmac, were in attendance for Item 2 of the Public Excluded Agenda to answer questions and, accordingly, the following resolution was required to be passed:

Resolved GOV/2018/1003.19pm

***That the Governance Committee***

***Confirms, in accordance with sections 48(5) and 48(6) of the Local Government Official Information and Meetings Act 1987, that Lee Babe, Chief Executive and Rob Gunn, Chair Nelmac remain after the public has been excluded, for Item 2 of the Public Excluded agenda (Nelmac Ltd six monthly strategic presentation from the Board), as they have knowledge relating to these matters that will assist the meeting.***

Dahlberg/Courtney

Carried

Resolved GOV/2018/101

***That the Governance Committee***

***Excludes the public 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:**

Dahlberg/Courtney

Carried

| 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    | <b>Nelmac Limited - six monthly strategic presentation from the Board</b> | Section 48(1)(a)<br><br>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"> <li>• Section 7(2)(h)<br/>To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> </ul>  |
| 3    | <b>Nelmac Limited - matters for Statement of Expectations 2019/20</b>     | Section 48(1)(a)<br><br>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"> <li>• Section 7(2)(h)<br/>To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> <li>• Section 7(2)(i)<br/>To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul> |
| 6    | <b>Mitai Mountain Bike Hub Location</b>                                   | Section 48(1)(a)<br><br>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"> <li>• Section 7(2)(b)(ii)<br/>To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the</li> </ul>   |

| Item | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Particular interests protected (where applicable)   |
|------|---|---|---|
|      |   |   | subject of the information <ul style="list-style-type: none"> <li>• Section 7(2)(g)<br/>To maintain legal professional privilege</li> <li>• Section 7(2)(h)<br/>To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> </ul> |

The meeting went into public excluded session at 1.34p.m. and resumed in public session at 2.58p.m.

**Extension of Meeting Time**

Resolved GOV/2018/102

***That the Governance Committee***

***Extends the meeting time beyond six hours, pursuant to Standing Order 4.2.***

Rutledge/Murray

Carried

The meeting was adjourned at 2.59p.m. and reconvened at 3.06p.m.

**14. Quarterly Report to Governance Committee 1 July - 30 September 2018**

Document number R9737, agenda pages 224 - 235 refer.

Group Manager, Nikki Harrison, and Group Manager Nicky McDonald answered questions regarding LGOIMA requests, the Civic House update, commencement of the TDC/NRDA contract and the forestry budget.

A comment was made regarding consistency in terminology, and it was noted that this would be addressed in the next quarter.

Resolved GOV/2018/103

***That the Governance Committee***

***Receives the report Quarterly Report to Governance Committee 1 July - 30 September***

**2018 (R9737) and its attachments (A2082587 and A2082629).**

Noonan/Peters

Carried

**15. Exclusion of the Public**

Resolved GOV/2018/104

***That the Governance Committee***

***Excludes the public 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:***

Walker/Noonan

Carried

|                 |   |  |   |
|-----------------|---|--|---|
| <p><b>1</b></p> | <p><b>Governance Committee Meeting – Public Excluded Minutes 11 and 25 October 2018</b></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"> <li>• Section 7 (2) (a)<br/>To protect the privacy of natural persons, including that of a deceased person</li> <li>• Section 7(2)(g)<br/>To maintain legal professional privilege</li> </ul>  |
| <p><b>5</b></p> | <p><b>Update on Strategic Property Matters</b></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"> <li>• Section 7(2)(b)(ii)<br/>To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</li> <li>• Section 7(2)(h)</li> </ul> |

|   |  |   |  |
|---|--|---|--|
|   |  |   | To enable the local authority to carry out, without prejudice or disadvantage, commercial activities   |
| 4 | <b>Strategic Property Central City</b> | Section 48(1)(a)<br><br>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"> <li>• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> <li>• Section 7 (2) (g) To maintain legal professional privilege</li> <li>• Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> </ul> |

The meeting went into public excluded session at 3.20p.m. and resumed in public session at 4.02p.m.

There being no further business the meeting ended at 4.02p.m.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

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## **Nelson Regional Development Agency - Statement of Expectation 2019/2020**

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### **1. Purpose of Report**

- 1.1 To confirm Council's expectations for the Nelson Regional Development Agency (NRDA) for the 2019/20 Statement of Intent (SOI).
- 1.2 The matter was before the Committee on 29 November 2018 and it was decided at that meeting to let it lie on the table.

### **2. Recommendation**

***That the Governance Committee***

***Receives the report Nelson Regional Development Agency - Statement of Expectation 2019/2020 (R9977) and its attachment (A2066390).***

Recommendation to Council

***That the Council***

***Confirms the general matters to be included in the Nelson Regional Development Agency Statement of Expectation letter as those identified in paragraphs 4.5 to 4.12 of report R9752; and***

***Confirms the following specific matters to be included in the Nelson Regional Development Agency Statement of Expectation letter as those identified in paragraphs 4.13.1 to 4.13.9 of report R9752 and summarised below:***

- (a) Council priorities***
- (b) Stakeholders***
- (c) Partnerships with iwi and Māori***
- (d) Promoting the regions***

- (e) Funding**
- (f) Deliverables and budget**
- (g) Advice**
- (h) Agility**
- (i) Te Taihū Strategy 2077 Regional Growth Strategy**

***Confirms the Nelson Regional Development Agency's review of Board performance will be completed by 1 November 2019.***

### **3. Background**

- 3.1 The preparation of a Statement of Expectation is not required under the Local Government Act 2002 (LGA). However, it is best practice for the Council to signal to its Council Controlled Organisations its expectations for the 2019/20 financial year. These expectations are to be considered by the entity to guide its strategic direction and to assist in the development of the Statement of Intent for that financial year.
- 3.2 To assist the Committee, the NRDA's Statement of Intent 2018-19 is attached (Attachment 1).

### **4. Discussion**

#### **The NRDA**

- 4.1 The NRDA was established in July 2016 and its purpose is to enhance the sustainable economic vitality of the Nelson and Tasman regions. The Nelson Tasman identity, developed by the NRDA, has five pillars covering:
- Clever business
  - Stunning natural landscapes
  - Surprisingly diverse
  - Highly connected
  - Arts and artisans

#### **Tasman District Council**

- 4.2 In the 2018/19 year, Tasman District Council has considered contracting directly with the NRDA for services, rather than through an agreement of expectation and funding with Nelson City Council. The contribution in Tasman District Council's Long Term Plan reduced to \$300,000, due to concerns over the NRDA's deliverables for the Tasman region.

4.3 Tasman District Council's preference is to continue to contract for services and funding through Nelson City Council.

4.4 This paper has been reviewed by Tasman District Council officers to ensure the requirements for both Councils are addressed.

### **General expectations to be included in a Statement of Intent**

4.5 SOIs must:

- (a) Include a complete set of summary prospective financial statements for at least three years.
- (b) Disclose measures like Earnings before Interest and Tax (EBIT) and Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA).
- (c) Comply with legislation including Schedule 8 of the Local Government Act 2002.
- (d) Report on health and safety matters to meet the Health and Safety at Work Act 2015
- (e) Disclose dividends along with the dividend payout policies, where applicable
- (f) Show how the NRDA intends to increase non-Council revenue streams
- (g) Include capital expenditure and asset management intentions.

4.6 The NRDA should use the same information for managing the business and reporting to Council.

4.7 The SOI should be concise, relevant and accessible, and focused on meeting the needs of Nelson City Council, Tasman District Council (as funder), and the public it represents. The SOI must detail the performance story of the NRDA, providing a clear understanding of the NRDA's purpose, the services it delivers and what success looks like. The main aspects of the performance story are:

- Strategic context
- Specifying and presentation of the outcomes framework
- Performance measures and targets, outcomes and objectives
- Linking strategy outputs and performance together.

4.8 The SOI should also include how the Board is considering and managing risks.



- 4.9 The SOI should provide detail on how environmental impacts and outcomes are taken into account in the operation of the CCO.
- 4.10 In order to aid Council when making decisions on director remuneration and appointments, the Board should undertake regular evaluation of its own performance.
- 4.11 The Chair of the Board should reference this evaluation when making recommendations on the re-appointment or recruitment of Board members.
- 4.12 Council expects these reviews to be carried out at least once every 12 months and the next one by 1 November 2019.

### **Specific expectations to be included in a Statement of Intent**

- 4.13 The following areas are considered appropriate for inclusion in the SOI.
- 4.13.1 Council priorities: How will the NRDA support the Councils' priorities for example, city centre development, sustainability and Smart Little City Vision?
- The NRDA has a key role in the development and delivery of work programmes to support the Councils. It is important that all parties are clear on their roles in delivery of the work programme, that any actions assigned to the NRDA are actioned, and that collaborative opportunities are identified and developed.
- 4.13.2 Stakeholders: How does the NRDA demonstrate that it is accepted and recognised by business and other stakeholders, including Māori, iwi and diverse sectors and groups? How will the NRDA measure and report on shared decision making with partners and the steps it is taking to build trust, partnerships, social acceptance, and legitimacy?
- 4.13.3 Partnerships with iwi and Māori: How will the NRDA support Māori and iwi economic aspirations which benefit the whole community?
- As outlined in the Long Term Plan 2018-28, Council believes that working in partnership with iwi and Māori will create benefits for the whole community.
- 4.13.4 Promote: How does the NRDA demonstrate its continued commitment to promoting the regions and providing up-to-date relevant information and data about the regions?
- 4.13.5 Funding: How does the NRDA deliver value for money?
- What performance measures is the NRDA putting in place to demonstrate NRDA deliverables are being achieved, including outlining the costs and value proposition?

4.13.6 Deliverables and budget: How will the NRDA achieve all its deliverables within budget, as detailed in the Business Plan?

- Recent overspends in the events fund highlight the need to carefully consider all the deliverables for the NRDA over the next 12 months, and how these will be delivered within budget.

4.13.7 Advice: How does the NRDA work with the Councils to ascertain their requirements and provide timely advice? How does the NRDA provide timely information and relevant advice to the Councils on regional economic trends, including infometrics data for the Councils?

4.13.8 Agility: How does the NRDA support significant regional events that have an economic impact, and remain flexible and responsive to opportunities in line with Council outcomes? Focus includes measures, monitoring and reporting.

4.13.9 Te Taihu Strategy 2077 Regional Growth Strategy (Strategy): What is the NRDA’s role and deliverables in relation to the Strategy?

- With Wakatu Incorporation leading the project management of the Strategy, NRDA’s role should be clarified. As the Strategy covers Nelson, Tasman and Marlborough, the NRDA is expected to demonstrate active support of initiatives that cover the wider region.

## 5. Options

5.1 There are two options as outlined below. Option one is the preferred option.

| <b>Option 1: Accept the matters to be included in the Statement of Expectation</b> |  |
|--|--|
| Advantages   | <ul style="list-style-type: none"> <li>• Provides clear and early direction to the Board to assist with the preparation of the 2019/20 Statement of Intent.</li> </ul>       |
| Risks and Disadvantages  | <ul style="list-style-type: none"> <li>• None</li> </ul>   |
| <b>Option 2: Amend the matters to be included in the Statement of Expectation</b>  |  |
| Advantages   | <ul style="list-style-type: none"> <li>• Provides clear and early direction to the Board to assist with the preparation of the 2019/20 Statement of Intent (SOI).</li> </ul> |

|                         |  |
|-------------------------|--|
| Risks and Disadvantages | <ul style="list-style-type: none"><li>• Amendments may result in limited coverage of the matters that should be addressed in the NRDA's SOI.</li></ul> |
|-------------------------|--|

**Author: Clare Barton, Group Manager Environmental Management**

**Attachments**

Attachment 1: A2066390 - NRDA Statement of Intent 2018/19 [↓](#)

## Important considerations for decision making

### 1. Fit with Purpose of Local Government

NRDA provides local public services relating to economic development and tourism in a cost effective way.

### 2. Consistency with Community Outcomes and Council Policy

Although not required by the Local Government Act, preparation of Statements of Expectation prior to the Statement of Intent (SOI) process is best practice.

### 3. Risk

Providing a Statement of Expectation mitigates the risk that the CCO develops a Statement of Intent that is not aligned with Council's expectations or that does not cover these outcomes

### 4. Financial impact

None

### 5. Degree of significance and level of engagement

This matter is of low significance because this decision is about setting expectations early in the SOI process and there are other decision points along the way. Engagement will occur with the CCO but is not required with the wider community.

### 6. Inclusion of Māori in the decision making process

No engagement with Māori has been undertaken in preparing this report.

### 7. Delegations

The Governance Committee has the following delegations to consider the Statement of Expectation

*Areas of Responsibility:*

- *Nelson City Council Controlled Organisations*
- *Business, economic development and tourism in Nelson*

*Powers to Recommend:*

- *Documents from Nelson City Council Controlled Organisations including statements of intent, half yearly reports and appointments of directors*



## STATEMENT OF INTENT 2018/19

### NELSON REGIONAL DEVELOPMENT AGENCY LIMITED (‘NRDA’)

PREPARED BY  
NELSON REGIONAL DEVELOPMENT AGENCY BOARD

1 JULY 2018 TO 30 JUNE 2019

39 Halifax Street, Nelson  
P O Box 788, Nelson 7010

## 1 Introduction

### 1.1 Introduction

The Nelson Regional Development Agency (NRDA) is a Council Controlled Organisation, established 1 July 2016, and is 100% owned by the Nelson City Council (NCC). The NRDA core funding is provided by NCC. Tasman District Council (TDC) also contributes funding to NRDA through an agreement of expectations and funding for economic development services with NCC. These services are delivered by the NRDA with a combined Nelson Tasman regional focus. This statement of Intent (Sol) is prepared in response to the NCC letter of Expectation for NRDA and is in accordance with Schedule 8 of the Local Government Act. The Sol forms the basis of accountability for NRDA to the Shareholder for the 12 months commencing 1 July 2018.

The main focus of the 2017/18 year was on execution of the business plan building on the solid foundations and robust partnerships established by the NRDA since inception. With the first phase of the Nelson Tasman regional identity completed and the current core business as usual functions performing well, the focus of this Sol shifts from the evolution of the current NRDA core business to influencing the longer-term transformation of the economy. The initial regional identity work has provided an authentic reflection of who we are and what we want to continue to be as a region with a focus on inspiring others to share that story.

This Sol's focus is about building on that identity framework. This approach will focus on influencing the most significant aspects impacting on the future aspirations of the Nelson Tasman sustainable economic development environment with the aim of stimulating the attraction and/or retention of private sector investment in the region in whatever form that may take. It will also be key in influencing the two major economic challenges for the region being low productivity and income levels. The first 6 months of the Sol will be focused on establishing the aspirations with the second focused on attracting the engagement and resources required to drive execution. As a result of this approach, over the period of this Sol there will be a shift in focus and application of NRDA resources from business as usual functions to those activities aligned with the identified aspirational outcomes.

In preparing this Sol, the NRDA has considered the expectations raised in the NRDA letter from Mayor Reese to the NRDA Board of Directors, dated 19 December 2017.

### 1.2 Purpose of the NRDA

The NRDA exists to enhance the sustainable economic vitality of the Nelson Tasman Region.

The NRDA mission is to partner with the public and private sectors in the attraction and retention of investment, visitors and talent who want to add value to the identity of the extraordinary Nelson Tasman region. Inspiring others to share our Extraordinary Nelson Tasman identity story and experiences through new thinking and behaviours is our challenge.

### 1.3 Nelson Tasman Identity

The five pillars of the Nelson Tasman identity provide the strategic framework for everything we do.



# Item 8: Nelson Regional Development Agency - Statement of Expectation 2019/2020: Attachment 1

## 1.4 Role of the NRDA

Within the context of the Nelson Tasman identity the NRDA is focusing on the following three main areas of activity for the 2018/19 year:

**Regional Identity Talent & Investment Attraction:** Establishing the future sustainable economic development aspirations of the region and inspiring others to share their Extraordinary Nelson Tasman talent and investment identity stories and experiences.

**Business Development and Innovation:** Inspiring and supporting existing and new businesses and business people to think differently, embrace new behaviours.

**Destination Management:** Inspiring the sharing and delivery of the Extraordinary Nelson Tasman identity visitor and talent stories and experiences.

These three areas of focus are built on a strong platform of public and private sector partnerships designed to build stakeholder engagement, achieve alignment, and drive NRDA's role in strategy execution.

## 1.5 Strategic Parameters

In preparing this Sol the NRDA board have considered the following Nelson Tasman economic context:

1. The region has sustained solid economic and population growth over the past few years.
2. Our biggest contributor to GDP growth over the last five years is added-value manufactured products and the associated supply chain, including science and technical services.
3. Our traditional primary base has grown substantially and is supporting significant growth in the manufacturing sector especially for food and beverage manufacturing and the ocean based 'blue economy'.
4. The visitor economy has undergone significant expansion in recent years and has helped to drive growth in retail and transport as well as in accommodation and hospitality.
5. Sustained population increase is driving the growth in our consumption industries – health care, rental and real estate, aged care and retail.
6. This five-year growth trend has now repositioned the region's main industries and employment picture. Although our primary industries are still the biggest employer this is only by a tiny margin with the added-value sector, dominated by food and beverage products and blue economy, employing more people than it has since before the Global Financial Crisis. Furthermore, the visitor sector is now a major employer.
7. Our five key economic drivers for the region are: value-add food and beverage, blue economy, forest and wood processing, visitor economy and the scientific and professional services, which although a niche industry, has expanded in recent years to become a key enabler for the above major primary sector drivers. These five sectors directly make up around 40% of the economy with a fair proportion of the other 60% of the economy related to servicing these drivers and the consumptive and support industries resulting from sustained population increase.
8. However, the region has two major challenges which are key considerations in the preparation of this Sol:
  - a. **Productivity growth** Productivity is one of our major challenges at \$74,588 per employee, which is approximately 24% lower than NZ at \$97,707. This is primarily because employment has grown faster than GDP in the region.
  - b. **Income levels** growth over the last five years has been on average 2.8% pa, similar to the national figure of 3% pa. However, this is still one of our major challenges with our mean annual earnings per employee of \$49,000 being approximately 15% lower than NZ at \$57,800.

## Item 8: Nelson Regional Development Agency - Statement of Expectation 2019/2020: Attachment 1

In addition, the NRDA board have considered the following key factors that will materially influence the changing nature of the NRDA business over the coming years:

1. Speed of consumer adoption of digital technology is disrupting the traditional destination marketing and i-SITE roles and models.
2. The opportunity presented by a new Government with an increasing focus on the regions and the incorporation of social and Iwi outcomes into their economic development agenda.
3. A consistent message from stakeholders that the attraction, retention and development of talent is an impediment to growth.
4. A consistent message from stakeholders who want to see the NRDA focus their activity on the larger regional economic development issues, requiring a balance to be struck between visitor related and other activity areas.
5. Reduced TDC level of financial support and the imbalance that presents to our funding model and influence on activity.
6. An increasing base of possible future partnerships.
7. The level of private sector support of the NRDA is increasing but so is expectation, especially from the visitor sector partners who are the primary private sector funder of our activity at present.
8. Increased Regional collaboration being encouraged by central Government and the business community.
9. Evolution of NRDA capability and capacity building.
10. Adopting an approach of focussing on activity areas where we can really make a difference.

The above set of considerations have led to the following key changes in the 2018/19 Sol when compared to the 2017/18 version:

1. The core focus on the NRDA facilitating and coordinating the understanding of the future sustainable economic development aspirations of the region within the identity framework. Then establishing an aligned multi-stakeholder approach to driving the transformational strategies required to achieve the desired outcomes. Including the attraction of the appropriate central Government resources.
2. An increased emphasis on the transition within the organisation from broadcast marketer to enabler, meaning a greater focus on creating regional platforms and channels which partners, consumers, locals and others can utilise as the regions ambassadors.
3. Stopping the current China business programme as it transitions to a private sector business.
4. Reducing activity to recognise the reduced TDC level of financial support and the imbalance that presents over the influence of the NRDA's activity.
5. Establishing the Nelson City Identity Story as the first place-based sub-set story of the regional identity.
6. Realigning the resources and activities of the NRDA to strike a balance between public and private sector funded visitor activity.
7. The establishment of new partner programmes focused around the talent aspects of the identity.
8. Additional focus on the Business Development and Innovation activity, as resources allow.
9. Transition to a new i-SITE business model that is fit for purpose for the future.
10. A more sales focused events programme contributing to addressing seasonality.

### 1.6 NRDA Directors

At 1st March 2018, the NRDA Board comprises the following directors:

- John Palmer – Chairperson
- Kevin Armstrong
- Martin Byrne
- Meg Matthews
- Marina Hirst-Tristram
- Alan Dunn



## 2 Areas of Activity and Key Performance Measures

This section identifies the activities that the NRDA will undertake and the key performance measures (KPM) that will be achieved based on the parameters in section 1.5 above and the expected base funding outlined in section 12 of the table below. Any shift in the shareholder base funding commitment will require a re-prioritisation of the deliverables and KPM's set out below. One of the key components of this activity table is the development of the future Nelson Tasman identity aspirations and the framework diagram in Appendix 4 provides an overview of the approach we will take.

The KPM in this section are based on those aspects that the NRDA has a span of control over and will form the basis of accountability to the shareholder. In addition to the performance measures below, Appendix 3 has a set of high-level regional monitoring indicators that the NRDA will monitor on a regular basis, however they are not the measure of performance for the organisation.

## 2.1 Current Core Business Areas of Activity and Key Performance Measures

| Focus Area   | Key Performance Measure   |
|--|---|
| 1. Nelson Tasman Identity Economic Development Aspirations         | <p>1.1 Nelson Tasman Economic Development Aspirations Strategy with key stakeholder sign-off from at least NCC, TDC, Nelson Tasman Chamber, NMIT, Iwi and MBE completed by January 2019.</p> <p>1.2 Attraction of appropriate resource commitments to drive priority NRDA actions by June 2019 and included in 19/20 Sol.</p> <p>1.3 Where resources allow, key NRDA priority actions underway by June 2019.</p> <p>1.4 Priority strategies carried through into the 'Top of the South' Te Tau Ihu Regional Economic Development Strategy.</p>                          |
| 2. Regional Identity Story shared by others                        | <p>2.1 Priority Regional Identity story sharing tools developed and utilised by over (1000) locals, businesses and partner organisations.</p> <p>2.2 Regional Identity Partner Programme established and at least (25) partners signed-up and making contributions to the delivery of the identity programme.</p> <p>2.3 A Nelson Tasman local ambassador programme established with initial priority activities completed.</p> <p>2.4 Delivery of the Nelson City Identity Story as the first place-based sub-set story of the regional identity by December 2018.</p> |
| 3. Talent Attraction   | <p>3.1 Regional Identity Talent attraction programme developed by Sept 2018, and initial priority activities completed with demonstrated key stakeholder commitment by June 2019.</p>   |
| 4. Regional Business Partner programme                             | <p>4.1 Ensure the delivery of the Regional Business Partner Programme with the aim of attracting \$1 million in Central Government support and a customer satisfaction Net promoter score of +50 by June 2019.</p>  |
| 5. Facilitate a cohesive business support and investment ecosystem | <p>5.1 Nelson Region Innovation and Investment Coordination Programme activated with evidence of key stakeholder commitment.</p>  |
| 6. Domestic consumer marketing programme                           | <p>5.2 Establishment of a physical co-location / collaboration innovation hub facility by December 2018.</p> <p>6.1 Two domestic consumer campaigns delivered targeted at attracting visitors over the Spring and Autumn shoulder seasons. Targeted at the markets of Auckland, Wellington and Christchurch.</p>  |
| 7. International visitor marketing programme                       | <p>6.2 Number (25) of business partner contribution commitments to delivery of programmes.</p> <p>7.1 Targeted Australia, US, UK, Europe and China FIT visitor trade programmes activated.</p> <p>7.2 Number (25) of business partner contribution commitments to delivery of programmes.</p>   |
| 8. Nelson i-SITE programme   | <p>Meet or exceed to following:</p> <p>8.1 Maintain a customer Satisfaction rating: (90% of 4/5 and 5/5 ratings).</p> <p>8.2 Implementing a revised business model to achieve a sustainable breakeven financial bottom-line.</p> <p>8.3 Number (50) of stakeholders with i-SITE contracts.</p>  |
| 9. Business Events Sales & Marketing                               | <p>9.1 Contributing to the attraction of 6,000 out of region business events delegates, at an average of three nights each (18,000 room nights), with 75% between March-November for events to take place within the next three years.</p> <p>9.2 Number (15) of business partner contribution commitments to delivery of programmes.</p>   |
| 10. Visitor Industry Partner programme                             | <p>10.1 Total Number (100) &amp; Value (\$300K) of business partner contribution commitments to delivery of the Destination Management programmes.</p>  |
| 11. NCC Economic Events programme                                  | <p>11.1 Within the NCC events strategy framework, contributing to the attraction of (TBD) major events attendees, (TBD) % from out of region, with 80% between March-November delivering a return on event fund investment ratio of 10:1.</p>   |
| 12. Financially sustainable organisation                           | <p>12.1 The NRDA delivers a balanced budget on the Shareholder investment of \$1.26 million adjustment base funding.</p> <p>12.2 NRDA delivers a clean Audit.</p>   |

### 3 Financial Information

A Prospective Statement of Comprehensive Income and Opening Statement of Financial Position is appended to this Sol (Appendix 1 and 2). This budget has been prepared based on a shareholder investment of \$1.26 million as included in the NCC 2018-21 Long Term Plan being provided to the NRDA to deliver on the expected outcomes. Note this shareholder investment is excluding the NCC events fund which is dealt with through a separate contract for services with NRDA.

#### **A. 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.

#### **B. 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 2017 is \$377,173.

The projected ratio of consolidated shareholder funds to total assets at 1 July 2017 is 48%.

Based on the nature of the NRDA's business the shareholder accepts no dividend is required to be paid to the shareholder as a result of the company's activities.

#### **C. Accounting Policies**

The NRDA Accounting Policies were adopted by the board in 2016 and were reviewed in 2017 by the company's accountant following the 2016/17 audit report and found to be complying with the Tier 2 Public Benefit Entity Public Sector ("Tier 2 PBE PS") Financial Reporting Framework and all audit requirements. A full set of the reviewed policies are available from the NRDA as required.

### 4 Health and Safety

The Nelson Regional Development Agency is committed to the provision of a healthy and safe working environment for employees and others that may be affected by its activities.

To deliver on this commitment the NRDA Board adopted the NRDA Health, Safety and Wellness Policy in 2016 and have instigated a review in December 2017, which is currently underway and will be incorporated in the final Sol. In addition to the statutory requirements the board have also instigated the inclusion of a number of Health, Safety and Wellness aspects into the NRDA Reward, Perform and Grow recognition framework, assisting to ensure that this is a key aspect of the NRDA culture and values.

The NRDA Management have proactively created a safe and healthy workplace by means of:

- Creating a culture that allows all staff and contractors to use their skills and knowledge to take personal ownership for health, safety and wellness in the workplace.
- Taking a personal interest in incidents within their area of influence, ensuring proper investigation and follow up, and the welfare of people involved.
- Ensuring a high priority to health, safety and wellness through its prominence in all business plans, projects, and the NRDA Reward, Perform and Grow recognition framework.
- Ensuring adequate resources and training are available to ensure the success of health, safety and wellness initiatives.

## Item 8: Nelson Regional Development Agency - Statement of Expectation 2019/2020: Attachment 1

- Including health, safety and wellness as an agenda item at any staff and management meetings as well as reporting on a regular basis to the Board of Directors.
- Inviting solutions to any health, safety and wellness issues from staff.
- In implementing this policy, the NRDA has established a Health, Safety and Wellness committee which meets regularly, the outcomes of which are reported to the Board.

### 5 Approach to Governance

Consistent with best practice, Directors are appointed under the expectation that in undertaking their role, they will exhibit and ensure to:

- Act as a Board of Governance for the organisation responsible for the overall direction and control of the company's activities, to act in the best interests of the NRDA, and not act as representatives of either their business or the sector they work in.
- Assist the organisation to ensure the activities of the NRDA deliver upon the Sol and funding agreements with the shareholder which are driven by the strategies and expectations of the two funding Councils.
- The Board will adopt governance practices and policies that are not inconsistent with those of the Shareholder and make the commitment to operate in a manner consistent with adherence to the Companies and Local Government Acts and the principles of the Institute of Directors of NZ and their four pillars of governance best practice for NZ Directors.
- Sound and sustainable business practice in commercial undertakings, operating as an efficient and effective business.
- Ethical and good behaviour in dealing with all parties in alignment with a policy of identifying and dealing with potential conflicts of interest.
- An active partnership with the Shareholder, funding partners and key stakeholders.
- The Chairperson and Board members are expected to adhere to the communication protocols identified in the Sol in addition to the formal reporting requirements.
- The practices of a good employer, operating a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment.
- The Board shall ensure that the Company has appropriate risk management procedures and policies in place to assist the smooth running of the organisation and compliance with all applicable legislation.
- The Board shall ensure that the Company has appropriate Health, Safety & Wellness procedures and policies in place to assist the safe running of the organisation and compliance with all applicable legislation.
- Act in a manner that will bring commercial disciplines and a greater ability to partner with the business community.
- The Company Constitution sets out in more detail the governance framework for the Company.

In accordance with best practice the Board Chair will regularly undertake an evaluation of the individual members and overall board performance.

### 6 Communication Protocols

The Chairperson, Board members and officers of the NRDA are expected to adhere to the following communication protocols with the Shareholder in addition to the formal reporting requirements:

- A "no-surprises" approach.
- Consultation with the Shareholder prior to external release of significant changes and/or developments.
- Early notification and collaboration on the management of risks and issues.
- Will not make comments that could impact detrimentally or bring into disrepute the Shareholders reputation.

## 7 Cybersecurity

NRDA manages the risk of cybersecurity through the engagement of two key external professional firms who provide regular monitoring, advice and support to the organisation on this matter:

1. Blueberry IT - through an IT services contract which includes managing the risk presented to the organisation from cyber related breaches. This includes regular advice around potential threats and steps to assist in managing those risks.
2. Hot House Creative - through a website focused service contract which includes managing the risk presented to the organisation's websites from Cybersecurity breaches. This includes regular advice around potential threats and steps to assist in managing the risk.

## 8 Sustainability

The NRDA has sustainability at the heart of the organisation's approach to all activity with our core purpose being to enhance the sustainable economic vitality of the Nelson Tasman Region. Sustainability is a core element that runs through all aspects of the Nelson Tasman identity. The organisation demonstrates this through:

1. Sustainability being a key theme of all our economic development strategy activity, noting that is about the triple bottom line sustainability. (Environment, Social and Economic).
2. The sustainability of the Nelson Tasman environment is a core component of all of the visitor marketing activity we deliver.
3. The NRDA as an organisation have recently signed-up to the national Tourism Industry Aotearoa Sustainability pledge, which has many obligations on us around meeting various sustainability requirements. We will also be running a series of sessions to encourage local visitor operators to join us in this commitment further strengthening the regions sustainability story.
4. Sustainability forms an important part of the way in which we present our view through formal submissions on matters of importance to the sustainable economic development community. Such as: Waimea Dam, Regional Land Transport, Te Waikoropupu Springs.
5. We also have a policy of considering sustainability issues when making decisions on events funding support.

## 9 Fair play and Gender Equality in Employment

Fair play in employment is a key component of the NRDA Reward Performance and Remuneration Policy. The core objective of the policy is to achieve a high performing team that executes the plans, exhibits the values of the organisation and demonstrates the capabilities required to deliver. While there are fair play components through-out the policy, the following three principles demonstrate this commitment best:

- Apply a remuneration system that is transparent, simple and easy to administer.
- Remunerate people fairly for their work at NRDA.
- Ensure there is internal relativity and pay staff in similar roles consistently, where there is similar performance and competency.

The NRDA has a clear policy that all roles are filled by the most capable person with no bias to gender, religion or sexuality. Currently the NRDA has a very diverse team, of the 22 individuals within the organisation (many part-time) we have 6 males and 16 females, from 11 countries and speaking 13 languages. Including seasonal staff.

## 10 Recovery Planning

While the NRDA does not have a dedicated organisational recovery plan, we do consider this aspect as part of our annual business planning. However, we are involved in the destination recovery planning, in particular through the i-SITE and key communications functions related to visitors in region. This has been further developed over the past

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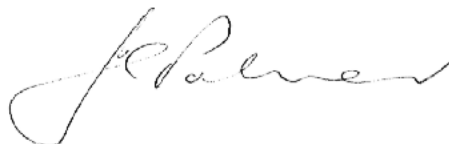
18 months as a result of the Kaikoura earthquake and some serious weather events. Over the period of the Sol we will look for opportunities to develop better integration of our functions with that of Civil Defence.

### 11 Reporting to the Shareholder

- Quarterly – NRDA report to Shareholder
  - By the 31 October and 31 January each year, the NRDA will provide the shareholder a quarterly report against the Sol Key Performance Measures and any other relevant governance or operational matters.
- Half Yearly – NRDA report to Shareholder
  - By the end of March each year, the NRDA will provide to the Shareholder a half-yearly report against the Sol Key Performance Measures and comply with the Local Government Act.
  - This report will contain unaudited financial information and comply with NZIAS 34.
- Annual – NRDA balance date is 30 June and the NRDA will provide an Annual report to the shareholder by the 30 September each year
  - The Annual report will report against the Sol Key Performance Measures and comply with sections 67, 68 and 69 of the Local Government Act and the Companies Act.
  - This report will include audited Financial Statements and comply with NZIAS 34.

It is also noted that the NRDA will provide regular reporting to TDC on a similar basis.

#### Signatories:



John Palmer  
Chairman  
Nelson Regional Development Agency



Mark Rawson  
Chief Executive  
Nelson Regional Development Agency

Date: 09.03.18

Date: 09.03.18

## 12 Appendices

### 12.1 Appendix 1: Statement of Comprehensive Income

#### Prospective Statement of Comprehensive Income

For the period 1 July 2017 to 30 June 2018

|   |                    |
|---|--------------------|
| <b>Revenue:</b>   |                    |
| Trading Income  | <b>\$271,713</b>   |
| Grants & Other Funding  | <b>\$443,000</b>   |
| Private Sector Investment   | <b>\$391,782</b>   |
| <b>Local Body Funding</b>   |                    |
| <i>Sol Shareholder Funding (NCC)</i>  | \$955,000          |
| <i>Sol Funding (TDC)</i>  | \$300,000          |
| <b>Total Local Body Funding</b>   | <b>\$1,255,000</b> |
| <b>Total Revenue</b>  | <b>\$2,361,495</b> |
| <b>Less Operating Expenses:</b>   |                    |
| Corporate   | \$1,203,306        |
| Regional Identity Talent & Investment Attraction<br><i>(Regional Strategy, Story, Tools, Talent attraction)</i>                     | \$120,000          |
| Destination Management<br><i>(Consumer marketing, Business Events marketing, International marketing, i-SITE, Events Programme)</i> | \$522,742          |
| Business Development<br><i>(Regional Business Partnership, Business Support, Insights)</i>  | \$409,625          |
| <b>Total Operating Expenses</b>   | <b>\$2,255,672</b> |
| <b>Operating Surplus (EBITDA)</b>   | <b>\$105,823</b>   |

12.2 Appendix 2: Statement of Financial Position

**Prospective Statement of Financial Position**

Opening Balance as at 1 July 2018

|                         |                  |
|-------------------------|------------------|
| Assets                  | <u>\$785,988</u> |
| Current Assets          | \$560,017        |
| Non-current Assets      | \$225,971        |
| Liabilities             | <u>\$408,815</u> |
| Current Liabilities     | \$408,815        |
| Non-current Liabilities | \$0              |
| <b>Net Assets</b>       | <b>\$377,173</b> |
| Equity                  |                  |
| Retained Earnings       | \$177,173        |
| Issued Capital          | \$200,000        |
| <b>Equity</b>           | <b>\$377,173</b> |



Item 8: Nelson Regional Development Agency - Statement of Expectation 2019/2020:  
Attachment 1

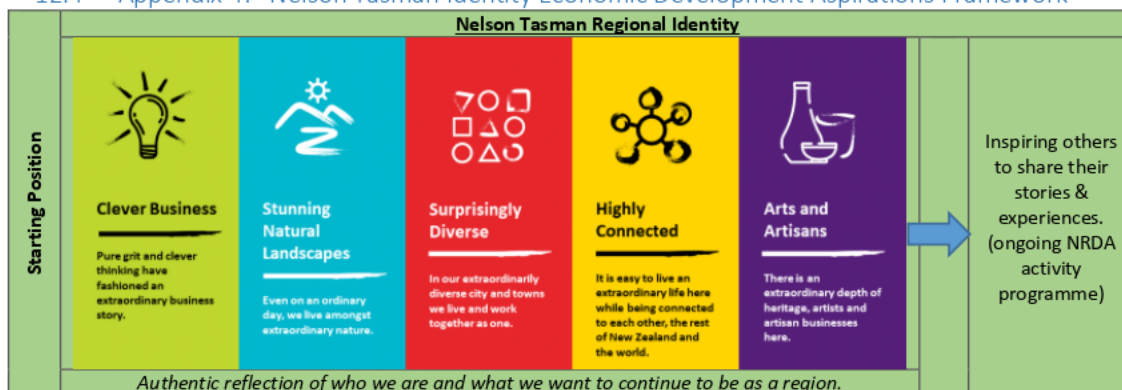
12.3 Appendix 3: Monitoring Indicator

These indicators reflect outcomes at the regional level and as the principle economic growth agency, the NRDA will monitor, report and where possible influence these indicators at a local level, however they are not the measure of performance for the organisation. These indicators reflect the core indicators in the Regional Economic Development Strategy and Visitor Strategy and are designed to indicate performance against historical trends.

|     | Measure   | 10-year average      | 2017<br>(12 months YE<br>December 2017<br>unless stated) | Target<br><i>In-line with or<br/>better than the 5-<br/>year average<br/>growth rate</i> |
|-----|---|----------------------|--|--|
| 1.  | Real GDP Growth (% change)<br><i>Data to March 2017</i>   | 1.9%                 | 3.2%   | >2.3%  |
| 2.  | GDP per Employee<br><i>Data to March 2017</i><br><i>Note: Nelson Tasman GDP / employee \$71,800, NZ \$94,599.</i>   | 0.9%                 | 1.1%   | >1.1%  |
| 3.  | Residential Consents (% change in numbers)<br><i>New building only, not altered, year to December 2017</i>  | 1%                   | -1%  | >1%  |
| 4.  | Non-Residential Consents (% change in value)<br><i>New building only, not altered, data to December 2017</i><br><b>NB Figures are skewed by one significant development</b>   | 9%                   | 20%  | >34%   |
| 5.  | Total Visitor Nights (% change in commercial accommodation monitor (CAM) numbers)<br><i>Data to December 2017</i>   | 2%                   | 4.3%   | >4.7%  |
| 6.  | Total annual visitor spend (% change in Regional Tourism Estimates (RTE's))<br><i>Data to January 2009 to 2018</i>  | 7%                   | 6%   | >7%  |
| 7.  | Net migration (International) (change in numbers)<br><i>Data to March 2017</i><br><i>Big uplift in figures for 2015-2017 compared to the previous 8 years, therefore the 3 year average is very different to the 10 year average.</i> | +71<br><i>People</i> | +48<br><i>People</i>                                     | >194<br><i>People</i>  |
| 9.  | Unemployment rate (%)<br><i>Data to December 2017</i><br><i>As percentage of the labour force. Uses 4-quarter averages due to seasonality.</i>  | 4.4%                 | 3%   | <4.4%  |
| 10. | Median earnings from employment<br><i>Data to 2016.</i><br><i>Note: Nelson Tasman earnings / employee \$49,000, NZ \$57,800</i>   | 3.4%                 | 2.5%   | >2.8%  |

Item 8: Nelson Regional Development Agency - Statement of Expectation 2019/2020: Attachment 1

12.4 Appendix 4: Nelson Tasman Identity Economic Development Aspirations Framework



| Nelson Tasman Identity Economic Development Aspirations<br>(within each pillar) (tie in with the other key regional aspirational work i.e. NCC Vision etc) |   | Proof Points         |              |
|--|---|----------------------|--------------|
| Strategy (2018/19 Sol – July-Dec 18)   | Focus on the core Economic Drivers and Enablers of the region (F&B, Blue economy, Visitor, Forest & WP, Research, Science & Technology, Others?)  | (to be validated)    |              |
|  | Major Regional Development Issues:<br>1. Skills and Talent (attraction, retention and development)<br>2. Local Government Alignment on the things that are the most important to the future of the economy: including (Urban Planning, Regulatory environment, Infrastructure, Funding)<br>a. Current priority infrastructure (Dam, Southern Link)<br>3. Pace of Change including the business community’s awareness and capacity to adapt and respond (Innovation & Disruptive technologies)<br>4. Visitor economy seasonality |                      |              |
|  | What needs to change?   |                      | Proof Points |
|  | What can the region influence?  |                      |              |
| Regional actions   | Proof Points  |                      |              |
| <b>Outcome:</b>  | <b>Nelson Tasman Sustainable Economic Development Aspirations Strategy</b>  | (example appendix X) |              |

| Clever Business – Aspiration Strategy |              |              |                 |                          |                                |                               |
|---------------------------------------|--------------|--------------|-----------------|--------------------------|--------------------------------|-------------------------------|
| Reg Dev Issue                         | F&B          | Blue Economy | Visitor Economy | Forest & Wood Processing | Research, Science & Technology |                               |
| 1. Skills & Talent                    | ↓            | ↓            | ↓               | ↓                        | ↓                              | Skills & Talent Strategy      |
| 2. Local Govt Alignment               | ↓            | ↓            | ↓               | ↓                        | ↓                              | Local Govt Alignment Strategy |
| 3. Pace of Change (Innovation)        | ↓            | ↓            | ↓               | ↓                        | ↓                              | Innovation Strategy           |
| 4. Visitor Seasonality                | ↓            | ↓            | ↓               | ↓                        | ↓                              | Seasonality Strategy          |
|                                       | F&B Strategy | BE Strategy  | Visitor Strat   | F&WP Strategy            | R,S & T Strategy               |                               |

*\* one for each pillar, combine into the overall strategy with priority on the aligned issues*

| Actions (2018/19 Sol – Jan- June 19) | Who (example) | Future NRDA Business Plan  | Transition  | Current NRDA Business Plan |
|--------------------------------------|---------------|--|---|----------------------------|
|                                      |               | <ul style="list-style-type: none"> <li>NRDA</li> <li>Business (incl Chamber)</li> <li>NCC</li> <li>TDC</li> <li>Govt (MBIE, MSD, MPI, DoC etc)</li> <li>NMIT</li> <li>Iwi</li> </ul> | (focused on the key NRDA related aspects of the above strategy) |                            |

**Key Performance Measures**

- Nelson Tasman Sustainable Economic Development Aspirations Strategy with key stakeholder sign-off from at least NCC, TDC, Nelson Tasman Chamber, NMIT and MBIE completed by Jan 2019.
- Attraction of appropriate resource commitments to drive priority NRDA actions by June 2019 and included in 19/20 Sol.
- Priority strategies carried through into the ‘Top of the South’ Te Tau Ihu Regional Economic Development Strategy.

## **Governance Committee Quarterly Report to 31 December 2018**

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### **1. Purpose of Report**

- 1.1 To inform the Committee of the financial and non-financial results for the second quarter for the activities under its delegated authority.
- 1.2 To highlight any material variations.

### **2. Recommendation**

***That the Governance Committee***

***Receives the report Governance Committee Quarterly Report to 31 December 2018 (R9849) and its attachments (A2124377, A2131712).***

### **3. Background**

- 3.1 Quarterly reports on performance are being provided to each Committee on the performance and delivery of projects and activities within their areas of responsibility.
- 3.2 The financial reporting focuses on the year to date performance (1 July to 31 December 2018) compared with the year-to-date (YTD) approved capital and operating budgets.
- 3.3 Unless otherwise indicated, all information is against approved operating budget, which is the 2018/19 Long Term Plan budget plus any carry forwards, plus or minus any other additions or changes as approved by the Committee or Council.
- 3.4 There are four projects that fall under the Governance Committee that are included as part of the quarterly reporting. These have been selected if their budget is at least \$250,000 for 2018/19, are multi-year projects with a budget over \$1 million, or have been assessed to be of particular interest to the Committee.

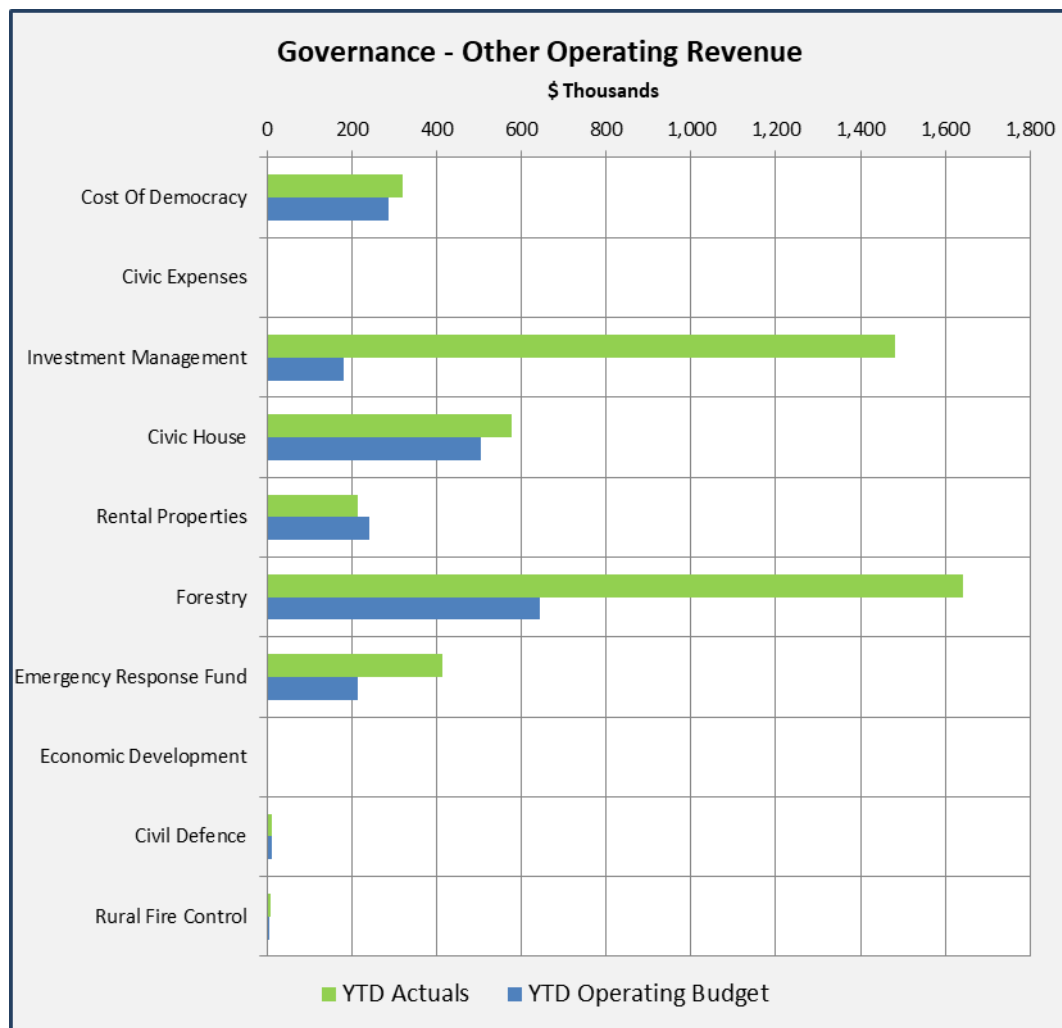
**4. Key developments for the three months to 31 December 2018**

- 4.1 The Annual Report 2017/18 was adopted on 25 October 2018 by Council. The summary Annual Report was prepared and both the summary Annual Report and full Annual Report were made available online and at libraries and the Customer Service Centre in November 2018.
- 4.2 The Annual Plan 2019/20 development is underway, with a Council workshop held on 4 and 5 December 2018. A further workshop is scheduled for February, with the consultation period in March/April 2019.
- 4.3 The 2018 Residents' Survey results were reported to the Governance Committee and made available online.
- 4.4 There were 38 meetings under the Local Government Official Information and Meetings Act 1987 (LGOIMA) for the October to December quarter.
- 4.5 There were 55 LGOIMA requests received between 1 October and 31 December 2018, and all but one were responded to within the statutory timeframe. This was due to attempts to clarify the scope of the request, delays from the requestor and an extension of the search. However the request for clarification fell outside the first seven days, so the original deadline was not met.
- 4.6 A Memorandum of Understanding was approved for Uniquely Nelson.
- 4.7 Council adopted the amended 2018 Policy for Setting the Remuneration for Directors of Nelson City Council's Council Controlled Trading Organisations.
- 4.8 Key developments for investment management, forestry and other sub-activities are covered in the financial results section of this report.

**5. Financial results**

- 5.1 Financial information is shown in charts below, with an explanation following.

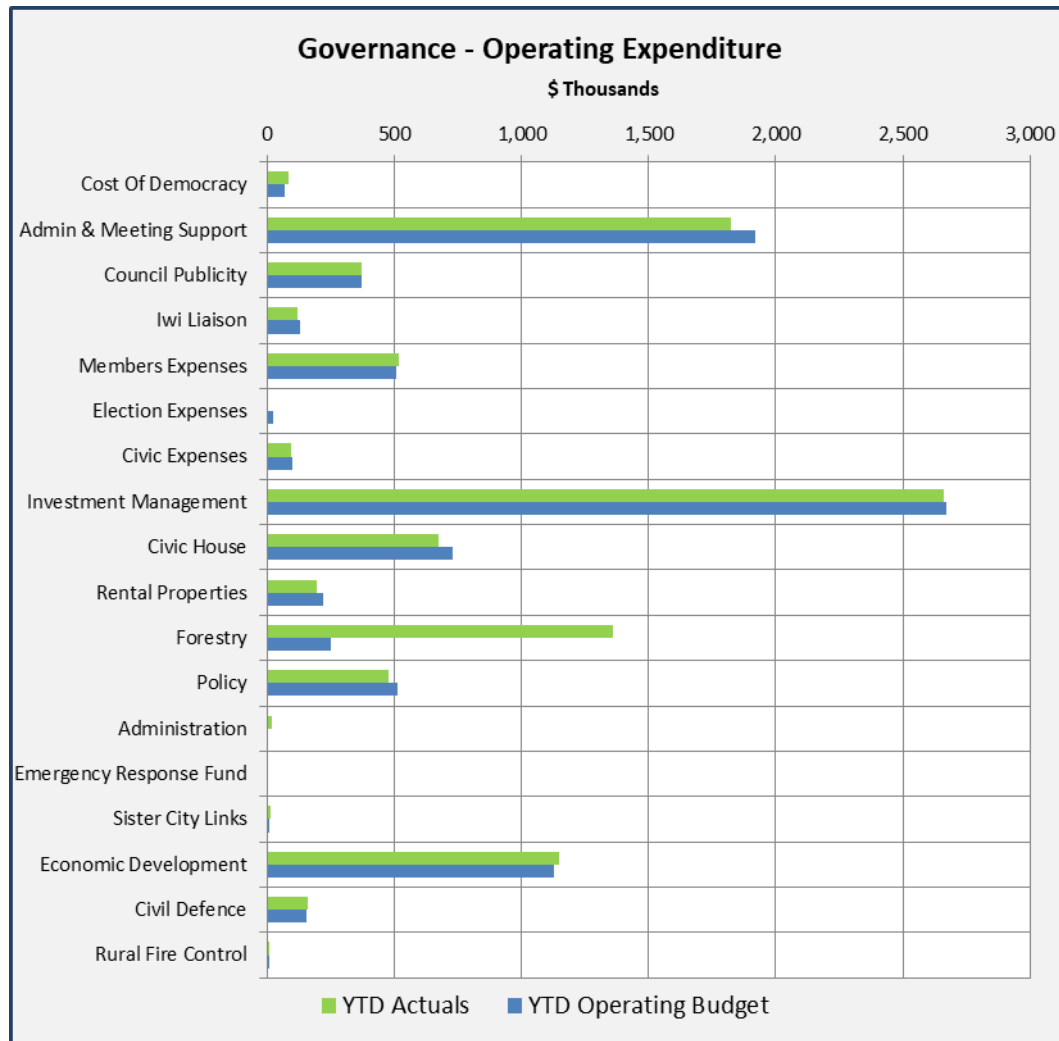
## Operating revenue



- 5.2 **Investment management greater than budget by \$1,300,000** – investment management received an unbudgeted special dividend from Port Nelson of \$750,000 plus the 2017/18 final dividend of \$375,000 from Nelson Airport which was budgeted to be recognised in the last financial year. Interest income on short term investments is also ahead of budget by \$214,000 as Council holds a \$15m deposit to offset the pre-funding of debt, which is maturing in 2019.
- 5.3 **Civic House greater than budget by \$71,000** – Civic House has recorded greater rent recoveries YTD than budgeted. These are internal recoveries so this will be offset by expenditure in other cost centres.
- 5.4 **Forestry greater than budget by \$1,000,000** – harvesting income is ahead of budget due to income being budgeted net of harvest expenses, but recorded as gross of expenses (see operating revenue graph). This higher revenue is offset by higher associated forestry expenditure (see operating expenditure budget graph). In regards to the current harvesting programme, the Roding Forest is currently being harvested (because of higher log prices) and although the Brook Valley and Maitai Forest harvests have been budgeted, this work has not yet commenced.

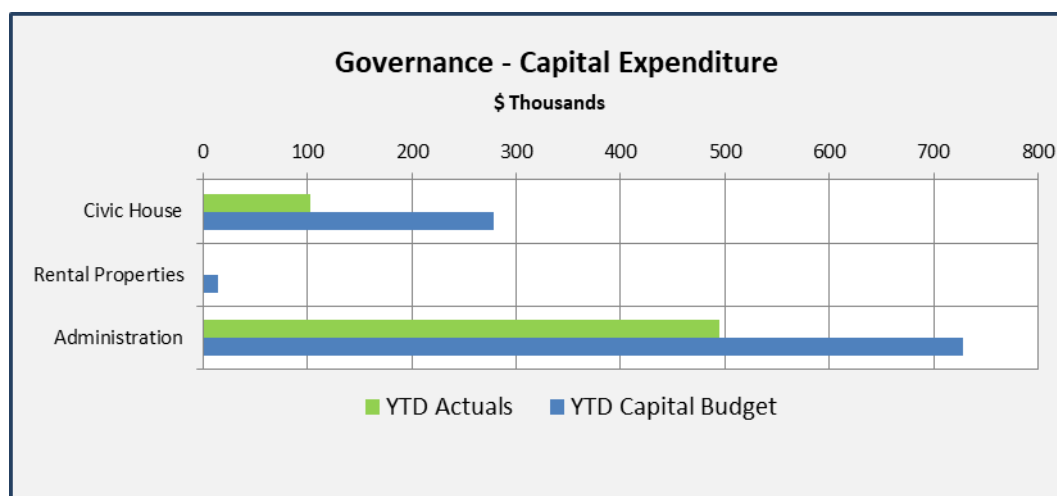
- 5.5 **Emergency Response Fund greater than budget \$202,000** – revenue includes an unbudgeted insurance refund for the February 2018 storm event of \$300,000, which is offset by decreased internal recoveries for infrastructure insurance of \$99,000 due to increased premiums.

**Operating expenditure**



- 5.6 **Admin & Meeting Support less than budget by \$96,000** – allocation of staff overhead costs are behind budget.
- 5.7 **Civic House less than budget by \$55,000** – the variance includes allocation of staff overhead costs of \$14,000 and depreciation of \$25,000. In addition, programmed building maintenance is behind budget by \$21,000 due to the seasonality of painting work.
- 5.8 **Forestry greater than budget by \$1,107,000** – harvest costs have been recorded against nil budgets, due to harvest income being budgeted net of expenses. This is offset by forestry income which is ahead of budget by \$1,000,000. In addition, post-operational clean-up costs at the Roding Forest have been higher than anticipated.

## Capital expenditure



- 5.9 There are four projects that fall under the Governance Committee that are included as part of the quarterly reporting. These have been selected if their budget is at least \$250,000 for 2018/19, are multi-year projects with a budget over \$1 million, or have been assessed to be of particular interest to the Committee.

## 6. Commentary on capital projects

- 6.1 There are three capital projects, within the Governance Committee delegations, that are included as part of the quarterly reporting. All of these are over \$250,000 for 2018/19.
- 6.2 Project status is analysed based on three factors; quality, time and budget. From the consideration of these three factors the project is summarised as being on track (green), some issues/risks (yellow), or major issues/risks (red). Projects that are within 5% of their budget are considered to be on track in regards to the budget factor.
- 6.3 Of those capital projects attached, all relate to Civic House improvements, and are red as they are on hold.

## 7. Commentary on operational projects

- 7.1 There is one non-capital project, within the Governance Committee delegations, that is included as part of the quarterly reporting. This project, the 2019/20 Annual Plan, has been selected for quarterly reporting as it makes an important contribution to Council's work programme. The project sheet is appended in Attachment 1.

## 8. Other notable achievements or issues

- 8.1 Credit rating agency, Standard and Poor's, has affirmed Nelson's very good AA long-term and A-1+ short-term credit ratings, and given a stable outlook for Council. The stable credit rating outlook reflects

## Item 9: Governance Committee Quarterly Report to 31 December 2018

Standard and Poor's expectation that although Council will record small after-capital-account deficits during the next few years as it rolls out a larger infrastructure programme, Nelson's debt burden should remain moderate.

### 9. Key Performance Measures

9.1 As part of the development of the Long Term Plan 2018-28 Council approved levels of service, performance measures and targets for each activity. There are 10 performance measures that are within the Governance Committee's delegations.

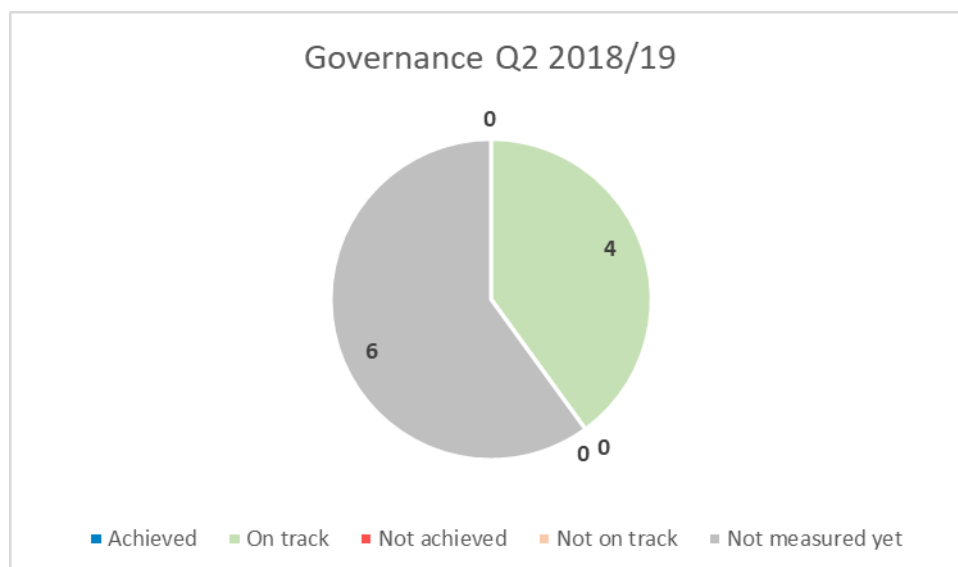
9.2 Final results for each measure will be reported on through the Annual Report 2018/19, however this report includes an indication of progress for those measures where an assessment of current performance is available at this stage.

9.3 A number of performance measures cannot be reported on until the end of the financial year, accordingly the scale to report on the performance measures is as follows:

- On track
- Not on track
- Achieved
- Not achieved
- Not measured yet

9.4 Attachment 2 lists all performance measures within the Governance Committee delegations, their status and commentary for the quarter.

### 10. Quarterly Review of Performance Measures





## Item 9: Governance Committee Quarterly Report to 31 December 2018

- 10.1 Four of the ten measures were on target as at the end of the second quarter of 2018/19.
- 10.2 The results of six measures cannot be reported on yet. Some of this data comes with a time lag, while data on events has not been provided for quarter two, but it is expected this will be available for future quarterly reports.

### **11. Conclusion**

- 11.1 The review of performance for the second quarter for the Governance Committee is included in this report, with project sheets and performance measure updates attached.

**Author: Nicky McDonald, Group Manager Strategy and Communications**

### **Attachments**

- Attachment 1: A2124377 - Governance - Quarterly Report project sheets - Quarter 2 - Jan2019 [↓](#)
- Attachment 2: A2131712 -Performance Measurement Summary for Governance Committee Q2 - 7Mar2019 [↓](#)

|  |                |                |                |                          |
|--|----------------|----------------|----------------|--------------------------|
| <b>Civic House Floor 1 upgrade</b>   |                |                |                | <b>1195</b>              |
| Civic House floor one refurbishment  |                |                |                |                          |
| <b>Overall Health</b>  |                | <b>Quality</b> | <b>Time</b>    | <b>Budget</b>            |
|  |                |                |                |                          |
| <b>Project Update (work completed, in progress, scheduled)</b>                       |                |                |                |                          |
| No progress in quarter, project put on hold  |                |                |                |                          |
| <b>Project Risks</b>   |                |                |                |                          |
| 1. Due to delays in project, refurbishment unlikely to occur in this financial year. |                |                |                |                          |
| <b>Project Issues</b>  |                |                |                |                          |
| No concerning issues to report.  |                |                |                |                          |
| <b>Budget</b>  |                |                |                |                          |
| <b>2013/14 to 2017/18 Actuals</b>  |                |                |                | 190,381                  |
|  | <b>2018/19</b> | <b>2019/20</b> | <b>2020/28</b> | <b>Total<br/>2018/28</b> |
| Initial LTP Budget   | 588,000        | -              | -              | 588,000                  |
| Carry-forwards   | (24,145)       |                |                | (24,145)                 |
| Amendments   | (0)            | -              | -              | (0)                      |
| <b>Total Budget (2018-28)</b>  | 563,855        | -              | -              | 563,855                  |
| Actual Spend   | 28,412         |                |                |                          |
| <b>Full Year Forecast</b>  | 100,000        | 800,000        | -              | 900,000                  |

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|  |                |                |                |                          |
|--|----------------|----------------|----------------|--------------------------|
| <b>Aircon for Civic House</b>  |                |                |                | <b>1197</b>              |
| Install aircon on 4th floor and Ventilation for all Civic House.   |                |                |                |                          |
| <b>Overall Health</b>  |                | <b>Quality</b> | <b>Time</b>    | <b>Budget</b>            |
|  |                |                |                |                          |
| <b>Project Update (work completed, in progress, scheduled)</b>   |                |                |                |                          |
| No progress in quarter, project put on hold while staff accommodation options have been confirmed. Budget of \$300K has been moved to 2019/20. |                |                |                |                          |
| <b>Project Risks</b>   |                |                |                |                          |
| No concerning risks to report.   |                |                |                |                          |
| <b>Project Issues</b>  |                |                |                |                          |
| No concerning issues to report   |                |                |                |                          |
| <b>Budget</b>  |                |                |                |                          |
| <b>2013/14 to 2017/18 Actuals</b>  |                |                |                | 167,334                  |
|  | <b>2018/19</b> | <b>2019/20</b> | <b>2020/28</b> | <b>Total<br/>2018/28</b> |
| Initial LTP Budget   | 395,000        | 255,500        | 620,731        | 1,271,231                |
| Carry-forwards   | -              |                |                | -                        |
| Amendments   | -              | -              | -              | -                        |
| <b>Total Budget (2018-28)</b>  | 395,000        | 255,500        | 620,731        | 1,271,231                |
| Actual Spend   | -              |                |                |                          |
| <b>Full Year Forecast</b>  | 95,000         | 400,000        | 620,731        | 1,115,731                |

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|   |                |                |                |                          |
|---|----------------|----------------|----------------|--------------------------|
| <b>Civic House Capital Programme</b>  |                |                |                | <b>1198</b>              |
| Miscellaneous renewals and upgrades - furniture, plant & equipment, minor modifications, etc - develop detailed plan annually |                |                |                |                          |
| <b>Overall Health</b>   |                | <b>Quality</b> | <b>Time</b>    | <b>Budget</b>            |
|   |                |                |                |                          |
| <b>Project Update (work completed, in progress, scheduled)</b>  |                |                |                |                          |
| Year 1 programme is continuing but year 2-10 is currently on hold.  |                |                |                |                          |
| <b>Project Risks</b>  |                |                |                |                          |
| Year 1 programme is continuing but year 2-10 is currently on hold.  |                |                |                |                          |
| <b>Project Issues</b>   |                |                |                |                          |
| No concerning issues to report.   |                |                |                |                          |
| <b>Budget</b>   |                |                |                |                          |
| <b>2017/18 Actuals</b>  |                |                |                | 80,416                   |
|   | <b>2018/19</b> | <b>2019/20</b> | <b>2020/28</b> | <b>Total<br/>2018/28</b> |
| Initial LTP Budget  | 252,000        | 1,371,524      | 2,706,428      | 4,329,952                |
| Carry-forwards  | -              |                |                | -                        |
| Amendments  | 7,125          | -              | -              | 7,125                    |
| <b>Total Budget (2018-28)</b>   | 259,125        | 1,371,524      | 2,706,428      | 4,337,077                |
| Actual Spend  | 68,278         |                |                |                          |
| <b>Full Year Forecast</b>   | 152,000        | 166,132        | 2,706,428      | 3,024,560                |

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|  |                |             |               |
|--|----------------|-------------|---------------|
| <b>Annual Plan 2019/20</b>   |                |             | <b>1361</b>   |
| Preparation of a Draft Annual Plan 2019/20 and Consultation Document for the 2019/20 financial year and appropriate consultation before Council adopts the final Annual Plan by 1 July 2019. |                |             |               |
| <b>Overall Health</b>  | <b>Quality</b> | <b>Time</b> | <b>Budget</b> |
|  |                |             |               |

|   |
|---|
| <b>Project Update (work completed, in progress, scheduled)</b>  |
| Staff have reviewed 2019/20 budgets, expenditure occurs in the second half of the financial year. A Council workshop was held in December and a second workshop is scheduled in February.                 |
| <b>Project Risks</b>  |
| No concerning risks to report. There is expected to be a number of consultations occurring at the same time as the Annual Plan, which means that our communication of key messages will need to be clear. |
| <b>Project Issues</b>   |
| No concerning issues to report. Work is underway  |

|                               |                                   |                |                |                          |
|-------------------------------|-----------------------------------|----------------|----------------|--------------------------|
| <b>Budget</b>                 |                                   |                |                |                          |
|                               | <b>2013/14 to 2017/18 Actuals</b> |                |                | N/A                      |
|                               | <b>2018/19</b>                    | <b>2019/20</b> | <b>2020/28</b> | <b>Total<br/>2018/28</b> |
| Initial LTP Budget            | 17,890                            | -              | -              | 17,890                   |
| Carry-forwards                | -                                 |                |                | -                        |
| Amendments                    | -                                 | -              | -              | -                        |
| <b>Total Budget (2018-28)</b> | <b>17,890</b>                     | <b>-</b>       | <b>-</b>       | <b>17,890</b>            |
| Actual Spend                  | -                                 |                |                |                          |
| <b>Full Year Forecast</b>     | <b>17,890</b>                     | <b>-</b>       | <b>-</b>       | <b>17,890</b>            |

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Item 9: Governance Committee Quarterly Report to 31 December 2018: Attachment 2

| Committee responsible | Activity  | Number | What Council will provide   | Performance measures  | Targets   | Further information |                        |                        |                      |                             | Quarter 1 result | Quarter 2 comment  | Quarter 2 result |
|-----------------------|-----------|--------|---|---|---|---------------------|------------------------|------------------------|----------------------|-----------------------------|------------------|--|------------------|
|                       |           |        |   |   | Year 1 (2018/19)  | Mandatory           | Person responsible for | Person responsible for | Monitoring frequency | Monitoring process          |                  |  |                  |
| Governance            | Economic  | 10.01  | Overview of a healthy local economy   | GDP measured as three year average  | Percentage increase in GDP per annum at least equal to or better than the national average                  | No                  | Chris Pawson           | Chris Pawson (NRDA)    | Annually             | Stats NZ data               | Not measured yet | The next regional GDP data release will be in March 2019.  | Not measured yet |
| Governance            | Economic  | 10.02  | Strategic overview of economic development for the benefit of the community                                 | Value of tourism (total spend) annually in Nelson city  | Increase the annual value of tourism spend in Nelson from previous year                                     | No                  | Chris Pawson           | Chris Pawson (NRDA)    | Annually             | Stats NZ data               | Not measured yet | The latest data available is for the year ending October 2018. The spend for the year to October 2018 was \$365M compared to \$348M in the previous year   | On track         |
| Governance            | Economic  | 10.03  | Measures that contribute to the vitality and attractiveness of the Nelson CBD                               | Total annual spending in the Nelson CBD   | Total annual spending in the Nelson CBD is greater than or equal to previous annual spend.                  | No                  | Chris Pawson           | Chris Pawson           | Quarterly report     | Quarterly report received.  | Not measured yet | The latest data available is for the October - December 2018 quarter. The spend for the year to December 2018 was \$199.5M.  | On track         |
| Governance            | Economic  | 10.04  | Events funding that provides a sound return on investment for Nelson  | Return on investment measured by number of out of town visitors attending major events  | Number of out of town visitors attending major events greater or equal to previous three year average.      | No                  | Chris Pawson           | Chris Pawson (NRDA)    |                      | Stats NZ data               | Not measured yet | Information is not available for quarter 2 reporting   | Not measured yet |
| Governance            | Economic  | 10.05  |   |   | At least 80% of those visits are in the months of March to November.  | No                  | Chris Pawson           | Chris Pawson (NRDA)    |                      | Stats NZ data               | Not measured yet | Information is not available for quarter 2 reporting   | Not measured yet |
| Governance            | Corporate | 11.01  | Effective engagement and consultation   | % residents satisfied or very satisfied with opportunities to provide feedback, by survey                                     | Annual improvement in the % of residents satisfied or very satisfied with opportunities to provide feedback | No                  | Paul Shattock          | Jane Loughnan          | Annually             | Residents Survey            | Not measured yet | Residents' Survey results due in Q4. Development of Communications and Engagement Strategy underway. Recruitment for Engagement specialist begins Q3.  | Not measured yet |
| Governance            | Corporate | 11.02  | Council Controlled Organisations (CCOs) that deliver net benefit to the community                           | Council satisfaction with attainment of six monthly CCO targets for all SOIs - refer to CCO section for measures for each CCO | Council receives six monthly reports from all CCOs and is satisfied with attainment of targets              | No                  | Nikki Harrison         | Nikki Harrison         | 6-monthly and annual | Receive reports for Council | Not measured yet | Six monthly reports for CCO's are due to be received on the 28 February. They will then be reported to either the Governance Committee (if NCC 100% owned) or Joint Shareholders Committee if jointly owned. | On track         |
| Governance            | Corporate | 11.03  | Promotion of Te Tau Ihu Māori/iwi participation in decision-making processes                                | Strategic framework established for Chairs of Te Waka a Maui to work with mayors across Te Tau Ihu                            | Collaboration between iwi and councils on development of a strategic framework                              | No                  | Pania Lee              | Pania Lee              |                      |                             | On track         | Nelson City Council and Iwi Leaders will meet again at least twice in 2019. The Iwi-Council Advisory Group will meet quarterly in 2019   | On track         |
| Governance            | Corporate | 11.04  | Effective Civil Defence Emergency Management (CDEM) response via regional Emergency Operations Centre (EOC) | Ability to operate an effective Emergency Operations Centre: % EOC roles staffed and EOC meets Ministry CDEM requirements     | 95% of EOC management and group roles staffed   | No                  | Joe Kennedy            | Becky Marsay           |                      |                             | On track         | The EOC management and group roles are currently staffed and are always staffed in an emergency.   | On track         |
| Governance            | Corporate | 11.05  |   |   | EOC meets Ministry of CDEM monitoring and evaluation requirements   | No                  | Joe Kennedy            | Becky Marsay           |                      |                             | On track         | EOC met MCDEM requirements at previous review  | On track         |