

OPEN

MINUTE ITEM

ATTACHMENTS

**Ordinary meeting of the
Governance Committee**

**Thursday 5 September 2019
Commencing at 9.00a.m.
Council Chamber**

Civic House

110 Trafalgar Street, Nelson

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Thank you Ian for giving us the opportunity to speak to the Governance Committee today and at this time. I am Bruce Dyer and I manage the Nelson Enterprise Loan Trust (NELT). With me is Peter Rigg who I'm sure many of you will know. He has been a NELT trustee since 2005.

As I will outline shortly NELT would like Council to consider supporting a fund-raising exercise it is undertaking with the support of the **Nelson Tasman Chamber of Commerce** to strengthen NELT's equity.

NELT has been operating since 1997 making loans of up to \$20,000 to small ethical businesses in the Nelson and Tasman regions. To my knowledge Nelson and Christchurch are the only centres in New Zealand where loans to small businesses are available through not-for-profit organisations. Significantly the businesses we loan to include those unable to get bank finance.

NELT's loan pool funding and administration support since 1997 has come from the following:

McKee Foundation
Community Organisation Grants Scheme
Nelson Building Society - \$22,500
Tasman District Council - \$25,153
Other donations
Income other than interest
Network Tasman
Tindall Foundation
Canterbury Community Trust/Rata Foundation
Department of Work and Income
Community Employment Group
Ministry of Economic Development

Support from the Nelson City Council has come by way of an interest-free loan as noted in the Council's Long Term Plan 2015-2025. NELT has had an interest-free loan from the Council since 2002. It currently stands at \$50,000.

A2260251 Bruce Dyer, Nelson Enterprise Loan Trust
Public Forum, Governance Committee
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Item 7: Public Forum: Attachment 1

For the 10 years from 2006 to 2016 NELT generated income to cover around 80% of its expenses. The balance has come from donations. Since 2012 it has also come from depleting NELT's equity. The Rata Foundation stopped providing funding support in 2017 which aggravated our position.

NELT is at a cross roads. A meeting in January attended by Councillor Barker along with Tim King of the TDC, Hon Damien O'Connor and Ian Kearney of the Nelson Tasman Business Trust considered NELT's options in light of its unsustainable business plan.

The options considered included

1. Reducing overheads to reach a breakeven point
2. Seeking to be taken over by another organisation that was also focussed on providing support to small business in the Nelson and Tasman regions.
3. Repaying investors and taking up the option of the Nelson Building Society absorbing NELT's loan portfolio.

We have chosen Option 1 - to reduce our overheads. This has included

- shifting the office to my home
- taking a cut in my salary
- upgrading NELT's website

Successfully pursuing this option would increase the chance of NELT being taken over by another local organisation that was also focussed on providing support to small business in the wider region.

In providing loans to small businesses that struggle to get bank finance, NELT fills a gap in the market. Trustees are keen to continue providing this service. With this in mind we are undertaking a fund-raising exercise with the support of **Nelson Tasman Chamber of Commerce** to strengthen NELT's equity position. The objective of the exercise is for NELT to raise \$20,000 - \$25,000.

The question we would like Council to consider is whether you would be prepared to match the funds raised on a dollar-for-dollar basis.

I have attached letters showing early indications of support from **Ali Boswijk** CEO of **Nelson Tasman Chamber of Commerce** and **Pic of Pic's Peanut Butter**.

Bruce Dyer
Manager Nelson Enterprise Loan Trust
www.nelt.org.nz

A2260251 Bruce Dyer, Nelson Enterprise Loan Trust
Public Forum, Governance Committee
5 September 2019



03.09.2019

To whom it may concern,

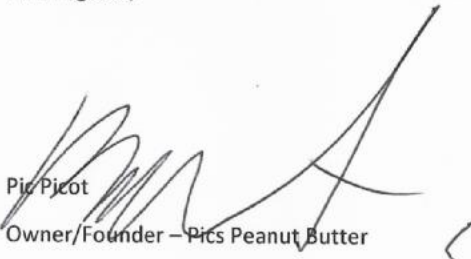
I am writing in support of the funding application being made by the Nelson Enterprise Loan Trust (NELT).

To help entrepreneurs involved in producing food and beverages achieve their goals, we are creating a food factory at our Saxton Rd premises. By provided loans to small businesses in the Nelson and Tasman regions, we see the Nelson Enterprise Loan Trust as supportive of this development.

As an alternative lending organisation, NELT provides an important service to small businesses in the region especially those that are unable to get institutional or investor funding at their inception.

In order to strengthen its equity levels, I understand NELT intends asking the Nelson City Council to match its fund-raising project on a dollar-for-dollar basis. I have been pleased to provide \$1,500 towards NELT's fundraising efforts and trust the council will see fit to at least match the communities efforts in making this fund a driver of growth and enterprise in the region.

Kind regards,


Pic Picot
Owner/Founder - Pics Peanut Butter

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A2260251 Bruce Dyer, Nelson Enterprise Loan Trust
Public Forum, Governance Committee
5 September 2019



1st August 2019

To Whom it May Concern,

I am writing in support of the funding application being made by the Nelson Enterprise Loans Trust (NELT). The Nelson Tasman Chamber of Commerce is a not-for-profit membership organisation that has been supporting businesses and commercial activity in the region since 1858. We are affiliated to the NZ Chamber of Commerce which is part of the International Chamber of Commerce network. A key purpose of the Nelson Tasman Chamber of Commerce is help create the best commercial environment in which businesses can achieve their goals.

The majority of businesses in the Nelson Tasman region are small to medium size enterprises or SMEs, in fact over 90%, employ less than ten people with many of these being start-ups. It is important for the health of the business sector that financial support is available to assist all types of business and at the various stages of development. Some of the most successful organisations would not have been able to attract institutional or investor funding at their inception. As an alternative lending organisation NELT provides an important service to small businesses in the region.

If you would like any clarification or additional information regarding this letter of support, please do not hesitate to contact me.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Ali Boswijk".

Ali Boswijk

Chief Executive Officer

021 195 3654

ali@commerce.org.nz

CORNERSTONE PARTNERS:



A2260251 Bruce Dyer, Nelson Enterprise Loan Trust
Public Forum, Governance Committee
5 September 2019



Providing loans to small ethical business in the Nelson & Tasman regions since 1997.

TRUSTEES:

- Glenys Maclellan (Chair since inception)
- Peter Rigg
- Linda Liddicoat
- Johnathan Magrane
- Ian Kircher

A2260243

www.nelt.org.nz



Chaitanya's yoga studio



Vikki & Tejas of East St Cafe



Willow Floral design



Michel D'Hondt - condiments

