



AGENDA

**Ordinary meeting of the
Nelson City Council**

**Governance and
Policy and Planning**

**Tuesday 23 April 2013
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership:

His Worship the Mayor Aldo Miccio, Councillors Ian Barker, Ali Boswijk (Deputy Mayor), Gail Collingwood, Ruth Copeland (Governance Co-Portfolio Holder), Eric Davy, Kate Fulton (Policy and Planning Co-Portfolio Holder), Paul Matheson, Jeff Rackley, Pete Rainey, Rachel Reese, Derek Shaw (Governance Co-Portfolio Holder) and Mike Ward (Policy and Planning Co-Portfolio Holder)

23 April 2013

1491830

Page No.

Opening Prayer

Apologies

1. Interests

- 1.1 Updates to the Interests Register
- 1.2 Identify any conflicts of interest in the agenda

2. Confirmation of Order of Business

3. Public Forum

- 3.1 Tim Gladstone

Mr Gladstone will speak about the proposed pedestrian refuge on Rocks Road at Days Track.

4. Mayor's Report

GOVERNANCE ITEMS

During this part of the meeting His Worship the Mayor will be joined by the Governance Co-Portfolio Holder, Councillor Shaw.

5. Confirmation of Minutes

- 5.1 Council – Governance - 12 March 2013

15-27

Document number 1474549

Recommendation

THAT the minutes of the meeting of the Nelson City Council - Governance, held on 12 March 2013, be confirmed as a true and correct record.

- 5.2 Council – to Approve the draft Annual Plan 2013/14 for Public Consultation – 21 March 2013 **28-30**

Document number 1480846

Recommendation

THAT the minutes of the meeting of the Nelson City Council – to Approve the draft Annual Plan 2013/14 for Public Consultation, held on 21 March 2013, be confirmed as a true and correct record.

- 6. Status Report - Governance **31****

Document number 1034743 v8

Recommendation

THAT the Status Report - Governance (1034743 v8) be received.

- 7. Portfolio Holder's Report**

- 8. Nelson Regional Economic Development Agency Statement of Intent and Half Yearly Report 2013 **32-70****

Document number 1482286

Recommendation

THAT the Nelson Regional Economic Development Agency Statement of Intent 2013/14 be approved for signing subject to minor edits;

AND THAT the Nelson Regional Economic Development Agency half yearly report for the period ending 31 December 2012 be received.

Note: Paul Dalzell, Chairperson of the Board, and Bill Findlater, Chief Executive, will be in attendance for this item.

- 9. The Bishop Suter Trust Statement of Intent and Half Yearly Report **71-118****

Document number 1482282

Recommendation

THAT the Bishop Suter Trust Statement of Intent 2013/14 be approved for signing;

AND THAT the Bishop Suter Trust half yearly report for the period ending 31 December 2012 be received.

Note: Craig Potton, Chairperson of the Board, and Julie Catchpole, Director, will be in attendance for this item.

10. Trans-Pacific Partnership Agreement – Submissions made to the Nelson 2060 Consultation 119-125

Document number 1493677

11. Building Act 2004: Delegation to Approve or Withdraw Independently Qualified Persons 126-130

Document number 1486430

Recommendation

THAT the Council delegates the authority to approve or withdraw registration of Independently Qualified Persons under the Building Act 2004 to the following officers:

- ***Executive Manager Regulatory; and***
- ***Manager Building.***

12. Council Communications 131-163

Document number 1469016

Recommendation

THAT the Elected Members Code of Conduct is used to provide guidance to Councillors on appropriate communications;

AND THAT at the time of the next review, the Elected Members Code of Conduct be updated to reflect the additions outlined in this report (1469016) that will give additional effect to the relevant principles of the Office of the Auditor General's 'Good Practice for Managing Public Communications by Local Authorities'.

13. Schedule of Documents Sealed: 1 November 2012-28 March 2013 **164-167**

Document number 1472060

Recommendation

THAT the Schedule of Documents Sealed: 1 November 2012-28 March 2013, be received.

14. Council Attendance Register 1 July 2012 to 31 March 2013 **168-169**

Document number 1483276

Recommendation

THAT the Council Attendance Register 1 July 2012 to 31 March 2013, be received.

REPORTS FROM COMMITTEES

15. Audit, Risk and Finance Committee – 19 March 2013 **170-173**

Document number 1477687

Recommendation

THAT the minutes of the meeting of the Nelson City Council – Audit, Risk and Finance Committee, held on 19 March 2013, be received.

15.1 Review of Financial Reserves

Recommendation to Council

THAT the funds held in the following reserves or on behalf of the following trusts be transferred to the activity that they relate to as set out in document 1452534:

- ***New Book Reserve***
- ***City Library Donations Reserve***
- ***Children’s Library Donations Reserve***
- ***Stoke Library Donations Reserve***
- ***Nightingale Donations Reserve***
- ***Marsden Valley Cemetery Maintenance Trust***
- ***Wakapuaka Cemetery Maintenance Trust***

- ***Cafe Asset/Civic House Reserve***
- ***Festival Reserve***
- ***Loan Repayment Reserve***
- ***Tahunanui Dunes Restoration***
- ***Aldinga Park Donation Fund***
- ***Maitai Valley Trust***
- ***Kain Bequest***
- ***RB Jackson Bequest***
- ***FM Knight Bequest***
- ***Millar Bequest***
- ***Good Driving Incentive Reserve***
- ***Marsden Recreation Trust;***

AND THAT the Plunket Land Sale Fund be used to fund the new toilet development on the 1903 site;

AND THAT the balance of the Hamilton and Jean Rudman bequests be transferred to the City of Nelson Civic Trust on trust and the income to be used for beautifying the city;

AND THAT the Walker bequest be used to fund outdoor seating at the Stoke Community housing complexes with the balance being transferred to the Play Facilities activity;

AND THAT the Bartell Bequest and the Tui Endowment Trust be combined as the Nelson Institute Fund Reserve with the income to be transferred to the Library activity.

Note: Document 1452534 referred to above was previously circulated as part of the agenda for the Audit, Risk and Finance Committee 19 March 2013. It is also available in the document 'Governance - Supplementary Documents 23 April 2013' circulated separately.

16. Joint Shareholders Committee – 5 April 2013 174-180

Document number 1488174

Recommendation

THAT the unconfirmed minutes of the meeting of the Nelson City Council/Tasman District Council Joint Shareholders Committee, held on 5 April 2013, be received.

- 16.1 Nelson Regional Sewerage Annual Report 2011/12 and Business Plan 2013/14

Recommendation to Council

THAT the Nelson Regional Sewerage Business Unit Annual Report 2011/12 (1448078) be received;

AND THAT the Nelson Regional Sewerage Business Unit Business Plan 2013/14 (1464617) be adopted.

- 16.2 Tasman Bays Heritage Trust Draft Statement of Intent and Half Yearly Report 2013/14

Recommendation to Council

THAT the Tasman Bays Heritage Trust Half Yearly Report to 31 December 2012 be received;

AND THAT the Tasman Bays Heritage Trust Statement of Intent and Strategic Plan 2013/14 (noting the amendment) be approved for signing.

Note: The documents referred to above were previously circulated as part of the agenda for the Joint Shareholders Committee 5 April 2013. They are also available in the document 'Governance - Supplementary Documents 23 April 2013' circulated separately.

**17. Civil Defence Emergency Management Group –
5 April 2013**

181-182

Document number 1488471

Recommendation

THAT the unconfirmed minutes of the meeting of the Nelson City Council/Tasman District Council Civil Defence Emergency Management Group, held on 5 April 2013, be received

POLICY AND PLANNING ITEMS

During this part of the meeting the Mayor will be joined by the Policy and Planning Co-Portfolio Holder, Councillor Ward.

18. Confirmation of Minutes – 14 March 2013

183-189

Document number 1477258

Recommendation

THAT the minutes of the meeting of the Nelson City Council – Policy and Planning, held on 14 March 2013, be confirmed as a true and correct record.

19. Status Report – Policy and Planning 190-194

Document number 1034725 v9

Recommendation

THAT the Status Report – Policy and Planning (1034725 v9) be received.

20. Portfolio Holder’s Report

21. Scoping of Trading in Public Places Bylaw Review 195-200

Document number 1479603

Recommendation

THAT Council confirms the Trading in Public Places Bylaw #213 be reviewed;

AND THAT all parts of the bylaw are part of the review;

AND THAT after preliminary consultation with the community and interested organisations a draft bylaw is prepared for consideration by Council and that draft is used for informal consultation;

AND THAT on the basis of feedback on the informal draft, a draft bylaw be prepared for Council approval for formal consultation via the Special Consultative Procedure of the Local Government Act 2002.

22. Council Submission on Funding Assistance Rates (FARs) Review 201-211

Document number 1485255

Recommendation

THAT the submission (1485379) on the Funding Assistance Rates (FARs) Review is confirmed, subject to any changes agreed by Council.

23. Council Submission on Resource Management Act Reforms April 2013

212-227

Document number 1486831

Recommendation

THAT the submission (1475724) on the Ministry for the Environment 2013 discussion document 'Improving our Resource Management System' is confirmed.

PUBLIC EXCLUDED BUSINESS

24. Exclusion of the Public

Representatives of Nelmac Limited and Ridgeways Joint Venture will be present for the items of the public excluded part of the meeting referred to in the recommendation below.

24.1 Recommendation

THAT, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, the following people remain for the following items after the public has been excluded, as they have knowledge that will assist the Committee:

- Mr Richard Jenkins and Mr Lee Babe, for the item "Nelmac Statement of Intent and Half Yearly Report 2013";***
- Mr Seddon Marshall, for the item "Ridgeways Joint Venture Statement of Intent and Half Yearly Report 2013";***

AND THAT, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that the above-named people possess relates to:

- **Mr Richard Jenkins and Mr Lee Babe – knowledge of the commercial activities and half yearly results for Nelmac Limited;**
- **Mr Seddon Marshall – knowledge of the commercial activities and half yearly results for Ridgeways Joint Venture.**

24.2 Recommendation

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

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

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Public Excluded Minutes – Governance – 12 March 2013 These minutes confirmed the public excluded minutes of the Governance meeting of 11 December 2012 and also contain information regarding:	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	Potential Exit from Ridgeway's Joint Venture		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
	Remuneration Review Committee Public Excluded Minutes – 22 February 2013, including information regarding the assessment of Chief Executive performance and measures for the remainder of 2012/13.		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons • Section 7(2)(i) To carry out negotiations

2	Public Excluded Status Report – Governance	Section 48(1)(a)	The withholding of the information is necessary:
	This report contains information regarding:	The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	
	Nelson City Council Tasman District Council Engineering Services Agreement		<ul style="list-style-type: none"> Section 7(2)(i) To carry out negotiations
	Governance Options for, and commercially sensitive information regarding, the Nelson Regional Sewerage Business Unit		<ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities Section 7(2)(i) To carry out negotiations
	Recommendations to Council on Directors' rotation and fees for Council Controlled Organisations and Council Controlled Trading Organisations.		<ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons Section 7(2)(h) To carry out commercial activities
	Proposed Leases of Maitahi (Maitai) whenua (land) between Nelson City Council and Wakatu Incorporation for the Maitai Shared Path		<ul style="list-style-type: none"> Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person Section 7(2)(c) To protect information that is subject to an obligation of confidence Section 7(2)(h) To carry out commercial activities
	The proposed transfer of assets, and negotiation of a lease and contract with the Theatre Royal and Nelson School of Music.		<ul style="list-style-type: none"> Section 7(2)(i) To carry out negotiations
	Consideration of individuals for the role of Director for Nelmac.		<ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons
Potential Exit from Ridgeway's Joint Venture		<ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities Section 7(2)(i) To carry out negotiations 	

3	<p>Nelmac Statement of Intent and Half Yearly Report 2013</p> <p>This report contains information relating to the Statement of Intent and Half Yearly report provided by Nelmac to Council.</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 this information is necessary:</p> <ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities
4	<p>Ridgeways Joint Venture Statement of Intent and Half Yearly Report 2013</p> <p>This report contains information relating to the Statement of Intent and Half Yearly report provided by Ridgeways Joint Venture to Council.</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 this information is necessary:</p> <ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities
5	<p>Nelmac Appointment of Director 2013</p> <p>This report contains information relating to the final list of candidates for the Nelmac directorship role.</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 this information is necessary:</p> <ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons Section 7(2)(i) To carry out negotiations
6	<p>Joint Shareholders Committee – Unconfirmed Public Excluded Minutes – 5 April 2013</p> <p>These minutes confirmed the minutes of 23 November 2012 and also contain information regarding:</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 this information is necessary:</p>
	<p>Nelson Airport Limited Statement of Intent and Half Yearly report</p>		<ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities
	<p>Port Nelson Limited Half Year Report to 31 December 2012</p>		<ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities
	<p>Nelson Tasman Tourism Statement of Intent and Half Yearly Report 2013/2014</p>		<ul style="list-style-type: none"> Section 7(2)(c) To protect information that is subject to an obligation of confidence

			<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities
	Appointment of Director Nelson Airport Limited 2013		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons • Section 7(2)(i) To carry out negotiations
7	<p>Public Excluded Minutes – Policy and Planning – 14 March 2013</p> <p>These minutes confirmed the public excluded minutes of the Policy and Planning meeting of 13 December 2012 and also contain information regarding:</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>	The withholding of this information is necessary:
	Contract with Cawthron Institute: City Water Supply Resource Consents		<ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
8	<p>Public Excluded Status Report – Policy and Planning</p> <p>This report contains information regarding:</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>	The withholding of this information is necessary:
	A decision to withdraw and re-draft a Statement of Proposal, including an update that this decision has now been released to the public.		<ul style="list-style-type: none"> • Section 7(2)(g) To maintain legal professional privilege
	The classifications of certain heritage precincts, including references to specific addresses.		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
	A proposal for a lease on Council land		<ul style="list-style-type: none"> • Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person • Section 7(2)(i) To carry out negotiations • Section 7(2)(j) To prevent improper gain or advantage

25. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

Note:

- **This meeting is expected to continue until 3.00pm.**
- **Lunch will be provided at 12.30pm.**

Minutes of a meeting of the Nelson City Council - Governance
Held in the Council Chamber, Civic House, Trafalgar Street, Nelson
On Tuesday 12 March 2013, commencing at 9.05am

- Present: His Worship the Mayor A Miccio, Councillors I Barker, A Boswijk, G Collingwood, R Copeland (Co-Portfolio Holder), K Fulton, J Rackley, P Rainey, R Reese, D Shaw (Co-Portfolio Holder) and M Ward
- In Attendance: Chief Executive (C Hadley), Acting Executive Manager Community Services (R Ball), Chief Financial Officer (N Harrison), Executive Manager Regulatory (R Johnson), Executive Manager Support Services (H Kettlewell), Executive Manager Network Services (A Louverdis), Executive Manager Strategy and Planning (M Schruer), Manager Resource Consents (M Bishop), Manager Community Relations (A Ricker), Manager Strategic Response (C Ward), Manager Environmental Inspections Limited (S Lawrence) and Administration Adviser (L Canton)
- Apologies: Councillors E Davy, P Matheson, and Councillor J Rackley (for lateness)

Opening Prayer

Councillor Copeland gave the opening prayer.

1. Apologies

Resolved

THAT apologies be received and accepted from Councillors Davy and Matheson, and Councillor Rackley for lateness.

His Worship the Mayor/Fulton

Carried

2. Interests

- 2.1 There were no updates to the Interests register and no conflicts of interest were noted.

3. Confirmation of Order of Business

His Worship the Mayor advised that a memorandum (1472500) had been tabled outlining two late items for the meeting.

His Worship the Mayor explained that, in accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 3.7.5, a procedural resolution was required before a major item not on the agenda for the meeting could be dealt with.

3.1 Mayor's Report

His Worship the Mayor explained that, in accordance with section 46A(7)(b)(i) of the Local Government Official Information and Meetings Act 1987, the reason why the item was not on the agenda was because it came to hand after the agenda had been distributed.

He said that, in accordance with section 46A(7)(b)(ii), the reason why discussion of the item could not be delayed until a subsequent meeting was because a resolution on the matter would enable elected members to ensure cost-effectiveness by being able to make early travel arrangements.

3.2 David Engwicht: Creative Communities Workshops

His Worship the Mayor explained that, in accordance with section 46A(7)(b)(i) of the Local Government Official Information and Meetings Act 1987, the reason why the item was not on the agenda was because it came to hand after the agenda had been distributed.

He said that, in accordance with section 46A(7)(b)(ii), the reason why discussion of the item could not be delayed until a subsequent meeting was to ensure Council was able to take up the opportunity to work with David Engwicht, who could add value to some of the projects that Council was working on.

Resolved

THAT the items regarding:

- ***the Mayor's Report (1469088);***
- ***David Engwicht: Creative Communities Workshops (1472684)***

be considered at this meeting as major items not on the agenda, pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, as both items require decisions before the next scheduled Council meeting in order to take advantage of pricing opportunities.

Boswijk/His Worship the Mayor

Carried

4. Confirmation of Minutes – 11 December 2012

Document number 1427237, agenda pages 10-24 refer.

Resolved

THAT the minutes of a meeting of the Nelson City Council - Governance, held on 11 December 2012, be confirmed as a true and correct record.

His Worship the Mayor/Fulton

Carried

5. Mayor's Report

Tabled document number 1469088

His Worship the Mayor gave an update on the Metro meeting he had recently attended. Councillors considered the tabled Mayor's report and agreed to deal with the recommendation in parts.

Resolved

THAT report (1469088) be received.

His Worship the Mayor/Ward

Carried

Councillors discussed the second clause in the recommendation. It was clarified that Councillor Reese had attended the meeting on business for Local Government New Zealand (LGNZ) and Council would only cover the costs if LGNZ did not.

Resolved

THAT Council retrospectively approves travel costs of \$505.50 plus disbursements for Councillor Reese to attend a meeting with the Minister of the Environment to discuss improvements to the implementation of the Resource Management Act 1991, in the event that Local Government New Zealand does not pay the costs.

His Worship the Mayor/Ward

Carried

The meeting discussed the third clause in the recommendation. Councillors acknowledged that it was important to take advantage of emerging opportunities for specialist call centres based in some of New Zealand's regional centres. In response to a question, His Worship the Mayor noted that a report on this initiative would come to a future Council meeting from the Nelson Regional Economic Development Agency.

Resolved

THAT Council approves travel costs of \$805.00 plus disbursements for the Mayor to attend a meeting with the Mayor of Hastings, Rod Dury Chief Executive of Xero and Gen-I to discuss regional call centres on 22 March 2013.

Boswijk/Shaw

Carried

Councillors considered the fourth clause in the recommendation. Councillor Collingwood advised that the Conference would increase her understanding of an important sector of the community, and she would report back to the Positive Ageing Forum.

THAT Council approves registration and travel costs of \$828 plus disbursements for Councillor Collingwood to attend the Opportunities of Ageing Conference in Hastings on 10-11 April 2013.

Boswijk/Reese

Carried

The meeting considered the fifth clause in the recommendation. Councillors discussed whether the cost of recertification towards the end of the current Council term could be justified by the fact that it allowed Council to continue running hearings in the most cost-effective manner.

Resolved

AND THAT Council approves registration and travel costs of \$2,480 plus disbursements for Councillors Shaw and Barker to attend Resource Management Act – Making Good Decisions chairs refresher course when the course is available;

Collingwood/Boswijk

Carried

Resolved

THAT Council approves registration, travel and accommodation costs of \$2,800 plus disbursements for Councillor Fulton to attend Resource Management Act - Making Good Decisions - Foundation Course in Wellington 22 and 23 April 2013.

Boswijk/Shaw

Carried

6. David Engwicht: Creative Communities Workshops

Document number 1472684

In response to a question, the Chief Executive advised that Mr Engwicht would be returning to the area for workshops with other parties and utilising his services at the same time would minimise the cost to Council.

Councillors discussed the ways in which Mr Engwicht's methods and previous work aligned with the current work of Council, and whether it was appropriate to allocate the identified funds to this initiative.

Attendance: Councillor Rackley joined the meeting at 9.50am.

Resolved

THAT up to \$16,000 from under-expenditure in the Nelson Resource Management Plan appeals and hearings budget be allocated for a creative communities workshop with Councillors and Council staff, and to facilitate a two day community workshop to initiate a pilot place-making project.

Shaw/Ward

Carried

7. Status Report - Governance

Document number 1034743 v7, agenda pages 25-26 refer.

Resolved

THAT the Status Report – Governance (1034743 v7) be received.

His Worship the Mayor/Fulton

Carried

8. Portfolio Holder's Report

Co-portfolio Holder, Councillor Copeland, gave a Portfolio Holder's report. She commented on the potential of Nelson City to become an attractive location for talented residents and New Zealand businesses. She also gave an overview of the recent Nelson Development Strategy (NDS) workshop and highlighted the ways in which the NDS could support the creation of a vibrant and robust economy in the central business district.

Co- portfolio Holder, Councillor Shaw, tabled a report on the Regional Sector Group meeting he had attended on 28 February-1 March 2013(document 1473055), which he spoke to. He also tabled a copy of the Minister for the Environment, Amy Adams' address to that meeting (document 1473051).

9. **Joining the Local Government Funding Agency (LGFA)**

Document number 1458484, agenda pages 27-29 refer.

Chief Financial Officer, Nikki Harrison, joined the meeting and presented the report.

Resolved

THAT Council approves the signing of the following documents required to join the Local Government Funding Agency (LGFA) as a borrower and guarantor:

- ***Amendments to Debenture Trust Deed;***
- ***Accession Deed to the Multi-Issuer Deed;***
- ***Accession Deed to the Notes Subscription Agreement;***
- ***Accession Deed to the Equity Commitment Deed;***
- ***Accession Deed to the Guarantee and Indemnity;***
- ***Security Stock Certificates in relation to the Multi-Issuer Deed, Equity Commitment Deed and Guarantee and Indemnity;***
- ***Section 118 Certificate in relation to the Accession Deeds and Security Stock Certificates;***
- ***Stock Issuance Certificate;***
- ***Officer's Certificate.***

His Worship the Mayor/Copeland

Carried

10. **Fees and Charges: Resource Consents Business Unit**

Document number 1451834, agenda pages 30 - 65 refer.

Manager Resource Consents, Mandy Bishop, joined the meeting and presented the report. She tabled an updated version of page 1 (1451834 v2) of the report and explained that it incorporated changes to the purpose and staff recommendation, to reflect that the proposed Fees and Charges must be approved through a Special Consultative Procedure.

Resolved

THAT the Statement of Proposal (1468360) be approved for public consultation and notification using the Special Consultative Procedure (section 83 of the Local Government Act 2002) using the same consultation dates as the draft Annual Plan 2013/14;

AND THAT Council hear, consider and make decisions on all submissions on the proposed Fees and Charges Resource Consents Business Unit 2013/2014 at the same time as the draft Annual Plan 2013/14;

AND THAT the fees and charges for Property Information remain unchanged and be adopted as detailed in Attachment 2 to report 1451834, to apply from 1 July 2013.

His Worship the Mayor/Fulton

Carried

Attendance: The meeting adjourned for morning tea from 10.48am to 11.06am, during which time Councillor Rainey left the meeting.

11. Fees and Charges: Dog Control and Environmental Health

Document number 1455083, agenda pages 66-73 refer.

The Manager of Environmental Inspection Limited, Stephen Lawrence, and Manager Resource Consents, Mandy Bishop, joined the meeting

In response to a question, Mr Lawrence confirmed that once a bylaw was in place, it was enforceable through the infringement regulations set by central government. Ms Bishop advised that the proposed fees had increased to ensure that dog activity remained cost-neutral for non-dog owning residents.

Resolved

THAT the Dog Control Fees and Charges for 2013/2014 be adopted as detailed in Attachment 1 to Report 1455083;

AND THAT the Environmental Health and other activities fees and charges for 2013/2014 be adopted as detailed in Attachment 2 to Report 1455083;

AND THAT the charges for Dog Control and Environmental Health activities apply as from 1 July 2013 until such time as they are varied or amended by Council;

AND THAT the Dog Control charges be publicly advertised in accordance with Section 37(6) of the Dog Control Act 1996.

His Worship the Mayor/Shaw

Carried

12. Winter Free Parking Tuesdays

Document number 1467789, agenda pages 74-75 refer.

Councillors discussed whether the anecdotal evidence supporting the free parking initiative justified the estimated cost. It was suggested that promotion of the initiative could include the promotion of public transport as an alternative option.

Resolved

THAT Council approve the continuation of the Winter Free Parking Tuesdays initiative for the 2013/14 financial year commencing on Tuesday 2 July 2013 and ending on Tuesday 3 September 2013 for a total of nine weeks.

Collingwood/Rackley

Carried

REPORTS FROM COMMITTEES

13. Remuneration Review Committee – 22 February 2013

Document number 1461190, agenda pages 76-78 refer.

Resolved

THAT the minutes of the meeting of the Remuneration Review Committee, held on 22 February 2013, be received.

Boswijk/Ward

Carried

14. Audit, Risk and Finance Committee – 26 February 2013

Document number 1463795, agenda pages 79-82 refer.

Resolved

THAT the minutes of the Audit, Risk and Finance Committee, held on 26 February 2013, be received.

Barker/Copeland

Carried

Resolved

THAT the Council approve the appointment of Corporate Trust Limited as trustee of the Nelson City Council Debenture Trust deed signed on or about 10 December 2010;

AND THAT the Chief Executive be delegated authority to take all necessary steps to give effect to this appointment.

Reese/Collingwood

Carried

CROSS COUNCIL ITEMS

15. Council Submission on Development Contributions Review

Document number 1465323, agenda pages 83-94 refer.

Councillors discussed the submission and did not make any changes.

Resolved

THAT the submission (1465025) on the Development Contributions Review is confirmed, subject to any changes agreed by Council.

Reese/Copeland

Carried

Attendance: Councillor Rainey returned to the meeting at 11.30am.

16. Exclusion of the Public

Resolved

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

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

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Public Excluded Minutes – Governance - 11 December 2012 These minutes confirmed the public excluded minutes of the Governance meeting of 30 October 2012 and the public excluded minutes of	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:

the Chief Executive Recruitment meeting of 25 October 2012 also contain information regarding:		
Proposed Leases of Maitahi (Maitai) whenua (land) between Nelson City Council and Wakatu Incorporation for the Maitai Shared Path		<ul style="list-style-type: none"> • Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person • Section 7(2)(c) To protect information that is subject to an obligation of confidence • Section 7(2)(h) To carry out commercial activities
The proposed transfer of assets, and negotiation of a lease and contract with the Theatre Royal and Nelson School of Music.		<ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
The operation of I-Sites in the Nelson Tasman Region and the marketing strategy and Tourism Nelson Tasman Limited.		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities
A potential review of Tourism Nelson Tasman Limited.		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
A request to amend the Suter Deed of Trust or the Procedure for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations.		<ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
The statements of expectation for The Bishop Suter Trust and Tasman Bays Heritage Trust 2013/14.		<ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
The statements of expectation for Nelmac and the Nelson Regional Economic Development Agency.		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i)

			To carry out negotiations
	Consideration of individuals for the role of Director for Nelmac.		<ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons
	The reappointment of Trustees to the City of Nelson Civic Trust.		<ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons
2	<p>Public Excluded Status Report – Governance</p> <p>This report contains information regarding:</p>	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	Nelson City Council Tasman District Council Engineering Services Agreement		<ul style="list-style-type: none"> Section 7(2)(i) To carry out negotiations
	Governance Options for, and commercially sensitive information regarding, the Nelson Regional Sewerage Business Unit		<ul style="list-style-type: none"> Section 7(2)(h) To carry out commercial activities Section 7(2)(i) To carry out negotiations
	Recommendations to Council on Directors' rotation and fees for Council Controlled Organisations and Council Controlled Trading Organisations.		<ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons Section 7(2)(h) To carry out commercial activities
	Information regarding the opportunity to be a Host City for Cricket World Cup 2012		<ul style="list-style-type: none"> Section 7(2)(c) To protect information that is subject to an obligation of confidence Section 7(2)(i) To carry out negotiations
	Proposed Leases of Maitahi (Maitai) whenua (land) between Nelson City Council and Wakatu Incorporation for the Maitai Shared Path		<ul style="list-style-type: none"> Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person Section 7(2)(c) To protect

		information that is subject to an obligation of confidence
		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities
The proposed transfer of assets, and negotiation of a lease and contract with the Theatre Royal and Nelson School of Music.		<ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
The operation of I-Sites in the Nelson Tasman Region and the marketing strategy and Tourism Nelson Tasman Limited.		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities
A potential review of Tourism Nelson Tasman Limited.		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
A request to amend the Suter Deed of Trust or the Procedure for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations.		<ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
The statements of expectation for The Bishop Suter Trust and Tasman Bays Heritage Trust 2013/14.		<ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
The statements of expectation for Nelmac and the Nelson Regional Economic Development Agency.		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
Consideration of individuals for the role of Director for Nelmac.		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
The reappointment of Trustees to the City of Nelson Civic Trust.		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
3	Potential Exit from Ridgeway's Joint Venture	Section 48(1)(a) The public conduct of this matter would
		The withholding of the information is necessary:

		be likely to result in disclosure of information for which good reason exists under section 7	<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
4	Remuneration Review Committee Public Excluded Minutes – 22 February 2013 These minutes confirmed the minutes of 17 August 2012 and also contain information regarding:	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	The assessment of Chief Executive performance and measures for the remainder of 2012/13.		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons • Section 7(2)(i) To carry out negotiations

His Worship the Mayor/Collingwood

Carried

The meeting went into public excluded session at 11.32am and resumed in public session at 12.35pm.

17. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

His Worship the Mayor/Collingwood

Carried

There being no further business the meeting ended at 12.35pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Minutes of a meeting of the Nelson City Council – to Approve the draft Annual Plan 2013/14 for Public Consultation

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

On Thursday 21 March 2013, commencing at 9.02am

Present: Councillors A Boswijk (Chairperson), I Barker, G Collingwood, K Fulton, P Rainey, R Reese and M Ward

In Attendance: Chief Executive (C Hadley), Chief Financial Officer (N Harrison), Acting Executive Manager Community Relations (R Ball), Executive Manager Network Services (A Louverdis), Manager Resource Consents (M Bishop), Executive Manager Strategy and Planning (M Schruer), Executive Manager Support Services (H Kettlewell), Executive Manager Kaihoutu/Community Relations (G Mullen), Manager Policy and Planning (N McDonald), Project Management Adviser (C Blythe) and Administration Adviser (L Canton)

Apologies: His Worship the Mayor A Miccio, Councillors E Davy, R Copeland, P Matheson, J Rackley and D Shaw

Opening Prayer

1. Apologies

Resolved

THAT apologies be received and accepted from His Worship the Mayor A Miccio, and Councillors E Davy, R Copeland, P Matheson, J Rackley and D Shaw.

Boswijk/Collingwood

Carried

2. Interests

There were no updates to the Interests Register and no conflicts of interest were indicated.

3. Confirmation of Order of Business

The Chairperson advised that a memorandum (1476226) had been circulated detailing a late item for the meeting.

The Chairperson explained that, in accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 3.7.5, a procedural resolution was required before a major item not on the agenda for the meeting could be dealt with.

3.1 Draft Annual Plan 2013/14

The Chairperson explained that, in accordance with section 46A(7)(b)(i) of the Local Government Official Information and Meetings Act 1987, the reason why the item was not on the agenda was because it came to hand after the agenda had been distributed.

She said that, in accordance with section 46A(7)(b)(ii), the reason why discussion of the item could not be delayed until a subsequent meeting was because a resolution on the matter was required to undertake public consultation on the draft Annual Plan 2013/14 in order to meet statutory deadlines as required by the Local Government Act 2002.

Resolved

THAT the item regarding the Draft Annual Plan 2013/14 be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, as the item requires a decision before the next scheduled Council meeting to undertake public consultation in order to meet statutory deadlines as required by the Local Government Act 2002.

Boswijk/Reese

Carried

4. Draft Annual Plan 2013/14

Document numbers 1471877 v6 and 1472828 v5, late item refers.

The Chief Financial Officer, Nikki Harrison, presented the Statement of Proposal incorporating the draft Annual Plan 2013/14. She explained that it was produced on an exceptions basis, to update what had been planned for 2013/14 in the Council's Long Term Plan 2012-2022.

Councillors asked a number of questions regarding the content of the plan. The following minor amendments were noted:

- Page 13 – a resource consent for accidental discharges has now been granted.
- Page 33 – clarification that, although the total cost of the Nelson part of the Cricket World Cup 2015 tournament would be likely to exceed \$2 million, Council's budget was capped at \$900,000 and the balance would not be a cost to ratepayers.

Councillors discussed the Statement of Proposal. A view was expressed that the draft Annual Plan 2013/14 did not take into account the implications of the debt increase and rates rise for future years. Councillors noted that the increase in debt related to activities that they had agreed were important.

Councillors also recognised that it was necessary to deliver Council services in a more cost effective way. They expressed confidence that future years would involve a similarly robust planning process and a commitment to meet capital expenditure budgets, which would enable affordable rates increases to be achieved.

Resolved

THAT the Statement of Proposal incorporating the draft Annual Plan 2013/14 be approved for public consultation from 25 March to 26 April 2013 with the Mayor and Deputy Mayor delegated authority to approve any minor amendments required.

Boswijk/Reese

Carried

There being no further business the meeting ended at 9.35am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

GOVERNANCE STATUS REPORT – 23 APRIL 2013

No	Meeting Date	Document Number	Report Title/Item Title	Officer	Resolution or Action	Status
1	13/10/2011	1172883	Policy on Directors Rotation	Hugh Kettlewell	<p><u>AND THAT</u> a policy on Directors' rotation be written for consideration by the Joint Shareholders Committee;</p> <p><u>AND THAT</u> the Joint Shareholder's Committee, in amending the Director's policy, include an upper limit on the number of terms that a director may serve.</p>	<p>23/4/13 Reinstated</p> <p>TDC resolved not to adopt this policy. An updated version will come to Council in the new year for consideration. In the interim the old policy continues. Matter for discussion with TDC</p>
2	20/11/2012	1398180	Updated Expenses Policy for Elected Members	Penny Langley	<p><u>THAT</u> the Nelson City Council Expenses Policy for Elected Representatives (document number 1385969, Attachment 3), as amended, be forwarded to the Remuneration Authority for approval.</p>	<p>23/4/13 Policy has been forwarded, now awaiting a response from Remuneration Authority.</p>
3	11/12/2012	1415934	Tasman Bays Heritage Trust Draft Statement of Intent 2012/13 Resubmit	Hugh Kettlewell	<p><u>THAT</u> the Tasman Bays Heritage Trust Statement of Intent and Strategic Plan 2012/13 be approved for signing.</p>	<p>23/4/13 – NCC has signed the Tasman Bays Heritage Trust 2012-13 SOI as agreed by Joint Shareholders Committee. TDC has chosen to sign the SOI as its stands and the signed copy should be in hand shortly.</p>
4	11/12/2012	1381616 v2	Audit, Risk and Finance Committee Minutes – 2 October and 13 November 2012	Sarah Yarrow	<p><u>THAT</u> the development of a formal Council communications policy be considered at an upcoming Council – Governance meeting.</p>	<p>23/4/13 Report to Council 23 April 2013. Completed.</p>

Nelson Regional Economic Development Agency Statement of Intent and Half Yearly Report 2013

1. Purpose of Report

- 1.1 To seek Council approval of the Nelson Regional Economic Development Agency Draft Statement of Intent 2013/14 (Attachment 1).
- 1.2 To offer the Nelson Regional Economic Development Agency the opportunity to present and explain its half yearly report (Attachment 2).

2. Recommendation

THAT the Nelson Regional Economic Development Agency Statement of Intent 2013/14 be approved for signing subject to minor edits;

AND THAT the Nelson Regional Economic Development Agency half yearly report for the period ending 31 December 2012 be received.

3. Background

- 3.1 The Nelson Regional Economic Development Agency (The EDA), along with the other Council Controlled Trading Organisations (CCOs), is required to complete a Statement of Intent by agreement with the Council by 30 June each year. The proposed Statement of Intent is included as an attachment (Attachment 1).
- 3.2 Schedule 8 of the Local Government Act outlines the purpose of a Statement of Intent (SOI), what is to be included and how it is to be approved. The Statement of Intent, as supplied by the Nelson Regional Economic Development Agency, is not compliant. With the addition of improved budget information projecting out for three years compliance will be achieved.
- 3.3 The half yearly report for the period ending 31 December 2012 is included as Attachment 2. The Chairperson, Paul Dalzell, and Chief Executive, Bill Findlater, will be in attendance at the meeting to present the information and answer questions.

3.4 Last year Council provided the Nelson Regional Economic Development Agency with a Statement of Expectation (Attachment 3) to help guide the Agency in the creation of the Statement of Intent.

4. Discussion

4.1 The half yearly report shows continuing control over costs and a significant range of activities undertaken for the community.

4.2 The Council asked the EDA to produce a report on options for an economic development fund and \$50,000 was budgeted. The EDA advises that it intends to produce the report using existing resources so the funding will not be required.

4.3 The Nelson Regional Economic Development Agency is only projecting budgets for a single year as there is only a year by year funding arrangement with Council. These figures will need to be provided as they are a requirement of all SOIs.

4.4 The Nelson Regional Economic Development Agency is budgeting for a small loss for the next year and this is an extension of the active decision of the Board to advance some projects.

4.5 The Statement of Expectation is far less complex than last year, asking for a continuation of projects that facilitate economic development and that enhance our region's national and international competitiveness:

- to establish systems and networks to enable potential investors to identify opportunities within the region;
- continue to be the lead agent for the implementation of the Events Strategy and assisting in the consideration and development of event proposals which may be of economic benefit to the region;
- to facilitate development of ways for the region's youth to develop their computer skills and share knowledge to exploit the potential for Nelson to become the Information Technology development hub of New Zealand.

4.6 There is a vast array of performance targets included in the Nelson Regional Economic Development Agency's work programme. Council should take careful note of these and the measures that are associated to ensure that they align with the Statement of Expectation. The Nelson Regional Economic Development Agency may wish to comment on this matter.

5. Conclusion

5.1 The performance and delivery of the Nelson Regional Economic Development Agency over the last 6 months has been sound and the Statement of Intent is, subject to any minor adjustments, acceptable.

The Council can have every confidence of this continuing through 2013/ 2014 financial year and beyond.

Hugh Kettlewell

Executive Manager Support Services

Attachments

- Attachment 1: Nelson Regional Economic Development Agency Draft Statement of Intent 2012/13 [1471322](#)
- Attachment 2: Nelson Regional Economic Development Agency Half Yearly Report to 31 December 2012 [1467480](#)
- Attachment 3: Nelson Regional Economic Development Agency with a Statement of Expectation [1410631](#)

Draft

ATTACHMENT 1



STATEMENT OF INTENT



2013-2014

Draft

Contents

FOREWORD FROM THE BOARD OF TRUSTEES	3
1. INTRODUCTION FROM THE CHIEF EXECUTIVE	4
2. OVERVIEW OF THE EDA	5
2.1 Vision	5
2.2 Mission	5
2.3 Key Stakeholders	5
2.4 Role and Functions	5
2.5 Governance	6
2.5.1 Board Structure	6
2.5.2 Remuneration	6
2.5.3 Overarching Governance Policies	6
3. OPERATING ENVIRONMENT	7
3.1 Nelson City Council and Tasman District Council	7
3.2 Nelson-Tasman Regional Economic Development Strategy	7
3.3 Regional Business Partner Network	7
3.4 Tracking the Economy	8
3.5 Current State of the Region	8
3.5.1 Overview	8
3.5.2 Employment and Unemployment	9
3.5.3 Key Economic Drivers	9
3.5.4 Infrastructure	11
4. STRATEGIC DIRECTIONS	12
4.1 Strategic Objectives	12
4.2 Strategic Overview	13
4.3 Strategic Initiatives for 2013/14	14
5. FINANCIAL INFORMATION	20
5.3 Anticipated Total Funding Based on Budgeted Income	20
5.4 Projects	20
5.5 Accounting Policies	20
6. REPORTING REQUIREMENTS	21

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FOREWORD FROM THE BOARD OF TRUSTEES

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

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

Council has provided the EDA with a Statement of Expectation (SOE) for the current year which is welcomed. While much of the SOE is well aligned to EDA planning, the board and executive have expanded planned initiatives to address the expectations of Council.

Base funding is provided to the EDA by Nelson City Council and Tasman District Council in an aggregate amount of \$424,400. The EDA will supplement this base funding with supplementary income from management fees or project funding. It is anticipated that incremental income in excess of \$746,000 will be generated from other funding channels to be made available for project and business support.

Financial Overview		
	Forecast 2012/2013	Budget 2013/2014
Opening Equity	353,200	317,200
Surplus/Deficit	(36,000)	(31,900)
Closing Equity	317,200	285,300
Net Working Capital	300,600	269,600
Fixed Assets % of Equity	5%	6%

Paul Dalzell (Chairman)

Robin Whalley (Trustee)

Ropata Taylor (Trustee)

Ifor Ffowcs-Williams (Trustee)

Mayor – Nelson City Council

Councillor – Nelson City Council

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1. INTRODUCTION FROM THE CHIEF EXECUTIVE

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

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

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

Postal Address: P O Box 370, Nelson 7040

Chairman: Paul Dalzell, 39 The Cliffs, Nelson

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



In its ninth year of operation, the EDA is well-established, with a growing regional profile and a constantly expanding horizon of interest. The 2013-14 financial year will see the continuation of many current work streams; changes in the nature of others; and the introduction of a number of new initiatives.

We continue to work to a quadruple bottom line, seeking to engage in initiatives that balance the region's economic, environmental, social, and cultural wellbeing.

Guided by both the Statement of Expectation and taking into account the principles of 'Framing our Future' provided by Nelson City Council, the EDA has developed an operational plan with a focus on working collaboratively with key stakeholders across the region to initiate and participate in economic development projects that will provide growth in our region. Key objectives include facilitating collaboration across business, industry and government to identify and develop opportunities for increased investment, innovation, and entrepreneurship in our region.

The organisation will continue to operate leanly. To maximise our reach and effectiveness, we will seek additional sources of project funding and will focus those on contracted resource, rather than expanding our core team.

In the coming years, we hope to continue to build on the strong relationships we have with Councillors, council executive and staff; with the regional business community; with elected government representatives and with government agencies. These relationships are the foundation of our successes to date, and will continue to be so going forward.

We will work collaboratively with other regional EDAs to achieve greater opportunities for our region.

We are proud of what the EDA has achieved to date, and look forward to the challenges and opportunities that the programme outlined in this Statement of Intent will bring.

Bill Findlater
Chief Executive Officer

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2. OVERVIEW OF THE EDA

2.1 Vision

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

2.2 Mission

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

The mission encompasses two key messages:

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

2.3 Key Stakeholders

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

2.4 Role and Functions

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

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

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

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2.5 Governance

2.5.1 Board Structure

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

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

2.5.2 Remuneration

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

2.5.3 Overarching Governance Policies

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

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

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

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3. OPERATING ENVIRONMENT

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

3.1 Nelson City Council and Tasman District Council

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

For the 2013-2014 year, Nelson City Council has provided the EDA with a Statement of Expectation. The SOE has been taken into account while developing this Statement of Intent. Please refer to section 4.3 for a more detailed response to the SOE.

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

3.2 Nelson-Tasman Regional Economic Development Strategy

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

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

In 2013-2014 the EDA will complete a review and update of REDS which can be used to inform Nelson City Council's Nelson Development Strategy and work related to Nelson City Council's Framing our Future strategy.

3.3 Regional Business Partner Network

The EDA, in conjunction with Nelson Tasman and Marlborough Chambers of Commerce, has formed a partnership to deliver business programmes on behalf of NZTE and Callaghan Innovation to businesses across Nelson and Marlborough seeking government assistance and support for growth.

The Chambers will offer capability assessments on behalf of NZTE and the EDA will deliver the TechNZ programme to businesses undertaking research and development.

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3.4 Tracking the Economy

The Tracking the Economy report is produced every six months, and provides a consistent series of metrics which measure the state of the regional economy, in comparison to both national figures and those of selective comparator regions.

3.5 Current State of the Region

The Nelson Tasman region's economy had a difficult year in 2012. While we maintained our attractiveness as a place to live, growth in economic activity, employment and business has had mixed results. The task for exporters has been made more difficult by the strong New Zealand dollar, which has been trading well above its long term average. On a positive note, while demand in general is down, the demand for what we produce in New Zealand remains solid, with increasing prices, particularly in the primary sectors.

A focus for the EDA is to continue to provide support to our exporting businesses where possible but also to look at how we can take advantage of business opportunities going forward.

3.5.1 Overview

Key Performance Indicators 2012	Nelson	Tasman	Nelson/Tasman	New Zealand
	%pa			
Resident population growth	0.9	0.6	0.7	0.6
GDP growth	-3.1	4.9	0.2	2.0
GDP per capita growth	-3.9	4.3	-0.5	1.4
Employment growth	-1.7	-2.1	-1.9	1.0
Labour productivity growth	-1.4	7.2	2.1	1.0
Business units growth	-1.0	-0.2	-0.6	-0.2

Source: BERL Regional Database, 2013

2012 has been another trying year with both global and national growth subdued. A nation still dependent upon exports, New Zealand is dependent upon countries wanting to buy what we make.

Population growth in Nelson was higher than the national average and, in Tasman, grew at the same rate as nationally. As a region, growth was slightly higher than nationally at 0.7 percent.

GDP growth was 4.9 percent in Tasman. This was negated by a GDP decline of 3.1 percent in Nelson. Regional GDP growth of 0.2 percent was well below the 2.0 percent achieved nationally.

The combination of high population growth with low GDP growth has seen a decline in GDP per capita growth of 0.5 percent.

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3.5.2 Employment and Unemployment

Employment also fell in 2012, by 1.7 percent in Nelson and 2.1 percent in Tasman. This saw a regional decline of 1.9 percent compared to 1.0 percent. Similarly, the number of business units declined, although this time led by Nelson.

On a positive note, as a result of employment declining at a higher rate than GDP, labour productivity was 2.1 percent, which was twice the rate of national labour productivity growth.

In December 2012, there were 292 less beneficiaries than a year earlier, a 4.5 percent improvement. Of particular cause for celebration, there were 948 people collecting unemployment benefits, 145 less than a year earlier, a 13.3 percent improvement. There was also a 4.5 percent improvement in the number of people collecting a domestic purposes benefit.

3.5.3 Key Economic Drivers

Horticulture and Pipfruit

In 2012, the horticulture and pipfruit industry directly employed 2,350 FTEs. The majority of this employment was in apple and pear growing, with close to 2,000 FTEs. The only area of horticulture that has seen an increase in employees in 2012 was berry fruit growing. Berry fruit growing now employs 150 FTEs.

Area planted for apples increased slightly between 2009 and 2011 and is edging close to 2,500 hectares. The area planted in pipfruit (including pears) has been increasing slowly since 2006. While Braeburn is still the main variety planted, its share has dropped. Growth has come from newer apple varieties such as Jazz and Cripps Pink. There has also been a large increase in area planted in pears. While producing half the total output of Hawke's Bay, Nelson was the largest producer of Cox, Jazz and pears in 2010.

Export volumes in 2011 were significantly up on 2010. However, they were expected to decline in 2012 due to poor weather conditions. Production is predicted to recover in 2013 and then stabilise thereafter. Prices in 2012 are expected to be the same as in 2011 before increasing slightly by around 5 percent out to 2015.

Forestry

Nationally, forestry exports reached \$.3 billion in the year ending March 2012, driven by strong demand (and therefore prices) for logs out of China and India. This has put pressure on sawmills, with higher domestic log prices. Combined with weak offshore demand, sawn timber production has suffered. The unfortunate event in Japan in 2011 saw a large increase in demand for New Zealand panels and softwood chips.

As at 01 April 2012, the Nelson Tasman region forest area was estimated at 95,000 hectares. Of this around 86,000 was planted in radiata pine. The area weighted average age was 15 years.

In 2012 there were 465 FTEs employed directly in forestry, logging and support services; and a further 1,154 FTEs directly employed in sawmilling and wood processing. Employment in forestry and logging dropped by 20 FTEs over the year, while employment in wood processing increased by 40 FTEs.

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Looking ahead, a stable harvest is forecast to 2016, increasing thereafter. There is a need to move toward a value-added pathway to remove reliance on log exports. The forest and wood products industry has set out a vision to more than double its export revenues by 2022. The Nelson region needs to buy into this strategy and work to ensure that the region contributes and benefits from it.

Aquaculture

Aquaculture (onshore) is a small but growing sector of the Nelson-Tasman economy. In 2012, 93 FTEs were employed in the sector. New Zealand Aquaculture has a strategy that sees aquaculture exports exceeding \$1 billion by 2025. While much of the current aquaculture is based in the Marlborough sounds and Golden Bay, competing demands on marine space means that there is potential for onshore aquaculture farming. With strong collaboration between industry, institutions (Cawthron and local government), and stakeholders (such as iwi), the Nelson Tasman region has potential to contribute further to the industry vision.

Pastoral

In 2009, the pastoral cluster represented around four percent of the Nelson-Tasman region's employment. In 2012, the pastoral sector (excluding dairy) directly employed 520 FTEs, slightly down from 561 FTEs in 2011. Employment growth has been in specialised sheep farming, whereas there has been decline in beef and sheep farming.

Meat and wool prices hit record highs in 2011 due to lower inventories, high feed grain prices and strong demand. However, prices are falling and are forecast to drop further over the next couple of years. The forecast for the sector remains positive, with strong demand for meat and wool continuing.

Dairy

There were 366 FTEs employed in dairy cattle farming in the Nelson Tasman region in 2012, which is similar to the 367 recorded in 2011. Unlike other regions, Nelson-Tasman has not seen a significant increase in dairy activity over the last few years although there has been a slight increase in dairy cattle in the Tasman region to 73,000 in 2011 from 71,000 a year earlier.

The New Zealand dairy sector was highly productive in 2011/12, with exports expected to be close to \$14 billion in the 2012 year. High prices and strong production were the main drivers of this result.

Aviation

Nelson-Tasman, along with Marlborough remains strong players in the aviation industry in New Zealand. The aviation cluster in the region continues to work together to attract significant contracts. A 2011 economic impact study of the region's aviation sector operations found that in 2009 aviation operations in our region generated \$331.9 million in revenue with 1,051 FTEs. With several key aviation focused businesses, supported by strong growth and activity out of Nelson Airport, the region continues to make a contribution to the aviation sector nationally.

Tourism and retail sales

Retail sales appear to have recovered somewhat in 2012, following poor performances over previous years. Absolute sales saw a 2.9 percent increase in the December 2012 quarter

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over the December 2011 quarter. Taking the rolling average, retail sales in the year to December 2012 are up 8.1 percent on a year earlier.

There were 1.19 million guest nights in the Nelson-Tasman region in the year to November 2012. This compares to 1.26 million in the previous year. Domestic visitors were down four percent, while international guest nights were down by 10 percent. This suggests that much of the decline was due to the influx of visitors to the Rugby World Cup last year. Compared to New Zealand, Nelson Tasman appears to be doing better in growing international visitors whereas growth in domestic visitor nights has not kept pace with national growth.

3.5.4 Infrastructure

The adequacy of the region's infrastructure is critical to achieving economic development. The two priority infrastructure issues, among many, are roading corridors and a solution to the water supply issues arising from population and production growth within the region.

The Nelson Tasman region has one of the highest export road freight per its population. Close to 30% of the region's GDP is generated from bulk commodity production road transport, so efficient transport corridors are a key element of the region's infrastructure.

The issue of water resource and water supply augmentation is strategic for the whole region, as water is a critical resource for population growth and economic development in primary sector production and processing as well as other key regional industries.

The proposed Lee Valley dam will have storage security for a 1 in 66 year drought. It would provide for anticipated residential growth in the Richmond, Brightwater, and Wakefield area for 50+ years and also has a proposed further built-in future regional city supply (100 yr horizon).

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4. STRATEGIC DIRECTIONS

4.1 Strategic Objectives

The Board intend to continue to pursue the EDA's three operational strategic objectives confirmed for the 2013/2014 Statement of Intent. These are:

- a) Facilitate economic development projects that build national and international competitiveness
- b) Provide economic advice to the Region
- c) Provide ongoing assessment of the Region's performance.

It is important that in a time of economic change, the EDA works with those industries and sectors which are prepared to invest in the region for their, and the region's future. Results will not necessarily be measurable immediately as investment will focus on the development of future production.

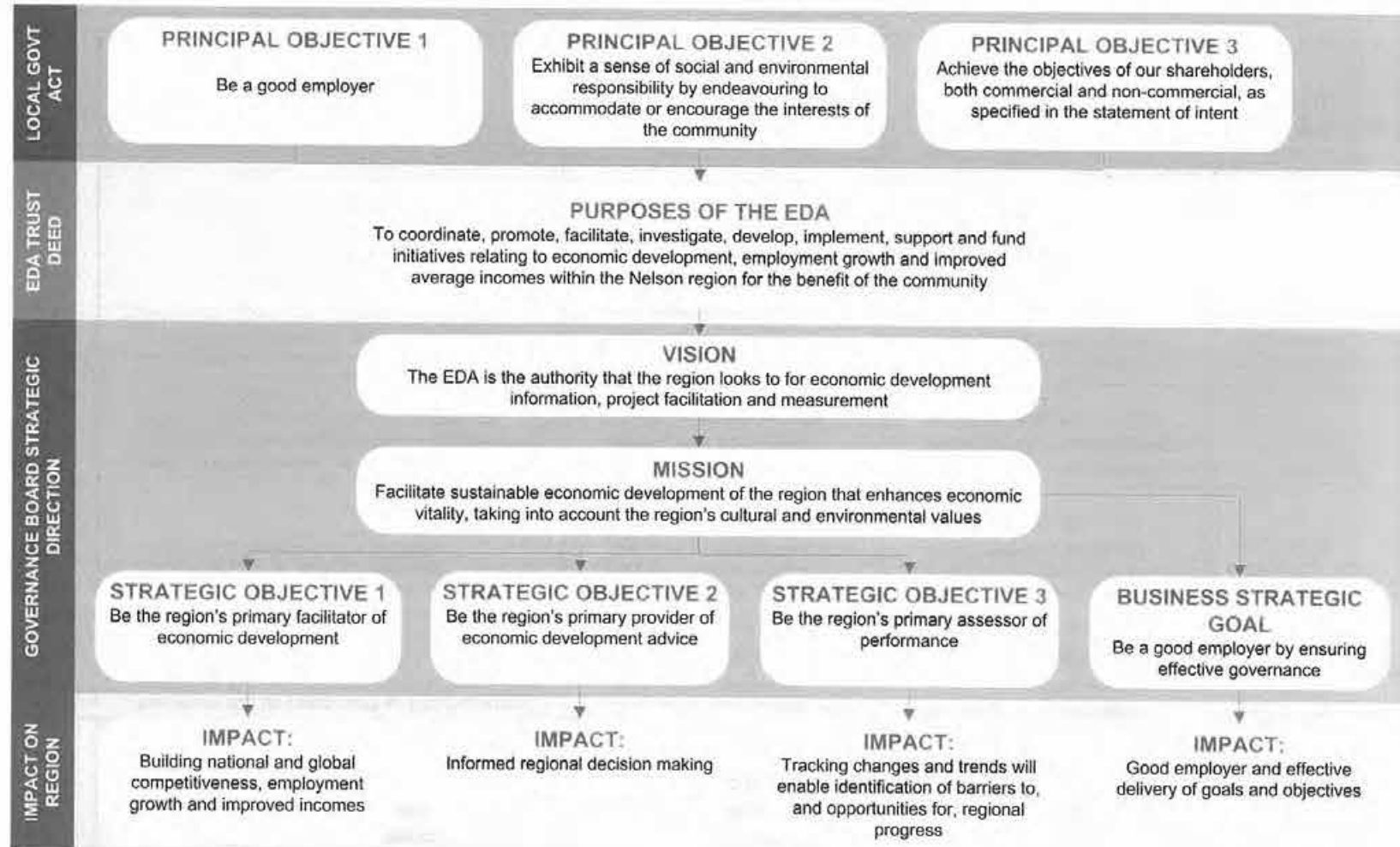
Projects that focus on human resources, natural resources, capital formation and technological advances are the four driving forces for economic development, therefore the EDA will be looking for opportunities with regional industry sectors to facilitate projects.

Whilst this Statement of Intent describes several initiatives, the EDA is a small and flexible organisation, capable of acting quickly as and when required. As the economic climate changes and opportunities or threats occur, the EDA will consider initiatives accordingly.

The following table illustrates how the hierarchy of principal objectives of a council-controlled organisation (Local Government Act 2002) and the purposes of the EDA Trust Deed are linked to form the foundation of the Board's strategic vision, mission and key objectives.

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4.2 Strategic Overview



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4.3 Strategic Initiatives for 2013/14

In the Statement of Expectation, Council requested three main objectives to be incorporated into this Statement of Intent. These objectives have been incorporated in the Operational Plans which follow, and will be achieved using the EDA's existing resources.

Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational work stream	Completion Indicators	EDA Role	Timeline
1.1	Complete a review and update of the Regional Economic Development Strategy (REDS)	Phase 2 FY2013/14: REDS Strategy Overview completed and REDS published	Work with regional stakeholders to re-develop REDS	REDS Strategy Overview complete June 2014
1.2	Facilitate the development of the Horoirangi Aquaculture project	Continued involvement with partnership and other stakeholders to progress project	Working with Horoirangi Partnership to insure the success of the program	Ongoing
1.3	Workforce Development Strategy	Workforce strategy plans aligned with key government agencies and industry.	Maintain an overview of Workforce Development needs.	Ongoing
1.4	Facilitate the Events Strategy in conjunction with the Nelson City Council and Nelson Tasman Tourism	Identify and assist with development of suitable events	Ongoing funding applications to be considered. Manage events budget.	Ongoing
1.5	Investigate options for accessing capital investment into the region's businesses	Forge relationships with potential investors, investigate becoming a KEA regional partner, investigate opportunities under the Immigration Investment policy.	Investigations, relationship building	Ongoing
1.6	Support and sponsor the Young Enterprise Scheme in the region	All YES programmes are available to the region's schools and supported by the appointed Coordinator	Sponsorship and admin support as required	Ongoing, annual contract

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Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational work stream	Completion Indicators	EDA Role	Timeline
1.7	Facilitate innovation and entrepreneurship in the region	New, emerging and existing business ventures provided with appropriate assistance to facilitate development	Identify potential venture opportunities, facilitate meetings and identify suitable key presenters.	Ongoing
1.8	Regional Business Partner Network – NZTE and Callaghan Innovation (CI)	Regional companies supported to take advantage of NZTE and CI's capability development and R&D funding programmes	Contract management; provide CI resource of 0.4 FTE; facilitate and contribute to management group.	Ongoing
1.9	Cluster group facilitation	Continued support of industry clusters such as the Engineering Cluster and the Aviation Cluster Investigate development of food and beverage clustering opportunity inclusive of the natural products sector	Facilitation and administrative support Facilitation of interviews and discussions with sector businesses and industry groups	Ongoing March 2014
1.10	Oil and Gas industry	In conjunction with Taranaki, Otago and Southland regions identify opportunities in servicing the oil & gas industry	Participate in regular national group meetings	Ongoing
1.11	Facilitate and contribute to the Regional Branding Project	In conjunction with Nelson Tasman Tourism, work with key stakeholders to develop a regional brand proposal	Facilitation and participation	March 2014

Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational work stream	Completion Indicators	EDA Role	Timeline
1.12	If the region's hosting bid is successful, support the FIFA Under 20s hosting plans and any work that maximizes the benefits of the region's involvement	Regional profile raised as a result of hosting FIFA games	Participation in planning meetings, identification of profile raising opportunities	Ongoing
1.13	If the region's hosting bid is successful, support the Cricket World Cup 2015 (CWC2015) hosting plans and any work that maximises the benefits of the region's involvement	Regional profile raised as a result of hosting CWC2015	Participation in planning meetings, identification of profile raising opportunities	Ongoing
1.14	International business opportunities; Key market: China	Regional profile raised and generation of business interests with Nelson region	Organise and host overseas trade delegations with key regional stakeholders; organise and host overseas delegations on site visits to Nelson region	Ongoing
1.15	Facilitate opportunities for collaboration across business, industry and government to increase innovation in the region	Establish closer relationships between business, industry and government; opportunities identified	Participation in planning meetings; facilitate collaboration with multiple stakeholders	Ongoing
1.16	Facilitate opportunities for attracting international students to the region	Establish closer relationships between business sector, NMIT and research organisations; opportunities identified	Participation in planning meetings; facilitate collaboration with multiple stakeholders	Ongoing
1.17	Maori Economic Development	Facilitate collaboration with iwi, business and industry to identify opportunities for iwi economic development	Engage with iwi and key regional stakeholders to facilitate discussion and identification of opportunities	Ongoing

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Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational work stream	Completion Indicators	EDA Role	Timeline
1.18	Outcomes/recommendations identified in population strategy white paper	Investigate viability and facilitate next steps of recommendations outlined in population strategy white paper around economic opportunities of ageing and lack of employment opportunities for young people, including investigate opportunities for ICT training for youth.	Facilitate collaboration with stakeholders to progress recommendations	Ongoing

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Operational Plan 2: Primary Provider of Economic Development Advice				
Ref.	Operational work stream	Completion Indicators	EDA Role	Timeline
2.1	Ensure the region's Councils are given the most appropriate information to enable them to make informed decisions on issues that affect the retention of existing business and the capacity for business growth	Where Council decisions are made that affect regional business retention or growth, the EDA has informed decision makers of any relevant information and/or the consequences of their decisions	Provide appropriate, meaningful information	Ongoing
2.2	Encourage the region's councils to provide or advocate to central government for key infrastructure that can deliver future economic benefit to the region	Upgrade of Transit roads, development of sustainable energy infrastructure, construction of a convention centre, increased telecommunication capacity, development of water storage projects	CEO is a member of both Regional Transport Committees, is a member of Telecom rural broadband group and assists with the Lee Valley Dam project	Ongoing
2.3	Lee Valley Water Augmentation project	Lee Valley Dam is approved for construction	Provide economic advice	Ongoing
2.4	Summit and Workshops	Annual Economic Summit organised and held with good attendance; other workshops as opportunities arise.	Organisation, hosting	Annual
2.5	Sustainable Business Support	Building on the work of the Sustainable Business Advisory Service remain current with regional sustainable business options	Review current sustainable funding schemes for businesses and promote as appropriate; incorporate The Natural Step Framework into any ongoing and new projects	Ongoing

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2.6	Communicate the advantages of doing business in the Nelson Tasman region	Assistance to new businesses that enhance social, cultural, environmental and economic value, to consider and become established in the region.	Types of information to be made available agreed to by Council	Ongoing
2.7	Management of the Nelson Tasman Connections service	Provision of service as contracted with Nelson City Council. Information collected in the Connections database is incorporated in EDA's ongoing assessment streams.	Contract management; data compilation and distribution. Review funding opportunities to continue service beyond June 2014.	Ongoing, annual contract.

Operational Plan 3: Primary Provider of Ongoing Assessment				
Ref.	Operational work stream	Completion Indicators	EDA Role	Timeline
3.1	Provide six monthly key statistical information to Councils and the community on relevant performance measures	Publication of high quality Tracking the Economy report every six months.	Complete updating of report Co-ordinate input from contributing parties Produce hard copies and distribute to key stakeholders Ensure all information is published online	Ongoing, six monthly.

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5. FINANCIAL INFORMATION

5.1 Trustees' Estimation of Equity

The Trustees estimate that the opening value of equity in the annual accounts will represent the Agency's value. The Trustees will advise the Nelson City Council on an annual basis if they believe the value to differ materially from this state. The Trustees estimate that the opening balance of accumulated funds at 1 July 2013 will be \$317,200. The estimation is the best guess based on accounts for month ended 31 December 2012.

5.3 Anticipated Total Funding Based on Budgeted Income

	Total Funding 2013-2014	Total Funding 2014-2015	Total Funding 2015-2016
Nelson City Council base funding	217,000	222,000	228,000
Tasman District Council base funding	207,400	212,000	216,000
Other operating income	35,300	31,300	29,700
Anticipated other project funding	746,000	700,000	712,000
Total Consolidated Funding	1,205,700	1,165,300	1,185,700

5.4 Projects

The anticipated management fee recovery from projects in the budget and total anticipated project funding figures have been made on a conservative basis.

5.5 Accounting Policies

Financial Statements will be prepared in accordance with the requirements of the Financial Reporting Act 1993, International Financial Reporting Standards and the Local Government Act 2002, and the pronouncements of the New Zealand Institute of Accountants.

Financial Activities comprise activities that change the equity and debt structure of the Agency. The following particular accounting policies, which materially affect the measurement of results and financial position, have been applied.

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6. REPORTING REQUIREMENTS

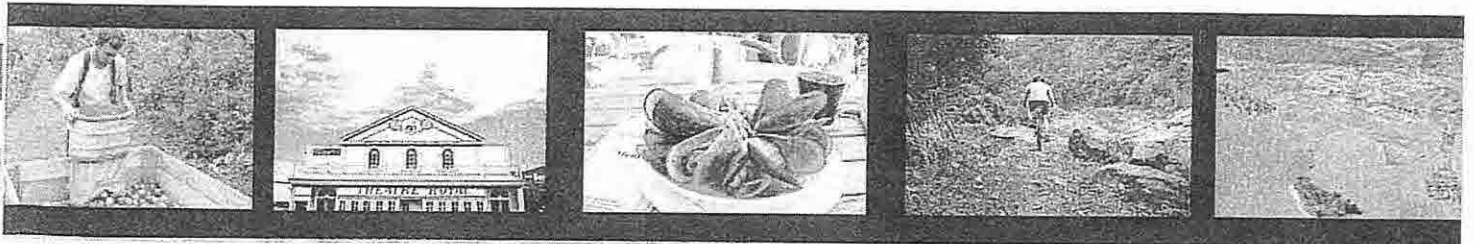
The following reports will be provided to the Nelson City Council:

Report	Purpose	Due Date
Half Year Report	<ul style="list-style-type: none">• Provide evidence of progress against objectives and financial performance to 31 Dec 2013• Commentary on activities and other such information as the Trustees consider necessary to enable an informed assessment of the Agency's performance for the period 1/7/13 to 31/12/13	28 Feb 2014
<i>Draft</i> Statement of Intent	<ul style="list-style-type: none">• Provide information as to intent for the financial year 2014/15 and give council opportunity to comment	1 March 2014
Feedback on <i>Draft</i> Statement of Intent	<ul style="list-style-type: none">• Obtain feedback from council in a timely manner	30 April 2014
Final Statement of Intent	<ul style="list-style-type: none">• Obtain approval from Council on SOI for 2013/14	30 June 2014
Annual Report	To provide: <ul style="list-style-type: none">• Financial Statement of Performance• Financial Statement of Position• Statement of Cash flows• Performance against objectives• Trustees' summary of performance• Auditors report• Any other matters that the Trustees consider necessary	30 Sept 2014

Paul Dalzell, Chairman
Board of Trustees
Nelson Regional Economic Development Agency
28 February 2013

Nelson
Regional **EDA**

HALF YEARLY REPORT



TO 31 DECEMBER 2012

Contents

1. Chairman's Overview	2
2. Operation of the Board	3
3. Role and Functions of the Nelson Regional Economic Development Agency	4
4. 2012/13 Initiatives	5
5. Financial Performance	10
5.1 Nelson Regional Economic Development Agency Income and Expenditure Account	10
5.2 Nelson Regional Economic Development Agency Balance Sheet	11
5.3 Comment	11
5.4 Accounting Policies	12
5.5 Transactions with related parties	12
6. Intentions to 30 June 2013	12

1. Chairman's Overview

In the period 1st July 2012 to 31st December 2012 the Nelson Regional Economic Development Agency (EDA) has been involved in the facilitation of many projects and activities, has worked closely with councils on various issues and provided economic advice and assessment of the region's performance to stakeholders with an update of "Tracking the Economy" released in August 2012. Support from the EDA's sponsors is acknowledged in enabling the EDA to deliver these outcomes over the last 6 months. Our sponsors include The Bowater Motor Group and TelstraClear Ltd.

Key achievements in the 6 month period were:

- Economic Summit held in August 2012 that was well attended.
- Facilitated planning for the successful Iwi Economic Hui.
- Revenue generated by the EDA of \$150,000 in delivery of Callaghan Innovation research and development grants to SMI businesses in Te Tau Ihu.
- Completed study into feasibility of Nelson – Wellington Ferry Service.
- Delivery of economic study and bid for 2015 Cricket World Cup tournament hosting.
- Facilitated a business delegation and Mayoral visit to China.
- CEO appointed Chairman of EDANZ.

In 2009, as a result of new legislation, the EDA was declined Charitable Trust status under the Charities Act 2005. Following this decision the EDA requested an exemption from the imposition of income tax from the Inland Revenue Department but this request was declined.

The finances continue to be well managed and at 31 December 2012 the closing equity of the business was \$388,429. It is considered that reserves are sufficient to provide financial buffer for the business and provides the EDA with the capability to fund projects in advance of receipt of funds specific to that project or to fund projects that meet the EDA's criteria for support consistent with our strategic objectives aligned to the Council's SOI. While the full year budget for 2012/2013 provides for a Total Operating Deficit of \$3,000 we are now forecasting an operating deficit of \$36,000, to be funded from equity, to fund projects in the region that meet our strategic criteria.

The Board continues to have total confidence in Chief Executive Bill Findlater, who manages the EDA in a sound manner. He is ably assisted by Office Manager, Teresa Eddy, Development Manager, Melissa Hutcheson, and part-time Project Assistant, Hazel Thelin.

Paul Dalzell
Chairman
February 28 2013

2. Operation of the Board

The Board consists of the following trustees:

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

Paul Dalzell was reappointed as Chairman in October 2012.

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

3. Role and Functions of the Nelson Regional Economic Development Agency

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

4. 2012/13 Initiatives

Operational Plan 1: Primary facilitator of economic development projects				
Ref.	Operational Work Stream	Completion Indicators	Timeline	Narrative
1.1	Review the REDS document for 2012. Also review the REDS recommendations identified for action by EDA/other parties	Recommendations implemented.	June 2013	A contractor has been engaged to complete the data component of REDS. The aspirational component will be completed in Year 2013 – 14.
1.2	Facilitate the development of the Horoirangi Aquaculture project	Project Steering Group formed	June 2013	EDA is working with NCC executive and Horoirangi partners to clarify water supply issues.
1.3	Workforce Development Strategy	Workforce strategy plans aligned with key government agencies and industry. "Into the Future" revised and published by Q3 2012.	Ongoing	Activity in Workforce Development is ongoing. EDA has revised and re-published 'Into the Future'.
1.4	Facilitate the Events Strategy in conjunction with the Nelson City Council and Nelson Tasman Tourism	Identify and assist with development of suitable events.	Ongoing	Involvement in the management of the Events Funding programme continues.
1.5	Investigate options for accessing capital investment into the region's businesses	Forge relationships with potential investors, investigate becoming a KEA regional partner, and investigate opportunities under the Immigration Investment policy.	Ongoing	EDA has engaged with a number of interested parties inquiring or seeking investment opportunities.
1.6	Support and sponsor the Young Enterprise Scheme in the region	All YES programmes are available to the region's schools and supported by the appointed Coordinator	Ongoing, annual contract.	The programme was very successful for the current year. EDA will continue to support.
1.7	Re-Engineer and facilitate the Venture Accelerator Network	High potential business ventures provided with appropriate assistance to facilitate development	Ongoing	EDA continues to support events for potential entrepreneurs and has facilitated a number of workshops for those businesses with high potential.

Operational Plan 1: Primary facilitator of economic development projects

Ref.	Operational Work Stream	Completion Indicators	Timeline	Narrative
1.8	Regional Business Partner Network – NZTE and MSI	Regional companies supported to take advantage of NZTE and MSI's capability development and R&D funding programmes.	Ongoing	The EDA manages the Regional Business Partnership Contract for Te Tau Ihu including provision of resource for Callaghan Innovation.
1.9	Cluster group facilitation	Continued support of industry clusters such as the Engineering Cluster and the Aviation Cluster	Ongoing	The EDA extended support for the Aviation and Engineering clusters as well as providing assistance to a number of smaller sectors.
1.10	Oil and Gas industry	In conjunction with Taranaki, Otago and Southland regions identify opportunities in servicing the oil & gas industry	Ongoing	We continue to participate in this programme.
1.11	Facilitate and contribute to the Regional Branding Project	In conjunction with Nelson Tasman Tourism, work with key stakeholders to develop a regional brand proposal	Ongoing	The EDA is working with a small group of business people in investigating the development of a regional identity.
1.12	If the region's hosting bid is successful, support the FIFA Under 20s hosting plans and any work that maximizes the benefits of the region's involvement.	Regional profile raised as a result of hosting FIFA games.	Ongoing	The EDA is supporting NCC with ongoing discussions.

Operational Plan 2: Primary Provider of Economic Development Advice				
Ref.	Operational Work Stream	Completion Indicators	Timeline	Narrative
2.1	Ensure the region's Councils are given the most appropriate information to enable them to make informed decisions on issues that affect the retention of existing business and the capacity for business growth.	Where Council decisions are made that affect regional business retention or growth, the EDA has informed decision makers of any relevant information and/or the consequences of their decisions.	Ongoing	The REDS document is being updated in two stages. The data component will be completed by June 2013 with the aspirational component to be completed in the 2013-14 year.
2.2	Encourage the region's councils to provide or advocate to central government for key infrastructure that can deliver future economic benefit to the region.	Upgrade of Transit roads, development of sustainable energy infrastructure, construction of a convention centre, increased telecommunication capacity, development of water storage projects	Ongoing	Chief Executive contributes as a member of both Regional Transport Committees.
2.3	Lee Valley Water Augmentation project.	Lee Valley Dam is approved for construction.	Ongoing	The EDA continues to support the Waimea Community Dam committee. EDA has also facilitated higher level discussions with TDC and interested parties.
2.4	Summit and Workshops.	Annual Economic Summit organised and held with good attendance; other workshops as opportunities arise.	Annual	The next summit is to be held 27 June 2013.
2.5	Sustainable Business Advisory Service	Sustainable Business Advisory service provided as contracted with parties yet to be determined.	Government funding for Sustainable Business Advisory Service discontinued.	The EDA works with organisations and businesses seeking sustainable business opportunities/services for the region. Monitoring and promotion of sustainable business programmes available.
2.6	Communicate the advantages of doing business in the Nelson Tasman region	Assistance to new businesses that enhance social, cultural, environmental and economic value, to consider and become established in the region.	Ongoing	The EDA is a key contact for businesses considering establishment or re-location to the region, and has offered business start-up and relocation advice to a number of businesses interested in settling in the Nelson region. The EDA facilitates business delegations to/from China and other countries.

2.7	Population Strategy White Paper.	White paper presented to Council outlining a population strategy including: i) the economic opportunities that aging presents to the region and ii) how we would address the lack of employment opportunities for young people.	March 2013	This paper is under action and expected to be completed by 30 March 2013.
2.8	Sister City White Paper.	White paper presented to Council outlining the economic opportunities that are offered by sister city relationships.	June 2013	This paper is under action and will be completed by 30 June 2013.
2.9	Investigate options for an Economic Development Fund.	The report would cover the annual funding requirement, the administrative overheads, the potential source of funds, the basis of allocation, and the allocation process.	June 2013	Proposals from interested parties for this project are under consideration.

Operational Plan 3: Primary Provider of Ongoing Assessment				
Ref.	Operational workstream	Completion Indicators	Timeline	Narrative
3.1	Provide six monthly key statistical information to Councils and the community on relevant performance measures.	Publication of high quality Tracking the Economy report every six months.	Ongoing, six monthly.	Delivered to schedule.
3.2	Investigate the development of Genuine Progress Indicators.	Previous investigations came to a conclusion that the cost of a true GPI was prohibitive. This investigation would be focused on finding a more affordable set of measures.	December 2012.	A set of indicators determined in consultation with NCC executive are now included in the Tracking the Economy report.

5. Financial Performance

5.1 Nelson Regional Economic Development Agency Income and Expenditure Account

Income & Expenditure For period ending: Dec-2012

	YTD Actual	YTD Budget	Full Year Budget	Full Year Projection
Income				
Nelson City Council	107,500	108,500	217,000	215,000
Tasman District Council	100,703	98,000	196,000	202,125
Donated Goods and Services	3,600	3,600	7,200	7,200
Interest Received	14,391	5,000	10,000	24,000
Recoveries & Other Income	2,238	2,050	4,100	4,100
Contract Management Fees	54,078	35,300	70,600	126,200
Total Administration Income	282,510	252,450	504,900	578,625
Less Expenses:				
Labour Costs	126,672	117,850	235,700	243,100
Standing Charges	31,637	29,050	58,100	60,800
Administration	80,206	68,100	136,200	166,200
Depreciation	3,465	3,950	7,900	7,900
	241,980	218,950	437,900	478,000
Operating Surplus (Deficit)	40,529	33,500	67,000	100,625
Less Contributions to Projects	5,313	35,000	70,000	105,500
Total Operating Surplus (Deficit) before tax	-3,000	(4,875)	(3,000)	(4,875)
Less Taxation	-	-	-	5,300
Total Operating Surplus (Deficit) after tax	-3,000	(4,875)	(3,000)	(10,175)

5.2 Nelson Regional Economic Development Agency Balance Sheet

Balance Sheet

	As at Dec-12	Jun-12	SOI Budget Jun-13	Projection Jun-13
Equity				
Opening Equity	353,213	321,986	322,000	353,200
Administration Surplus (Deficit)	35,216	31,227	(31,000)	(36,000)
Closing Equity	388,429	353,213	291,000	317,200
Represented by the following Net Assets				
Current Assets				
Bank	346,366	319,466		
Bank Investments	500,000	400,000		
Debtors	2,930	99,222		
Provisional Tax	-	(6,662)		
Total Current Assets	849,296	812,026		
Less Current Liabilities				
Sundry Creditors	63,956	115,641		
GST	15,745	-		
Provision for Income Tax	20,665	31,224		
Revenue Received in Advance – Projects	375,880	330,791		
Total Current Liabilities	476,246	477,656		
Net Current Assets	373,050	334,370	272,000	298,400
Plus Fixed Assets	15,379	18,843	19,000	18,800
	388,429	353,213	291,000	317,200

5.3 Comment

The Administration Surplus is tracking above budget mainly due to the timing of project expenditure.

The projected deficit for 2013 is less than previously budgeted as we have not received as many requests for funding as we had anticipated.

5.4 Accounting Policies

The Financial Statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993, International Financial Reporting Standards and the Local Government Act 2002, and the pronouncements of the New Zealand Institute of Accountants. The accounting policies listed in the EDA's 2012/2013 Statement of Intent, which materially affect the measurement of results and financial position, have been applied.

5.5 Transactions with related parties

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

Operating Grant		\$107,500
Project Grants	Creative Industries	\$9,000
	Business Sustainability	\$20,000
	Connections	\$62,000
	Events Strategy	\$204,000
	Events Implementation	\$23,500
	Mayors' Task Force for Jobs	\$2,000

During the period the EDA paid the Nelson City Council \$17,849 for rent and \$3,825 for Accounting Services.

6. Intentions to 30 June 2013

The EDA intends to continue meeting the objectives outlined in the 2012/13 Statement of Intent and the projected budget in this report.



Paul Dalzell
Chairman

The Nelson Regional Economic Development Agency Statement of Expectation 2013/2014

Introduction

This Statement of Expectation provides guidance to the Nelson Regional Economic Development Agency for the preparation of its Statement of Intent for the 2013/14 year. These matters are not intended to replace any of the requirements in Schedule 8 of the Local Government Act 2002 governing the content of Statements of Intent. The Council expects that the activities of the Nelson Regional Economic Development Agency will support the region's economic development.

Strategic Alignment

Council has adopted an integrated policy framework to ensure that its activities, policies and strategies all align with Council's Strategic Vision. That Vision is being further developed by the Council's Framing Our Future (Sustainability) Strategy, and will be consistent with the purpose of local government.

In developing the SOI, the Nelson Regional Economic Development Agency should demonstrate how activities related to economic development may impact (both positively and negatively) on the Region. The Nelson Regional Economic Development Agency should also show how it can work alongside Council to support its efforts in achieving the Vision.

The 2006 Regional Economic Development Strategy vision is consistent with this approach:

'The strategy for the region is for: smart, sustainable development which maintains economic diversify, preserves quality of life and does not degrade the region's natural beauty and environment.'

Regional Economic Development Strategy Review 2010

A review of Regional Economic Development Strategy will be required to inform the Nelson Development Strategy and Framing Our Future and that work will need to be completed by December 2013. It is envisaged that this will be a more forward looking document than the current Regional Economic Development Strategy.

Council has adopted The Natural Step Framework for the development of its Sustainability Strategy. This is a strategic approach to dealing with the complex issues around sustainability.

Form of the document

The tabular presentation of the intended achievements and measures is most helpful and should be continued.

Financial contribution

Nelson City Council has committed \$ 215,000 for 2012/13 and the Nelson Regional Economic Development Agency should prepare its budgets with this level of funding along with a similar figure from Tasman District Council. It is unclear if the City will increase the base grant by Consumer Price Index for the 13/14 year. This level of funding is sufficient to maintain the levels of service currently delivered. Council will be asking the Nelson Regional Economic Development Agency to undertake some new work and any funding implications of this new work should be clearly presented in way that allows them to quickly be removed or extended in scope and cost.

Objectives

The main objectives which Council wishes to see included and developed as a part of the Statement of Intent are around the following areas:

Facilitate economic development projects that enhance our region's national and international competitiveness

- To establish systems and networks to enable potential investors to identify opportunities within the region.
- Continue to be the lead agent for the implementation of the Events Strategy and assisting in the consideration and development of event proposals which may be of economic benefit to the region.
- To facilitate development of ways for the region's youth to develop their computer skills and share knowledge to exploit the potential for Nelson to become the Information Technology development hub of New Zealand.

Measures

The measures used to assess achievements should be wider than economic measures, and be consistent with the purpose of local government and the Framing Our Future Strategy.

The Bishop Suter Trust Statement of Intent and Half Yearly Report

1. Purpose of Report

- 1.1 To seek Council approval of the Bishop Suter Trust Draft Statement of Intent 2012/13 (Attachment 1).
- 1.2 To offer the Bishop Suter Trust the opportunity to present and explain its half yearly report (Attachment 2).

2. Recommendation

THAT the Bishop Suter Trust Statement of Intent 2013/14 be approved for signing;

AND THAT the Bishop Suter Trust half yearly report for the period ending 31 December 2012 be received.

3. Background

- 3.1 The Bishop Suter Trust, along with the other Council Controlled Trading Organisations, is required to complete a Statement of Intent by agreement with the Council by 30 June each year. The proposed Statement of Intent (SOI) is included as an attachment (Attachment 1).
- 3.2 Schedule 8 of the Local Government Act outlines the purpose of a Statement of Intent, what is to be included and how it is to be approved. The Statement of Intent, as supplied by the Bishop Suter Trust, is compliant.
- 3.3 The half yearly report for the period ending 31 December 2012 is included as Attachment 2. The Chairperson, Craig Potton, and Director, Julie Catchpole, will be in attendance at the meeting to present the information and answer questions.
- 3.4 Last year Council provided the Bishop Suter Trust with a Statement of Expectation (Attachment 3) to help guide it in the creation of the Statement of Intent.

4. Discussion

- 4.1 The half yearly report shows continuing control over costs and a significant range of activities undertaken for the community.
- 4.2 There are no concerns in relation to the finances and performance of the Bishop Suter Trust over the period with all issues and interventions clearly explained.
- 4.3 The clear focus of the Bishop Suter Trust is on the coming redevelopment and the associated fund raising. Although there is little mention of this in the SOI it is important that that the SOI is considered in the context of the redevelopment.
- 4.4 The Bishop Suter Trust is in a very stable period prior to the planned redevelopment budget and SOI reflect this.
- 4.5 The only issue to note is the Suter accounts have been inflated by 2% CPI. It has been recent practice for NCC to use the December quarter figure for this purpose. The rate of annual inflation as calculated for the December quarter 2012 is 0.9%. It is recommended that the budgets are recast for 2013/14 using the lower figure.

5. Conclusion

- 5.1 The performance and delivery of the Bishop Suter Trust over the last 6 months has been sound and the Statement of Intent is, subject to minor adjustments, acceptable. The Council can have every confidence of this continuing through 2013/ 2014 financial year and the coming redevelopment.

Hugh Kettlewell

Executive Manager Support Services

Attachments

- Attachment 1: Legal Contract – The Bishop Suter Trust – Statement of Intent 2013-2016 [1468363](#)
- Attachment 2: Legal Contract – The Bishop Suter Trust - Half Year Financial & Performance Report [1485712](#)
- Attachment 3: Suter Art Gallery – Statement of Expectation 2012-2013 [1173947](#)

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01 MAR 2013

NELSON CITY COUNCIL
Customer Service

THE BISHOP SUTER TRUST

STATEMENT OF INTENT

2013/2016

THE BISHOP SUTER TRUST

Registered Office:

208 Bridge Street, Nelson

P.O. Box 751, Nelson 7040

www.thesuter.org.nz

1468363

CONTENTS

1.	The Bishop Suter Trust Statement of Intent 2013-2016	3
1.2	Vision	3
1.3	Mission	4
1.4	Values	4
2.	Nature and Scope of the activities to be undertaken	4
2.1	Activities	4
2.2	Key priorities	5
2.3	Alignment with NCC outcomes	7
3.	Objectives, Performance Measures and Targets	8
4.	Operating Framework	12
4.1	Background	12
4.2	Governance, Allied Organisations and Staffing	13
5.	Operating Environment	13
6.	Accountability	15
6.1	Information to be provided to the NCC	15
7	Prospective Financial Statements	16
7.1	Introduction	16
7.2	Statement of Significant Assumptions	16
Appendices:		
I.	Financial Budgets	18
II.	The Bishop Suter Trust Statement of Accounting Policies	22
i.	Reporting Entity	22
ii.	Basis of preparation	22
iii.	Significant Accounting Policies	22
III.	The Trust's Approach to Governance	27

1. The Bishop Suter Trust Statement of Intent 2013-2016

As a Nelson City Council (NCC), council-controlled organisation (CCO) and in accordance with statutory obligations of Section 64 of the Local Government Act 2002, this Statement of Intent is for the forthcoming financial year and the following two financial years, ending 30 June 2016. The future intentions of The Suter are also set out in a ten year strategic plan.

The purpose of this Statement of Intent is to promote public accountability, and it sets out The Suter's objectives for three years. It is intended also as a base against which performance can be assessed.

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

The Suter is a council-controlled organisation whereby the NCC has the right to directly appoint 1 or more of the trustees. The Suter does not have any subsidiaries.

Abbreviations:

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

1.2 Vision

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

1.3 Mission:

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

1.4 Values:

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

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

2 Nature and Scope of the Activities to be undertaken

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

2.1 Activities

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

- To develop and maintain partnerships for the mutual benefit of The Suter, the community and allied organisations.

2.2 Key Priorities

2.2.1 Operate a successful visual arts centre and public art gallery

To optimise the use of all The Suter's facilities and resources in order to achieve its objectives

To work in partnership with the Nelson City Council to finalise plans for the redevelopment of The Suter as a visual arts centre; and to work with other potential funders and supporters to realize these plans. Redevelopment will begin to take place in the 2014/15 financial year and will require The Suter to relocate its staff, collection, furniture and equipment to a temporary location for the construction period. Preparation for this will occur in the 2013/14 financial year.

Relocation will have an impact on the nature of activities undertaken by staff; on the ability of The Suter to earn revenue from sources such as leases, venue hire, admission charges and there will be some increased cost from renting alternative facilities.

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

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

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

- That staff and volunteers are housed in a safe and functional work environment

To build the capability- people, facilities, funding streams and processes to ensure operational sustainability and programme innovation.

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

To provide a programme of exhibitions that appeal to a variety of audiences, that presents the visual arts in its many forms by local, national and where possible, international artists. A schedule of exhibitions will be programmed for 2013/14 for The Suter's galleries, but not beyond until The Trust knows where and when The Suter will be temporarily relocated. Dependant on the facilities available some exhibition projects may be able to be undertaken there and/or other opportunities for providing art experiences for the public will be explored. Staff will also plan and prepare exhibitions for the opening of the redeveloped Suter

To encourage life- long learning by being a respected provider of curriculum relevant learning experiences outside the classroom (LEOTC) for the school sector, and provider of visual arts experiences for diverse audiences. The current LEOTC Contract between the Ministry of Education and The Suter will end on 30 June 2013 and aims of the Trust will be to extend this Contract and bid for a further Contract. Also other options for delivering LEOTC beyond 30 June 2014 will be explored¹

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

To be the recognised custodian of Nelson/Tasman region's artistic heritage by developing the Collection, disseminating information and increasing knowledge of the Collection.

To profile aspects of the Collection and Nelson/Tasman regions' artists through exhibitions, public programmes, publications, website and other means.

To maintain and interpret the heritage aspects of The Suter's building. This will be realised in the redevelopment with restoration of heritage features and seismic strengthening

2.2.4 Develop partnerships that sustain The Suter

To develop partnerships which contribute to the delivery of programmes, development of the Collection, resources and other projects: - in particular to develop partnerships which contribute to the Redevelopment Project and its ongoing funding

To contribute to the fulfilment of the Nelson Tasman Regional Arts Strategy and Arts Policy by providing leadership in the area of visual arts.

¹ This might be from another site or in conjunction with another cultural/heritage facility

2.3 Alignment with Nelson City Council Outcomes

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

3. Objectives, Performance Measures and Targets

The following chart indicates objectives and goals for The Bishop Suter Trust for three years and the target levels of performance. These performance standards are for The Trust, that it will either meet or not meet, and do not represent a Council commitment to meet particular standards along with associated costs. The setting of targets has been influenced by available resources to effectively measure performance. Currently qualitative measures are limited by The Suter's ability to carry out summative evaluation.² Some targets are for specific years.

Please note: Asterisked Objectives, goals and targets correspond to 'Objective' bullet points in the Council's "Statement of Expectation 2013/2014"

Objectives and Goals	Target level of performance	
3.1. Operate a successful visual arts centre and public art gallery: <i>Optimising the use of The Suter's facilities and resources to achieve objectives</i>		
3.1.1. To operate The Suter as an arts centre in which art, heritage and cultural activities take place.	Total number of visits to <u>all</u> parts of The Suter complex.	80,000 ³ per annum. To be open to the public from 10.30am-4.30pm every day except Christmas Day, New Year Day and Good Friday.
3.1.2. To ensure sufficient resources to operate The Suter and deliver services to the public. *(ii) and (vi)	The Suter is well managed and operates within its agreed annual plans.	The Suter: Prepares strategic, annual plans and budgets which meet set deadlines Achieves its objectives within its agreed budget. Generates at least 20% of the revenue it needs to operate. The Risk Management Plan is reviewed annually and the mitigation strategies identified are implemented.

² E.g. To effectively survey visitors' satisfaction with exhibition experiences, and to analyse data.

³ See above. Recording is done manually by observation of visitors entering The Suter through the front door. Limits on collecting data include being able to record visitors entering via the Cafe, and some after-hours activity, e.g. Theatre and NSAS events.

Objectives and Goals		Target level of performance
3.1.3. Residents and visitors are satisfied with the services The Suter provides.* (i)		The Suter rates 80% 'good' and 'very good' in a NCC Customer Satisfaction Residents' Survey.
3.1.4. Maintain and develop The Suter facilities.	<p>To prioritise and undertake urgent maintenance and asset replacement as necessary.</p> <p>To raise the funds necessary to implement The - Suter Art Gallery Redevelopment Plan.</p>	<p>Urgent maintenance is undertaken as specified in the Maintenance Plan.</p> <p>The Asset Register and Asset Management Plan are reviewed annually</p> <p>Sufficient funds are raised to initiate the tender process for redevelopment by 1 July 2014.</p> <p>The Suter fund raising target of \$6m including contributions from funding organisations, large sponsors, in kind sponsors and the public fund raising is achieved.</p> <p>To work in partnership with the NCC to ensure the overall project design/costs remain within the \$12 million budgeted in the NCC LTP</p>
3.1.5. Be a good employer *(v)	To maintain good employer policies and practices	<p>Employment policies are maintained and observed including Staff Code of Conduct, Health and Safety and Performance Management.</p> <p>Staff turnover and personal grievance statistics are reported on. Nil injury related accidents.</p>

Objectives and Goals	Target level of performance
<p>3.2. Engage, educate and entertain the regional community and visitors through visual arts' programmes: *(i)</p> <p><i>Exhibitions and life-long learning opportunities that engage, inform, challenge and delight visitors</i></p>	
<p>3.2.1. To present a diverse and stimulating programme of exhibitions. *(i)</p>	<p>A minimum of 15 exhibitions are installed per annum.</p> <p>A minimum of 30,000 visits to the exhibition galleries per annum.</p>
<p>3.2.2. To provide public programmes⁴ which enhance appreciation and enjoyment of the exhibitions *(i)</p>	<p>A minimum of 20 talks/activities/events are offered.</p>
<p>3.2.3. To provide learning experiences for school students. *(i)</p>	<p>To deliver a Ministry of Education LEOTC service for Nelson/Tasman region⁵.</p> <p>To provide out of school art educational activities.</p> <p>3,000 students from 25 schools use the service.</p> <p>Post visit teacher evaluations indicate at least 90% satisfaction ratings of "fine" to "great".</p> <p>55 sessions are delivered per annum.</p>

⁴ E.g. talks, tours, workshops, lectures etc

⁵ The Suter's Ministry of Education funded Contract for Provision of Learning Experiences Outside The Classroom runs from 1 July 2011-30 June 2013

Objectives and Goals	Target level of performance	
<p>3.3. Collect, record, interpret and preserve the artistic heritage of the Nelson/Tasman region and New Zealand: *(iii)</p> <p><i>The Suter's Permanent Collection</i></p>		
<p>3.3.1. The Collection is managed and developed for the enjoyment and education of current and future generations. (iii)</p>	<p>To develop the Collection in accordance with The Suter's Collection Policy.</p> <p>The 10x10 Acquisitions' fund for the Collection is maintained and developed to allow active collecting to occur.</p> <p>To maintain the Collection in optimal conditions for its long term preservation.</p> <p>The Collection is prepared and packed for relocation ahead of redevelopment</p>	<p>All acquisitions⁶and de-accessions comply with the Collection Policy⁷.</p> <p>The 10x10 Collection acquisitions fund meets or exceeds budget.⁸</p> <p>The environmental conditions for Collection storage are in line with accepted museum practice⁹.</p> <p>The Collection is ready to relocate by 30 September 2014</p>

⁶ The Collection grows by gift, bequests and purchases.

⁷ The NCC approved the Bishop Suter Trust Collection Policy on 11/12/12 and it will be reviewed in 3 years time. This covers accessions and de-accessioning

⁸ The acquisitions fund comprises designated bequests (invested) and the 10x10 Acquisitions Fund (donations of \$10,000) a tagged fund exclusively for Collection development

⁹ As defined in NZ Museums Standards Scheme & Te Papa National Services Te Paerangi Preventive Conservation Resource Guide. Including RH 50-55%, temperature 18-22°C, pest control, archival materials, security and fire monitoring.

Objectives and Goals	Target level of performance	
3.4. Develop partnerships that sustain The Suter:		
3.4.1. To engage in collaborative partnerships to support programmes and develop projects.	<p>To strengthen The Suter's relationship with Iwi and Maori.</p> <p>To form active partnerships to support the Redevelopment Project</p>	<p>The MoU with Ko Te Pouāranga is honoured.</p> <p>Sufficient resources are achieved to support the redevelopment Project</p>
3.4.2. The Suter contributes to other organisations and initiatives to promote Nelson/Tasman visual arts and heritage.	To engage with and provide leadership in field of expertise to support the Councils' provision of cultural wellbeing [and economic, social and environmental well beings].	Suter staff/trustees contribute to the implementation of the Regional Arts Strategy, Heritage Strategy, regional museums network and other related initiatives.

4. Operating Framework

4.1. Background

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

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

The repeal of The Bishop Suter Art Gallery Trustees Act (1896) and replacement with the Bishop Suter Art Gallery Restructuring Act (2008) paved the way for The Suter to become a CCO of the Nelson City Council.

Redevelopment of The Suter is now the key priority for the Bishop Suter Trust working in partnership with the Nelson City Council.

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

4.2 Governance, allied organisations and staffing

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

The Bishop Suter Art Gallery Trust Board entered into Deeds (18/1/1974), (27/2/1978) and (24/7/1990) with the **Nelson Suter Art Society Inc.** with respect to access and use of the Grabham Studio, McKee Room plus biannual exhibiting rights, in exchange for some financial considerations.

The Suter 2000 Appeal Trust is incorporated and was registered as a charitable trust on 13 July 2001 to raise and administer funds associated directly with the earlier Suter redevelopment project. It is independent of The Bishop Suter Trust and currently holds in trust significant funds to be assigned to the redevelopment project. These funds will be released to the new redevelopment project. .

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

Ko Te Pouāranga is the name of the group consisting of representatives from each of the six recognised manawhenua Iwi trusts of Whakatu. A Memorandum of Understanding signed on 04/08/2010 with Ko Te Pouāranga establishes principles of partnership and confirms full, permanent as of right, Maori representation on the Board of The Suter as outlined in the Trust Deed

Staffing: The Suter's current staffing complement is 7.6 F.T.E.s and regular volunteer contribution equates to 24 hours per week on average. It is anticipated that the configuration and increased scale of the redeveloped Suter will necessitate an increase in staffing.

5. Operating Environment

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

Visitor trends:

Statistics for the past few financial years suggest an average of 30,000 visits to the exhibition galleries. It is anticipated that this level of visitation will be improved upon in the new Suter by at least 20%. Currently with a successful café and theatre operating, approximately 80,000 people use aspects of The Suter complex during the

year and these activities make a significant contribution to the funding of the operation. Over 60% of visitors are from Nelson/Tasman area, the balance being tourists - the greatest proportion domestic travellers. Efforts have been made to increase awareness of The Suter through tourism media, at I-Sites, by developing www.thesuter.org.nz, and making links to other sites such as eventfinder.co.nz as well as local sites such as It's-on-Nelson Tasman Events.

There is a seasonal aspect to visitation - with numbers increasing through the tourist season (November-April) and The Suter is one of a relatively limited number of wet weather activities available to visitors although improvements to the visitor experience over summer are required. These improvements, which will be implemented in the redeveloped Suter include exhibitions and activities of interest to families, air conditioning, longer opening hours and disabled access.

Technology:

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

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

Facilities:

A mobile population experience galleries, museums and other attractions elsewhere in New Zealand, and as a consequence expect facilities to be up to a certain standard. The Trust's priority is to complete the fundraising programme and get the redevelopment of The Suter underway. There are, however some areas where urgent maintenance can be carried out in the meantime which will have continued value in the redevelopment since the original Suter Memorial Gallery and the Suter Theatre structures will be retained. Replacement of shop fittings, exhibition furniture and lighting will also be programmed, as they will be incorporated in the new building design.

Collecting:

The Suter intends to keep developing its collection. Well over 90% of the Suter's collection has been acquired by donation- either of art works or funds, reflecting community input and ownership and it is intended that we continue to grow the collection using funds raised. It is desirable for The Suter to actively collect if the Gallery is to provide a comprehensive record of the visual arts of Nelson/Tasman, contextualised in relation to developments in New Zealand art. Contributors to the 10x10 Acquisitions Fund will be actively involved in The Suter's collection development and as our acquisitions' programme gains momentum The Suter will continue to enhance our collection of national significance

The priority for 2013/14 will be to prepare the collection for moving to a storage location for the duration of the rebuild. As much cataloguing information as can practically be collected will be achieved at the same time to facilitate development of

online collection access, publishing and future exhibition preparation. The Suter endeavours to meet all reasonable requests for loans from the Collection¹⁰ and for illustrations for publications as further ways for the Collection to be enjoyed by the widest possible audiences.

The Trust acknowledges that adding works to the Collection increases pressure on storage, however redevelopment offers opportunities to instigate highly efficient storage solutions that will greatly increase capacity.

Resourcing:

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

6. Accountability

6.1 Information to be provided to Nelson City Council

Half Yearly

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

Annually:

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

- A Trustees' Report including a summary of the financial results, a review of operations, and a comparison of planned and actual performance in relation to objectives.
- A financial statement disclosing actual and budgeted revenue and expenditure and comparative figures from the previous financial report.

¹⁰ Loans to other museums and galleries for exhibitions

- A statement of financial position as at the financial year end.
- A statement of cash flows.
- An Auditor's Report on the above statements and the measures of performance in relation to objectives.
- Any other matters that NCC and the Trustees agree shall be disclosed as appropriate.

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

7. Prospective Financial Statements

7.1. Introduction

The Suter's Statement of Intent covers the period 1 July 2013 to 30 June 2016. The financial information contained in the Statement of Intent has been prepared to assist the NCC consider The Suter's planned performance.

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

7.2 Statement of Significant Assumptions

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

7.2.2. Other revenues: Other revenues reflect forecast visitor activity levels consistent with historic trends and obligations of lessees.

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

7.2.4. Operating Expenditure Operating expenditure is forecast to continue at historic levels adjusted for inflation.

7.2.5. Capital Expenditure The Suter will be undertaking a programme of capital spending to replace crucial equipment and address maintenance issues of those parts of the facilities that will form part of the 'new Suter'.

7.2.6. Inflation: 2% CPI adjustment has been applied in the 2013/2014 financial year and for the subsequent financial years' projected revenue and expenditure.

7.2.7. Trustees' Estimate of Trust Value: The Trustees estimate that the opening balance of funds in the annual accounts will represent the value of the Trust. The Trustees will advise NCC on an annual basis if they believe the value to differ materially from this state. The audited opening equity at 9 August 2008 is \$9,593,656¹¹.

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

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

¹¹ This is the date when The Bishop Suter Trust assumed responsibility for governance of The Suter Art Gallery

APPENDIX I: FINANCIAL BUDGETS

The Bishop Suter Trust						
	Actual YE 30 Jun 2012	Plan YE 30 Jun 2013	Forecast YE30 Jun 2013	Plan YE 30 Jun 2014	Plan YE 30 Jun 2015	Plan YE 30 Jun 2016
Cpi	4.00%	2.00%		2.00%	2.00%	2.00%
	\$	\$	\$	\$	\$	\$
Statement of Comprehensive Income						
Income						
General Funds						
Investments	4,984	7,500	8,000	5,000	5,000	5,000
Donations & Sponsorships	16,507	42,600	42,600	26,200	10,000	10,000
Grants						
NCC - Operating	444,226	453,111	461,995	471,235	480,660	510,273
NCC - Depreciation						120,000
NCC - Capital, maintenance	100,000	100,000	100,000	100,000	25,000	
NCC - costs during redevelopment					75,000	50,000
TDC	80,990	83,721	82,772	84,427	86,116	87,838
Exhibitions	18,270	10,000	15,000	5,000	5,000	5,000
Life Long Learning	49,412	46,000	46,000	46,000	48,000	48,000
Visitor Services & Marketing	125,946	126,900	127,000	129,438	80,000	110,000
Rent	60,335	62,000	62,000	62,000	15,000	30,000
Other Income	6,093	1,000	1,000	1,000	1,000	1,000
Total Income General Funds	906,763	932,832	946,367	930,300	830,776	977,111
Special Purpose Funds						
Redevelopment & Capital Funds						
NCC / TDC Equity grant						
Public fund raising	3,608		175,000	250,000	1,075,000	
Suter Trust - fundraising					500,000	
MCH, NZLGB and other funders	3,999				4,000,000	
Suter Renewal Fund						
Opening Value	0	0	0	0	0	0
Funded Depreciation						60,000
Income from fund: 4%pa on previous year						
Cuthbertson Fund						
Interest and dividends earned	11,150	11,800	12,500	11,000	11,000	11,000
Burton Fund						
Interest earned	4,548	4,500	4,240	4,000	4,000	4,000
Acquisitions Fund						
Donations received	50,000	50,000	50,000	50,000	50,000	50,000
Interest earned	815	700	500	500	500	500
Total Special Purpose Funds Income	74,120	67,000	242,240	315,500	5,640,500	125,500
Other Income						
Donated Collection Items at Valuation	344,000	20,000	20,000	10,000	10,000	10,000
Total Other Income	344,000	20,000	20,000	10,000	10,000	10,000
Total Comprehensive Income	1,324,883	1,019,832	1,208,607	1,255,800	6,481,276	1,112,611
Expenses						
General Funds						
Personnel Costs	374,013	407,520	390,000	415,670	423,983	452,463
Audit	17,685	18,000	18,000	19,000	19,000	19,000
Finance Costs	2,642	3,000	2,250	2,000	1,500	0
Administration	132,095	117,100	130,000	130,000	110,000	112,200
Relocation costs						
Governance	41,683	50,950	48,000	51,969	53,008	54,069
Exhibitions	77,575	90,000	90,000	79,127	30,000	60,000
Life Long Learning	6,577	4,800	3,000	3,060	3,121	3,183
Visitor Services	73,535	67,850	59,000	60,180	35,000	45,000
Collection	8,460	13,200	13,200	13,000	33,000	30,000
Facilities	71,921	67,790	70,000	67,790	67,790	67,790
Deferred maintenance and redevelopment planning	83	75,000	75,000	25,000		
Redevelopment expenses						
Depreciation and Loss on sale			6,000	6,000	6,000	
Depreciation Landscaping	1,231	1,650	1,231	1,231	307	0
Depreciation Buildings	60,734	60,100	60,519	60,520	32,274	142,158
Depreciations Plant and Equipment	10,383	12,300	12,750	14,500	15,000	16,000
Depreciation and Loss on sale	72,348	74,050	74,500	76,251	47,581	158,158
Write off buildings & landscaping					1,681,405	
Total General Funds Expenses	878,617	989,260	972,950	943,047	2,580,388	1,051,863
Special Purpose Funds						
Cuthbertson Fund unrealised market adjustment	12,022	0	0	0	0	0
Total Expenses	890,639	989,260	972,950	943,047	2,580,388	1,051,863
Net Surplus	434,244	30,572	235,657	312,753	3,900,887	60,749
Net Surplus						
General Funds	28,146	(36,428)	(26,583)	(12,747)	(1,749,613)	(74,751)
Redevelopment Fund	7,607	0	175,000	250,000	5,575,000	0
Suter Renewal Fund						60,000
Cuthbertson Fund	(872)	11,800	12,500	11,000	11,000	11,000
Burton Fund	4,548	4,500	4,240	4,000	4,000	4,000
Acquisitions Fund	394,815	50,700	70,500	60,500	60,500	60,500
	434,244	30,572	235,657	312,753	3,900,887	60,749

APPENDIX I: FINANCIAL BUDGETS CONTINUED

Statements of Changes in Equity						
General Purpose Funds						
Opening Equity	9,386,483	9,584,367	9,414,629	9,388,046	9,375,299	7,625,687
Surplus/(deficit) for the period	28,146	(36,428)	(26,583)	(12,747)	(1,749,613)	(74,751)
Closing Equity	9,414,629	9,547,939	9,388,046	9,375,299	7,625,687	7,550,935
Redevelopment Fund						
Opening Equity	66,499	70,498	74,106	249,106	499,106	6,074,106
Surplus/(deficit) for the period	7,607	0	175,000	250,000	5,575,000	0
Closing Equity	74,106	70,498	249,106	499,106	6,074,106	6,074,106
Suter Renewal Fund						
Opening Equity						0
Surplus/(deficit) for the period						60,000
Closing Equity						60,000
Cuthbertson Fund						
Opening Equity	322,381	333,181	321,509	334,009	345,009	356,009
Surplus/(deficit) for the period	(872)	11,800	12,500	11,000	11,000	11,000
Closing Equity	321,509	344,981	334,009	345,009	356,009	367,009
Burton Fund						
Opening Equity	132,706	137,206	137,254	141,494	145,494	149,494
Surplus/(deficit) for the period	4,548	4,500	4,240	4,000	4,000	4,000
Closing Equity	137,254	141,706	141,494	145,494	149,494	153,494
Acquisitions Fund						
Opening Equity	172,086	222,786	566,901	637,401	697,901	758,401
Surplus/(deficit) for the period	394,815	50,700	70,500	60,500	60,500	60,500
Closing Equity	566,901	273,486	637,401	697,901	758,401	818,901
Total Changes in Equity						
Opening Equity	0	0	0	0	0	0
Surplus/(deficit) for the period	434,244	30,572	235,657	312,753	3,900,887	60,749
Closing Equity	434,244	30,572	235,657	312,753	3,900,887	60,749
Special Purpose Funds reconciliation of equity to investments						
Redevelopment and Capital Fund						
Equity at 9 August 2008						
Accumulated surpluses	74,106	70,498	249,106	499,106	6,074,106	6,074,106
Opening equity applied to redevelopment	(35,382)	(70,498)	(70,498)	(70,498)	(70,498)	(6,074,106)
Fund equity applied to redevelopment and capital tr	(35,116)				(6,003,608)	
Investments on hand	3,608	0	178,608	428,608	0	0
Cuthbertson Fund						
Equity at 9 August 2008						
Accumulated surpluses	6,291	36,000	18,791	29,791	40,791	51,791
Opening equity applied to collection acquisitions	(26,000)	(64,899)	(64,899)	(64,899)	(64,899)	(64,899)
Fund equity applied to collection acquisitions this y	(38,899)					
Investments on hand	250,373	280,082	262,873	273,873	284,873	295,873
Burton Fund						
Equity at 9 August 2008						
Accumulated surpluses	23,053	27,505	27,293	31,293	35,293	39,293
Opening equity applied to collection acquisitions	(27,004)	(32,362)	(27,004)	(27,004)	(27,004)	(27,004)
Fund equity applied to collection acquisitions this year						
Interest to SOL account	(5,358)	(4,500)	(9,766)	(13,766)	(17,766)	(21,766)
Investments on hand	104,893	104,844	104,725	104,725	104,725	104,725
Acquisitions Fund						
Equity at 9 August 2008						
Accumulated surpluses	225,078	275,778	275,578	326,078	376,578	427,078
Opening equity applied to collection acquisitions	(127,339)	(222,339)	(222,339)	(272,339)	(322,339)	(373,277)
Fund equity applied to collection acquisitions this y	(45,000)					(50,000)
Fund Equity applied to Hunt Loan repayment	(50,000)	(50,000)	(50,000)	(50,000)	(50,938)	
Investments on hand	2,739	3,439	3,239	3,739	3,301	3,801

APPENDIX I: FINANCIAL BUDGETS CONTINUED

The Bishop Suter Trust						
	Actual YE 30 Jun 2012	Plan YE 30 Jun 2013	Forecast YE30 Jun 2013	Plan YE 30 Jun 2014	Plan YE 30 Jun 2015	Plan YE 30 Jun 2016
Cpl	4.00%	2.00%		2.00%	2.00%	2.00%
	\$	\$	\$	\$	\$	\$
Statement of Financial Position						
Assets						
Current Assets						
Bank	173,833	42,124	197,114	253,293	206,950	235,125
Cash on hand	540	540	540	540	540	540
Receivables	12,170	7,492	7,492	7,492	7,492	7,492
Accrued Interest Burton Fund	3,842	4,650	3,674	3,674	3,674	3,674
Bank deposit Acquisitions Fund	2,616	11,682	3,116	3,616	3,178	3,678
Other Current Assets	24,580	34,660	27,000	27,000	27,000	27,000
GST receivable	9,416	3,371	9,416	9,416	9,416	9,416
Total Current Assets	226,997	104,519	248,352	305,031	258,249	286,925
Specific Purpose Investments						
Redevelopment Fund		0	178,608	428,608	0	0
Depreciation Fund					0	60,000
Cuthbertson Investments	252,799	312,981	265,299	276,299	287,299	298,299
Burton Fund Investments	101,052	100,194	101,052	101,052	101,052	101,052
Acquisition Fund Investments	0	0	0	0	0	0
Total Specific Purpose Investments	353,851	413,175	544,959	805,959	388,351	459,351
Non Current Assets						
Collection						
Opening Balance	6,499,025	6,614,025	6,926,924	6,946,924	6,956,924	6,966,924
Additions						
From accumulated reserves						
Donated	344,000	20,000	20,000	10,000	10,000	10,000
Ex Cuthbertson	38,899	0	0	0	0	0
Ex Burton		4,500	0	0	0	0
Ex Acquisitions	45,000	50,000	0	0	0	50,000
Sally Hunt loan						
Total Collection Assets	6,926,924	6,688,525	6,946,924	6,956,924	6,966,924	7,026,924
Property Plant and Equipment						
Land	442,000	442,000	442,000	442,000	442,000	442,000
Landscaping	24,616	28,734	24,616	24,616	0	0
Depreciation Landscaping	(4,806)	(6,456)	(6,037)	(7,268)	0	0
Work in Progress	0	0	0	0	6,000,000	0
Buildings and fitout	2,924,927	2,994,927	2,999,997	2,999,997	1,107,909	1,107,909
Additions / Redevelopment	75,070	25,000	0	0	0	12,000,000
Depreciation Buildings	(229,040)	(288,506)	(289,559)	(350,079)	(154,628)	(296,787)
Plant & Equipment	76,288	126,885	97,712	107,712	122,712	132,712
Additions	21,424	15,000	10,000	15,000	10,000	10,000
Depreciation Plant and Equipment	(31,161)	(45,379)	(43,911)	(58,411)	(73,411)	(89,411)
Property Plant and Equipment	3,299,318	3,292,205	3,234,818	3,173,567	7,454,581	13,306,423
	10,226,242	9,980,730	10,181,742	10,130,491	14,421,505	20,333,347
Total Assets	10,807,090	10,498,424	10,975,053	11,241,481	15,068,106	21,079,623
Statement of Financial Position						
Liabilities						
Current Liabilities						
Bank Overdraft	0	0	0	0	0	0
Payables	67,178	60,238	67,178	67,178	67,178	67,178
Employee Entitlements	42,211	36,000	36,000	33,000	33,000	33,000
Bank Loans current	6,750	6,750	8,325	8,325	4,231	0
NCC Redevelopment Loan						120,000
Other Liability - Hunt	50,000		50,000	50,938		
Income in Advance	3,158			15,000		15,000
Total Current Liabilities	169,297	102,988	161,503	174,441	104,409	235,178
Long Term Liabilities						
Bank Loans	22,456	16,826	12,556	4,231	0	0
Other Liability - Hunt	100,938		50,938	0		
NCC Redevelopment Loan (\$6M)						5,820,000
Total Long Term Liabilities	123,394	16,826	63,494	4,231	0	5,820,000
Total Liabilities	292,691	119,814	224,997	178,672	104,409	6,055,178
Net Assets	10,514,399	10,378,610	10,750,056	11,062,809	14,963,697	15,024,445
The Bishop Suter Trust Equity						
Capital & Reserves						
General Purpose Funds	9,414,629	9,547,939	9,388,046	9,375,299	7,625,687	7,550,935
Redevelopment Fund	74,106	70,498	249,106	499,106	6,074,106	6,074,106
Suter Renewal Fund						60,000
Cuthbertson Fund	321,509	344,981	334,009	345,009	356,009	367,009
Burton Fund	137,254	141,706	141,494	145,494	149,494	153,494
Acquisitions Fund	566,901	273,486	637,401	697,901	758,401	818,901
Total Trust Equity	10,514,399	10,378,610	10,750,056	11,062,809	14,963,697	15,024,445

Notes to the 2013-2016 SOI Budgets:

- The budgets clearly separate activities between operating and Special Purpose Funds which have independent and tagged purposes; these are:
 - Cuthbertson Fund – a historic bequest whose capital is invested and growth tagged to purchase and care for collections items.
 - Burton Fund – a historic bequest whose capital is invested and growth tagged to purchase collections items.
 - 10X10 Acquisitions Fund – Specific funds currently being sought and held in trust to purchase collection items.
 - Redevelopment Fund – This anticipates agreement to the funding vehicles that might provide revenue to enable The Suter to commence a redevelopment plan along the lines set out in other public forums.

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

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

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

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

ii. BASIS OF PREPARATION**Compliance**

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

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

Measurement base

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

Functional and presentation currency

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

Changes in accounting policies

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

iii. SIGNIFICANT ACCOUNTING POLICIES**Revenue**

Revenue is measured at the fair value of consideration received.

Grants

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

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

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

Other revenue

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

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

Interest income is recognized on receipt.

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

Advertising costs

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

Borrowing costs

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

Income Tax

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

Leases

Finance Leases

The Trust has no finance leases.

Operating leases

The Trust has 2 leases with other parties; both are on a 3 year renewable term. These leases cover the Trust's Theatre and the Café. The income received from the leases is recorded as income on receipt.

There are no incentives attached to the leases.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of 3 months or less, and bank overdrafts.

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

Debtors and other receivables

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

Inventories

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

Investments

Investments are shown at actual or realisable value.

Property, plant and equipment

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

Additions

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

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

Disposals

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

Subsequent costs

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

Depreciation

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

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

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

Intangible assets

Software acquisition:

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

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

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

Staff training costs are recognized as an expense when incurred.

Amortisation

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

Impairment of property, plant and equipment and intangible assets

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

Impairment loss is recognised in the statement of financial performance.

Collection

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

Creditors and other payables

Creditors and other payables are measured at fair value.

Employee entitlements

Short term entitlements

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

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

Borrowings

Borrowings are recognized at their fair value.

Good and Service Tax (GST)

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

The net GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of the receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Budget figures

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

Critical accounting estimates and assumptions

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

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

Critical judgement in applying the Trust's accounting policies

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

APPENDIX III:

THE TRUST'S APPROACH TO GOVERNANCE

GOVERNANCE PRINCIPLES

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

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

THE ROLE OF THE TRUST BOARD

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

COMPOSITION OF THE BOARD

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

BOARD REMUNERATION

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

RISK MANAGEMENT POLICIES

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

GUIDANCE AND RESOURCES PROVIDED TO BOARD MEMBERS.

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

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

This 2013/2016 Statement of Intent is dated

this.....day of2013;

Signed for and on behalf of,

The Bishop Suter Trust _____ Chairperson

The Bishop Suter Trust _____ Director

Nelson City Council _____ Mayor

Nelson City Council _____ Chief Executive

REPORT TO: Nelson City Council and Tasman District Council
FROM: The Bishop Suter Trust Board
DATE: 28 February 2013
SUBJECT: Half Year Financial & Performance Report

1. Introduction

This report covers financial and performance results for the Bishop Suter Trust [The Trust] for the six month period 1 July - 31 December 2012.

2. Overview of Trust and Gallery activities

The principal focus of the Trust has been on The Suter redevelopment project—furthering the architectural design, investigating grant opportunities and initiating community fundraising.

A big maintenance project with benefits for the new Suter was the removal of two substantial oak trees. In the interests of health and safety The Suter was closed to the public for the two day period it took to extract the trees.

Other maintenance included urgent repairs to the Suter Theatre HVAC which failed affecting venue hire. Despite this the Theatre has been in frequent use; for cinema—particularly film festivals and community film fund-raisers, Nelson Arts Festival performances and lectures. Stair lighting in the Theatre has been rehabilitated improving public safety.

Visitation levels for the whole complex are ahead of target for the period, however visits to the exhibition galleries are behind target, although on a par with 2011 for the same period. Education visits are ahead of the Ministry of Education LEOTC target.

10x10 donors have continued to contribute to the Acquisitions fund, and we have accepted some generous gifts of art works and related archival material from the estate of Jane Evans.

Gabrielle Hervey has joined the Bishop Suter Trust, replacing Sara Chapman, bringing expertise in marketing and fundraising. Dame Ann Hercus is the pro bono convenor of The Suter redevelopment Project Fundraising committee, to which she has brought immense energy and considerable experience.

3. Performance against key priorities:

3.1. Operate a successful visual arts centre and public art gallery;

Plans for the redevelopment of The Suter:

This is a key focus of activity of the Trust, the Gallery Director and staff, ably assisted by NCC personnel is the redevelopment project. The Trust is very grateful

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for the expertise of NCC staff in project management, engineering and fund raising. The architectural plans produced by Jerram Tocker + Barron and Warren and Mahoney are exciting and will produce an elegant, fully accessible multifunctional arts facility which fulfils The Trust's Brief.

Representatives of The Trust and NCC met with the Minister for Art, Culture and Heritage Chris Finlayson, Ministry For Culture and Heritage (Museums Fund- a fund of 'last resort' and for which an important criteria is 'protection and provision of access to collections of national importance') and with NZ Lottery Grants senior advisor to investigate avenues for grant funds. As part of what is required for these applications we have commissioned an independent feasibility study which is being undertaken by Richard Arlidge, a museum/art gallery consultant; an independent review of the significance of The Suter's collection and an assessment of the proposed restoration of the original Bishop Suter Memorial Gallery structure (a registered category II NZ Historic Place) by a conservation architect. Other investigations including landscape, traffic/parking, flooding have also been carried out as part of the resource consent application process (the successful lodgement of which is required for the grant applications).

The fundraising committee have also embarked on various community fundraising initiatives.

Finances: The unaudited financial statements which for the six months show a favourable trend against budget for income and less favourable in Expenses. Increased cost areas are overheads, particularly insurances which cost an extra \$17,000 more than budget. Exhibitions is also over budget, however the expenditure in this area is uneven across the year. Budget adjustments coupled with reducing expenditure will see an improvement before year end. Financial reports and performance against objectives for the period 1 July 2012 to 30 December 2012 follow.

Some sponsorship of the summer exhibitions has been received and an application to Creative New Zealand for a grant for The Suter Biennale (opens in April 2013) has been successful.

The Suter published a 2013 calendar featuring Jane Evans' paintings in conjunction with Nelson College for Girls which sold out.

The Cafe continues to be well supported. Income from leases is however behind budget, a consequence of loss of business compensation for the period when the trees were removed and a reflection of the impact of heating failure in the theatre.

The 10x10 Acquisitions Fund for Collection development continues to be a successful endeavour.

Building Maintenance: Nelmac undertook the removal of the two oak trees, where technical challenges included the very close proximity of the trees to the building, the size and weight of the trees and the distance they had to be lifted. They did a superb job without any mishap.

Removal of the largest tree revealed what a parlous state the Theatre guttering was in, and this will be the next focus of maintenance activities

Within the Theatre the stair lighting was completely renovated for which a grant had been received.

Staffing: The Suter has a small staff complement and for part of the review period one of the three full time staff was on parental leave and another on extended leave. A consequence was that less public programmes were offered compared to previous years.

3.2 Engage, educate and entertain the regional community and visitors through visual arts' programmes

Exhibitions' programme: Several touring exhibitions have been shown during the period including an exhibition of very striking works by Torres Strait Islanders. Local artists featured included Tim Wraight and the late Jane Evans. The Suter curated a retrospective exhibition of her work to run over the summer period predicting that her colour filled images of Nelson scenes, domestic interiors and personalities would appeal to locals and tourists alike.

Our visitors to exhibitions have included the Association of Blind Citizens who have made several visits, one of which, to the local sculptor Tim Wraight's exhibition, was recorded for a programme on National Radio. Another Suter exhibition, featuring works from the collection, was given extensive coverage in the journal *Art New Zealand*.

The Suter has been touring our exhibition *Woolleston 101*, (drawn entirely from The Suter's collection), to other galleries and during this review period it was shown at Expressions in Upper Hutt and was shown over the summer at Rotorua Museum of Art and History.

Education: The Suter's Education service continues to be very well patronised and evaluation of programme delivery indicates a very high level of satisfaction of teachers with the programmes offered and mode of delivery. The Suter's Educator completed a post graduate diploma on teaching drama, with a view to maximising the opportunities that The Suter's facilities, collection and exhibitions offer.

Public Programmes: Floor talks, illustrated lectures and other events have been held in relation to the exhibitions. Friends of The Suter now number over 500 memberships.

3.3 Collect, record and preserve the artistic heritage of the Nelson Tasman region and New Zealand

The Suter has been the recipient of material from the estate of Jane Evans including what is in effect her 'catalogue raisonné-(a photographic card index of many of her paintings) which we have put to great use to prepare the survey exhibition.

We have also received other gifts of significance, particularly of material related to the artist Leo Bensemman who had strong Nelson/Golden Bay connections. The Suter now has the most comprehensive holdings of both of these artists of any public gallery in New Zealand

3.4 Develop Partnerships that sustain The Suter

The Suter worked with Nelson College for Girls to produce a fundraising calendar.

A private benefactor from Nelson will be co-sponsor of the prestigious Suter 2013 Biennale exhibition.

The Suter Redevelopment fundraising committee are liaising with individuals, organisations and companies to support fundraising soliciting donations and goods and services. The fundraising team, very ably led by Dame Ann Hercus, is progressing well.

The Director was able to contribute to the unveiling of the City Gateway's sculpture by Terry Stringer.

In late November artist, Nelson Suter Art Society Patron and first professional director of The Suter, Austin Davies died. The current Director was asked to speak at his memorial service. From the time he became director in the early 1970s until his retirement in 1993, Austin was energetic, controversial and visionary- his legacy is the key elements of The Suter of today and the future, namely its galleries, the Café and Theatre and concern for better conditions for the collection.



Craig Potton
Chairman, Bishop Suter Trust Board



Julie Catchpole
The Suter Art Gallery Director

The Bishop Suter Trust				
Statement of Comprehensive Income				
As at 31 December 2012				
	Six months Actual to 31/12/12	Six Months Budget	Annual Budget 2012/13	Six Months Actual to 31/12/11
Income				
General Funds				
Investments	1,543	3750	7,500	2,164
Donations & Sponsorships	17,188	3,800	42,600	12,256
Grants				
NCC - Operating	235,440	226,556	453,111	222,113
NCC - Capital and R&M	50,000	50,000	100,000	50,000
TDC	41,386	41,860	83,721	41,040
Other Capital and R&M	0			
Exhibitions	8,925	4,850	10,000	6,340
Life Long Learning	22,638	23,000	46,000	26,275
Visitor Services & Marketing	61,595	48,100	126,900	45,126
Rent	30,837	34,080	62,000	33,266
Other Income	2,439	500	1,000	1,392
Total Income General Funds	471,992	436,496	932,832	439,972
Specific Purpose Funds				
Redevelopment Funds				
Other funders	44,796			
Cuthbertson Fund				
Vesting of opening market value				
Interest and dividends earned	5,810	6,520	11,800	6,213
Burton Fund				
Vesting of opening market value				
Interest earned	590	4,000	4,500	706
Acquisitions Fund				
Donations received	10,000	20,000	50,000	20,000
Interest earned	98	70	700	419
Total Special Purpose Funds Income	61,295	30,590	67,000	27,339
Other Income				
Donated Collection Items at Valuation	53,500	10,000	20,000	68,500
Total Other Income	53,500	10,000	20,000	68,500
Total Income	586,787	477,086	1,019,832	535,811
Expenses				
General Funds				
Personnel Costs	179,674	203,837	408,520	215,893
Audit	0	0	18,000	185
Finance Costs	1,078	1,500	3,000	1,397
Administration	106,684	90,441	117,100	94,569
Governance	20,632	25,651	50,950	18,610
Exhibitions	40,518	36,000	90,000	45,565
Life Long Learning	1,516	2,500	4,800	3,832
Visitor Services	28,233	26,820	67,850	34,729
Collection	1,989	7,250	13,200	5,793
Facilities	41,096	33,880	67,790	34,938
Maintenance	66,220	70,000	75,000	30,414
Redevelopment Costs	4,220	0		
Depreciation	36,816	37,025	74,050	34,437
Loss on disposal	0	0	0	-
Total General Funds Expenses	528,675	534,904	990,260	520,361
Net Surplus	58,111	(57,818)	29,572	15,450
Other Comprehensive Income	0	0	0	0
Total comprehensive Income	58,111	(57,818)	29,572	15,450
Net Surplus				
General Funds	(3,184)	(88,408)	(37,428)	(11,888)
Redevelopment Fund	44,796	0	0	0
Cuthbertson Fund	5,810	6,520	11,800	6,213
Burton Fund	590	4,000	4,500	706
Acquisitions Fund	10,098	20,070	50,700	20,419
	58,111	(57,818)	29,572	15,450

The Bishop Suter Trust
Statement of Financial Position
As at 31 December 2012

	Actual at 31/12/2012	Annual Budget 2012/13	Actual at 31/12/2011
Assets			
Current Assets			
Cash & Bank	205,162	54,346	139,701
Receivables	9,182	15,513	2,700
Other Current Assets	24,580	34,660	25,895
Specific Purpose Investments			
Redevelopment Fund			
Cuthbertson Fund Investments	291,906	312,981	299,594
Burton Fund Investments	101,052	100,194	101,052
Total Current Assets	631,881	517,694	568,943
Non Current Assets			
Collection	6,980,424	6,688,525	6,612,525
Property Plant and Equipment	3,270,001	3,292,205	3,284,654
Total Non Current Assets	10,250,425	9,980,730	9,897,179
Total Assets	10,882,306	10,498,424	10,466,122
Liabilities			
Current Liabilities			
Bank Overdraft	0		0
Payables	31,092	60,238	52,670
Bank Loans current		6,750	5,000
Other liabilities - Hunt	50,000		50,000
Employee Entitlements	32,959	36,000	43,740
Income In Advance	36,944	0	39,950
Total Current Liabilities	150,995	102,988	191,360
Long Term Liabilities			
Bank Loans	25,027	16,826	28,218
Other Liabilities - Hunt	100,938		150,938
	125,965	16,826	179,156
Total Liabilities	276,960	119,814	370,515
Net Assets	10,605,347	10,378,610	10,095,607
The Bishop Suter Trust Equity			
Capital & Reserves			
General Purpose Funds	9,427,984	9,547,939	9,441,096
Redevelopment Fund	48,404	70,498	
Cuthbertson Fund	360,616	344,981	328,594
Burton Fund	137,845	141,706	133,413
Acquisitions Fund	630,498	273,486	192,504
Total Trust Equity	10,605,347	10,378,610	10,095,607

The Bishop Suter Trust		
Unaudited Statement of Cash Flows and Cash on Hand		
For the Six Months Ended 31 December 2012		
Cash Flows form Operating Activities		\$
Council Operating Grants		363,770
Interest		2,644
Receipts from other revenue		148,814
Payments to suppliers and employees		(529,188)
Interest Paid		(1,078)
Goods & Services Tax (net)		570
Net cash from operating activities		(14,467)
Cash Flows from Investing Activities		
Proceeds from sale of fixed assets		0
Acquisition of investments - collection		12,281
Redevelopment funds raised		44,796
Purchases for collection		0
Purchases of property and equipment		(8,470)
Net cash from investing activities		48,607
Cash Flows from Financing Activities		
Repayment to borrowing		(4,178)
Net cash from borrowing		(4,178)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		29,961
Cash at beginning of the period		175,201
Cash at end of the period		205,162

Performance Against Objectives in the Statement of Intent

The Suter Art Gallery - Performance against Objectives and Goals

1. Manage and Operate The Suter Art Gallery				
Objective & Goal	Target	Target YTD	Achievement YTD	Compare YTD 11/12
1.1.1 Operate The Suter as an Arts Centre				
Total number of visits to all parts of The Suter	80,000 p.a.	40,000	47,194	39,866
	Open to the public as advertised		Not achieved due to removal of oak trees/public safety	Not achieved due to flooding
1.1.2 Ensure sufficient resources to operate the Suter and deliver services to the public:				
The Suter operates within its annual plans	Meets/exceeds income target	\$436,496	\$471,992	\$439,972
	Generates 20% revenue	\$87,299	Achieved; \$145,165	\$157,641
	An asset register and management plan are reviewed annually			Asset plan not completed
	Risk framework is reviewed annually and mitigation strategies implemented			Achieved
	Sustainability Plan is implemented			Sustainability objectives in architect's Brief
The Suter operates sustainably				
1.1.3 Residents and visitors are satisfied with the services The Suter provides				
	80% good/v. Good in NCC Survey			Survey indicated Suter has high level of repeat visitation
1.1.4 Maintain and develop The Suter facilities				
Maintain and develop the Suter facilities	Urgent maintenance is undertaken as specified in the maintenance plan		Oak trees removed; Theatre HVAC	Cafe roof repairs achieved

			and interior maintenance and repairs carried out	
	Restoration and redevelopment of the interior of the Original Gallery completed by 31/12/2012		Not likely to be achieved- deferred to redevelopment	
	Redevelopment Plan including funding established by 30/6/2012		A fundraising strategy developed and is being implemented	Not achieved, but Brief prepared
1.1.5 Be a good employer				
Maintain good employer policies and practices	Employment Policies maintained and observed: 0 Accidents		2 accidents	No H/S incidents
	Staff turnover reported		1 staff member replaced	1 staff member replaced

2. Engage, educate and entertain the regional community and visitors through visual arts' programmes				
Objective & Goal	Target	Target YTD	Achievement YTD	Compare YTD 11/12
2.1.1 Present a diverse and stimulating programme of exhibitions				
	15 exhibitions p.a.	8	8	12
	30,000 visits to exhibition galleries	15,000	13,889	13,492
2.2.1 Provide public programmes which enhance appreciation and enjoyment of exhibitions				
	20 events offered	10	14	16
2.3.1 Provide learning experiences for school students:				
Deliver a Ministry of Education LEOTC service for Nelson/Tasman region	3,000 students from 25 schools	1,500	2,836 students in 209 Educator led classes	2,910 students in 141 educator led classes
	Satisfaction 90% + fine to great		Achieved; 100% satisfaction	Achieved
Provide out of school activities	55 sessions p.a.	27	52	38

3. Collect, record, interpret and preserve the artistic heritage of the Nelson/Tasman region and New Zealand.				
Objective & Goal	Target	Target YTD	Achievement YTD	Compare YTD 09/10
3.1 The Collection is managed and developed for the enjoyment and education of current and future generations				
3.1.1 Collection developed in line with policy	Acquisitions comply with policy		Achieved	Achieved
3.1.2 Acquisitions fund maintained and developed	Acquisitions Fund meets/exceeds budget		Achieved	Achieved
3.1.3 Collection maintained for long term preservation	Conditions meet standards		Not achieved, as air conditioning no longer fully functioning	Achieved in collection store room, but not in galleries
3.1.4 Information is available	100% of Collection imaged by 2012		Not achieved due to resource constraints	Imaging >96% completed

4. Develop partnerships that sustain The Suter				
Objective & Goal	Target	Target YTD	Achievement YTD	Compare YTD 09/10
4.1 Engage in partnerships to support programmes and develop projects				
4.1.1 Suter's relationship with Iwi is strengthened	M.o.U with KTP is honoured		Regular Iwi Komiti meetings held; cultural protocols observed	Regular Iwi Komiti meetings held; cultural protocols observed
4.1.2 Suter engages in partnerships	Minimum of 2 projects initiated	1	1	2: Docent programme and Maitai School project
4.2 Suter staff contribute to other arts initiatives				
4.2.1 Engage with and provide leadership in arts	Contribute to local/regional initiatives		Helped launch of City gateways project. Involved with	Contributed to City Gateways Sculpture Project and

			NMIT Creative Industries Advisory Cttee; hosted Art Expo dealers	appointment to Public Art Panel
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The Suter Art Gallery Exhibitions - 1st July 2012 to 31 December 2012

Dates of Exhibition	Exhibition Title	Gallery
18 June – 19 August	<i>Crystal Chain Gang – Fancy Fools Flight aka Jim Dennison and Leanne Williams.</i> Work in cast glass. Toured by the Sarjeant Gallery Whanganui	Sargood Gallery
23 June – 12 August	<i>Peter Gibson Smith Wasteland:</i> Recent large scale works on the theme of disaster and regeneration, drawn using computerised plotter	Original Gallery
24-26 July	<i>Top Art:</i> Top level 3 art folios. Toured by NZQA	Original Gallery
30 June – 19 August	<i>Fabrications;</i> Works from the Suter's collection where what is worn is key to the interpretation of the art work In support of the NZ Textile Association conference in The Suter Theatre	Sargood Gallery
18 August – 14 October	<i>Enclave Tim Wraight:</i> A solo exhibition by Pakeha- Maori carver artist describing an alternative reality for his community at Otuwhero/ Marahau	Original Gallery
25 August – 14 October	<i>Malu Minar (Sea Pattern) Art of the Torres Strait:</i> A touring exhibition of artworks including linocuts, textiles, masks and headdresses. From the Cairns Regional Gallery, Australia.	Sargood Gallery
18 October - 11 November	<i>NSAS Spring Exhibition</i> featuring guest artists Andi Regan and Catherine Manchester and with works by NSAS members	McKee, Sargood and Original Galleries
17 November – January 2013	<i>Now & Then: Enduring and developing themes in contemporary New Zealand Photography.</i> A Te Manawa touring exhibition	Sargood Gallery
30 November – 17 March 2013	<i>Jane Evans 1946 – 2012: A commemorative Survey.</i> A retrospective exhibition exploring themes in Jane Evans' painting drawn from The Suter's collection and private collections	Sargood Gallery

Ceramics Wall Case & New Acquisitions

Dates	Displayed	Selector
29 June- 2 December	<i>The Holy Grail:</i> Teapots from the Collection.	Anna Marie White, Suter curator

5 December - ongoing	<i>Leo Bensemann: Designer</i>	Joanna Szczepanski, volunteer/museum studies graduate
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Public Programmes: 1st July 2012 to 31 December 2012

			numbers
July 2012			
12 July	12.10pm	<i>Friends Winter lunchtime film</i> Theatre	80
19 July	12.10pm	<i>Friends Winter lunchtime film</i> Theatre	90
20-21 July		<i>NZ Textile and Costume Association Conference</i> Theatre. Hosted in conjunction with the Hawkes Bay Museum & Art Gallery	62/57
26 July	12.10pm	<i>Friends Winter lunchtime Film</i> Theatre	90
August 2012			
8th August	7.30pm	<i>NSAS High Schools Art Debate</i> NSAS McKee Room	21
24 th August	5.30pm	Opening: Tim Wraight <i>Enclave</i> and <i>Malu Minar</i> Galleries	152
25 th August	2pm	Floor-talk: Tim Wraight. Sargood Gallery	60
September 2012			
1st September	2pm	Jam Session and floor-talk: esc.shift.return. Tim Wraight's band Foyer, Galleries & Cafe	30
12 th September		Illustrated lecture: Tim Melville from Tim Melville Gallery, Auckland on Australian Aboriginal Art from Mornington Island and Warmun. Organised by NSAS. Sargood Gallery	63
October 2012			

17th October	5.30pm	Opening: Nelson Suter Art Society 2012 Spring exhibition Galleries	180
24th October	4pm	Bishop Suter Trust – Annual Meeting Gallery & Cafe	49
November 2012			
12th November	7.30pm	Illustrated talks: On John Gully in association with the Nelson Historical Society Sargood Gallery	90
21st November	6pm	Floortalk: Luit Bieringa and Julie Catchpole, former directors of the Manawatu Art Gallery discuss the history of its influential photography collection Sargood Gallery	52
28 November	6pm	Illustrated lecture: Athol McCredie, Curator of Photography at Te Papa Tongerewa The Museum of New Zealand discusses NZ photography in the 1970s and <i>The Active Eye</i> Sargood Gallery	25
30 November	2pm 5.30pm	Lenders preview and Opening and Friends of The Suter Christmas event: Jane Evans 1946-2012: A commemorative survey Foyer, Galleries and Cafe	275
December 2012			
1st December	2pm	Floor-talk: Dame Suzie Moncrieff discusses Jane's role in Nelson's art community Original Gallery	317
December	5.30pm	<i>NSAS Christmas/summer exhibition opening</i> McKee room	90

Collection

ACQUISITIONS

Artist	Title	Medium	Credit
Mirek Smisek	<i>Ceramic bottle with stopper</i>	Salt glazed ceramic	Gifted From the estate of Jane Evans: ACC. 1161
Mirek Smisek	<i>Ceramic bottle with stopper</i>	Salt glazed ceramic	Gifted From the estate of Jane Evans: ACC. 1162
Jane EVANS	<i>The Owl and the Pussycat lithographic series</i>	Lithograph and sketches	Gifted From the estate of Jane Evans: ACC 1169

Jane EVANS ONZM (1946- 2012)	<i>Race meeting II</i>	Oil on board	Gifted From the estate of Jane Evans: ACC. 1164
Jane EVANS	<i>Flowers from Vence</i>	Gouache on paper	Gifted From the estate of Jane Evans: ACC. 1165
Jane EVANS	<i>Room Study</i>	Acrylic on board	Gifted From the estate of Jane Evans: ACC. 1166
Jane EVANS	<i>Card catalogue; archives; paints, painting coat and apron</i>		Gifted From the estate of Jane Evans: ACC. 1160
Leo BENSEMANN	<i>Folktale Old Rumpelstilzchen</i>	Oil on canvas	Gifted by Cathy Harrington: ACC. 1167: 1.2
Leo BENSEMANN	<i>Folktale Old Rumpelstilzchen</i> 1981	Handmade, hand lettered book, pen and ink	Gifted by Cathy Harrington: ACC. 1167: 2.2
THE CAXTON PRESS, designed by Leo BENSEMANN	<i>Group exhibition catalogues and some invitations 1947- 1977</i>	Printed by the Caxton Press	Gifted by Cathy Harrington: ACC. 1163:1-50
THE CAXTON PRESS: typography and printing by Leo BENSEMANN	<i>Landfall & Ascent</i>	Journals printed by Caxton Press	Gifted by Cathy Harrington
Olivia SPENCER BOWER	<i>Untitled</i> (NZ Farm scene, Arthurs Pass/ Otira region)	Watercolour on paper	Donated by the estate of Mrs Helen Beatrice Arthur: ACC. 1168

4. Donations, Grants and Sponsorship:

Creative New Zealand
Ministry of Education
Network Tasman Charitable Trust
Friends of The Suter
10x10 Acquisition Fund donors
The Nelson Mail

The Suter Art Gallery – Te Aratoi o Whakatu - Statement of Expectation 2012/2013

Introduction:

This Statement of Expectation sets out what Nelson City Council expects the The Suter Art Gallery – Te Aratoi o Whakatu (The Suter) to deliver in the three year period July 2012 to June 2015 and thus will provide a guide to the gallery as it develops its Statement of Intent covering that period. These matters are not intended to replace any of the requirements in Schedule 8 of the Local Government Act 2002 governing the content of Statements of Intent. The overall focus must be on engaging with the regional community and providing a service that is of value to that community as the owners and customers of The Suter. Council expects that the activities of The Suter will support the objectives of the Nelson Tasman Regional Arts Strategy and the Arts Policy and that nothing will be done that is in conflict with those guiding documents.

Financial contribution:

Nelson City Council has committed \$444,226 operational and \$100,000 maintenance to The Suter for 2011/12. The Suter should prepare its budgets with this level of funding adjusted for inflation. Over recent years NCC has tended to use the December quarter inflation figures for budget calculation so failing advice to the contrary use that figure in preparation of budgets. This level of funding is sufficient to maintain the levels of service currently delivered. No funding for the proposed Suter redevelopment has been allocated but will be consulted on with the public through the Long Term Plan process and based on estimates of required funding provided by the joint NCC/Suter project team. These costs will be shown in the Councils LTP so should not be duplicated in the financials for the SOI.

Objectives:

The main objectives which Council wishes to see included and developed as a part of the Statement of Intent are around the following areas:

- engaging, educating and entertaining the regional community (measured by customer satisfaction levels, visitor numbers)
- prudent financial management (objectives are achieved within budget, proper planning including an up to date asset register and asset management plan)
- helping to interpret and preserve the key elements of the region's artistic heritage (measured by an appropriate collections policy against which all new acquisitions and decommissioning proposals are tested)
- acting as custodian of the heritage building in which The Suter is housed (measured by an appropriate maintenance programme)
- good employer (measured by Health and Safety policies and processes, performance management policy and process, code of conduct, staff turnover statistics and personal grievance statistics).

- Develop a risk management framework to assist in decision making

Targets:

The Statement of Intent needs to provide appropriate targets for each of the goals and objectives in the Statement of Intent so that these can be reported against annually to Council. Appropriate milestones should also be set out so that Council can assess progress towards meeting these goals. Information on visitor numbers (broken down by gallery, cafe, theatre, education programme, Suter Society, exhibition as well as by origin ie Nelson or Tasman resident or visitor), income, number and type of exhibitions, public programmes need to be collected so these can be used as targets. Information on the size of the collection, annual acquisitions/decommissions and storage space required as a result should also be included. Targets for customer satisfaction should also be established and will be measured by surveying (see below).

Projects:

The Suter is pursuing is the redevelopment and refurbishment of it's facilities. Council has been asked to allocate funding for this project and a decision on this has yet to be taken. As a Council Controlled Organisation The Suter's plans for the redevelopment need Council approval before the project can begin. The Statement of Intent will need to show how the redevelopment will contribute to the objectives Council sets for the gallery.

Issues:

Public perception

Council has collaborated with The Suter to undertake the recent a survey of customer satisfaction (customer being residents of the Nelson/Tasman region) with the service the gallery provides. The Statement of Intent should continue to set targets for customer satisfaction and Council will undertake surveying at intervals to provide a performance measure.

Partnership

To achieve the above objectives The Suter will need to form effective partnerships with a range of groups including iwi, the arts community, sponsors. The Statement of Intent needs to show how The Suter is working collaboratively with other groups. As the premier art gallery of the region there is an opportunity for The Suter to show leadership in the field and Council will be looking for evidence of the gallery taking on such a role.

Storage

The Statement of Intent will need to outline how The Suter plans to provide appropriate storage for a growing collection (as part of the redevelopment?).

Governance:

There is currently a vacancy on the Board and a replacement is being sought.