

OPEN

MINUTE ITEM

ATTACHMENTS

**Ordinary meeting of the
Joint Committee of Tasman District and Nelson City
Councils**

**Tuesday 27 March 2018
Commencing at 9.30am
Council Chamber**

Civic House

110 Trafalgar Street, Nelson

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Nelson Regional Development Agency – Six Month Shareholder Report

Period: 1 July 2017 – 30 December 2017

Report Prepared by: John Palmer, Chairman and Mark Rawson Chief Executive, Nelson Regional Development Agency

1.0 Introduction & Background

The purpose of this report is to provide the Shareholder with the Nelson Regional Development Agency's (NRDA) Six-month report as part of the requirements of the NRDA Statement of Intent (Sol) 1 July 2017-30June 2018. This report builds on the quarter one (July-Sept 17) update provided in November 2017.

The purpose of the NRDA is to enhance the sustainable economic vitality of the Nelson Region by leading the development of a unique and compelling Regional Identity. The NRDA board is chaired by John Palmer and consists of: Kevin Armstrong, Alan Dunn, Martin Byrne, Meg Matthews and Marina Hirst-Tristram. Chris Jackson was also an inaugural member of the board, Chris resigned as of the end of December 2017 due to his relocation to the North Island. The NRDA board would like to take this opportunity to publicly acknowledge Chris's significant contribution to the establishment phase of the organisation. The Chair and Mayor are working through the process of appointment of a new director.

In summary this report demonstrates the NRDA is on-track with the majority of its Sol Key Performance Measures with some main highlights being:

- The completion of the first phase of the Nelson Tasman Regional Identity, with focus now shifting to inspiring others to share the story and experiences.
- The innovation programmes are getting some great results as we look to support the business community's capacity to adapt to the increasing pace of change.
- The visitor programme is performing well with continued market growth, in particular around the Spring season period.
- We are facing and responding to the challenges with the i-SITE as the current business model is being significantly disrupted by technological change.
- Within the context of the regional identity, one of our main focus's going forward will be on the development of the Nelson Tasman part of the regional growth strategy. This will be a major focus of our next Sol as we transition from the initial establishment phase to an entity more focused on solutions to the major regional development issues impacting on the region's economy.

2.0 Six-month – Sol Performance Measures reporting (July 1- December 30, 2017)

Investment Attraction - Development & strengthening of the region's investment cases with a priority on the Regional Identity focus areas.		
	Focus Area	Progress Commentary
1.	<p>Regional Identity Investment Cases</p> <p>Key Performance Measure 1.1 The first two Regional Identity investment cases are completed with partnership funding attracted and practical implementation outcomes identified and commenced by July 2018.</p>	<p>Regional Identity</p> <ul style="list-style-type: none"> The first-phase of the Nelson Tasman Regional Identity Story has been completed and was presented to the Councils in November 2017. The focus is now on producing the assets required to inspire others to share our Extraordinary Nelson Tasman identity story and experiences, this includes: <ul style="list-style-type: none"> The production of the redeveloped nelsontasman.nz website. The next focus is on the 'our story' section which is making as many of the identity assets as possible available to partners and the wider community. We are on-track to have this delivered by end of March 18. The initial core assets include: Video, images, stories, identity content, logo's, presentations, templates, and social media. Alongside the production of the core assets, we have been making some good progress in developing some distribution partnerships with key local and national media, key local businesses, a couple of major manufacturers who are trialling the "Proudly made in Nelson Tasman" labelling and the development of a key influencer programme with the Chamber of Commerce. We are on track to host a launch type event around April 2018. We have also begun the development of the Nelson Tasman talent attraction case, which is on track to be completed by June 2018. <p>Regional Growth Programme</p> <ul style="list-style-type: none"> Progress is being made in working on the Governance of the regional growth programme with Iwi and the new Government. The aim of the programme is to get an aligned understanding and clarity of focus between key stakeholders around the current economic development opportunities and priorities that will make a positive difference for Nelson Tasman in the future along with a clearly defined action plan and collective commitment to implementation. Funding from stakeholder councils to develop the strategy is being considered as part of their LTP's. The government's new Provincial growth fund will provide additional opportunities for the region to secure resources for key projects post the development of this strategy. In the meantime, we have been working on the attraction of Government resources into the development of a significant investment attraction initiative with a key local business. If successful, this would see the potential for growth of one of our core industries and the opportunity for the attraction of significant follow-on direct investment into high-value manufacturing for export in the region. We have also been exploring another investment attraction case around the relocation of all or part of a business that is complementary to one of our core industries to the region. This will be a long-term effort.
2.	<p>International relations strategy</p> <p>Key Performance Measure 2.1 By June 2017, increased numbers of Nelson businesses entering the China market, leading to: 2.1.1 New inward investment creating new businesses/joint ventures in Nelson</p>	<p>Progress is being made on all the KPM's, however being able to determine the actual economic value of each opportunity is a challenge. Due to the commercially sensitive nature of these projects below is a high-level summary of the major progress to date.</p> <ul style="list-style-type: none"> There is a potential aquaculture/natural products project under consideration involving a Nelson-based company and a Chinese party with extensive aquaculture interests. A recent visit to Nelson by the two Nanning schools in November was successful with 40 students, teachers and parents visiting. They have confirmed they intend to maintain these visits regularly at least twice per year. As well as developing longer-term education relationships this also generates a sizable economic impact of over \$100K. There are some important delegations planned in the new year, focused on furthering potential opportunities in the areas of: marine/fisheries and education.

	<p>2.1.2 New inward investment enlarging existing Nelson business capability or increased business expansion.</p> <p>2.1.3 Demonstrate an increase in the number of introductions of Chinese universities/educational institutes or agencies to NMIT.</p> <p>2.1.4 Off-shore China delegation programme with private sector commitment.</p>	<ul style="list-style-type: none"> We assisted in facilitating a business from southern China, which is in the process of setting up a business to be based in Nelson specialising in supply chain management and capital financing. Nelson China Week went well, particularly the two China Business workshops followed by the China Network session. This resulted in several new enquiries seeking advice on how to do business in China. <p>NRDA is currently working through alternative delivery of this function, by a private consultant. The outcome will be included in the next Sol.</p>
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Business Development - Supporting existing businesses and business people to grow, and the development of new businesses.		
	Focus Area	Commentary
3.	<p>Regional Business Partner programme</p> <p>Key Performance Measure</p> <p>3.1 Ensure the delivery of the Regional Business Partner Programme with the aim of attracting \$1 million in Central Government support and a customer satisfaction Net promoter score of +50.</p>	<ul style="list-style-type: none"> \$470K funding support attracted so far, with a strong pipeline. Customer satisfaction – YTD Net promoter score remains high at +80, (one of the top performers in the country). We have over 160 clients engaged in the Regional Business Partner Programme, which is a major increase on previous years.
4.	<p>Facilitate a cohesive business support and investment ecosystem</p> <p>Key Performance Measure</p> <p>4.1 Nelson Region Innovation and Investment coordination Programme activated.</p>	<ul style="list-style-type: none"> Our activity focus in this area is based around a ‘collation of the willing’ type approach which has included progressing: <ul style="list-style-type: none"> Physical Innovation Infrastructure: (Physical activity hubs) <ul style="list-style-type: none"> A physical co-location tech/innovation hub project business case has been finalised and will be considered by the NMIT, Chamber and NRDA boards in Feb/March 2018. Knowledge Innovation infrastructure (Programme delivery) <ul style="list-style-type: none"> The NRDA partnered with Datacom to bring the first Hack-Nelson event to the region. The collaborative weekend of digital innovation brought together business people, software developers, creative designers, students and marketers to spend 48 intense hours addressing challenges posed by six leading businesses and organisations from Nelson Tasman. The inaugural event attracted over 70 participants and the theme was “unleashing the potential of Nelson Tasman’s primary industries” with Nelson Forests, Tasman Bay Food Group, Chia, Pic’s Peanut Butter and NZ King Salmon presenting business challenges aligned to that theme. The Nelson Provincial Museum also took part, presenting its own content sharing and engagement challenge for one of the teams to tackle. Participating individuals pooled their talents and skills to develop and present seven prototype solutions to the businesses at the end of the 48-hour period. Challenges presented included how to share 160,000 digital images with the public; how to create more valuable and interesting two-way engagement with remote customers; and how to use technology to plan forest harvesting. We will be looking to improve and grow the event for 2018.

		<p>Social innovation Infrastructure (Building an innovation / collaboration culture)</p> <ul style="list-style-type: none"> • Built out of the insights gained from the NRDA’s Regional Business Partnership Programme delivery, we are hosting an IoT / Advanced Manufacturing Workshop with the purpose of making local businesses aware of the trends, opportunities and advances in Advanced Manufacturing techniques, 3D printing, Internet of Things, and Industry 4.0. The workshop is fully subscribed, with a waiting list with a very diverse group of businesses and business talent attending, representing a collective annual turnover in excess of \$780m in the region. • The NRDA is working with Datacom in the potential establishment of an Innovation Neighbourhood in Nelson Tasman based on the model established in the Wynyard Innovation Neighbourhood, Auckland. This corporate collaboration focused initiative is about for-profit companies working to help each other through innovation and sharing whilst also delivering wider benefits to the region and NZ. Should the commercial community decide to pursue this opportunity Nelson Tasman will be one of four neighbourhoods within the country joining Auckland, Tauranga and Wellington. An establishment session is to be held in Feb. • The NRDA is also reaching out to collaborate with other key parties to try and establish an annual coordinated calendar of events and activity in the region focused around raising the awareness of, access to and celebrating the innovative and disruptive technologies that are impacting the future of the business environment at an ever-increasing pace.
Destination Management - Telling and delivering on the Regional Identity story across the spectrum of invest, visit and talent.		
	Focus Area	Commentary
5.	<p>Domestic consumer marketing programme</p> <p>Key Performance Measure</p> <p>5.1 Domestic consumer campaign targeted at attracting visitors and talent is activated. Focused on the shoulder seasons and the markets of Auckland, Wellington and Christchurch.</p> <p>5.2 Number (25) of business partner contribution commitments to delivery of programmes.</p>	<ul style="list-style-type: none"> • Overall the Nelson Tasman visitor markets are still performing very well - Nelson-Tasman visitor spend YE Dec 2017 = 7% growth (\$663m - Nelson City \$350m, Tasman \$313m) – which is ahead of the national average. One key aspect of visitor spend is the spread of the impact, with around 40% of the spend being on retail and hospitality sectors. • Domestic visitor spend = 2% year on year growth to \$414m (Nelson \$232m, Tasman \$182m) – double NZ 1%. • Spring shoulder period (Sept-Nov) was a major focus for the domestic programme contributing to – domestic visitor spend growth of 5% and domestic commercial accommodation growth 12%. Both considerably higher than national averages. • The main highlight for NRDA for the period was the delivery of our first identity-based domestic visitor focused Spring marketing campaign, which reached over 800,000 consumers in Auckland and Wellington just through the NRDA direct activity. The campaign was multi-faceted and had an exceptionally high rate of social media engagement over four times higher than NZ average, which means consumers embraced the campaign and shared it with their networks, which was a critical outcome we were looking for. In addition to contributing to the increase in spend and accommodation outcomes the campaign also created several Spring based marketing content assets to support future activity (video’s, images, stories etc). The campaign was supported by a few local partners across the visitor sector and the Airport. • We are now focusing on a similar Autumn campaign over the March to June period targeting short-visit event based and new NZ explorers from the Auckland, Wellington and Christchurch markets. Our primary focus is inspiring share-ability of our stories and experiences and a number of our key events over this period will be a main feature. This campaign will also have a local ambassador focused component as a key aspect of the roll-out of the identity and building local community engagement which is attracting a high level of local partnership commitment. This is a good sign of the confidence building in our activities in this area. • We have exceeded the targeted number of partners engaged in the programme.
6.	<p>International visitor trade marketing program</p> <p>Key Performance Measure</p> <p>6.1 Targeted Australia, US, UK, Europe & China FIT visitor trade programmes activated.</p>	<ul style="list-style-type: none"> • International visitor spend = 17% year on year growth \$249m (Nelson \$118, Tasman \$131m) – almost double NZ 9%. • Alongside Tourism NZ and the industry, the spring shoulder period (Sept-Nov) was also a major focus for the international programme – international visitor spend growth 25% and international commercial accommodation growth 6%. Both considerably higher than national averages. • A couple of activity highlights being: <ul style="list-style-type: none"> • Bringing several targeted travel trade customers to the region as opposed to visiting them in their markets, this resulted in a number of new Nelson Tasman products being included in various itineraries with a Spring and Autumn focus. A couple of key comments from the

	<p>6.2 Number (25) of business partner contribution commitments to delivery of programmes.</p>	<p>attendees: <i>"I managed to figure out how to use the region more efficiently and see some more opportunities to work around the peak periods." "Not only was it a good chance for me to engage with different suppliers, it helped identify the USP's of similar product type such as the cycling and cruising." "Great to come away from famil with greater understanding of how products can be combined, to maximize the customer experience."</i></p> <ul style="list-style-type: none"> • Epic Trails Media Famil - This was a fantastic opportunity with a film crew from USA, who are running a full 25-minute episode on the region. Epic Trails is an exciting and inspiring adventure travel TV series that follows host, Eric Hanson, as he explores the people, places, and adventures surrounding the world's top trails. Learn more about the series at https://www.epictrailstv.com/. • The Caledonian Sky Cruise Ship visited Nelson. This is a very high-end expedition ship with only 118 passengers. They had great weather while here and we got positive feedback regarding their onshore experiences. The ship's second visit on 1st February was cancelled due to the storm. We have the largest cruise Ship by passengers (900) to ever to visit coming on 25th Feb, the Crystal Symphony. • We have also hosted a few new travel trade reps from Latin American media due to the All Blacks v Puma's game in September. • The NRDA has signed-up to the Tourism Industry Aotearoa Sustainability pledge, we will host an industry event with TIA around this in Nelson Mid-year. • We have exceeded the targeted number of partners engaged in the programme.
7.	<p>Nelson i-SITE Programme</p> <p>Key Performance Measure Meet or exceed to following:</p> <p>7.1 Maintain a customer Satisfaction rating: (90% of 4/5 and 5/5 ratings).</p> <p>7.2 A breakeven financial bottom-line.</p> <p>7.3 Number (135) of stakeholders with i-SITE contracts.</p>	<ul style="list-style-type: none"> • 96% customer satisfaction, demonstrating the frontline team's consistent delivery of fantastic customer experiences and a good response to the changes we have made to the instore experience. • We have also had a very high level of positive feedback from the i-SITE team's efforts in assisting visitors during the past couple of major weather events. • The team are also managing to maintain the level of average transaction value for customers in the i-SITE. • However, in a growing market the foot traffic and the number of actual bookings made has decreased by around 15%. This demonstrates the very real challenges the existing i-SITE model faces from disruptive technology and the role it is now playing in travel bookings. We are currently working on the development of a new operating model for the new financial year. This is a New Zealand wide issue not just unique to us, where possible we are working with others in NZ on the issues.
8.	<p>Business Events Sales and Marketing</p> <p>Key Performance Measure</p> <p>8.1 Targeted sales lead generation and conversion programme activated.</p> <p>8.2 Number (15) of business partner contribution commitments to delivery of programmes.</p>	<ul style="list-style-type: none"> • This programme is a major off-peak, high value customer targeting function that will also assist to strengthen our identity over time. • We have had 12% growth in delegate days compared to last year, with market share increase from 2% to 3%, also 35% growth in multi day events. • A new sale focussed programme has been developed with input from several key industry players and the NCC venues team. • For the first six months, we have contributed to securing a confirmed 16 business events, attracting 3250 delegates, at an average of 3 nights (9,750 accommodation nights) and all between March-November. An average spend per business events visitor to our region is \$504/night. In addition, we have a number of live bids in the market including a significant 7-day international conference.
9.	<p>Visitor Industry Partner Programme</p> <p>Key Performance Measure</p> <p>9.1 Total Number (200) and Value (\$398K) of business partner contribution commitments to delivery of the Destination Management programmes.</p>	<ul style="list-style-type: none"> • The visitor sector partner programme has gone well for its first year. • We have over 100 programme partners contributing more than previous years and we are on track to reach the revenue goals. Their contributions range from \$500 - \$7,500. In addition, we have a range of strategic partners contributing significantly more, with the Airport being our biggest partner. • We will not reach the 200 partners target, because previously the member programme counted every supplier who held a relationship with us ranging from around \$100 through to approx. \$5,000. We have also instigated a set of quality standards and requirements on partners which has seen a rationalisation. • It is our intention to establish a similar partnership type programme for the Regional identity in 2018/19.

10.	<p>NCC Economic Events Programme</p> <p>Key Performance Measure 10.1 Integrated events marketing programme activated.</p>	<ul style="list-style-type: none"> • In addition to the November events update, the economic events programme has been strengthened and is now fully integrated into the destination marketing functions. This has been evidenced by the visitor focused campaigns in Spring and Autumn including several events, and part of the activity targeting short-visit event participants. • One of the successful outcomes of this activity is that several of the Spring events recorded some of their best attendance levels. • We have been working well with the Council team and other stakeholders in the development of the NCC events strategy. • We have also been quite successful in getting the region into the consideration set for a number of national and international type events with a specific targeting on the April-November periods. This means the economic events fund is working very hard and is focused on meeting the criteria set-out in the proposed strategy. This has had the impact of some regular events who expected support, because they always have had it, either not being supported or receiving reduced support over time. • For the first six months, on top of what we have already secured previously, we have approved investment in events that will attract and estimated 12,000 attendees, 45% from out of town and over 75% in the target seasons.
11.	<p>Financially sustainable organisation</p> <p>Key Performance Measure 11.1 The NRDA delivers a balanced budget on the Shareholder investment of \$1.37million adjustment base funding. 11.2 NRDA delivers a clean Audit.</p>	<ul style="list-style-type: none"> • We are on track to deliver a balanced budget. • Financial report attached.

Item : Motion: Attachment 1

February 2018 6-month Shareholder Report – NRDA Board

NRDA 6 MONTH FINANCIAL REPORT For the period ending 31 December 2017

Statement of Comprehensive Income

<u>Revenue</u>	<u>YTD Actual</u>
Trading Income	\$98,086
Grants & Other Funding	\$274,284
Private Sector Investment	\$223,867
Local Body Funding	\$621,322
Total Revenue	\$1,217,559
Less Operating Expenses	
Corporate	\$616,805
Destination Management	\$341,100
Business Development	\$194,501
Investment Attraction	\$88,817
Total Operating Expenses	\$1,241,222
Operating Surplus (EBITDA)	(\$23,663)

Source: NRDA Management Accounts 31 December 2017

Statement of Financial Position

	<u>YTD Actual</u>
Assets	<u>\$841,333</u>
Current Assets	\$651,891
Non-current Assets	\$189,442
Liabilities	<u>\$509,793</u>
Current Liabilities	\$509,793
Non-current Liabilities	\$0
Equity	\$331,540

Source: NRDA Management Accounts 31 December 2017

The results from the first six months of operation confirm that the Company is on track to meet the Statement of Intent financial target of delivering a balanced budget or better on the Shareholder investment of \$1.37 million base funding at 30 June 2018. The variance is indicative of timing fluctuations for project funding and related expenditure.



TASMAN BAYS HERITAGE TRUST

PRESENTATION TO JOINT SHAREHOLDERS

27TH MARCH 2018



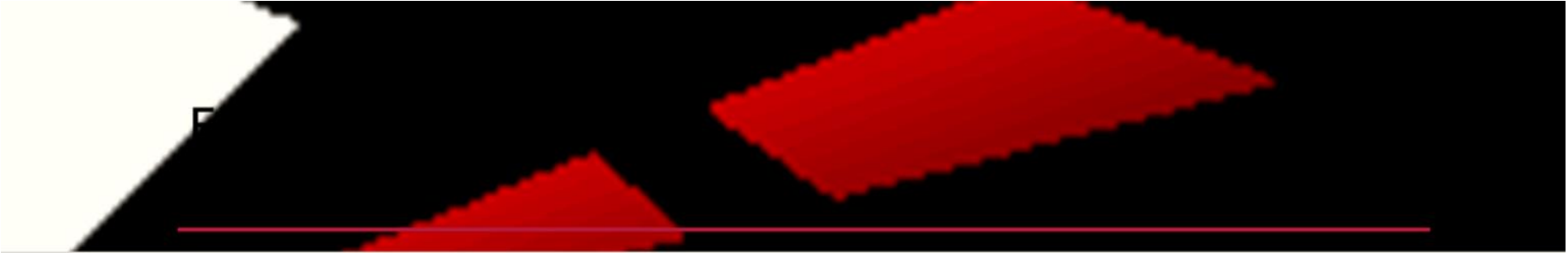
SIX MONTH REPORT

1st July – 31st December 2018



- Da Vinci: Robots & Machines
- Bugs! Our Backyard Heroes
- Hono Tangata e Kore e Motu
- The Halo Project: A Place for Birds
- Untitled: Voices of the Unheard
- Abel Tasman (Regional Gallery)





- 3,928 students in this six month period (LEOTC target 2,750)
- From pre-school to Y13 Biology
- Delivered in English and Te Reo Māori
- 100% teacher satisfaction
- Out-reach to Riwaka, Tasman and Hira Schools
- Biology programmes taught in local wetlands



Programmes delivered:

- Ngā Iwi
- We Came to Stay
- Early Nelson
- Harakeke
- Bugs! Our Backyard Heroes
- Da Vinci Robots & Machines



- 12 talks delivered in Nelson Tasman, attended by over 550 people
- Holiday activities in Trafalgar St AI Fresco and the Museum
- Nelson Arts Festival venue and contributor:
 - Birds of a Feather play
 - Women Under Trump panel
 - The Halo Project



MENT

- 'Untitled:Voices of the Unheard'
- 'Breathe'
- Kaumatua from NMIT's Te Haeata Kaumatua visit to taonga
- Pop-up photography displays in Tasman Rest Homes
- A&P Shows





Month	TA445	Ed Child	Ed Acc. Ad	Isel	Off Site	Total	2016/2017	2015/16
Jul-17	5,133	437	47	19	0	5,636	3,734	5,873
Aug-17	2,851	629	87	40	93	3,700	3,441	4,055
Sep-17	2,131	603	133	22	200	3,089	4,226	3,093
Oct-17	8,754	553	156	44	0	9,507	4,619	4,418
Nov-17	3,380	1,400	316	21	219	5,336	5,338	5,306
Dec-17	5,090	306	64	18	0	5,478	5,452	5,168
Totals	27,339	3,928	803	164	512	32,746	26,810	27,913

LECTION

- New Collections policy adopted & applied
- Collection measured & storage assessed for new Facility
- 473 research requests (email or phone)
- 81 research visits in person
- 442 image reproduction requests



COLLECTION

- Glass Plate Negative digitisation project completed after 7 years
- Tyree Studio Collection inscribed onto UNESCO Memory of the World Register



- National Digital Forum Digitisation Award
- 55% of GPN images available online
- 15,500 GPN additional images to be made available by 2019
- 37.9% growth in unique visitors to website
- 25% growth in Facebook reach



DETERMINATION

Exhibitions at

- Murchison Museum
- Tapawera Historical Society
- Richmond Library
- Alma Turner Library



REPORT ON ACTIVITIES

- 3 Collection staff spent day training volunteers at Murchison Museum
- Storage advice to Motueka Museum
- Hosted Object Handling Workshop
- Hosted National Services Iwi Liaison meeting with Te Tai Ao Komiti
- Halo Project collaboration with Brook Waimarama Sanctuary
- Loans to Suter Art Gallery 'Pale History'
- Hosted Nelson Tasman NDF Digital Cultural Heritage Forum



PROGRESS

- Structural realignment completed July 2017
- Internal promotions to Leadership and Curatorial roles
- New positions created and filled in Marketing, Front of House and Visitor Experience Lead
- Two placements with Mainstream Workbridge programme
- Over 450 volunteer hours donated (almost 12 weeks / 3 months work)



- 500 new stock lines added
- \$39,503 in retail sales in this period
- Shop sales rose from \$1,906 in July 2017 to \$18,242 in December 2017

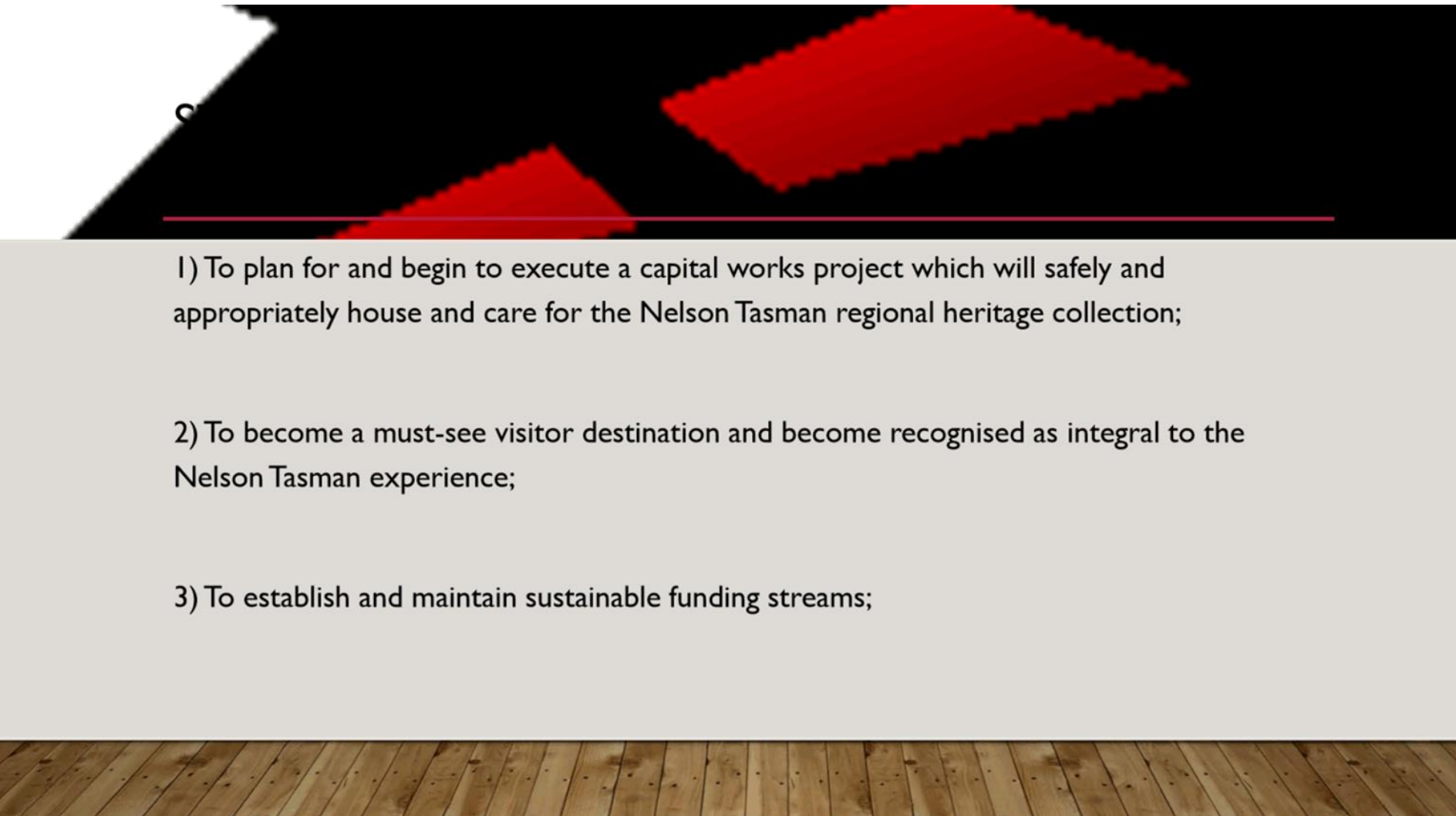


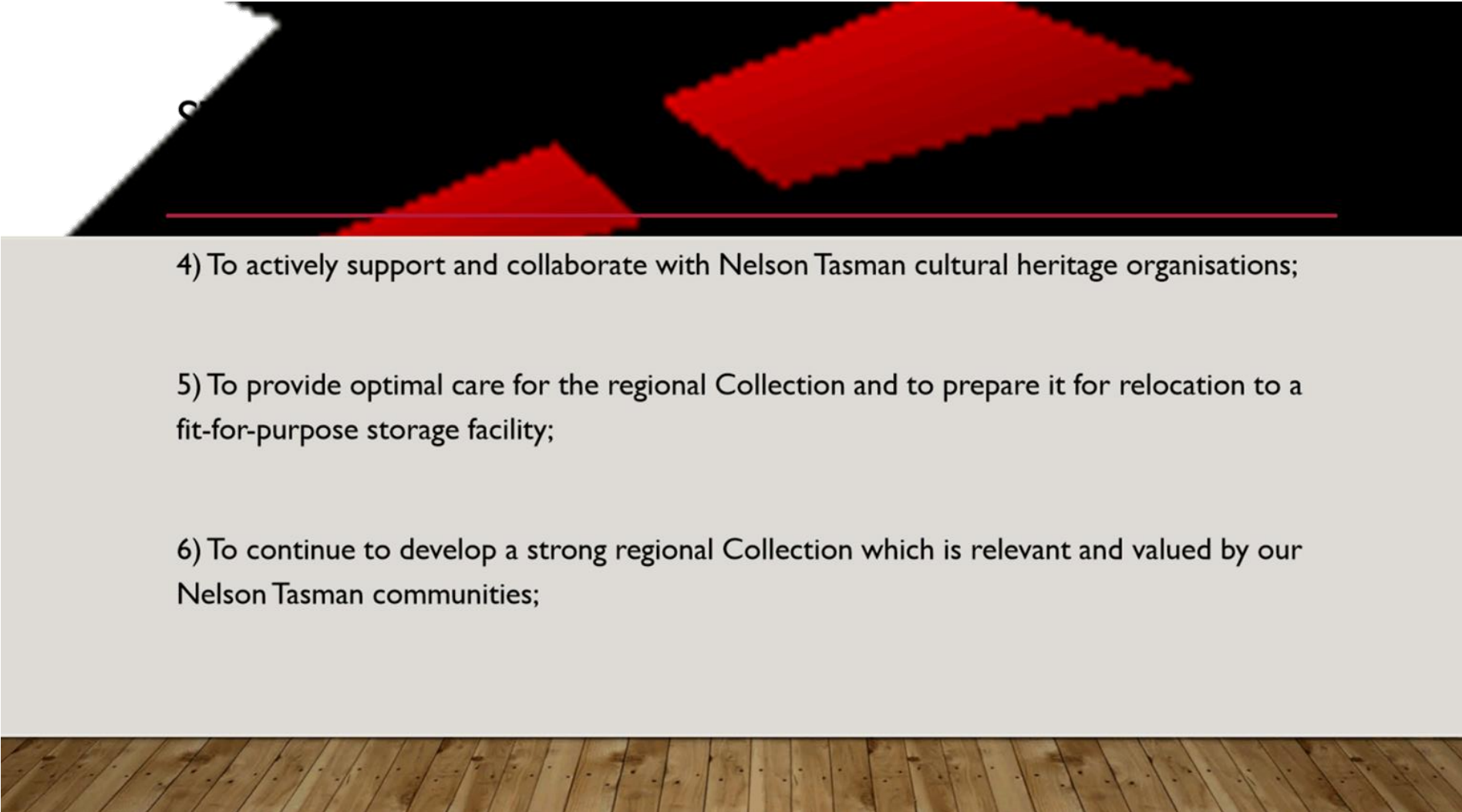
- Active borer discovered in Elms Street collection facility
- Mezzanine storage areas demolished
- Ongoing challenges maintaining conditions to protect and preserve the regional collection



STATEMENT OF INTENT

2018 – 2020

- 
- 1) To plan for and begin to execute a capital works project which will safely and appropriately house and care for the Nelson Tasman regional heritage collection;
 - 2) To become a must-see visitor destination and become recognised as integral to the Nelson Tasman experience;
 - 3) To establish and maintain sustainable funding streams;


- 
- 4) To actively support and collaborate with Nelson Tasman cultural heritage organisations;
 - 5) To provide optimal care for the regional Collection and to prepare it for relocation to a fit-for-purpose storage facility;
 - 6) To continue to develop a strong regional Collection which is relevant and valued by our Nelson Tasman communities;



7) To improve access to the Museum's Collection using digital technology;

and

8) To foster a great team culture and be a desirable museum for which to work.



QUESTIONS
