

# STATEMENT OF INTENT 2021-24

Prepared by Nelson Regional Development Agency

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# 1. Introduction

## 1.1. Purpose of the Statement of Intent

This Statement of Intent (Sol) is presented by Nelson Regional Development Agency (NRDA) in accordance with the requirements of Section 64 (1) of the Local Government Act 2002 (LGA 2002). This Sol publicly states the proposed activities and intentions of the Nelson Regional Development Agency (NRDA) for the three years 1 July 2021 to 30 June 2024, and the priorities to which those activities will contribute. This Sol takes into consideration the shareholder Letter of Expectation 2021<sup>1</sup> (LoE), commitments and responsibilities to all funders including Central Government and the private sector, and the resources available to NRDA.

It includes targeted performance measures and indicators, on the basis of organisational accountability. This Sol does not capture everything NRDA does, but rather highlights our key strategic priorities and work areas, particularly those that have high impact on the regional economic development challenges.

This Sol aligns with and delivers against the Nelson Tasman Regeneration Plan 2021 – 2031<sup>2</sup> through Project Kōkiri<sup>3</sup> methodology. It is underpinned by the Te Taihū Intergenerational Strategy<sup>4</sup>.

This Sol is updated annually. In 2024 this update includes extracted text from the Nelson-Tasman Economic Briefing<sup>5</sup> February 2023 update

## 1.2. About Nelson Regional Development Agency

NRDA's mission is to unlock the economic potential of Nelson Tasman to enable our people and places to thrive. We do this by leading inclusive and regenerative economic development, supporting our businesses and people to grow, and shaping and amplifying our profile to attract people, business, and investment to the region.

The NRDA is a Council Controlled Organisation established on 1 July 2016 following merger of the former Nelson Regional Economic Development Agency and Nelson Tasman Tourism. NRDA is 100% owned by Nelson City Council. Partnership funding contribution from Tasman District Council enables NRDA services to be delivered with a Nelson Tasman combined regional focus.

NRDA maintains responsibilities as the official Regional Tourism Organisation (RTO) for the Nelson Tasman Region, as the key regional agency responsible for fostering and promotion of regional visitation development. NRDA is a member of Regional Tourism NZ: <https://rtnz.org.nz/>

**Our Governance:** The NRDA board are a group of independent directors with a commitment to the future prosperity of our region. The board guides the strategic direction of NRDA while monitoring business activities. Board members are appointed by Nelson City Council.

**Our Team:** At 1 June 2023, NRDA employs 14 FTEs and engages with a wide range of

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<sup>1</sup> Nelson City Council Letter of Expectation to NRDA 21 March 2021, unpublished

<sup>2</sup> Nelson Tasman Regeneration Plan 2021– 2031

<sup>3</sup> Project Kōkiri – Nelson Tasman Economic Response & Regeneration Action Plan 2020, [www.projectkokiri.nz](http://www.projectkokiri.nz). Now referred to as Kōkiri Forum

<sup>4</sup> Te Taihū Intergenerational Strategy. November 2020, [www.tetauihu.nz](http://www.tetauihu.nz)

<sup>5</sup> Nelson-Tasman Economic Briefing prepared for the NRDA by Benje Patterson, People and Places, February 2023 update

service providers to deliver our programme of work for the region. The team leads strategy and delivers programmes in roles ranging from (but not limited to), regional (investment and visitor) promotion, destination management, facilitating innovation-focused sector support, business capacity building and support, education to employment projects, and events fund management.

**Our Collaboration Partners:** We rely on, and are committed to, strong strategic partnerships and collaboration with a shared interest in unlocking the economic potential of Nelson Tasman. We recognise Te Tiriti o Waitangi, and mana whenua ki Te Taihū as our treaty partners whom we must involve in all our decision-making.

We also collaborate and connect with the wider business community and public sector and community advocacy groups such as the Nelson Tasman Regional Skills Leadership Group, Business for Climate Action, Multicultural Nelson Tasman, the Destination Management Plan Reference Group, and the , Kōkiri Forum project Kōkiri methodology supports enhanced levels of connectivity between local government, Central Government agencies, mana whenua and the business community.

## 2. Strategic Context

### 2.1. Key attributes of Nelson Tasman's economy and people<sup>6</sup>

- Nelson Tasman's economy generated \$6.2 billion of GDP in 2022 and had 58,618 filled jobs. This represents growth of 5.6% over the past year.
- The region has three key production and processing foci – forestry, horticulture, and the ocean economy, all of which have expanded strongly over the past decade.
- Other key industries of employment in Nelson Tasman include health care and social assistance, construction, retail, professional services, accommodation and food services, and education.
- Many of Nelson Tasman's attributes that appeal to visitors, also appeal to locals, including natural beauty, a variety of outdoor pursuits, and high-quality food and beverage offerings.
- There are at least 288 Māori-owned businesses and a further 939 self-employed Māori across the Te Taihū rohe (encompassing Nelson Tasman and neighbouring Marlborough).
- The eight iwi of Te Taihū have net assets approaching \$1 billion and a track record of collaboration.
- Nelson-Tasman's three main urban areas of Nelson, Richmond, and Motueka are the region's key employment hubs. These main urban areas had 79% of the region's employment in 2022.
- Jobs growth over the past decade has been particularly rapid in Richmond (4.5%pa) and Motueka (3.1%pa), while employment rose more slowly in Nelson City (0.5%pa). By comparison, NZ average jobs growth was 3%.
- Job numbers in other (mainly rural) areas grew by 2.8%pa over the same period.
- Nelson Tasman's population continues to grow at a higher rate than NZ average; increasing from 96,800 in 2012 to 113,200 in 2022, (representing 0.4% growth compared to 0.3% nationally)

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<sup>6</sup>Extract text: Nelson-Tasman Economic Briefing prepared for the NRDA by Benje Patterson, People and Places. February 2022

- Most population growth has been driven by migration (92% over the last three years).
- International migration drove 67% of recent population growth over the past three years, with domestic migration accounting for 24% of growth – 91% altogether. This is a continuing trend – in 2021, this figure was 92%
- The population has spread out, with 62% of growth outside Nelson City over the past decade. (a growing trend – this figure was 57% in 2022)
- The region’s Māori population share has risen and is younger than the rest of the population (consistent with New Zealand as a whole)
- While growth in most high-level indicators of economic performance in Nelson Tasman has been close to national average over the past decade (Table 1), productivity and average household incomes continue to sit below the rest of New Zealand. Research has shown that if productivity in Nelson Tasman were to rise to the national average, then this would generate an extra \$1.63 billion of GDP and create more opportunities for better paid employment.

**Table 1 – Nelson-Tasman’s economic performance, 2022 level and average annual growth 2012-2022**

<b>Nelson-Tasman's economic performance</b>				
<i>Source: Infometrics Regional Economic Profile, accessed 23/02/23</i>				
	Level (2022)		Long-term growth (2012-2022), average per annum	
	Nelson-Tasman	New Zealand	Nelson-Tasman	New Zealand
GDP (2022 pricing, \$ million)	\$6,159m	\$357,710m	2.9%	3.0%
Employment (filled jobs)	58,618	2,693,301	1.8%	2.1%
Productivity (GDP/job)	\$105,070	\$132,815	1.1%	0.9%
Mean household income	\$91,809	\$117,934	3.5%	3.8%

## 2.2. A constantly changing environment

The ongoing global, national and regional impacts from COVID-19 have delivered unprecedented shock and uncertainty to our regional economy and community. It has affected every business in the region in some way; whether through loss of international visitor spend, shortage of seasonal labour supply, disruption to supply chains or changing market conditions for our export driven economy. A number of these impacts are still being felt. In 2022 this was compounded by the impacts of the August flood event, and we now face the forecast of a recession, inflation and ongoing economic uncertainty for the period of this SOI. While Nelson Tasman’s economy has been seen to be performing relatively well in terms of GDP and employment in comparison to average NZ figures<sup>7</sup>, the impacts, resilience and recovery have been uneven between and within sectors and locations. Furthermore, this relative performance is not reflected in our living standards – wages and home affordability have declined between 2021 and 2022. Our average wage is now the lowest in the country<sup>8</sup> and home affordability is the third worst behind Auckland and

<sup>7,9</sup> Source: Infometrics Nelson Tasman Economic Profile February 2023

Otago<sup>9</sup> These trailing indicators of living standards alongside our chronically low productivity, highlight the importance of our long-term focus on productivity improvement, capability building, resilience and attracting investment.

The region remains vulnerable as the world recovers from the pandemic and starts to feel the impacts of a global economic downturn. NRDA played a critical role in the region's economic response to Covid-19 by leading the Project Kōkiri 12-month action plan to save jobs, get cash flowing, support resilience, and assist the region in accessing investment from Government to aid our recovery. Going into this time of economic downturn, the Nelson Tasman Regeneration Plan<sup>10</sup> focus on strategic priorities remains important. In addition to business-as-usual activity of NRDA, the COVID-19 disruptions such as lockdowns, restrictions and border closures, and response support to the floods, demanded new areas of activity and constant flexibility to respond to changing conditions. The looming economic uncertainty is expected to make the same types of demands. Our work plan must therefore maintain strategic, long-term focus, whilst also allowing for some adaptation as needed. By way of an example, in a typical year NRDA supports around 400 businesses through our 1:1 Business Advisory Service; in the first 12 months following initial lockdown, we supported over 2,000 local businesses through this service.

### **2.3. Climate Change**

The government's target is to reduce greenhouse gas emissions to 30% below 2005 levels by 2030<sup>11</sup>. As Tūpuna Pono Good Ancestors, it is incumbent upon us all to take action.

As the lead agency for regional development in Nelson Tasman, NRDA has a dual responsibility: firstly, to look to our own carbon footprint, and that of our partners, collaborators and suppliers. Secondly, we must place a climate lens across everything that we do and encourage others to do the same. Our particular opportunity is to enhance and foster awareness of where the wins can be most readily made; to support monitoring and measurement of progress; to connect and facilitate the actions of others for maximum benefit; and to leverage opportunities to build in climate action to all suitable regional initiatives.

### **2.4. Wellbeing**

In 2019 the Local Government (Community Wellbeing) Amendment Bill was passed, reinstating local government responsibilities for the four Wellbeings – social, economic, environmental and cultural. Shortly afterwards, the Te Taihū Intergenerational Strategy was developed, in which our communities clearly voiced their requirements for improved wellbeing for our people.

Regional development agencies now embrace wellbeing as part of their remit, recognising that the purpose of an economy is to serve the wellbeing of its people. As a CCO, NRDA adopts a shared responsibility with Council to apply a Wellbeing lens across our work programme and the initiatives in which we engage.

As a local employer, we place the wellbeing of our own people at the top of the priority list and engage in ongoing professional, team and organisational development to support that. As the lead regional development agency, we support

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<sup>9</sup> Source: Infometrics Nelson Tasman Economic Profile February 2023

<sup>10</sup> Nelson Tasman Regeneration Plan 2021– 2031

<sup>11</sup> <https://www.mfat.govt.nz/en/environment/climate-change/meeting-our-targets/>



the tracking, monitoring and reporting of wellbeing measures for the region, as committed in the Nelson Tasman Regeneration Plan 2021-2031.

## 2.5. The Māori Economy

The Nelson Tasman Regeneration Plan 2021-2031<sup>12</sup> places a spotlight on Māori Economic Development, recognising the need for specific focus which is complementary to our obligations to recognise Tino Rangatiratanga (self-determination) under Te Tiriti o Waitangi. The Plan highlights the thriving Māori economy of Te Taihū and substantial development potential, a targeted focus on Māori owned enterprises and Māori entrepreneurs in the region, challenges faced by a number of Māori businesses, including access to skills, and also opportunities, including through mandated procurement requirements of government agencies to Māori businesses<sup>9</sup>. The Regeneration Plan also highlights that underpinning the thinking behind a focus on Māori economic development is recognition that Māori are some of the most affected by income disparities, unemployment and household debt, an inequality that has perpetuated through periods of growth for New Zealand and have been more exposed in periods of shock.

Diversity can help foster innovation and Māori models of business offer many lessons. Māori entrepreneurship is a key component of Nelson Tasman's business landscape<sup>13,12</sup>. Opportunities exist globally for products whose provenance is underpinned by an authentic indigenous story. Creating career opportunities for Māori in key sectors will also help alleviate skills shortages given the region's Māori population share is younger and growing faster than the rest of the population<sup>14</sup>.

NRDA will embed consideration of the Māori economy within all our workstreams.

## 2.6. Our Economic Drivers

Nelson Tasman has a strong base of longstanding anchor sectors of the economy that have underpinned our economic performance and prosperity for decades and aided our recovery from COVID-19<sup>15</sup> (Table 2 refers).

Manufacturing is the biggest contributor to employment in Nelson-Tasman, closely followed by Agriculture forestry and fishing. Within these high-level industry categories are three key production and processing foci – forestry, horticulture, and the blue economy, all of which have expanded strongly over the past decade, including through the recent pandemic period. These sectors are also well-aligned to longer-term structural shifts in global demand towards food and fibre products which can be produced with relatively more sustainable environmental footprints.

Other key industries of employment in Nelson Tasman include: health care and social assistance, construction, retail, professional services, accommodation and food services, and education. Many of these industries have benefited from population and visitor growth. Some of them are also key enablers that can improve the attractiveness of the region from a business and liveability perspective<sup>16</sup>.

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<sup>12</sup> The Nelson Tasman Regeneration Plan 2021-2031

<sup>13</sup> Te Matapaeroa – Some insights into Māori in Business, a report for Te Puni Kōkiri, available at: <https://www.tpk.govt.nz/en/a-matou-mohiotanga/business-and-economics/te-matapaeroa-2019>

<sup>14</sup> Extract text: Nelson-Tasman Economic Briefing prepared for the NRDA by Benje Patterson, People and Places, February 2022.

<sup>15</sup> The Nelson Tasman Regional Economic Development Briefing, Project Kōkiri, January 2021 [www.projectkokiri.nz](http://www.projectkokiri.nz)

<sup>16</sup> Extract text: Nelson-Tasman Economic Briefing prepared for the NRDA by Benje Patterson, People and Places, February 2022.

Table 2 – Employment in Nelson-Tasman by industry

Employment in Nelson-Tasman by industry (2022)			
Source: Infometrics Regional Economic Profile, ANZSIC Level 1 industries, 2022, accessed 23/02/23			
	Employment level	Share of employment	
	Nelson-Tasman	Nelson-Tasman	New Zealand
Manufacturing	6,647	11.3%	9.1%
Agriculture, Forestry and Fishing	6,438	11.0%	5.4%
Health Care and Social Assistance	6,311	10.8%	10.4%
Construction	5,953	10.2%	10.4%
Retail Trade	5,902	10.1%	8.9%
Professional, Scientific and Technical Services	4,535	7.7%	9.7%
Accommodation and Food Services	3,881	6.6%	6.3%
Education and Training	3,775	6.4%	7.6%
Administrative and Support Services	2,645	4.5%	4.8%
Other Services	2,484	4.2%	4.0%
Transport, Postal and Warehousing	2,276	3.9%	3.9%
Wholesale Trade	2,063	3.5%	4.7%
Public Administration and Safety	1,818	3.1%	5.4%
Rental, Hiring and Real Estate Services	1,392	2.4%	2.4%
Arts and Recreation Services	1,075	1.8%	1.8%
Financial and Insurance Services	663	1.1%	2.7%
Information Media and Telecommunications	472	0.8%	1.5%
Electricity, Gas, Water and Waste Services	246	0.4%	0.7%
Mining	43	0.1%	0.2%
<b>Total</b>	<b>58,618</b>	<b>100.0%</b>	<b>100.0%</b>

Our core sectors are rich in potential and ripe for further development:

- **The Blue Economy** - 70% of New Zealand's aquaculture is based in Te Taihū<sup>17</sup> and Nelson Tasman is home to Australasia's largest fishing port<sup>18</sup>. Nelson Tasman has more than 2,700 jobs in fishing, aquaculture, and processing, which represents 4.7% of employment, compared to 0.4% nationally. The region, together with neighbouring Marlborough, is the part of New Zealand with the highest share of employment dedicated to food production from the ocean.<sup>19</sup>
- **Food, Beverage & Wellness Products** - Horticultural crops and processing them into high-value products represented almost 4,000 jobs in Nelson Tasman in 2021, which was 6.5% of all employment, compared to 2.5% nationally. A horticultural focus aligns to a trend of ethical consumerism<sup>22</sup>.
- **Forestry & Wood Processing** - About 5.0% of New Zealand's plantation forests are in Nelson-Tasman, with a similar amount in Marlborough. The region has New Zealand's highest concentration of specialist processing, particularly in laminated and structural wood products<sup>22</sup>. Nelson Tasman is home to one of the largest MDF plants in the world and produces approximately 10% of New Zealand's sustainable roundwood harvest<sup>20</sup>.

<sup>17</sup> Source: Aquaculture New Zealand.

<sup>18</sup> Source: Port Nelson.

<sup>19,23,24</sup> Extract text: Nelson-Tasman Economic Briefing prepared for the NRDA by Benje Patterson, People and Places, February 2022.

<sup>20</sup> Source: [www.figure.co.nz](http://www.figure.co.nz).

- **Liveability & Our Consumption Economy and Lifestyle** – A “catch all” economic driver partially driven by our high net migration as a factor of population growth (91% over last three years<sup>21</sup>). The COVID-19 pandemic has placed more weight on lifestyle, which favours regions such as Nelson Tasman where migration has driven the vast majority of population growth over recent years. Many of the same factors that attract visitors to the region, also attract migrants.
- **Research, Science & Technology** – One of our growing strengths with a proud history of innovation and the highest number of scientists per capita of any New Zealand city<sup>22</sup>.
- **The Visitor Economy** – Nelson Tasman has a long history of attracting both international and domestic visitation. Around 7.3% of jobs in Nelson Tasman were supported by visitation in 2022, compared to 5.4% nationally<sup>23</sup>. There are opportunities for the visitor economy to strengthen its linkages to other sectors. As a ‘shop front’, the visitor sector profiles the region as a place to live and work and can connect visitors to consuming the region’s other key products (e.g. food and beverage) when they return home. Although the pandemic, followed by flood events, has caused challenges for many visitor sector operators in Nelson-Tasman, the sector has fared better in this region than the national average. During the pandemic, this was supported by higher domestic visitor spend and the faster-than-forecast return of international visitors brought December 2022 total visitor spend to 103% of pre-COVID levels<sup>24,25</sup>.

Cutting across our industry sectors are concentrated economic drivers which present opportunities for expansion and development. These include:

- **The Knowledge Economy** - Our intellectual capital that forms the value of so many of our businesses and allows us to sell knowledge to the world; high value-low impact economic activities
- **The Māori Economy** - Our growing Māori economy, made up of both iwi and Māori owned enterprises, anticipated to grow substantially over the coming decade (refer 2.5 above)
- **The Green Economy** - The part of the economy focused on sustainability and environmental restoration, and which includes our businesses who trade off a reputation for sustainability and care
- **The Digital Economy** - The part of our economy enabled by remote working, and where our lifestyle proposition offers a unique competitive advantage as the digital economy continues to grow and develop
- **The Creative Economy** - From artists and artisans to graphic designers and writers, supporting a range of careers and businesses in our region and strengthening the region’s appeal to skilled and talented workers, entrepreneurs and businesses.

These concentrated economic drivers map well to our core economic strengths. For example, we are already well known for our success in aquaculture, but the green and knowledge economies both present opportunities for us to realise further value from this industry without increasing our footprint. This is an example of where our regenerative economic strategy helps us play to our strengths and unlock the

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<sup>21</sup> Source: Nelson Tasman Regional Economic Briefing prepared for the NRDA by Benje Patterson, People and Places, February 2023 update.

<sup>22</sup> Source: Infometrics Employment Data Bank 2021.

<sup>23</sup> Source: Nelson-Tasman Economic Briefing prepared for the NRDA by Benje Patterson, People and Places, February 2023 update.

<sup>24</sup> MBIE Tourism Electronic Card Transactions, December 2022 data released February 2023.

<sup>25</sup> Estimated at 90% when inflation taken into account

hidden potential that exists in the region in a way that enhances outcomes for our environment and our people.

Likewise, as we look at opportunities to attract residents here who bring their own job with them and work remotely in the digital economy: whilst we must ensure we are keeping up with infrastructure demands, this provides opportunities to bring more external cashflow into our economy which supports our hospitality and retail sectors. In addition, being able to tap into global opportunities for work will provide more favourable conditions to retain young people in the region, particularly under the challenging conditions forecast for 2023/24.

There are encouraging signs that our region is poised for significant advances in research, science and technology. Our innovation ecosystem is expanding<sup>26</sup>, and more clever businesses are emerging, providing employment opportunities and supporting our key economic drivers to realise higher value and build resilience to global changes. Our Science and Technology ecosystem offers a platform from which we can further develop and attract more companies in this space, supporting the development of higher value industries and creating more high-paying jobs.

Advances in automation through technologies such as Artificial Intelligence (AI) will transform some of our key sectors<sup>27</sup>. Our primary sector is likely to be an early mover in this wave of change, with opportunities to reduce waste, automate physical processes and optimise performance across the value chain.

Just as businesses grow through increased sales, our region expands through increased trade and this requires us to be extremely competitive in global markets and adaptable to changing conditions. More than a quarter of the world's economic output comes from the global flow of goods, services and capital<sup>28</sup>.

A significant amount of our economic growth has been driven by migration into Nelson Tasman, which has boosted the consumption sector. We have a unique opportunity to focus our efforts on “growing from within”, to play to existing strengths, to correct some of the structural imbalances in our economy, and to tap into unrealised potential of our key economic drivers.

## 2.7. Our Economic Challenges<sup>29 30 31</sup>

The following challenges are apparent in Nelson Tasman's economic context. These challenges are also ‘drivers for change’ – things which if overcome could help improve outcomes for the region:

**Productivity** in Nelson Tasman in 2021 was 21% below the national average (measured by GDP per job). Low productivity affects companies' profitability and their ability to pay higher wages. In addition to contributing to income inequity, and poor housing affordability, this also perpetuates negative perceptions of Nelson Tasman as a low wage region, further hindering the ability to attract and retain the right

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<sup>26</sup> NRDA CoStarters programmes, the Te Taihū Māori Business Network, and the Tourism Transition Programme are all recent expansions to the Innovation Ecosystem.

<sup>27</sup> Artificial Intelligence Shaping a Future New Zealand, AI Forum New Zealand 2018.

<sup>28</sup> Key Statistics and Trends in International Trade 2020, United Nations Conference in Trade and Development UNCTAD, 2021.

<sup>29</sup> Source: Nelson-Tasman Economic Briefing prepared for the NRDA by Benje Patterson, People and Places, February 2022.

<sup>30</sup> Understanding Nelson Tasman's Productivity prepared for the NRDA by Benje Patterson, People and Places, 2021 (unpublished).

<sup>31</sup> Nelson Tasman Regeneration Plan 2021– 2031 (Project Kōkiri 2.0) (Draft).

skilled workers to fulfil key roles<sup>32</sup>. The reasons for this are both structural and performance based:

Nelson Tasman has a higher concentration of resources in industries which have lower productivity than the national average. For example, accommodation, hospitality, and retailing are more prominent in Nelson-Tasman than nationally (16.7% share of employment in Nelson Tasman, compared to a 15.2% share of employment nationally). The region is also without significant scale in several high productivity industries, such as information media & telecommunications, financial & insurance services and utilities.

Across industries, however, productivity outcomes within Nelson Tasman industries are also generally lower than productivity outcomes within those same industries nationally. Data shows that 18 of 19 industries in Nelson Tasman had lower productivity than New Zealand (Table 3 refers). In part, this is due to regional scale and remoteness, but productivity is also lower than in regions comparable in scale and distance including Marlborough, Hawke's Bay and Southland, highlighting the need for concentrated efforts to unlock potential within our current economic drivers.

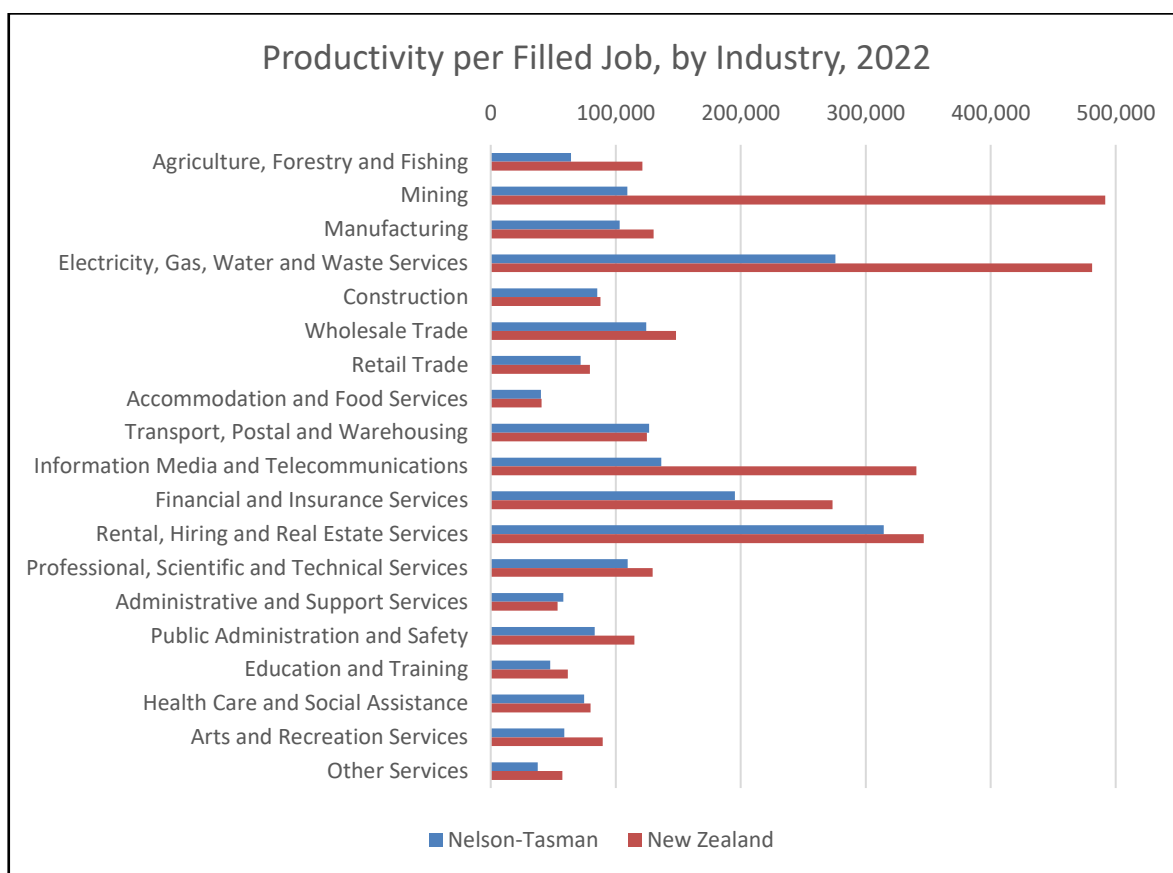
Research has shown that if productivity rose to the national average then the region's economy would be \$1.63 billion larger (the productivity gap). At historical growth rates, it would take 123 years for Nelson-Tasman to close its productivity gap with New Zealand. The region's productivity growth would have to rise at least twice the current growth rate nationally to close the gap within 20years.<sup>33</sup>

It is estimated that around three quarters of Nelson Tasman's productivity gap with New Zealand could be closed by lifting average productivity within industries, while the remaining quarter of productivity gains could come from changing the mix of industries on which Nelson Tasman currently focusses.

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<sup>32</sup> Nelson Tasman Innovation Neighbourhood, "The Talent Challenge", August 2020  
<https://www.nelsontasman.nz/assets/PDFs/Nelson-Tasman-The-Talent-Challenge-November-2019-v2.pdf>.

<sup>33</sup> Understanding Productivity in Nelson Tasman, People and Places, 2022



**Table 3** Productivity in Nelson Tasman. *Source: Infometrics Regional Economic Profile, 2022 data.*

**Average household incomes** for Nelson-Tasman are 22% below the national average. Part of this is because the region has more retirees, but for those still in the workforce average annual earnings in Nelson-Tasman were 14% lower than the national average in 2022 (\$60,048 vs \$69,585). Average wage earnings in Nelson Tasman are the lowest in New Zealand (marginally below Tairāwhiti Gisborne). Higher incomes would raise living standards and help improve worker retention. As well as damaging the wellbeing of our communities, low income starves our wider economy of discretionary spending in areas such as retail and hospitality.

**Constrained workforce availability:** Some 22% of Nelson Tasman's population is aged 65+, with a further 15% within 10 years of reaching 65. By comparison, these proportions are 16% and 12% respectively nationally. The rapid ageing of the region's population creates opportunities for some industries (e.g. health care) but will also create workforce challenges. The availability of workers is already tight, with Nelson Tasman's unemployment rate estimated to be 3.5% in 2022, (on par with the national figure of 3.4%), compared to 4.9% a decade ago. Worker retention, investing in skills development, automation, and talent attraction can all play roles in solving the challenge of a shrinking working age population.

**Housing affordability** has declined in Nelson Tasman over the past decade. The average home in the region in 2021 cost 9.6 times the average household income, compared to a ratio of 8.7 times income nationally. Renters face similar challenges. Housing availability is also a challenge. The Nelson Tasman Future Development Strategy (2019) anticipated the region will need an extra 24,000 homes by 2049. The housing challenges can affect population flows, which can influence worker

catchments and structurally alter commuter flows through the region<sup>34</sup>. As a proportion of household income Nelson Tasman ranks consistently higher than the New Zealand average for mortgages: Nelson Tasman people spend 53.8% of the average income on their mortgage, compared to the national average of 37.5% (including Auckland)<sup>35</sup>.

**Youth retention and unemployment:** Just 16% of Nelson Tasman's population is aged 15 to 29, compared to 20% nationally. Nelson Tasman school leavers have high levels of educational attainment, and many leave the region for further education and experiences. A challenge is to encourage youth to eventually return home and to deepen and market local opportunities to develop a career. While we have historically had one of the lowest unemployment rates in the country, our NEET rates continue to be a concern.

**A highly seasonal industry base:** Nelson Tasman's horticulture and visitor sectors are two of the biggest contributors to the local economy – these sectors have highly seasonal demand patterns and harvesting windows. Seasonality causes extreme workforce challenges, which border closures have exacerbated. Mitigations can include investing in automation and improved workforce linkages between sectors with different seasons to create year-round opportunities.

**Migration reliance:** Some 67% of Nelson Tasman's population growth over the past three years was from international migration. These migrants have expanded the workforce and contributed toward more diverse and multi-cultural communities. With immigration into New Zealand relatively low at present, partly as a result of tighter migration settings, there are significant challenges for regions to retain, attract, and develop their workforces.

**Smaller scale of business and high levels of self-employment:** Nelson Tasman is dominated by small businesses – 92% of businesses have fewer than 10 employees and just 1.3% have more than 50 staff. There are also more than 10,000 self-employed people (17.7% of all employment). Small businesses have less capacity to deal with change and can be slower than larger and better resourced businesses to adopt new technologies and other innovations that lift productivity.

**Location and scale:** We are heavily reliant on our port and airport, with a relatively small 'surrounding' population within driving distance spread across a large geographical area. This also presents challenges for infrastructure funding and delivery.

**Infrastructure investment to support our population:** With a relatively small population base and a large geographical area to cover, securing funding for essential infrastructure to meet the demands of a growing region is a major challenge. Population growth spread beyond Nelson and Richmond and into smaller towns and rural areas across the region creates challenges for infrastructure, community facilities, and connectivity (transport and digital) between places to enable access to work and education opportunities. As our region grapples with issues such as sea level rise and more extreme weather events as a result of climate change, resilient future-proof infrastructure will be essential to the resilience of our economy.

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<sup>34</sup> Extract text: Nelson-Tasman Economic Briefing prepared for the NRDA by Benje Patterson, People and Places, February 2022.

<sup>35</sup> Nelson Annual Economic Profile and Tasman Annual Economic Profile 2022, Infometrics.

**Environment and Climate:** The decline of our native eco-systems and the threat of climate change presents the biggest challenge of our time. Despite the urgency of climate change action, our emissions have continued to rise. It is incumbent upon us to be bold and transition to a zero carbon circular economy. In doing so, we must ensure a just transition, so that where changes need to occur, businesses and people are adequately supported to transition. This change requires an intensified focus at a regional level.

## 2.8. Outlook - Ensuring NRDA is Match-Fit for the Region

The Nelson Tasman Regeneration Plan 2021-2031 identifies the medium-long term economic outlook needed to address the region's economic challenges, with a strong regenerative focus for our economy, to ensure we are positioned to tackle these challenges and capitalise on our opportunities.

Our economic drivers highlight the importance that our Regeneration Plan, and therefore this Sol, must address a portfolio of mutually reinforcing initiatives aimed to enhance regional productivity, whilst delivering on our regenerative economic direction and supporting better outcomes in resilience, regeneration and inclusion.

NRDA has grappled with huge change over the past three years as a result of COVID-19 and will continue to do so as economic headwinds come to bear. At the same time as driving and delivering strategy- and insights-led initiatives, we must remain flexible and responsive to emerging and immediate industry and business needs and a dynamic economic context.

## 3. Strategic Framework

### ***Our resilient economy allows our people, places, communities, and businesses to thrive***

*(Te Tauihu Intergenerational Strategy 2020: Economic wellbeing outcome)*

Under this Statement of Intent (SOI), our primary focus is delivery against the Nelson Tasman Regeneration Plan 2021–2031. Under the Regeneration Plan, and in line with Council expectations (LoE 2021), NRDA will focus on the following targeted outcomes over the Sol period:

- **Regenerative:** The region makes a just transition towards a low-emissions economy, in a way that mitigates climate change, reverses existing environmental damage and protects natural resources (land, forests, fresh water, marine environmental and indigenous biodiversity) now and in the future
- **Productive:** A shift from volume production to high value products, unlocking the potential of businesses to thrive, investing in R&D, technology and innovation to achieve productivity improvements, and supporting small and medium enterprise development
- **Inclusive:** More even distribution of economic benefits (recognising that some in the community fare worse on wellbeing indicators), skills level and productivity improvements, achievement of higher incomes and the right skills available for the future workforce
- **Resilient:** The region is able to respond to and bounce back from disruptions and shocks in a way that reduces harm and overall costs, sectors are diversified to reduce risk, there is local provision of many of the goods and services required, and supply chains are robust.
- **Creative:** The creative talents of our region are recognised and rewarded, with opportunities to showcase and leverage our clever businesses, diversity, arts and artisans, and innovation.



The Strategic Framework model (Figure 3.1) summarises the drivers and opportunities of the regional economy and high-level activity areas to deliver across the five targeted outcomes. Additional economic development priorities identified in Council's LoE will be addressed partly through an integrated approach, considered in all programmes, and partly through discrete programmes such as targeted sector support initiatives.

We rely on strong strategic partnerships and collaboration with a shared interest in unlocking the economic potential of Nelson Tasman. Figure 3.2 presents the Stakeholder Ecosystem supporting our approach.

NRDA's full work programme will be underpinned by and aligned with the Nelson Tasman Regeneration Plan 2021 – 2031 (*Project Kōkiri 2.0*) – which is strongly focused on wellbeing, climate resilience and regeneration.

In delivering against these outcomes and priorities, it is important to highlight the following assumptions:

- The outcomes of the Te Taihū Intergenerational Strategy and the Nelson Tasman Regeneration Plan 2021-2031 touch on a broader range of cultural, social, and environmental capitals than NRDA's Strategic Framework model, with many components to be appropriately led and delivered by others
- Enabling outcomes may be influenced by factors outside of NRDA's control, including national government policy, as well as global and national economic shocks
- NRDA will support collective efforts related to improving housing and rental affordability; therefore there are no outcomes or measures related to this in NRDA's Strategic Framework
- Most activities, and associated outputs/outcomes, depend on partnership and collaboration, and on NRDA leveraging core funding to secure additional government / private programme funding.

As we deliver against these outcomes, we will embrace regional themes identified in the Regeneration Plan<sup>36</sup>:

***We are Intelligent Guardians -- We are Makers and Creators -- We are Clever and Connected***

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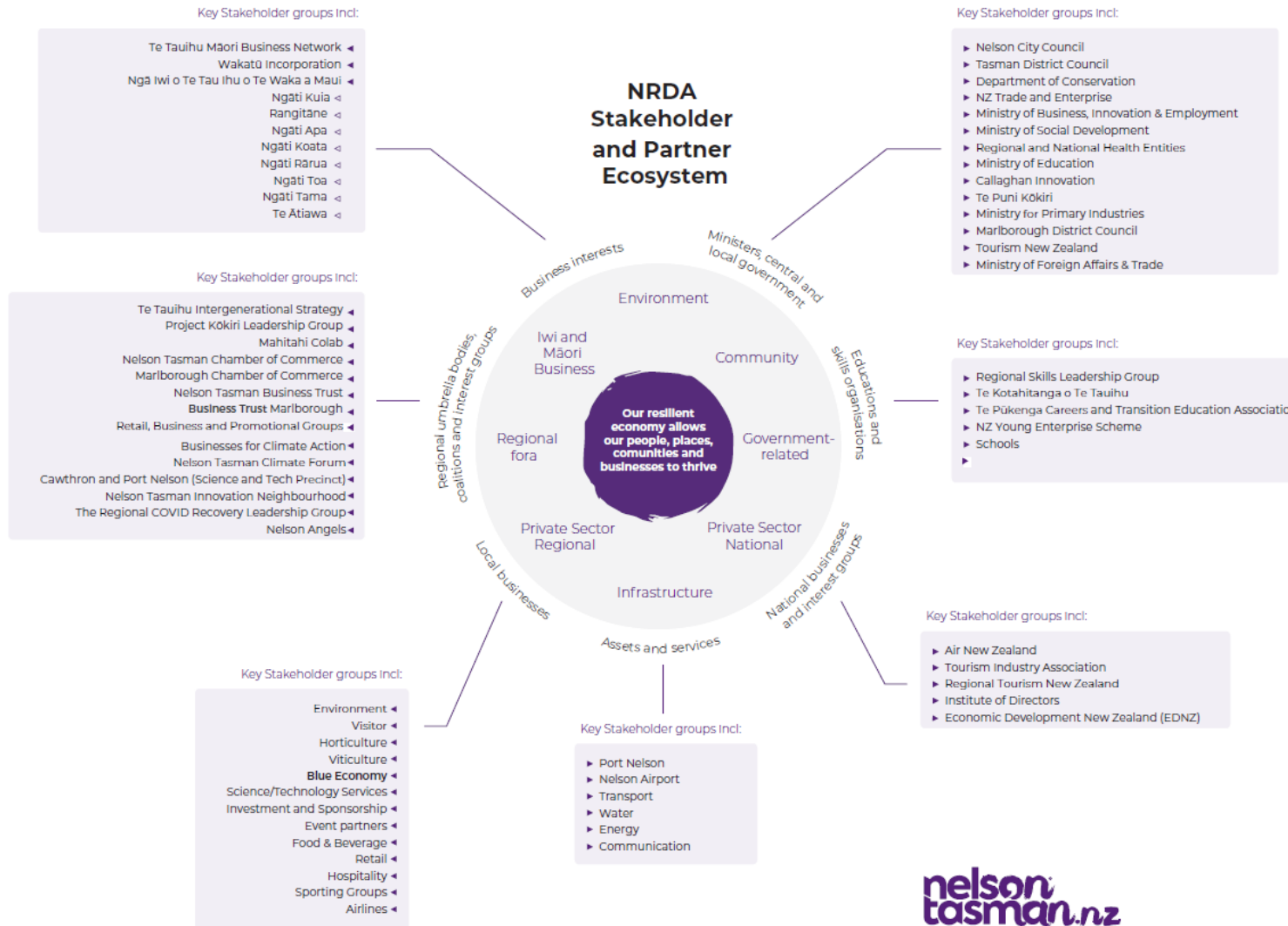
<sup>36</sup> Nelson Tasman Regeneration Plan 2021-2031.

### 3.1. Strategic Framework Model

Regional drivers and opportunities	Priority Areas	Outputs	Enabling outcomes 3-5 years	Regional outcomes 10+ years
<p><b>Economic Drivers &amp; Opportunities:</b></p> <ul style="list-style-type: none"> <li><b>Oceans Economy</b> – 70% of New Zealand’s aquaculture is based here in Te Tau Ihu</li> <li><b>High-value Food, Beverage &amp; Wellness</b> - This sector is our largest contributor to GDP, fuelled by innovation and favourable growing conditions.</li> <li><b>Forestry and Wood Processing</b> – We produce approximately 10% of New Zealand’s sustainable roundwood forest supply.</li> <li><b>Te Tau Ihu Māori Economy</b> – Our growing Māori economy made up of both iwi and Māori owned enterprises and is anticipated to grow substantially over the coming decade.</li> <li><b>Visitor Economy</b> – Visitation contributes to approx. 10% of GDP and employment in the region, the sector is driven by family-owned businesses.</li> <li><b>Research, Science &amp; Technology (Knowledge Economy)</b> – We have the highest number of scientists per capita of any NZ city and a growing knowledge intensive workforce across our key sectors.</li> <li><b>Liveability (Consumption Economy)</b> – Driven by higher than average net migration to the region (96% vs 62% national average).</li> <li><b>The Creative Economy</b> – Our creative sector supports a range of careers and businesses in our region.</li> </ul> <p><b>Economic Challenges:</b></p> <ul style="list-style-type: none"> <li><b>Climate Change &amp; Biodiversity Loss</b> - Vulnerable to sea level rise &amp; extreme weather events.</li> <li><b>Inequality and wages</b> – Low average/mean incomes</li> <li><b>Low productivity</b> – Productivity is the second lowest in NZ / 22% lower than national average.</li> <li><b>Skills shortages</b> – A number of skills shortages and seasonal labour challenges.</li> <li><b>Under-investment in infrastructure</b></li> <li><b>Demographic challenges</b> – A relatively low and rapidly ageing population base; significant growing pressures</li> <li><b>Housing affordability and access</b> – The 3rd worst housing affordability in the Country</li> </ul>	<p><b>Economic Strategy and Innovation</b></p> <p>Leading strategic economic development (Project Kokiri 2.0)</p> <hr/> <p><b>Investment Attraction and Promotion</b></p> <p>Shaping and amplifying our profile, destination story and investment proposition</p> <hr/> <p><b>Business and Workforce Development</b></p> <p>Supporting our key industry sectors, businesses and people to upskill, innovate and grow</p>	<ul style="list-style-type: none"> <li>Strategic Economic Development</li> <li>Economic Intelligence</li> <li>Te Tau Ihu Māori Economy</li> <li>Visitor Sector Regeneration</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Regional Identity and Proposition</li> <li>Investment Attraction</li> <li>Destination Profiling</li> <li>Strategic Events</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Business Advice and Funding</li> <li>Workforce and Skills Development</li> <li>Business innovation (Mahitahi Colab)</li> <li>Targeted Sector Support Initiatives</li> </ul>	<p>Strong collaboration between local and central government, iwi/Māori, businesses/industries, and regional stakeholders (Project Kōkiri methodology sustained)</p> <p>Regional economic intelligence supports decision making</p> <p>Impactful engagement across key industry sectors ensures transformations and transition programmes are aligned to industry needs/ opportunities</p> <p>Te Tau Ihu Māori economy is further recognised and uplifted</p> <p>Investment secured in regional priority projects</p> <p>Higher value visitors, workers, businesses, and investors in Nelson Tasman</p> <p>Our people and businesses have access to advice, funding and upskilling opportunities, to support improved business and management capability.</p> <p>Businesses have access to skills and people they need supporting reduced skill shortages</p> <p>Young people have improved access to education to employment pathways.</p> <p>Improved R&amp;D investment and capability</p>	<p><b>Regenerative</b></p> <p>Increase in public and private sector investment that supports a regenerative economy</p> <p>A strong, well-recognised and well supported Māori economy</p> <p>Nelson Tasman is a national leader in progress towards a zero carbon circular economy</p> <p><b>Resilient</b></p> <p>Our resilient future-proof infrastructure supports a thriving economy</p> <p>A diverse range of industries and businesses underpin our resilient economy</p> <p><b>Productive</b></p> <p>Our productivity gap has reduced in 2032</p> <p>Research, science, and technology supports our economic development</p> <p><b>Inclusive</b></p> <p>Vulnerable communities are supported to have access to employment opportunities through clear partnerships between a range of regional agencies</p> <p>The importance of the Māori economy is recognised and supported</p> <p>Mean incomes have increased</p> <p><b>Creative/Innovative</b></p> <p>Our diverse, innovative and creative businesses and people are showcased and leveraged through our regional identity.</p>
<p><b>The methodology of Project Kokiri provides region-wide perspective on economic development and underpins all delivery</b></p>				

### 3.2 Stakeholder Eco-system Map

Our work cannot be achieved alone and therefore we rely on strong strategic partnerships and collaboration with a shared interest in unlocking the economic potential of Nelson Tasman.



## 4. Strategic Priorities & Activity Areas: What We Do

The Nelson Tasman Regeneration Plan 2021-2031<sup>37</sup> and this Sol will be delivered through the methodology of Project Kōkiri - connecting decision making and sharing knowledge and resources to unlock our collective economic potential. The Regeneration Plan brings together a suite of priority strategies and programs, with responsibility for leadership with the appropriate regional partner.

Under this Sol, NRDA has a dual role in the delivery of the Regeneration Plan: to work with the Project Kōkiri leadership group to lead the oversight and monitoring of the plan, and to lead delivery of specific programs within the plan.

Focused on supporting the wellbeing of the people and places of Nelson Tasman, NRDA's activity spans strategic economic development, regional promotion and investment attraction, and business and industry support programs. Our activities will be delivered through inter-related workstreams:

- Economic Strategy and Innovation
- Investment Attraction and Promotion
- Business and Workforce Development
- Organisational Management (internal NRDA business; not detailed in Sol)

Our approach is underpinned by working collaboratively, with a strong emphasis on climate change and economic resilience to ensure Nelson Tasman is in a strong position to respond to and recover from future shocks and disruptions.

Appendix 8.1 presents the summary three-year work plan for the following activity areas.

### 4.1. Economic Strategy and Insights

#### *Leading strategic economic development*

NRDA will lead oversight of delivery, monitoring and reporting of the region's ten-year Nelson Tasman Regeneration Plan 2021-2031 (the Regeneration Plan), developed under the Kōkiri Forum. Strong collaboration and partnerships are key to delivering on our goal of an inclusive and regenerative economy: our economic development activity must be purposeful, data-driven and strategy-led.

#### **Key Activities**

*Reference: Appendix 8.1 Work Plan*

- **Strategic economic development** - Leading the oversight of delivery, monitoring and reporting of the region's ten-year Regeneration Plan, including facilitation of the Kōkiri Forum. Facilitating collaborative partnerships and initiatives to advance our priorities, and championing innovation, resilience and regeneration. 2023/24 will see NRDA continue to embed productivity considerations into everything (building on the 2021/22 Nelson Tasman Productivity Project).
- **Economic intelligence** – Capturing, promoting and sharing economic insights and data as part of economic monitoring; reporting against the Regeneration Plan (including wellbeing measures); providing specific data and economic information to inform stakeholders, key sectors, community and regional policy and planning considerations. Directly supporting investment attraction and sector transition and development, informing all activities under this Sol.
- **Te Taihū Māori Economy** - Supporting uplift and further recognition of the Te Taihū Māori economy. In consultation and conjunction with Te Taihū Māori and Iwi, this will include supporting the provision of regional Māori business-related data and insights, and we will strive to align with Toiere. This work will be delivered within a purposeful engagement and collaboration plan to frame and guide our

<sup>37</sup> Nelson Tasman Regeneration Plan 2021-2031 (*Project Kōkiri 2.0*) (Draft).

partnership and activities, and to identify where NRDA focus will most effectively support and add value to existing work programmes.

*Related activities include:* Enhancing the Regional Identity to better reflect Māori storytelling and engagement.

- **Climate Change** - Alongside our Economic Intelligence outputs we will support the development of climate action-related data and insights to support regional initiatives in carbon reduction and offset. We will engage with climate action groups to explore opportunities for activities and apply climate change criteria to development projects.
- **Creative Economy:** Supporting, strengthening and profiling the region's creative economy. This will include profile building (within regional positioning/ branding), and targeted workstream initiatives e.g. visitor experiences.

By 2024 we will have:

- Led implementation under the Regeneration Plan through the Kōkiri Forum methodology, maintaining and strengthening a collaborative approach to regional economic development
- Become valued advisors for our data and insights on national trends and the regional economy
- Supported initiatives to strengthen the Te Taihu Māori Economy
- Led regional agency focus on Productivity

## 4.2. Investment Attraction and Promotion

*Shaping and amplifying our profile, destination story and investment proposition to attract people, business, and investment*

Shaping and amplifying a cohesive destination story, and positioning and promoting Nelson Tasman, with local support, is one of the most effective tools we have to support the attraction of talent, businesses, investment and visitors into the region.

We have a strong foundation in our Nelson Tasman regional identity; and we need to be clever in our approach to regional marketing and storytelling. Campaigns such as the 2020 We've Got This / Kei a Tātou campaign<sup>38</sup>, and the 2021 'We've Got You / Mā Tātou E Awhi campaign' helped put Nelson Tasman on the map by empowering local people and businesses with the tools to tell their story in a way that increased local pride and engaged our whole community. Under this Sol, NRDA will build on this work to enhance and enrich our destination story to highlight our strengths and showcase our clever people and businesses to the world. By doing this, we provide the right platform for attraction and retention activities across all sectors – visitors, talent, businesses and investment.

Private sector funding in NRDA's destination activities has historically been relatively high. However, as seen through COVID-19, this is vulnerable to changes in economic conditions. A challenge for the Sol period will be identifying a new model of attracting private sector funding to support our destination profiling and management activities.

### Key Activities

*Reference: Appendix 8.1 Work Plan*

- **Regional Identity & Proposition** - Positioning and promoting Nelson Tasman as a destination for the right talent, businesses, investors and visitors. This includes developing tools and activations for local businesses and community to leverage to put Nelson Tasman on the map and re-developing the nelsontasman.nz website as the key destination website for locals, visitors and prospective businesses and residents.

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<sup>38</sup> EDNZ 2021 National Award winner for Collaboration

Under the 2021-2024 Sol we will focus our regional profiling and positioning more strongly to:

- Build Māori storytelling and iwi engagement in our current identity work
  - Reflect arts and creativity strengths more strongly in our regional identity work
  - Focus on our region's strengths in innovation, science, research and technology, targeting business and talent attraction and development, and extending the current regional identity to give a stronger economic development focus and application
  - Align directly with the Intelligent Guardians focus in the Nelson Tasman Regeneration Plan 2021-2031, based around wellbeing and climate change
  - Focus on positioning Nelson Tasman as a light footprint, low carbon destination
- **Investment Attraction** – Building a dedicated workstream within NRDA focused on facilitating opportunities for unlocking public and private investment in the region, including leading and facilitating business case development around infrastructure and commercial opportunities, and promoting and facilitating investment discussions.

Profiling the region's attributes and appeal for investment and talent attraction is a key part of this workstream; promoting Nelson Tasman as a place to invest and providing information to prospective investors.

This activity will include focused work to identify and facilitate high impact investment opportunity, including leveraging the unique opportunities of the Nelson Tasman science and technology ecosystem and our blue economy to attract investment, businesses and workers to the region. It is important to note that investment attraction is not limited to the purely economic aspects such as infrastructure and commercial opportunities. Investment associated with wellbeing, climate change and resilience outcomes are within scope.

Investment *into business* is supported through our Business Advice and Funding workstream (below),

- **Destination Profiling\*** - NRDA will continue to showcase our regional offering to encourage visitation and consumption of Nelson Tasman experiences and products, as well as to attract business, investment and talent using innovative and activation-led techniques that help put the spotlight on our region. This includes targeted campaigns, on-going content creation and storytelling, earning the region coverage through targeted media pitches and increasing our online engagement by growing our social media presence and (consumer) database.

As international visitation resumes all regions in NZ will be working proactively with international trade and media. It is important that Nelson Tasman maintains a clear profile with key international partners. We will seek to leverage opportunities presented by larger organisations such as Tourism NZ and Air NZ, in order to maximise the benefits from our investment.

Nelson Tasman will be “a region that is good for visitors” – people come to enjoy and connect with the region, then leave feeling better than when they arrived. At the same time, we will attract “visitors who are good for the region” - visitors who come here enhance the region and these benefits are appreciated by local residents.

NRDA also provides in-region support to visitors through a range of website, maps, digital promotion and phone contact. In 2022 i-SITE services in Nelson paused; work in 2023-2024 will determine, with NCC, the appropriate new model for in-person visitor information support. The 2023.24 SOI does not include funding provision to support in-person visitor information services.

In 2022-2024 Nelson Tasman will work with Marlborough District Council to promote and support film industry and investment opportunities in the region.

\* Note: Levels of activity across Destination Profiling will be determined by resources received/ secured.

- **Strategic Events** - Stimulating visitation and economic value to the region through delivery of Events attraction, management of the Regional Events Fund (REF), and management of the Nelson City Economic & Community Events Funds<sup>39</sup>. Aligned with the NRDA Business Events Programme, activity includes delivering programmes to build capacity and capability into our local events sector, coordinating a calendar of events across the region, attracting new events to the region, and leveraging existing events to support increased visitation and economic benefit. Events contribute significantly to community wellbeing and community pride. Council investment in NRDA enables the leveraging of \$1.5m in Central Government supporting for events in Te Taihū over 4.5 years. In addition, it is important to include the opportunities for strategic and community events to build the creative sector where our artists and artisans can extend their reach and exposure to a wider audience.

By 2024 we will have:

- Enhanced promotion of our regional identity supporting strategic economic development messaging
- Secured an increase in co-investment from Central Government and private investment in economic development in the region
- Achieved a better than average growth in domestic (and international where applicable) visitor spend
- Supported Nelson Tasman to be recognised as a region focused on low carbon travel
- Attracted and supported the delivery of diverse and vibrant events to attract out-of-region attendees
- Supported Nelson Tasman for film as a partner in the Te Taihū Film Office
- Investigated / developed a new funding model to support destination management and profiling in the region.

### 4.3. Business & Workforce Development (Community and Business)

*Supporting our businesses, key industry sectors, and people to upskill, innovate and grow*

Small to medium businesses are the cornerstone of our regional economy and community, accounting for over 94% of total business numbers in Nelson Tasman (i.e. over 12,000 businesses)<sup>40</sup>. The resilience and success of our SMEs is key to our economic resilience, and due to the changing future of work, the impact of COVID-19 and other global conditions, our businesses are facing new and increasing pressures.

NRDA has a vital role to play in connecting businesses and people in the region with the right support, tools and funding to enable them to upskill and grow to meet the changing needs of business. Supporting the development of the region's talent pipeline is also important to support the development of our economy and key sectors and businesses within it. This includes both retaining and developing talent and skills already in the region and attracting those with the skills and experience our region needs.

#### Key Activities

*Reference: Appendix 8.1 Work Plan*

- **Business Advice and Funding** – Delivering targeted 1:1 support and advice for local businesses to access business support and funding for management capability building, R&D and innovation programmes (via Callaghan Innovation). This includes the leadership, management and delivery of the Regional Business Partners Programme (RBPP) for Te Taihū, as a repeat national award winner for performance and reach, supporting over 200 businesses per year (and facilitating funding in excess of \$1m pa. As well as working closely with many of our regional

<sup>39</sup> Funded by NCC separately to core NRDA funding

'frontier' firms, this workstream also supports our early-stage entrepreneurs, SMEs, through to our global export companies. Our strategic investment and capability support-focused programmes are informed through our RBPP programme insights, centred on productivity, growth and building resilience.

- **Workforce & Skills Development** – Working with the Regional Skills Leadership Group, NRDA supports development and delivery of the Regional Workforce Development Plans and programmes aligned with the region's labour force and skills needs. This work programme continues and builds on several successful programmes hosted/ led by NRDA with Government support in 2021/22 and 2022/23, including the regional Nelson Tasman Education to Employment Programme and short term initiatives such as Catch a Job, and Pick Nelson Tasman. In 2022/23 these programmes were extended to include the Tourism Conservation Employment Programme. For Nelson Tasman they have demonstrated potential to achieve impactful outcomes. Under this Sol, NRDA will continue to build these programmes subject to continued Government funding<sup>41</sup>. This will include continuation of the Education to Employment brokerage (confirmed funding to 2025), and a new skills and critical employment coordinator to strengthen the skills pipeline and training aligned to high value job needs in the region, particularly to support major developments.
- **Business Innovation** – Supporting our regional innovation eco-system through the Mahitahi Colab and aligned initiatives.. The Mahitahi Colab is a strategic partnership between NRDA, the Nelson Tasman Chamber of Commerce and Te Pūkenga NMIT and offers coworking (including AI), a business events space (with emphasis on innovation), and early-stage business support programmes. The co-location of its three founding partners is central to the success of the Mahitahi Colab, enabling and fuelling collaboration.

The 2023/24 programme will build on 2022/23, which included delivery of the Certificate of Applied Innovation, Innovation Nation, NZTech engagement, and profiling of regional businesses in NZ Entrepreneur.

- **Sector Transitions and Development** – Connected with other business and workforce development activities (above), providing focused support to sectors of competitive advantage and opportunity, supporting collaboration, investment growth and resilience. This work will include partnership with industry, a 'cluster' focus, and alignment with Government's programme of Industry Transformation Plans. It will include: Climate change response and regeneration, working with associated advocacy, sector groups and R&D connections, .

Activities in 2023 /24 will build on 2021/ 2023 work:

- Blue Economy – Advancing development of Moananui, the Blue Economy Cluster, both as a founding partner of the cluster and through targeted initiatives. With government funding secured to support development of Moananui, NRDA will host the initiative and support the establishment of the cluster as an independent, industry supported entity, with outcomes focused on sector growth and investment, and with national and international reach. As a partner, NRDA will work collaboratively with Moananui on key strategic priorities. These include supporting the investment attraction programme and profiling Nelson Tasman as New Zealand's home of the Blue Economy.
- Food and Fibre\* – Identifying and targeting priority industry challenges, opportunities and environmental changes (e.g. Waimea Community Dam completion) helping strengthen early-stage food and fibre businesses, helping build innovation and productivity capability through innovation training opportunities, supporting primary sectors to address immediate seasonal labour shortages through capacity-focused projects (as requested by industry), and working with Businesses for Climate Action to develop tools for businesses in the Sector to support carbon emissions reduction. \* *Note: Level of activity will be determined by resources secured – cluster/collaboration focus not currently fully funded.*

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<sup>41</sup> Currently unfunded.



- Visitor Sector Regeneration\* – The Nelson Tasman Destination Management Plan (DMP) guides regenerative initiatives to support our visitor sector, placing our communities, cultures and environment at the heart. It is designed to support more economically sustainable and resilient businesses while strengthening community well-being, enhancing cultural pride, addressing needs of climate change mitigation and supporting biodiversity. Strategies under the Plan focus on industry careers; light footprint and zero carbon journeys<sup>42</sup>; attracting higher-value visitors and repeat visitation; smoothing seasonality; supporting sector recovery from COVID-19; advocating for future facilities to enhance community well-being and visitor experience; local ambassadors; sub-sector strategies; and engagement with mana whenua to ensure alignment with indigenous values. Government funding for implementation of the plan ceased in June 2023. \* *Note: Level of activity will be determined by resources secured.*
- Cross sector initiatives, including responding to investment and support opportunities as they arise on behalf of key sectors

By 2024 we will have:

- Facilitated high engagement with business development support programmes to increase business capability and increase regional investment in R&D.
- Supported a reduction in critical skills shortages across the region and an increased focus on supporting young people into employment and training.
- Improved connectivity and communication of regional support programmes for businesses and people.
- Enabled greater connection to innovation and business support for Māori businesses in the region.
- Continued to support and strengthen the Mahitahi Colab to drive innovation and collaboration in our region.
- Supported key industries to commit to improving productivity and to moving the region towards a zero carbon circular economy.
- Driven the establishment of an outcome-focused, nationally impactful Blue Economy cluster.
- Positioned our visitor sector for regeneration and as a positive contributor to the local environment, culture and economy.

*Note: Visitor sector programme dependency on industry partners programme.*

#### 4.4. Our Enabling Priorities Supporting Transition

This Statement of Intent (Sol) represents a prioritisation by NRDA of regeneration, inclusion, resilience, productivity and creativity. Collaboration and secure funding are essential to enable NRDA to deliver on the priorities outlined in this Sol, and to keep delivery focused on integrated, long-term goals and outcomes.

The 2021-2024 NRDA program will continue to develop and deliver core initiatives which strategically align with the priorities of the Regeneration Plan In addition, to deliver on this Sol, we will need to transition to increased focus on:

- **Strategic framework** - Delivering priorities according to the strategic framework of the Nelson Tasman Regeneration Plan 2021-2031, and ultimately of the intergenerational strategy
- **Data & Insights** – Being strategy led and data driven in our decision-making across all work areas. Being adaptive to changing economic conditions. Partnering to deliver specific research projects where funding allows
- **Communication** -Telling a stronger story about the work of NRDA and our collaboration partners; Enhancing our stakeholder engagement and the visibility of our work

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<sup>42</sup> TIA 2021 National Award winner

- **Sustainability** (Climate Positive & Zero Waste) - Measuring and reducing our carbon footprint, becoming certified climate positive by Ekos and championing zero waste
- **Te Tiriti Partnership** – Developing new and strengthening existing relationships with mana whenua and iwi Māori to help us deliver more inclusive economic development
- **Connectivity to Council** - Improving connectivity and working relationships to ensure greater alignment of strategic priorities and stronger working relationships across the breadth of programs, with staff and elected members
- **Collaboration** - Enhancing collaboration in economic development by continuing to lead through the methodology of Project Kōkiri; strengthening our partnerships with the public and private sectors
- **Funding model and efficiencies** - Building a sustainable funding framework to support future destination management and marketing. Ongoing, investigating opportunities for further operational efficiencies within NRDA and with Council
- **Capability** - Building core capability as a highly skilled, adaptive and strategic team, including targeted capability building in areas of investment attraction, economic data analysis, business case development, Māori economy support and the wellbeing economy
- **Enabling Organisational Excellence** - Growing an effective and efficient organisation, with the right culture, knowledge and outward focus to deliver our strategic priorities
- **Culture:**

***He aha te mea nui o te ao. He tāngata, He tāngata, He tāngata.***

*What is the most important thing the world? It is people, it is people, it is people.*

Committed to strengthening our high performing team through a focus on building a culture of unity, courage, ambition and respect. The foundation underpinning our organisation culture is built on the understanding that when you are deliberate about designing & nurturing culture, you are telling your people: *we care about you, the way you experience working here is important, so let's not leave that experience to chance.* The foundation underpinning our organisation culture is built on the following Ara (pathways):

## Ngā Ara



### **Te Ara Matua**

He aha te mea nui o te ao?

He tāngata, He tāngata, He tāngata.

*What is the most important thing in the world?*

*It is people, it is people, it is people*



### **Te Ara Poutama**

To encourage growth in individuals through understanding their passion, strengths and how that aligns with the organisation.



### **Te Ara Tiatia**

To encourage growth as individuals through team based opportunities.



### **Te Ara Aruhea**

Whiria te tāngata.

*Weave the people together.*



### **Te Ara Tika**

To develop and enhance operational systems and processes for better performance.

## 5. Measuring Our Success

The following table sets out the key performance measures for the activities the NRDA will deliver to be reported under the annual reporting cycle.

Activity/ Measures	Indicators	Data source	Reporting Measures of Success
<b>Economic Strategy and Innovation</b>			
Facilitating regional collaboration on delivery of the Regeneration Plan	<ul style="list-style-type: none"> <li>Collaboration is maintained between stakeholders on priority strategies and initiatives through Kōkiri Forum methodology</li> </ul>	Kōkiri Forum reporting	<ul style="list-style-type: none"> <li>Kōkiri Forum collaboration maintained as an enduring regional partnership (minimum quarterly meetings), with actions and outcomes recorded</li> <li>Nelson Tasman Productivity Project developed with regional stakeholder participation and buy-in</li> </ul>
Regional economic monitoring maintained	<ul style="list-style-type: none"> <li>Regional economic intelligence supports decision making</li> </ul>	NRDA Economic reports	<ul style="list-style-type: none"> <li>Quarterly economic profile reports align with shareholder and business needs</li> </ul>
Supporting further recognition and uplift of the Te Taihū Māori economy	<ul style="list-style-type: none"> <li>Māori businesses engaged with NRDA report positive business outcomes from service</li> </ul>	NRDA Database	<ul style="list-style-type: none"> <li>Businesses report a net promoter score of 50+ or higher<sup>43</sup></li> </ul>
Supporting Visitor Sector Regeneration	<ul style="list-style-type: none"> <li>Residents appreciate the benefits of visitation</li> </ul>	<ul style="list-style-type: none"> <li>DMP reporting</li> </ul>	<ul style="list-style-type: none"> <li>Angus and Associates Views on Tourism Research Report shows positive feedback from residents</li> </ul>
	<ul style="list-style-type: none"> <li>Visitor spend</li> </ul>	<ul style="list-style-type: none"> <li>MBIE</li> </ul>	<ul style="list-style-type: none"> <li>Visitor spend in Nelson Tasman increases at a rate exceeding the national average</li> </ul>

<sup>43</sup> Reporting measure suggested to move to engagement in future as appropriate focus of activity

Investment Attraction and Promotion			
Regional Identity and Proposition	<ul style="list-style-type: none"> <li>Deliver an updated Regional Identity and Proposition</li> </ul>	NRDA database	<ul style="list-style-type: none"> <li>Regional Identity update project complete and endorsed by Project Kōkiri by March 2023</li> </ul>
Investment Attraction	<ul style="list-style-type: none"> <li>Number of unique visitors to NelsonTasman.nz and time spent <sup>56</sup></li> </ul>	Google Analytics	<ul style="list-style-type: none"> <li>Number of unique visitors to nelsontasman.nz increases 5% on previous year <sup>44</sup></li> <li>Revised Regional Identity implementation plan in place</li> </ul>
	<ul style="list-style-type: none"> <li>Investment opportunities associated with NRDA referral/ involvement</li> </ul>	NRDA database	<ul style="list-style-type: none"> <li>Regional investment proposition produced and provided to NZTE</li> <li>12+ investment referrals/ promoted opportunities per year</li> </ul>
Destination Profiling	<ul style="list-style-type: none"> <li>Total Equivalent Advertising Value (EAV) secured</li> </ul>	NRDA database	<ul style="list-style-type: none"> <li>\$1m EAV secured by June 2024</li> <li>Total engagement rate across social media channels exceeds industry average (3.6% on Facebook and 1.16% on Instagram) for year to June 2024</li> <li>Three campaigns and promotions delivered profiling Nelson Tasman as a great destination for visitors, businesses and talent attraction<sup>45</sup></li> </ul>
	<ul style="list-style-type: none"> <li>Number of film enquiries for Nelson Tasman linked to Te Taihū Film</li> </ul>	Te Taihū Film Office	<ul style="list-style-type: none"> <li>6+ enquiries per year and 2+ filming outcomes</li> </ul>
Strategic Events	<ul style="list-style-type: none"> <li>Diverse events programme delivering strong value to the regional economy</li> </ul>	REF analytics	<ul style="list-style-type: none"> <li>Regional events deliver over \$15m of value to the regional economy per annum<sup>46</sup>.</li> </ul>

<sup>44</sup> Indicator proposed to be adjusted in future to practical measure: Number of sessions, users and page views on the nelson.tasman.nz website increase by an average of 5% on previous year

<sup>45</sup> Number of campaigns determined by budget in 2023/24

<sup>46</sup> COVID-19 related restrictions permitting

Business and Workforce Development			
Facilitating business access to advice and R&D funding	<ul style="list-style-type: none"> <li>Number of businesses supported through 1:1 business advisory service</li> </ul>	RBP data	<ul style="list-style-type: none"> <li>Contract annual target: engage 300 <sup>47</sup></li> </ul>
	<ul style="list-style-type: none"> <li>Businesses have experienced positive business outcomes</li> </ul>	RBP data	<ul style="list-style-type: none"> <li>Businesses report a net promoter score of 50+ or higher</li> </ul>
	<ul style="list-style-type: none"> <li>Māori businesses engaged with NRDA report positive business outcomes from service</li> </ul>	NRDA database	<ul style="list-style-type: none"> <li>Businesses report a net promoter score of 50+ or higher<sup>48</sup></li> </ul>
	<ul style="list-style-type: none"> <li>Total value of capability development and R&amp;D funding issued</li> </ul>	RBP data	<ul style="list-style-type: none"> <li>Contract annual target circa \$1m <sup>49</sup></li> </ul>
Workforce and Skills Development	<ul style="list-style-type: none"> <li>Priority Workforce Development Plan programmes included in NRDA Sol<sup>50</sup></li> </ul>	NRDA database	<ul style="list-style-type: none"> <li>FY23 SOI includes Workforce Development programmes that align with the RSLG Workforce Development Plan.</li> </ul>
	<ul style="list-style-type: none"> <li>Number of businesses engaged in youth transition to employment programmes</li> </ul>	NRDA database	<ul style="list-style-type: none"> <li>50 businesses engaged</li> </ul>
	<ul style="list-style-type: none"> <li>Number of businesses supported through Nelson Tasman Digital Boost</li> </ul>	NRDA Database	<ul style="list-style-type: none"> <li>Capability improvement as reported through programme feedback</li> </ul>
Business Innovation (Mahitahi Colab)	<ul style="list-style-type: none"> <li>Number and impact of business initiatives or events held in the Mahitahi Colab supporting innovation and numbers of participating businesses</li> </ul>	Mahitahi Colab database	<ul style="list-style-type: none"> <li>80 events held at the Mahitahi Colab; 2500 total attendees (COVID-19 permitting)</li> <li>Quarterly innovation event programme delivered</li> <li>70% of businesses engaged with Co.Starters programmes report an improvement in entrepreneurial capability</li> </ul>
Targeted Sector Support Initiatives	<ul style="list-style-type: none"> <li>Business cluster activation</li> <li>Sector support for reducing carbon footprint</li> <li>Visitor sector business support</li> </ul>	NRDA database	<ul style="list-style-type: none"> <li>Te Taihū Blue Economy cluster established and 20+ businesses engaged</li> <li>3+ Partnership initiatives with climate action / industry sector groups directly supporting industry solutions for reducing carbon footprint</li> <li>6+ Visitor sector business resilience training and development delivered</li> </ul>

<sup>47</sup> Note: RBP change in reporting and targets from 2022: 200 is the appropriate measure in 2023/24

<sup>48</sup> Note: Data not separated out from other NRDA RBPP-measure therefore not reportable

<sup>49</sup> Note RBPP reporting changed from set R&D targets-measure in 2022, therefore no longer appropriate target

<sup>50</sup> Subject to timing and funding

## 6. Financial Performance

### 6.1. Projected Financial Performance

NRDA is pleased to be able to provide an updated Sol for 2021-2024 and financial statement through engagement with Nelson City Council and the Long-Term Plan process Appendix 8.2 presents a high-level summary of percentage breakdown of proposed investment across functional activities in 2023/2024. Monitoring of this investment across activity areas will be included in all performance reports to Council.

Appendices 8.3, 8.4 present:

- Prospective Statement of Comprehensive Income.
- Opening Statement of Financial Position.

The financial statement builds on the momentum gained through Project Kōkiri, to achieve the greatest economic impact for our region, while focusing on the strategic priorities and long-term outcomes as identified in the NCC Letter of Expectation. This statement reflects our review of our activities and resources and a shift of focus.

from a tactical to more strategically led organisation.

This Sol and funding statement is based on an understanding of 2021-2024 core annual Nelson City Council funding of \$1,272,000, as per Long-Term Plan discussions, and confirmed Tasman District Council annual core funding of \$325,000, with an annual CPI increase.

The following table summarises recent investment levels into the NRDA.

	Funding				Budget	
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Core Funding NCC	899,000	865,000	912,000	1,272,000	1,356,329	1,403,806
Core Funding TDC	300,000	300,000	300,000	325,000	325,000	336,375
COVID-19 Response NCC/TDC		50,000	450,000			
NCC Event Fund	72,000	73,000	73,500	73,500	75,734	75,734
Other Local body Funding	89,560	52,850	85,000	61,000	15,739	7,000
<b>Total Local Body Funding</b>	<b>1,360,560</b>	<b>1,340,850</b>	<b>1,821,000</b>	<b>1,731,500</b>	<b>1,772,802</b>	<b>1,822,915</b>
Central Government	345,000	396,050	1,392,500	1,553,000	1,590,021	860,333
Private Sector	375,800	340,950	167,600	136,000	89,067	112,000
i-SITE	186,900 (\$30k)	139,500 (\$75k)	50,300(\$125k)	2,050 (\$140k proj)		
<b>Total</b>	<b>2,268,260</b>	<b>2,217,350</b>	<b>3,431,400</b>	<b>3,422,550</b>	<b>3,451,890</b>	<b>2,795,248</b>

\*Central Government and Private Sector Funding in years 2022-24 is currently unconfirmed.

\*\*Includes NCC contribution of \$44K to the Nelson i-SITE.

\*\*\*Offset by NCC contribution of \$44K to the Nelson i-SITE.

These financials and the proposed SOI are presented in the following context, including items informed by the Martin Jenkins Review in November 2020<sup>51</sup>:

- **Strained Private Sector Investment** - The weaker economic climate post the COVID-19 emergency continues to disrupt NRDA's ability to attract private sector investment. NRDA has attracted relatively high levels of private sector investment comparative to other similar organisations (validated by the Martin Jenkins Review). We have been successful in pivoting somewhat to new private sector funding through targeted initiatives such as Pick Nelson Tasman and the Catch a Job campaign, however, these reflect a change in nature of private sector funding to support specific activities (in-out funding) and not the wider work of NRDA. At the time when this three-year SOI was first drafted it was anticipated that Nelson Tasman would now be in the COVID-19 recovery stage, however subsequent lockdowns and restrictions further limited NRDA's ability to raise private sector funding over the next two years. The Visitor Sector has been significantly impacted.
- **Historically Low Levels of Core Funding** - NRDA has been operating on low levels of core local government funding when compared with other similar economic development agencies<sup>46</sup>.
- **Imbalance of funding** – NRDA is whole of Nelson Tasman focused. All Government funding received is Nelson Tasman in scope. The imbalance of core funding support between Nelson City and Tasman District Councils impacts both the total level of funding and the dynamic of operations and planning.
- **Operational Cost Efficiencies** - The review of NRDA's operations found that we are operating relatively efficiently compared to other EDA's and there was limited room for a reduction in costs. Nevertheless, we are committed to further investigating opportunities for efficiencies, within NRDA and with Council.
- **Central Government Investment** – In 2020/21 NRDA received one-off Government funding for a range of specific COVID-19 response activities which has now ended.

In May 2022, NRDA secured the continued contract delivery for the Regional Business Partner Programme 2022-27. This core delivery programme for NRDA supports innovation and research and development. The Employment to Education contract funded through MSD is confirmed for 2022/23 only. Opportunities continue to be investigated to leverage local government funding to secure investment, however, future Government funding remains uncertain. Significantly, no further support is available for delivery of year two onwards of the five-year Destination Management Plan.

Moananui-related Government grant funding received in 2022/23 will be hosted and managed by NRDA, to be transferred to a new, independent entity once established. NRDA will continue under Agreement as a founding partner and in-kind funding supporter of this initiative.

- **Private Sector Revenue Assumptions:** Budget projections assume Private Sector funding; 2023/24 Total \$112k for Regional Profiling.
- **Nelson i-SITE:** This SOI assumes no direct NRDA core funding support for an in-person Nelson visitor information centre/ i-SITE. The review of the i-SITE delivery model in 2021/22 found the model to be financially unviable and not fit-for-purpose for changed and future visitor needs. The outcome of the review was the decision to temporarily close the in-person service to allow for the formation of future, contemporary and relevant in-person visitor information support to be determined.
- **Equity:** - Unforeseen events over the past two years have highlighted the importance of NRDA ensuring a strong equity position to ensure organisational resilience.

<sup>51</sup> Economic Development Priorities for Nelson Tasman: Final Report: Identifying opportunities and challenges for the region, MartinJenkins November 2020

## 6.2. Building Long-Term Financial Sustainability

The combination of the loss of private sector funding and visitor sector income, and an uncertain future around Central Government support challenges the financial sustainability of NRDA. To deliver on the aspirations and to build on the momentum of the Nelson Tasman Regeneration Plan and Project Kōkiri, establishing a sustainable model of future funding in the long term is essential. Work to identify a private sector funding model to support Destination management and marketing, is limited in options due to dependency on local or central Government financial policies. A simplified Visitor sector Partners Programme was re-introduced in 2022/23. This need for longer term financial sustainability applies across all NRDA functions.

The 2020 Martin Jenkins review of NRDA's operations highlighted that one option to increase core funding that could be assessed is the potential to develop a regional economic development fund (Regional Economic Investment Fund). Similar funds created elsewhere have been used to co-invest in business cases and major regional economic development projects, with work typically led by the local EDA. Apart from bolstering local funding, the existence of the funds has made it easier to attract Central Government co-investment in the projects. Consideration of this approach may provide an opportunity for a sustainable future business model.

## 6.3. Transition Focus and Resource Implications

The 2023/24 SOI update reflects progress through the 2021/24 SOI, during a period of significant economic challenges, funding uncertainty, the need to redirect resources (people and programmes) to provide response support, and the need to concentrate resource allocation to priorities and areas of greatest impact.

Councils' core investment in NRDA 2023/24 will continue to enable significant Central Government and private investment in the region: Regional Business Partnership Program (RBPP) funding 2022-2025; Moananui Blue Economy Cluster development grant 2023/25; Education to Employment (confirmed to 2025); Tourism Conservation Skills programme 2022/24, and the Skills and Critical Employment Coordinator 2023/25. The annually updated Briefing for Ministers provides a mechanism to present regional investment priorities to Government.

The 2021/24 SOI and Letter of Expectation drove a transition and expansion of activities and focus areas for NRDA, including greater focus on long term strategy to enhance economic resilience, recovery and regeneration, based on clarity of competitive advantage and strategic opportunities, a strengthened economic insights function, sector support, targeted investment attraction, support for the Māori Economy, and greater emphasis on wellbeing, climate change and the creative economy. It reflected a strengthened collaborative approach to economic development for the region.

The 2023/24 update of the SOI maintains the focus set out in 2021, with progress and change during the period reflected in the following key areas of resource implications:

- **Unlocking Investment:** Continuing to build a workstream focus on attracting public and private investment to the region through strategic business case development and positioning (economic development, infrastructure and commercial opportunities). Following the 2022/23 decision that the proposed Science and Technology Precinct will not proceed, our investment attraction activity must pivot in 2023/24 in its approach to promoting investment in this key sector. Leveraging the Moananui Blue Economy initiative is a key focus.
- **Maintaining a strengthened function in economic profiling and insights,** including regional performance, informing regional planning, and considerations for investment and commercial opportunity attraction.



- Targeting key sectors, notably: supporting advancing Moananui, the Blue Economy cluster; Visitor sector regeneration; Science and Tech-focused investment attraction.
- Food and Fibre is a priority sector we would propose for greater levels of targeted support if resourced.
- Supporting Māori Economic Development remains a strategic priority, however this is limited by resourcing. Numerous recommendations have been made for a dedicated Māori economy support role to be based within NRDA to maximise leverage for the Māori economy from our work programmes; in the Destination Management Plan, in the RBPP bid to Government, and in strategic advice received. This remains unresourced. The 2023/24 SOI update reflects this priority embedded as a consideration across all work areas, rather a standalone focus. It remains an area recommended for increased capability within the team.
- Government funding to support the Destination Management Plan ceased in 2022/23 placing pressure on programmes to support this sector. At the time the DMP was written, two further years of funding had been anticipated. This is no longer the case and the deliverables under the 5 year DMP programme must be revisited as a result. The sector recovery started later than expected and our Visitors Partner Programme, re-introduced in 2022, is building back but at a slower rate and lower level than anticipated.
- The 2021/24 SOI identified Te Taihu Film as a new area for focus. It is now recognised that the ability to resource this activity is highly limited in context of competing priorities in the constrained funding environment, without specific Council or Government support.
- In 2022/23 we were hopeful in a bid to secure funding for one of three regional skills hubs in Nelson Tasman to support the major future construction programme and skills shortage. This bid was unsuccessful, however the focus on skills and workforce needs and support is a highlighted priority and in June 2023 we confirmed Government funding support for a three year Skills and Critical Employment Coordinator role to support the skills pipeline and training within the region for key high value roles
- The review of the Nelson i-SITE in 2021/22 found the model to be financially unviable and not fit-for-purpose for changed and future visitor needs. Nelson City Council in 2022 determined to hibernate the Nelson iSITE for up to two years, and as such the 2023/24 SOI update notes that NRDA will work with Council to determine and support the future model, but there is no dedicated funding for this function.
- The NRDA Events programme has grown in scale and scope considerably in the past few years to an unsustainable resourcing level. The 2023/24 programme will be adjusted, in consultation with Nelson City Council, following a functional analysis underway at the time of the Sol update.
- Opportunities for operational efficiencies will continue to be investigated with Council staff.

Staff remain NRDA's biggest asset, and retention and support remains a priority

*Note Moananui project funding through MPI SFFF is not included in the 2023/24 SOI based on the assumption that grant funding will transfer to an independent entity in Q1.*

## 7. Governance Statement

Governance of the NRDA is the responsibility of the NRDA Board. Operations of the NRDA organisation are the responsibility of the Chief Executive who reports to the Chair of the Board.

### 7.1. Procedure to be Followed with Purchase of Shares in Other Company or Organisation

The procedure to be followed before subscription for, or purchase of, or other acquisition of shares in any company or organisation, shall be by resolution of the Directors, excepting that any significant diversification or addition to existing activities will be referred to the shareholder for approval.

### 7.2. Directors Estimate of Company Value

The Directors estimate that the opening balance of shareholder funds in the annual accounts will represent the value of the Company. The Directors will advise the shareholder on an annual basis if they believe the value to differ materially from this state. The opening balance of equity projected at 1 July 2023 is \$265,661. The projected ratio of consolidated shareholder funds to total assets at 1 July 2023 is 19%.

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

### 7.3. Accounting Policies

The NRDA Accounting Policies were reviewed by the board in November 2022 following the 2021/2022 audit report and found to be complying with the Tier 2 Public Benefit Entity Public Sector ("Tier 2 PBE PS") Financial Reporting Framework and all audit requirements. A full set of the reviewed policies are available from the NRDA as required.

### 7.4. Capital Expenditure and Asset Management Intentions

Based on the business model assumption the capital expenditure estimate for 2023/2024 is \$172K. This will assist in the delivery of expected outcomes and will be primarily allocated to redevelopment of the nelsontasman.nz website and digital assets, which is scheduled for 2023/2024

### 7.5. Health & Safety

Directors and Officers (the CE) have obligations under the Health and Safety at Work Act 2015 regarding staff, contractors and visitor. NRDA has a policy, supported by a process, to:

- Be informed and keep up to date about work health and safety matters
- Identify hazards and risks associated with NRDA operations and take steps and processes to eliminate or minimise those risks
- Ensure NRDA has appropriate processes for receiving and considering information regarding incidents, hazards and risks and for responding to these in a timely way
- Ensure NRDA implements processes for compliance and verifies all the above steps.

## 7.6. Risk Management

The current uncertain economic climate poses many potential risks to the successful delivery of this Sol. We will focus on high levels of engagement and communication with key stakeholders and best practice Governance approach outlined in section 7 and apply these principles while monitoring and assessing risk.

Key programme related risks associated with organisational ability to deliver against this Sol in 2022/23/24 are resource related. While shareholder core funding is confirmed to June 2024, future Government funding is not confirmed

### Programme related risks

Category	Risk	Activity Areas Impacted	Likelihood	Impact	Mitigation
Government Funding	<p><b>Primary risk:</b> Destination Management Plan (DMP) delivery unfunded</p> <p><i>Dependent risks:</i></p> <ul style="list-style-type: none"> <li>- Programmes dependent on private partner programme. Impacts NRDA operational sustainability</li> <li>- Reduced levels of visitor sector support</li> <li>- Loss of leverage opportunity to attract further partnership funding</li> <li>- Staff retention</li> </ul>	<p><b>Economic Strategy and Innovation:</b> Visitor Sector Regeneration all outputs</p> <p><b>Business and Workforce Development:</b> Business Advice and Funding all outputs</p>	High / Risk realised	High	No alternative direct funding for destination management plan delivery; the DMP will provide strategic framework to guide activity, but initiatives delivery will be limited.
Private Sector Funding	<p><b>Primary risk:</b> 2023-24 budget assumptions for private (Visitor) sector contributions lack certainty with \$112k budgeted.</p> <p><i>Dependent risks:</i> Organisational sustainability; staff retention</p>	<b>All areas and all outputs</b> including organisational sustainability and wellbeing	High	High	Caution in planning or commitment without confirmed funding.

Category	Risk	Activity Areas Impacted	Likelihood	Impact	Mitigation
NRDA Resourcing	<p><b>Primary risk:</b> Mismatch between short-term funding uncertainty with regional commitment to 10-year Regeneration Plan</p> <p><i>Dependent risks:</i></p> <ul style="list-style-type: none"> <li>- Limits organisational and community confidence in planning and delivery</li> <li>- Organisational sustainability; staff retention</li> </ul>	<p><b>All areas and all outputs</b> including organisational sustainability and wellbeing</p>	High	High	<p>Case to shareholder for longer term funding certainty and increased balance in funding between Councils.</p> <p>Specific activities identified for programme reduction/limitation.</p>
Regional workforce constraints	<p><b>Primary risk:</b> Impacts of constrained labour market, wage pressures and competition</p> <p><i>Dependent risk:</i> Organisational sustainability; staff retention</p>	<p><b>All areas and all outputs</b> including organisational sustainability and wellbeing</p>	High	High	<p>Within budget, NRDA is committed as a fair, flexible and competitive employer, with strong focus on positive workplace culture and professional development.</p>
Moananui Cluster	<p><b>Primary risk:</b> NRDA contract responsibility for delivery reliant on partners and third parties</p> <p><i>Dependent risk/s:</i> Organisational inefficiency; key person dependencies</p>	<p><b>Business and Workforce Development:</b> Key sector development</p>	Medium	High	<p>Specific risk management plan in place for this initiative, with independent governance advice</p>

## 7.7. Sustainability and Climate Change Responsiveness

In alignment with the Te Tauihu Intergenerational Strategy and the Nelson Tasman Regeneration Plan, the NRDA recognises that climate change is a significant challenge to the future of NZ and the regional economy. We acknowledge the transition required to a low emissions economy, and the need to address the significant challenges presented by climate change. NRDA embodies a lens of climate change mitigation and adaptation in all its activities. NRDA has sustainability at the heart of the organisation's approach to all its activities.

## 7.8. Organisational Sustainability

An objective to support delivery of the SOI is to build the NRDA organisational sustainability. This will focus on building the capability of the 'core' team, supporting organisational resilience, flexibility to new challenges, increased staff confidence and succession planning.

## 7.9. Reporting to the Shareholder

In addition to providing economic reporting, advice and guidance to NCC, NRDA must also meet key reporting requirements and timeframes under Schedule 8 of the Local Government Act.

### Half Yearly – NRDA report to Shareholder

- By the end of March each year, the NRDA will provide to the Shareholder a half- yearly report against the SOI Key Performance Measures and comply with the Local Government Act
- This report will contain unaudited financial information and comply with NZIAS 34
- This report will also be provided to TDC.

### Annual – NRDA balance date is 30 June and the NRDA will provide an Annual report to the shareholder by 30 September each year

- The Annual report will report against the SOI Key Performance Measures and comply with sections 67, 68 and 69 of the Local Government Act and the Companies Act
- This report will include audited Financial Statements and comply with NZIAS 34
- This report will also be provided to TDC.

NRDA will be available to attend ad-hoc Council meetings or workshops as requested. NRDA will make an effort where possible in its reporting to the Councils to provide both a regional and a Territorial Local Authority level of information.

## 7.10. Best Practice Governance

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

- Act as a Board of Governance for the organisation responsible for the overall direction and control of the company's activities, to act in the best interests of the NRDA, and not act as representatives of either their business or the sector they work in
- Assist the organisation to ensure the activities of the NRDA deliver upon the SOI and funding agreements with the shareholder which are driven by the strategies and expectations of the two funding Councils
- The Board will adopt governance practices and policies that are not inconsistent with those of the Shareholder and make the commitment to operate in a manner consistent with adherence to the Companies and Local Government Acts and the principles of the Institute of Directors of NZ and their four pillars of governance best practice for NZ Directors

- Sound and sustainable business practice in commercial undertakings, operating as an efficient and effective business
- Ethical and good behaviour in dealing with all parties in alignment with a policy of identifying and dealing with potential conflicts of interest.
- An active partnership with the Shareholder, Iwi and Māori, TDC, funding partners and key stakeholder
- The Chairperson and Board members are expected to adhere to the communication protocols identified in the SOI addition to the formal reporting requirements
- The practices of a good employer, operating a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment
- The Board shall ensure that the Company has appropriate risk management procedures and policies in place to assist the smooth running of the organisation and compliance with all applicable legislation
- The Board shall ensure that the Company has appropriate Health, Safety & Wellness procedures and policies in place to assist the safe running of the organisation and compliance with all applicable legislation
- Act in a manner that will bring commercial disciplines and a greater ability to partner with the business community
- The Company Constitution sets out in more detail the governance framework for the Company
- In accordance with best practice the Board Chair will undertake an evaluation of the individual members and overall board performance by November 2023.

## **7.11. Communication Protocols**

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

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

In addition to complying with formal reporting requirements and communication protocols, NRDA will be committed to ongoing, open and collaborative relationships with our Shareholder, to ensure transparency of information, clarity of understanding and to ensure good working relationships with and support for the Council in its service to the Community.

## 8. Appendices

### 8.1. Appendix 1: 2023/24 Work Plan

The following plan sets out the workstream action programme for 2023/24 and builds on the 2021/22 and 2022/23 delivery programmes. Note: the proposed work plan may be subject to change due to emerging issues; any significant changes will be discussed with Council.

Strategic Priority Area	Activity	2023/24 Work Plan
<b>Economic Strategy and Innovation</b>	<b>Strategic Economic Development</b>	<ul style="list-style-type: none"> <li>• Nelson Tasman Regeneration Plan 2021-2031:               <ul style="list-style-type: none"> <li>- Ongoing oversight, monitoring, and communication on progress of the actions outlined in the Plan</li> <li>- Direct programme delivery as specified in the Plan, itemised across NRDA workstreams.</li> <li>- Maintain the Regional Monitoring Dashboard to track and report regional wellbeing measures</li> </ul> </li> <li>• Kōkiri Forum. Leadership participation and secretariat/convenor. This award-winning collaborative forum meets quarterly, providing leadership and input on strategic regional economic development.</li> <li>• Strategic issues and opportunities: monitoring with stakeholders, industry and partners to inform all NRDA work and advice.</li> <li>• Regional economic representation and advocacy: Ensuring regional representation through submissions to government/consulting agencies e.g. Industry Transformation Plans, Workforce Development Plans, Government reviews.</li> <li>• Championing innovation, resilience and regeneration, underpinning all activities.</li> <li>• Emergency response and support: NRDA leads the Economic Pou as part of the Regional Civil Defence and Emergency Management Committee. This is a reactive responsibility in case of emerging issues e.g. August 2022 flood event.</li> </ul>

Strategic Priority Area	Activity	2023/24 Work Plan
	<b>Te Taihū Māori Economy</b>	<ul style="list-style-type: none"> <li>• Embedding consideration of the Māori economy and purposeful engagement and collaboration within all NRDA workstreams e.g. Investment Attraction, Regional Business Partners, Tourism, Events, and supporting emergency response.</li> <li>• Supporting provision of regional Māori business-related data and insights</li> </ul>
	<b>Creative Economy</b>	<ul style="list-style-type: none"> <li>• <i>Refer Visitor Sector Regeneration and Regional brand positioning</i></li> </ul>
	<b>Economic Intelligence</b>	<ul style="list-style-type: none"> <li>• Ongoing service to ensure relevant strategies and projects (NRDA, Council and partners) are supported by evidence and that data and economic profiling is both proactive and responsive to need. <ul style="list-style-type: none"> <li>- Regular qualitative and quantitative economic data and insights provided to stakeholders and partners (RSLG etc) to inform decision making by local/ central government, community and local businesses. This is provided proactively through quarterly economic profiles, annual economic briefing, key sector profiles, and strategic issues papers. This is also provided through reactive information when requested and through specific advice and participation on partnership projects and working groups.</li> <li>- Business survey: (Ongoing) Quarterly Nelson Tasman Regional Insights Panel regular survey reporting on regional business sentiment to complement information received at a national level, (survey panel approx. 350 with view to growing to 500: partnership with NT Chamber of Commerce)</li> <li>- Input to economic value/ impact assessments to support investment considerations (note: may require additional partner support in some cases depending on budget)</li> </ul> </li> <li>• Facilitating opportunities for Council/councillors to visit/ meet with key businesses/ industries within the region to inform understanding of current economic conditions, challenges and opportunities</li> <li>• Providing strategic advice via regional forums, including RSLG</li> <li>• Ensuring productivity focus is promoted and embedded throughout work programme (Nelson Tasman Productivity Project).</li> </ul>



Strategic Priority Area	Activity	2023/24 Work Plan
<b>Investment Attraction and Promotion</b>	<b>Regional Identity and Proposition</b>  <i>Link: Investment Attraction, Profiling, Strategic Events</i>	<ul style="list-style-type: none"> <li>• Continue to extend and develop the renewed regional positioning/ branding as new business and community stories evolve, and update framework and tools as needed:               <ul style="list-style-type: none"> <li>- Develop and implement a coordinated framework and tools for businesses and the community to market the region through the updated regional positioning/ branding</li> <li>- Embed the updated regional positioning/branding within regional profiling campaigns</li> </ul> </li> </ul> <p><i>Note work in 2023/24 largely limited to alignment with other work happening, not proactive campaigns</i></p> <p>Complete the redevelopment of the nelsontasman.nz website as the key destination website with a stronger focus on prospective businesses, investors, talent and locals as our ambassadors.</p>
	<b>Investment Attraction</b>  <i>Link: Regional Identity and Proposition, Nelson Tasman Regeneration Plan Priorities</i>	<ul style="list-style-type: none"> <li>• Lead and advance specific and strategic investment attraction proposals/ bids in line with regional development priorities.</li> <li>• Develop the updated 2024 regional investment priority profile (the annual updated Briefing for Ministers) and implement a strategy to raise awareness of priorities within Government.</li> <li>• In partnership with regional and national stakeholders (e.g., NZTE), actively position and profile the region for investment and talent attraction. <i>Note limitation on targeted paid campaigns for 2023/24 due to resourcing.</i></li> <li>• Continue to deliver ongoing comms/ media strategy showcasing our region's strengths and business and innovation stories <i>Note limited paid marketing in 2023/24</i></li> <li>• Deliver information to support businesses to bring skills and resourcing into the region to support business development</li> <li>• Continue to promote region as a place for private investment, including Venture Capital and Managed Funds, both proactively and reactively</li> <li>• Facilitate regional business connections to Government investment support</li> </ul> <p>←</p>

Strategic Priority Area	Activity	2023/24 Work Plan
	<p><b>Destination Profiling</b></p> <p><i>Link: Investment Attraction, Resilience, Regeneration, Innovation</i></p>	<ul style="list-style-type: none"> <li>• Continue to build regional profile through the website and digital channels</li> <li>• Create a local ambassador programme, incentivise local exploration of the region, hosting visitors and repeat visitation</li> <li>• Promote regional stories and attractions e.g., hosting key media, capitalising on providing regular publication/ feature content (note min capacity for paid content)</li> <li>• International trade and media marketing, (as supported by Visitor sector partners programme) e.g. <ul style="list-style-type: none"> <li>- Representing region at ITO Trade days, Tourism Connect and TRENZ</li> <li>- Hosting international travel sellers within region pre/ post famils</li> <li>- Pitching Nelson Tasman content to international media outlets</li> <li>- Liaise closely with TNZ and RTNZ promotion opportunities</li> <li>- Top of the South collaboration (Hurunui, Kaikoura, Marlborough, West Coast) promoting travel trade itineraries</li> <li>- Liaison with ITOs from cruise sector to promote options for pre booked excursions</li> </ul> </li> <li>• Leverage the regional mountain biking experience to build profile and deliver on Events strategy outcome (partnership \$ dependant)</li> <li>• Work with DoC to promote lesser-known / less-frequented areas of the Abel Tasman National Park and to increase off-peak visitation</li> <li>• Providing in-region support to visitors through visitor guides, maps, screens (trial), website support, and phone support</li> <li>• In 2023/24, NRDA will continue to work in partnership with NCC to review the business case for a re-developed/re-positioned i-SITE (type) model aligned to contemporary visitor needs and business viability requirements. The overall NRDA 2023/24 work programme and SOI budget is based on the assumption that NRDA core costs will not fund in-person visitor welcome function and that these costs would be separately funded by Council/ industry.</li> </ul>

Strategic Priority Area	Activity	2023/24 Work Plan
	<p><b>Strategic Events</b></p> <p><i>Delivering the Nelson Tasman and Marlborough events strategy efficiencies</i></p>	<ul style="list-style-type: none"> <li>• Supporting delivery of the Nelson and Te Taihū events programmes (economic)</li> <li>• Regional Events Fund (Te Taihū) (5-year grant programme 2022-2027) - Managing applications, working with proponents and event organisers, monitoring and reporting to central government, impact assessment, budget management, convener of Te Taihū and Nelson Tasman fund committees <ul style="list-style-type: none"> <li>- Targeting establishment of new multi-day major and business events to drive (into-region) visitation and leverage local strengths and industries</li> <li>- Strengthening long term capability and capacity in the local events sector</li> <li>- Business events: Promoting, attracting and supporting business events to Nelson Tasman</li> </ul> </li> <li>• Nelson City Council Events Fund: Managing applications, working with proponents and event organisers, monitoring and reporting, impact assessments, budget management, convener of Events Development Committee.</li> <li>• Encouraging: Leveraging major and business events to maximise benefits to the wider events sector and increase regional flow-on effects; and Events minimising waste and supporting local environmental initiatives</li> <li>• <i>Note: Activity in 2023/24 will be revised to align with targeted funding, to be confirmed following a review which is underway at time of SOI draft, and with NCC team</i></li> </ul>
<p><b>Business &amp; Workforce Development</b></p>	<p><b>Business Advice and Funding</b></p>	<ul style="list-style-type: none"> <li>• Continue the successful management and delivery of the Te Taihū Regional Business Partner Programme, supported through central government funding to 2025</li> <li>• Support approximately 200 businesses per year through the various business development and capacity building activities as enabled by the Regional Business Partner Programme</li> <li>• Continue to connect and refer businesses to both in-region and out-of-region expertise and opportunities e.g., Māori support, exporting support, investment support (including grant fund opportunities), start-up support, and connecting to talent</li> <li>• Deliver targeted capability support-focused events, e.g. Lean; Industry 4.0</li> <li>• Work with government partners to promote commercial opportunities to support regional development and investment e.g., MPI, MFAT, ITPs</li> </ul>

Strategic Priority Area	Activity	2023/24 Work Plan
	<b>Workforce &amp; Skills Development</b>	<ul style="list-style-type: none"> <li>• Continue work with RSLG to provide information and develop and deliver against the Regional Workforce Plans.</li> <li>• Through engagement of a Skills and Critical Employment Coordinator, strengthen the region's skills pipeline and training aligned to key high value job needs in the region 2023/25 to particularly support major developments (notably Hospital Redevelopment)</li> <li>• Education to Employment Brokerage               <ul style="list-style-type: none"> <li>- Supporting all 12 high schools in the region to connect with businesses and deliver specific events to excite students about vocational pathways in the region</li> <li>- Develop and maintain careers hub content to cover more sectors, opportunities and inspirational case studies directed at students and connect them with study and employment opportunities</li> <li>- Grow the Fantastic Futures conference to be accessible to 200 students</li> <li>- Actively seek funding to support a dedicated 'ocean economy' E2E broker to complement existing E2E broker</li> </ul> </li> <li>• Depending on outcomes and funding, grow the Youth Employability Programme</li> </ul>
	<b>Business Innovation and Mahitahi Colab</b>	<ul style="list-style-type: none"> <li>• Through the Mahitahi Colab partnership:               <ul style="list-style-type: none"> <li>- Provide the physical space for collaboration, through coworking, events and co- location of key partners</li> <li>- Start-up/ accelerator innovation initiatives, based on industry consultation and demand. Examples: Creative HQ; NZTech startup; (Note new initiatives depend on 2023/24 sponsorship)</li> <li>- Business Event Programme (Mahitahi Colab) supporting sector capability and networks according to identified needs.</li> </ul> </li> <li>• Advance business case for regional incubation/ innovation systems/ infrastructure, based on findings of feasibility stages</li> </ul>
	<b>Sector Transitions and Development</b>  <b>Cross sector support</b>	<p><b>Cross Sector Support</b></p> <ul style="list-style-type: none"> <li>• Climate Change: Work with climate action groups to support industry solutions for reducing carbon footprint</li> <li>• All sector initiatives to include exploring opportunities to support and develop Māori businesses and work with iwi</li> <li>• Working with industry group to support collective talent attraction to the region e.g., future 'Pick Nelson' or Career Expo style events</li> <li>• Responsiveness to support sectors according to emerging issues</li> </ul>

Strategic Priority Area	Activity	2023/24 Work Plan
	<b>Blue Economy</b>	<p><b>Blue Economy</b></p> <ul style="list-style-type: none"> <li>• Supporting the growth of the Blue Economy in Nelson Tasman: With two years MPI funding secured, advance development and strengthening of Moananui (blue economy cluster): <ul style="list-style-type: none"> <li>- In kind support for the cluster through contract and corporate management (hosting and reporting on funding agreement with MPI)</li> <li>- Establishment of and management of the process to set up a new independent entity, and transfer of Moananui to that new entity</li> <li>- As a Founding (funding) Partner on the cluster, in partnership with private sector and research institutes</li> <li>- Initiating and leading investment-related projects in collaboration with the cluster</li> <li>- Providing direct company support for blue economy-related businesses</li> <li>- Continue to promote region to central government as the home to New Zealand's Blue Economy</li> <li>- 'Support Blue Economy related activities in submissions / representations to government and external agencies</li> </ul> </li> </ul>
	<b>Food and Fibre</b>	<p><b>Food and Fibre</b></p> <ul style="list-style-type: none"> <li>• Based on recent submissions to Food and Beverage ITP, promote Nelson Tasman as one of New Zealand's Food Bowls. Draft Food and Beverage ITP recommends a 'navigator' role to support Food and Beverage companies and NRDA has submitted an interest in hosting this role in-house</li> <li>• Work with already developed networks e.g. Food Factory to support industry initiatives</li> <li>• With MSD and the horticulture sector, to establish demand each year for the "Pick Nelson Tasman" campaign to help address the seasonal labour shortage for harvest (based on industry demand)</li> <li>• Establish demand, and deliver if required, the "Catch a Job" campaign in partnership with the seafood sector and MSD</li> <li>• Bring Food and Beverage sector together to determine interest in developing a 'Taste Nelson Tasman' network to support greater collaboration and information sharing within the region</li> </ul>
	<b>Visitor Sector Regeneration</b>	<p><b>Visitor Sector Regeneration</b></p> <p><i>The Destination Management Plan provides the framework for rebuilding the visitor sector</i></p> <ul style="list-style-type: none"> <li>• Continue to convene the regional Destination Management Plan industry reference group, ensuring industry and regional insights inform NRDA activities</li> </ul>

Strategic Priority Area	Activity	2023/24 Work Plan
		<ul style="list-style-type: none"> <li>• Review and re-confirm DMP priorities 2024 onwards, in context of changed funding base</li> <li>• Regional sector representation and advocacy (ongoing): e.g. for continued improvement to regional access</li> <li>• Crisis management planning and support (sector-wide and individual business level)</li> <li>• Data and insights: provision to industry and government to support planning, responses and funding applications</li> </ul>
		<p><b>Visitor Sector Regeneration: Capability Building and Resilience<sup>52</sup>:</b></p> <ul style="list-style-type: none"> <li>• Industry Collaboration support: e.g. local operators code sharing Abel Tasman transport/transfers (Better Bus further development); funding applications e.g. green vehicle routes;</li> <li>• Greening the visitor experience: <ul style="list-style-type: none"> <li>- Continue to work with carbon zero/ light footprint operators, with support of TIA, EKOS to improve profile and practice</li> <li>- Showcase/ profile eco-experiences to support uptake and new product development, including zero carbon certification</li> <li>- Investigate funding opportunities for greening of rental car/ coach fleets</li> <li>- Facilitate operator training in improving environmental practices, measuring and reducing carbon footprint and guidelines for offsetting</li> </ul> </li> <li>• Workforce: <ul style="list-style-type: none"> <li>- Hosting the DOC/MBIE/MSD partnership Tourism-Conservation Broker (DOC/MBIE/MSD) partnership to support sustainable industry employment. Focus: In-work training programme; Nature tourism development; Volunteer initiatives; Cross sector targeted brokering &amp; upskilling; Nature-based economy &amp; capacity development</li> <li>- Partnering to support delivery of outcomes of the Workforce Development Plan and Industry Transformation Plan – including working with stakeholders to support alignment between education/ training and employer needs</li> </ul> </li> <li>• Business support: Supporting collaborative models to improve sector resilience e.g. collective niche marketing, packaged itineraries (levels dependent on partnership funding)</li> </ul>
		<p><b>Visitor Sector Regeneration: Product Development<sup>53</sup></b></p> <ul style="list-style-type: none"> <li>• Special Interest Strategies: Continuing to support/ promote key sub-sectors to develop and enhance opportunities for</li> </ul>

<sup>52</sup> Note: subject to funding support for Destination Management Plan delivery (TBC)

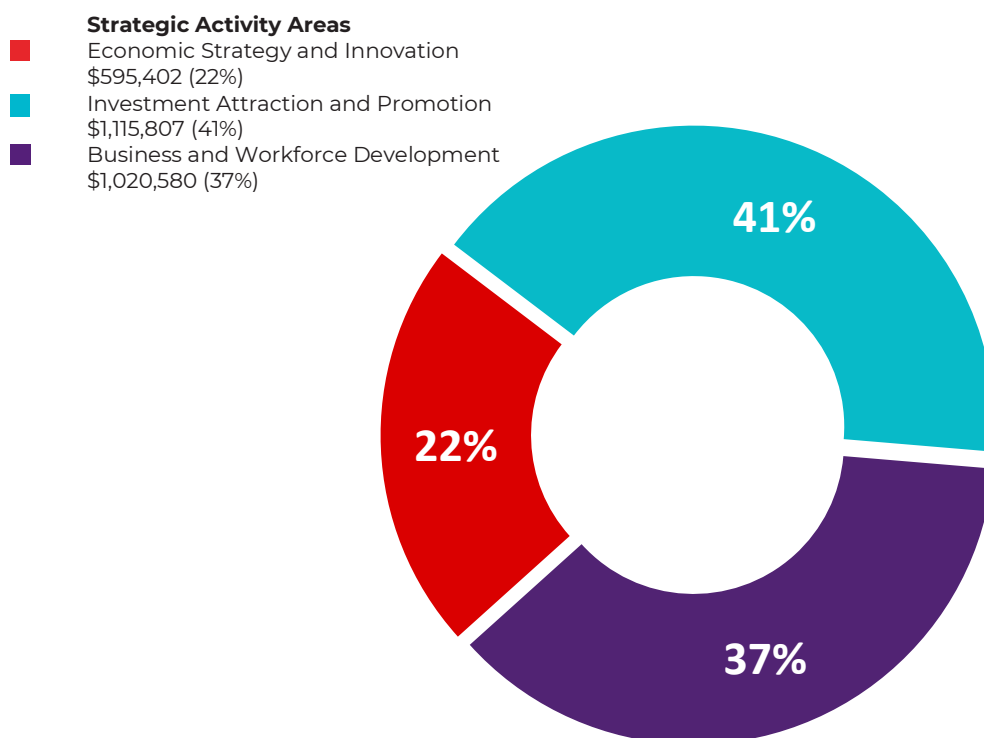
<sup>53</sup> Note: subject to funding support for Destination Management Plan delivery

Strategic Priority Area	Activity	2023/24 Work Plan
		<p>more vibrant visitor engagement: F&amp;B visitation; Arts visitation</p> <ul style="list-style-type: none"> <li>• Accessible &amp; Inclusive Region: Establish and implement an Accessible and Inclusive Region (Visitation) Strategy, including developing and promoting accessible and inclusive travel options (e.g. for wheelchair users) (workshops, audit and communication programme)</li> <li>• Continue to implement the (DMP) Makers and Creators Programme to build profile of locally made/ created artworks, creative experiences, and food and beverage products that can be included in the visitor experience</li> <li>• Planning support for sub-regions where needed e.g., Golden Bay and Murchison</li> <li>• Continued support to develop and profile Nelson Tasman as a carbon light destination (refer above)</li> <li>• Support enhancement of Great Taste Trail, (e.g. Glenhope to Gowan, Havelock to Nelson via Maungatapu) plus commuting routes</li> <li>• In partnership with DOC, develop and promote iconic single and multiday walks.</li> </ul>
<b>Organisation Management (NRDA)</b>	<b>Destination Management Funding</b>	<ul style="list-style-type: none"> <li>• Continue to investigate and manage appropriate funding partnerships to support delivery programme</li> <li>• Work with national RTONZ network on a national level approach to sector funding</li> </ul> <p>Note: Destination Management Plan funding not available from Central Government beyond FY23</p>
	<b>Wellbeing &amp; Development</b>	<ul style="list-style-type: none"> <li>• Continue established programmes focused on building strong team culture and high performing team, including staff development, culture development, and health, safety &amp; wellbeing protocols</li> </ul>
	<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Maintain EKOS zero-carbon certification for business operations from 1 July 2023 to 30 June 2024, offsetting CO2 emissions.</li> <li>• Continue to work on reducing emissions: 29 tonnes in FY22, 27 tonnes in FY23.</li> </ul>

## 8.2. Appendix 2: Investment Across Activities

A high-level percentage breakdown of investment across functional activities proposed for 2023/ 2024 is provided in the chart below. Monitoring of this investment across activity areas will be included in all performance reports to Council. This highlights regional development investment achieved through local government funding.

Project delivery funding will be constrained without Government support for Destination Management Plan delivery, the early stages of reintroduction of the Visitor Partners Programme. Staff core operating and committed programme costs represent more than 90% of funding and therefore we will be reliant on raising funds to support programmes.



### Summary of activity delivery areas:

- Economic Strategy and Innovation. Includes:**
- Strategic Economic Development (includes Project Kōkiri, Māori Economy)
  - Economic Intelligence (Data insights)
  - Tourism Regeneration\*
- Investment Attraction and Promotion. Includes:**
- Regional Identity and Proposition
  - Investment Attraction (business cases and impact)
  - Destination profiling
  - Events (includes Regional Events Fund and Nelson City Events)
- Business and Workforce Development. Includes:**
- Regional Business Partner Programme
  - Employment to Education
  - Young Enterprise Scheme partnership
  - Business Innovation (Mahitahi Colab)
  - Targeted Sector Support Initiatives
- \*Note: 2023/24 Tourism Regeneration moved to Sector Support



### 8.3. Appendix 3: Summary Prospective Statement of Comprehensive Income

Revenue	FY 2021-22	FY 2022-23	FY 2023-24
Central Government	1,553,000	1,590,021	860,333
NCC Events Contract	73,500	75,734	75,734
Private Sector	136,000	89,067	112,000
i-SITE Trading	2,050	-	-
Other Local Body Funding	61,000	15,739	7,000
Other Revenue	25,550	26,840	-
<b>Core Shareholder Funding</b>			
Shareholder Funding (NCC current)	1,272,000	1,356,329	1,403,806
Funding TDC	325,000	325,000	336,375
<b>Total Core Shareholder Funding</b>	<b>1,597,000</b>	<b>1,681,329</b>	<b>1,740,181</b>
<b>Total Revenue</b>	<b>3,448,100</b>	<b>3,478,730</b>	<b>2,795,248</b>

Less Operating Expenses	FY 2021-22	FY 2022-23	FY 2023-24
<b>Economic Strategy and Innovation</b>			
Strategic Economic Development	203,850	224,874	183,697
Economic Intelligence	180,920	156,774	175,393
Visitor Sector Regeneration	521,180	517,643	236,313
<b>Total</b>	<b>905,950</b>	<b>899,291</b>	<b>595,402</b>
<b>Promotion and Investment Attraction</b>			
Regional Identity and Proposition	222,575	339,833	212,633
Investment Attraction	261,490	205,707	168,501
Regional Profiling (including i-SITE 2021-22)	775,105	403,027	326,756
Strategic Events	352,285	405,457	407,917
<b>Total</b>	<b>1,611,455</b>	<b>1,354,024</b>	<b>1,115,807</b>
<b>Business and Workforce Development</b>			
Business Advice and Funding	399,765	683,327	453,797
Workforce and Skills Development	278,545	203,443	405,028
Targeted Sector Support	107,260	207,764	20,631
Business Innovation	66,500	130,006	141,127
<b>Total</b>	<b>852,070</b>	<b>1,224,540</b>	<b>1,020,583</b>
<b>Total Operating Expenses</b>	<b>3,369,475</b>	<b>3,477,855</b>	<b>2,731,792</b>

<b>Operating Surplus (EBITDA)</b>	<b>78,625</b>	<b>875</b>	<b>63,456</b>
Depreciation/Interest	57,950	38,589	80,632
Interest Received		50,074	18,000
<b>Operating Profit (EBT)</b>	<b>20,675</b>	<b>12,360</b>	<b>824</b>

## 8.4. Appendix 4: Summary Opening Statement of Financial Position

<b>Assets</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Accounts Receivable	32,090	95,545	34,683
Bank Accounts	1,049,787	1,444,951	1,282,626
Other Current Assets	67,164	37,494	47,762
Prepayments	11,200	14,880	5,950
<b>Total Current Assets</b>	<b>1,160,241</b>	<b>1,592,870</b>	<b>1,371,021</b>
<b>Fixed Assets</b>	<b>86,462</b>	<b>50,079</b>	<b>51,789</b>
<b>Liabilities</b>			
Accounts Payable	473,766	361,543	475,519
Accrued Expenses	124,038	118,108	246,393
GST	-73,900	-26,141	-21,971
Income in Advance	459,250	894,704	453,903
Other Current Liabilities	18,186	41,434	3,305
<b>Total Liabilities</b>	<b>1,001,340</b>	<b>1,389,648</b>	<b>1,157,149</b>
<b>Net Assets</b>	<b>245,363</b>	<b>253,301</b>	<b>265,661</b>
<b>Equity</b>			
Retained Earnings	200,000	200,000	200,000
Issued Capital	45,364	53,301	65,661
<b>Equity</b>	<b>245,364</b>	<b>253,301</b>	<b>265,661</b>