



**NELSON
MARINA**

**TE AHU MOANA
O WHAKATŪ**



STATEMENT OF INTENT

2024/25

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Nelson Marina – Statement of Intent 2024/25

INTRODUCTION :

Nelson Marina is a marina and boat yard operation owned by Nelson City Council and managed by Nelson Marina Management Limited on council's behalf.

Nelson Marina Management Limited is a Management Council Controlled Organisation under section 6 of the Local Government Act 2002.

This Statement of Intent is presented by the Directors of Nelson Marina Management Limited in accordance with section 64 of the Local Government Act 2002.

This Statement of Intent is for the 2024/25 Financial Year to 30 June 2025, and for the two following financial years.

The purpose of this document is to publicly state the objectives, strategies, and targets of Nelson Marina at this time.



STRATEGIC CONTEXT:

Nelson Marina's purpose is to provide safe berthing, launching, storage and hardstand facilities for pleasure vessels servicing both local and visiting vessels, and to support other water-based recreational pursuits including; youth activities, waka-ama, rowers, those with canoes and kayaks, rowing skiffs, paddle-boards, jet-skis, and those going out fishing, enabling wide community engagement and involvement.

Nelson Marina has a strategic vision to:

- Efficiently and effectively support marine recreation in Nelson and Tasman by providing marina, dry storage, hardstand and lift, casual launching, marine sports facilities, appropriate commercial services, and ancillary marine recreation services.
- Provide an attractive casual recreation setting for all residents and visitors to Nelson, well linked to the central city.
- Provide and promote berthage and servicing support for national and international boaters.
- Adhere to a clean marina environment.
- Operate the marina area in a low-risk and cost neutral manner for Nelson ratepayers.

NATURE AND SCOPE OF ACTIVITIES:

At the top of the South Island in Tasman Bay lay the sheltered waters of Nelson Haven; home to Port Nelson - the maritime gateway to the Nelson Region. It is also the location of Nelson Marina, within walking distance of the city of Nelson. The Marina is adjacent to, and shares a community relationship with, a number of local water-related organisations and user groups.

Nelson Marina boasts an impressive array of berthing options, accommodating a diverse range of vessels. The marina features approximately 600 berths, distributed across 16 pontoons and two groups of pile moorings. These berths cater to various vessel types and sizes, predominantly within the 10 – 15m range, with an average pontoon length of 11m. As of March 2024, the occupancy comprises roughly 63% yachts and 37% launches/powerboats. The breakdown is as follows:

- 523 pontoon berths and 36 pile moorings, totaling 559 permanent berths.
- An additional 32 berths are designated for visitors, bringing the overall total to 591 berths.

The berths are segmented by size, offering a range of options:

- 8 - 9m: 64 Yachts and 44 Launches.
- 10-12m: 168 Yachts and 76 Launches.
- 13–15m: 58 Yachts and 28 Launches.
- 16-19m: 16 Yachts and 29 Launches.
- 20–25m: 4 Yachts and 7 Launches (berthage only, excluding hardstand access).
- 26–30m: 2 Launches (berthage only, excluding hardstand access).

Additionally, Nelson Marina has allocated berths for multi-hulled craft and reserves several berths on Pontoon F for visitors.

Facilities at Nelson Marina include an on-site office/administration building, a customer lounge, three toilet/shower blocks with laundry facilities, public bathrooms, refuse and recycling provisions, and electricity and potable water for every pontoon berth. Shower and laundry access is via a proximity card. Free WIFI is available for visitors on Pontoon F.

The marina also offers a pump-out station on Pontoon F for sewage discharge from vessel holding tanks, with nearby refueling facilities available at NPD Port Nelson on Brunt Quay and Talley's Floating Fuel Jetty.

Other amenities include a 3-lane public boat ramp off Akersten St, a 45 UKT (50 UST) Travelift straddle carrier for boat lifting and transport to/from the adjacent hardstand area, and wash-down facilities. Car and trailer parking, dry berths, and a boat park/storage yard are also provided.



OUR CUSTOMERS:

Nelson Marina serves a wide array of customers, each bringing their unique needs and interests related to maritime activities. The primary customer types at Nelson Marina include:

BOAT OWNERS AND YACHTING ENTHUSIASTS:

This group is the backbone of Nelson Marina's clientele, encompassing owners of various vessels from small recreational boats to large luxury yachts. These customers seek dependable mooring or docking services, along with maintenance, fuelling, and storage facilities. They value Nelson Marina's high-quality amenities, security, and additional services such as boat repair and cleaning.

TRAILER BOAT OWNERS:

Nelson Marina operates the only all tide boat ramp launching facility in Nelson. These customers are looking for a safe and convenient launching ramp, low wait times, ample parking, fish waste collection and washdown facilities.

WATER SPORTS AND RECREATION SEEKERS:

Individuals interested in water sports activities such as rowing, waka ama, paddle boarding, and kayaking often visit Nelson Marina or are currently based onsite. They look for rental services, safe and convenient launch areas, and require storage facilities for their personal equipment as well as clubrooms. The marina is also home to TS Talisman Navy Sea Cadets and the Sea Scouts.

TOURISTS AND DAY VISITORS:

Situated in a scenic location, close to the city, Nelson Marina attracts tourists and day visitors who may not own boats but are interested in sightseeing tours, charter cruises, or simply enjoying the marina's atmosphere. The marina's future dining and retail offerings are particularly appealing to this group.

MARINE BUSINESSES AND CONTRACTORS:

Nelson Marina serves as a hub for various marine-related businesses, including boat builders, repair shops, and charter companies. These customers require operational space and access to the marina's facilities and clientele for their businesses.

EVENT ORGANISERS AND PARTICIPANTS:

Nelson Marina is a venue for various events like boat shows, sailing regattas, and social gatherings. Event organisers and participants rely on the marina for logistical support, space rental, and other event-related services.

ENVIRONMENTAL RESEARCHERS AND EDUCATORS:

Nelson Marina also attracts environmentalists, marine biologists, and educators engaged in research or educational activities. The marina serves as a base for fieldwork or educational tours, contributing to environmental awareness and education.

Each customer type contributes to the vibrant and dynamic community at Nelson Marina, with their presence underscoring the marina's role as a multifaceted hub for maritime activities and community engagement. Understanding and catering to the diverse needs of these customer groups is essential for Nelson Marina's success and long-term sustainability.

OUR ENVIRONMENT:

Nelson Marina strives to be at the forefront of sustainable environmental management within New Zealand's marina industry. This commitment involves actively reducing our environmental footprint and progressing towards a sustainable future.

Nelson Marina is dedicated to continuously enhancing its environmental performance and is in the New Zealand Marina Operators (NZMOA) Clean Marina program, which includes an annual external audit of both processes and the physical site.

The marina has also moved to a metered electrical distribution system which it is hoped will reduce our customers' consumption of electricity.

The operation of the forklift, tender, straddle lift and the company vehicle result in the direct consumption of fuel and consequent carbon emissions. Additionally, the Marina's operations generate various physical emissions including noise, dust, stormwater runoff, and the risk of spillage. Addressing and minimising these impacts is a top priority for Nelson Marina.

OUR PEOPLE:

Nelson Marina takes great pride in its workforce, dedicating itself to fostering and maintaining a safe, engaged, and high-performing team. The marina is focused on attracting and retaining a diverse and motivated workforce, supported by a skilled and well-trained leadership team. Significant investment is made in training, health, safety, and overall well-being, recognising that our personnel are vital to the success of the business. Our goals include retaining top talent and nurturing a forward-thinking workplace.

Nelson Marina employs 8 full-time employees (FTE). The marina office is open from 0800 to 1800, seven days a week with the boat yard open from 0700 to 1600 Monday to Friday. A staff member is on call 24/7 on a rolling rotation.

Health, safety, and well-being are top priorities at Nelson Marina, and considerable resources are continually allocated to these areas. The work environment at the marina, characterised by large machinery, working from heights, operations on and over water, working outdoors rain or shine, and the provision of utilities presents real risks. The marina is proud of the entire team's focus and commitment to safety yet remains committed to ongoing improvements in this area. Key health and safety metrics are detailed in the performance target table.

OUR COMMUNITY:

Nelson Marina acknowledges its crucial role as the only marina, private vessel boat yard and the primary boat launching ramp of the Nelson community, playing a significant part in the continuous economic and social prosperity of the entire Te Taihū region. The Marina recognises its responsibilities towards the community in which it operates and is committed to acting as a responsible corporate entity, contributing to the region's vibrancy and dynamism.

In line with this commitment, Nelson Marina dedicates over \$100,000 annually in sponsorships focused on activities that enhance community well-being and visitor engagement. The Marina Masterplan also encompasses the development of public realm facilities and a sea sports facility, with the view of actively encouraging the public to visit the marina and have easy access to the water.

Forging strong relationships with local iwi is vital for operating in a manner that is respectful and mindful of the cultural, historical, and environmental significance of the area within which the marina sits. For an entity like Nelson Marina, this involves engaging in meaningful and ongoing dialogue with local iwi to understand their perspectives, values, and aspirations. Such an engagement is not merely a formality but a genuine effort to incorporate iwi insights into the Marina's strategic planning and daily operations. This can include collaborating on environmental initiatives, supporting cultural events, and ensuring that the marina's development and activities are in harmony with the iwi's connection to the land and water. Regular consultations and inclusive decision-making processes are key to building trust and a sense of shared stewardship over natural resources. To allow for direct governance Nelson Marina Management Ltd has committed to a dedicated iwi board seat which remains vacant awaiting iwi recognition and appointment.

OUR SHAREHOLDERS:

Achieving commercial success is essential for Nelson Marina, as it not only offers a return on our shareholders' investments but also ensures a substantial contribution to our community through the development of public realm facilities. Currently, the marina's economic indicators, such as return on assets and equity, are not yielding adequate returns for our shareholders. To maintain robust dividends for our community and continue investing in future infrastructure, it is imperative to enhance our economic performance. Consequently,

we are conducting a thorough review of Nelson Marina's economic framework and our pricing strategy.

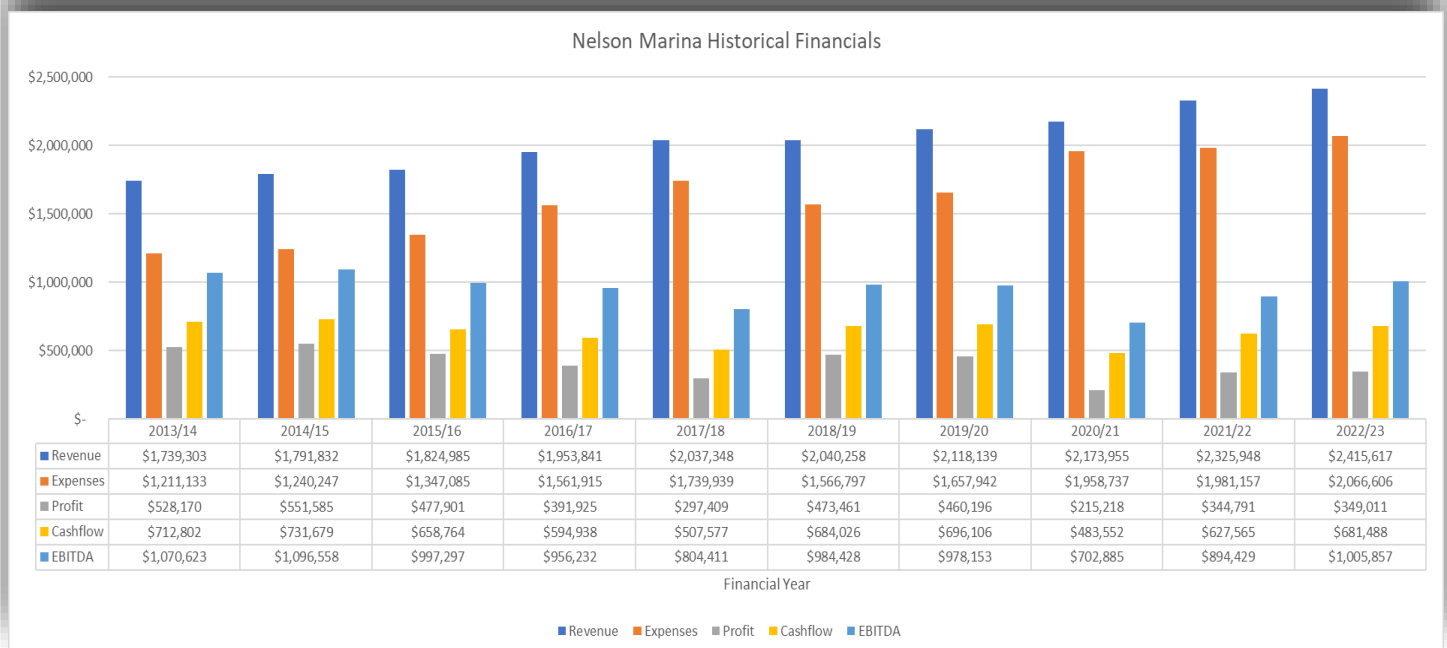
A commercial valuation of the marina facility is anticipated in the 2024/25 year as the asset value in the books is well below insurable and therefore market value.

We are committed to enhancing and modernising our infrastructure. This commitment is embodied in the development of the Nelson Marina Masterplan, aimed at guiding investment and strengthening the resilience of the marina's infrastructure and assets through 2035.

Furthermore, Nelson Marina is advancing its Asset Management strategy. This involves systematic processes for the development, operation, maintenance, enhancement, replacement and strategic disposal of assets in the most cost-efficient manner.

Technology plays a pivotal role in the efficiency and success of Nelson Marina. It streamlines processes, bolsters communication and coordination, and enhances safety and security, while providing real-time data for improved decision-making. By harnessing technology, Nelson Marina not only optimises its operations but also boosts its competitive edge, fostering a more efficient, safe, and secure marina environment. Embracing technology is key to continuous improvement in operations and sustaining success at Nelson Marina.

Below is a graph that illustrates the historical financials of Nelson Marina:





OUR OBJECTIVES:

Strategic Area	Objectives
People, Culture and Values	Be an employer of choice in the region
Health, Safety and Risk	Provide a safe and secure marina and boat yard facility underpinned by a strong safety culture.
Infrastructure and Property	Invest in and maintain buildings and infrastructure that support our strategic and commercial objectives and provide resilience against the effects of natural events.
Financial Results	Ensure strong financial performance and expand and diversify revenue streams.
Customers and Stakeholders	Build strong relationships with our customers, shareholders, Nelson and Tasman communities and Iwi, hapu and other Māori organisations.
Environmental Sustainability	Reduce our carbon emissions and waste by investing in future green energy production, electrification and waste reduction/recycling opportunities and facilitate other stakeholders to do the same, ensuring that we protect our marine environment for future generations.

OUR STRATEGIES:

People, Culture and Values	<ul style="list-style-type: none"> • Provide a safe and secure marina, protecting the assets of our customer • Live our values in everything we do. • Be proud of our culture of openness, inclusiveness, and diversity. • Have a highly engaged workforce.
Health, Safety and Risk	<ul style="list-style-type: none"> • Comply with Health and Safety legislation and ensure appropriate strategies and policies are firmly entrenched in the company's culture. • Ensure all visitors, customers and staff take responsibility for identifying and mitigating risks.
Infrastructure and Property	<ul style="list-style-type: none"> • Develop infrastructure as per the Marina Masterplan to provide a long term, fit-for-purpose asset base. • Create a marina precinct that adds to the vibrancy of Nelson and is accessible to all. • Invest in commercial opportunities that provide attractive returns on capital and develop the marine industry and offerings for our customers. • Adjust and enhance the floating infrastructure to accommodate the growing size of vessels, guaranteeing that the supply aligns with the rising demand.
Financial Results	<ul style="list-style-type: none"> • Provide timely and relevant KPIs to measure the health and wealth of the business. • Establish SMART objectives across all areas of the business. • Diversify revenue streams.
Customers and Stakeholders	<ul style="list-style-type: none"> • Build strong relationships with our customers, shareholders, Nelson and Tasman communities and Iwi and other Māori organisations. • Deliver excellent customer service to all travellers and visitors to the marina. • Be innovative in all things we do.
Environmental Sustainability	<ul style="list-style-type: none"> • Reduce our carbon emissions and waste by investing in future green energy generation, electrification and recycling opportunities. • Invest in opportunities that deliver carbon neutral or better outcomes. • Invest in infrastructure improvements that will provide resilience against events of nature. • Proactively seek opportunities to contribute to the environmental performance of our customers and stakeholders.

PERFORMANCE MEASURES AND TARGETS:

Strategic Area	Measure	Target
People, Culture and Values	Maintain a formal training and development programme for employees	Minimum 10 hours per annum per FTE of ongoing personal development
	Annual employee engagement survey to be undertaken	A happy empowered and engaged team
	6 Month and Annual performance reviews	All staff 'achieving' or higher.
Health, Safety and Risk	Have a behavioural based safety culture where everyone is responsible for safety in the marina	<p>Risk register reviewed fortnightly as part of all of staff meetings</p> <p>One key risk reviewed at every board meeting</p> <p>Board safety walks scheduled quarterly</p> <p>Monthly boat yard contractor meetings</p>
Infrastructure and Property	Develop infrastructure in line with Marina Masterplan	All capital projects completed on time and within budget
Financial Results	Manage financial performance to ensure we are optimising returns	Annual accounts are on budget or better
	Maintain high occupancy levels	95% for permanent berthing 60% for visiting berthing
	Annual Audit	Achieve an unqualified annual audit opinion
Customers and Stakeholders	Deliver and exceptional customer experience	Complete a customer satisfaction survey and compare year on year
Environmental Sustainability	NZMOA Clean Marina	Maintain audit compliance

FINANCIAL PERFORMANCE

PROSPECTIVE SUMMARY STATEMENT OF COMPREHENSIVE INCOME (\$,000S)

	FY25	FY26	FY27	FY28	FY29
Operating Revenue	2,689	2,906	3,120	3,792	4,492
Operating Expenses	1,751	1,820	1,909	1,936	2,162
EBITDA	939	1,086	1,211	1,856	2,330
Depreciation	601	724	832	950	1,010
EBIT	338	363	379	906	1,320
Interest	634	910	1,154	1,419	1,554
Net Loss	-296	-548	-775	-513	-234
Income Tax	0	0	0	0	0
Net Profit after Income Tax	-296	-548	-775	-513	-234

PROSPECTIVE SUMMARY STATEMENT OF FINANCIAL POSITION – AS AT YEAR END.

(\$m)	FY25	FY26	FY27	FY28	FY29
Assets					
Current Assets	0.18	0.28	0.26	0.06	0.10
Property, Plant and Equipment	20.65	29.35	34.75	40.65	43.55
Total Assets	20.83	29.63	35.01	40.71	43.65
Liabilities					
Current Liabilities	0.20	0.20	0.25	0.40	0.80
Term Loan Balance	16.40	24.90	30.05	35.40	37.10
Total Liabilities	16.60	25.10	30.30	35.80	37.90
Total Net Assets	4.23	4.53	4.71	4.91	5.75
Total Equity	4.23	4.53	4.71	4.91	5.75

PROSPECTIVE SUMMARY STATEMENT OF CASHFLOWS (\$,000S)

	FY25	FY26	FY27	FY28	FY29
Cash Opening Balance	180	285	261	68	105
Cash In					
Cash from Operations	2,689	2,906	3,120	3,792	4,492
Cash drawn from loan	4,800	8,700	5,400	5,900	2,900
Total Cash Inflows	7,489	11,606	8,520	9,692	7,392
Cash Out					
Operational Expenses	1,751	1,820	1,909	1,936	2,162
Income Tax Paid					
Dividends					
Capital Expenditure	4,800	8,700	5,400	5,900	2,900
Interest on Loan	634	910	1,154	1,419	1,554
Loan Repayments	200	200	250	400	800
Total Cash Outflows	7,384	11,630	8,713	9,655	7,416
Cash Closing Balance	285	261	68	105	81



PROJECTED CAPITAL EXPENDITURE PROGRAMME

The following table shows the projected capital expenditure forecast for the current financial year plus ten additional years:

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Total Capex (\$m)	4.8	8.7	5.4	5.9	2.9	15.7	27.1	11.5	0.5	0.5	0.5

At the request of Council, the marina has pushed the Masterplan out beyond the original 10 year period to provide some relief to overall debt levels. The priority projects over the next year are as follows:

CITY TO SEA PUBLIC PROMENADE:

A safe walking and cycling link from the city to the marina following along the edge of Akersten street and terminating at the visitor jetty. This project is currently underway with construction scheduled for late 2024, utilising government funding through the Tourism Infrastructure Fund of \$1.13 million. The project is expected to be completed within the 2024/25 financial year.

PURCHASE OF 305 AKERSTEN STREET

Purchase of the land and building at 305 Akersten Street in preparation as the new location for Nelson's Sea Sports clubs.

NEW STRADDLE LIFT AND BOAT YARD UPGRADE

Purchase of a new 100 ton capacity straddle lift with expandible cross beam to allow for vessels up to 9m wide, construction of the runway to facility the new lift and phase one of the expansion of the boat yard to allow for more vessel capacity.

MARINA EXTENSION

Begin preliminary design and resource consent work for the expansion of the marina to the north of Akersten Street and the water-based facilities required for the Sea Sports facility.

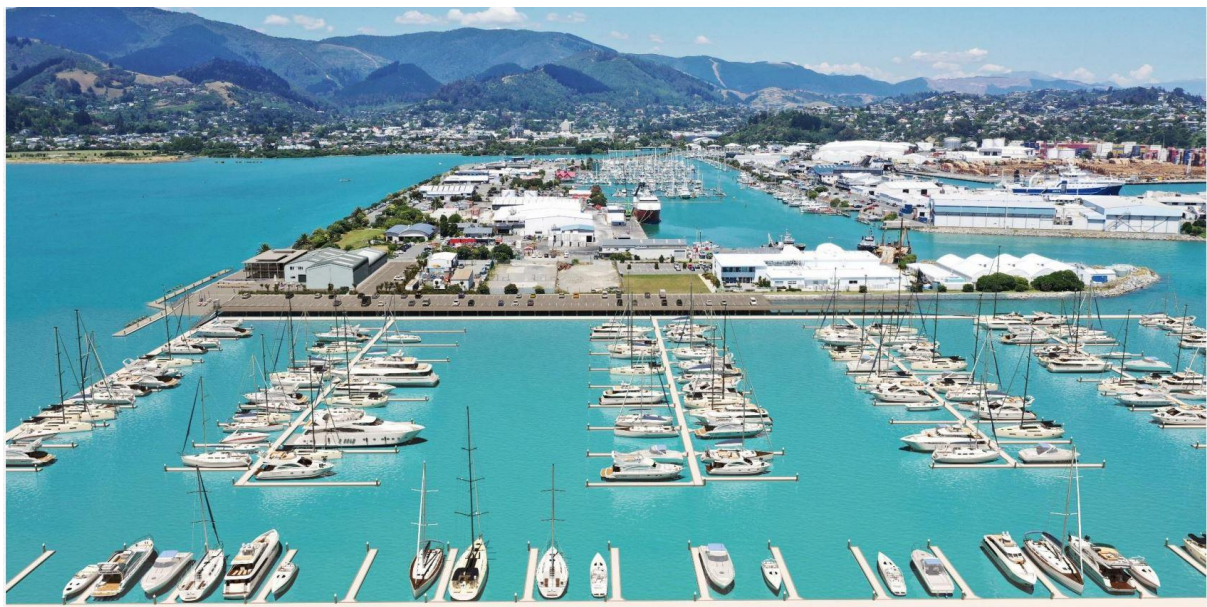


SUMMARY OF CAPITAL EXPENDITURE

Capital Expenditure Forecast (\$,000's)	FY25	FY26	FY27	FY28	FY29
Tools	5	5	5	5	5
Health and Safety Improvements	5	5	5	5	5
Minor Capital Development	104	106	108	100	100
Esplanade & Foreshore surfaces renewals	11	11	11	11	11
Marina Hardstand Expansion	150	1,000	1,500	2,000	3,000
Water Sports Building at Marina	4,200				
Boat Yard Stands and Blocks	11		11		11
Travel Lift Renewal	951				
Marina Master Plan Cafe development	50	120			
Marina Master Plan Energy efficiency & sustainability	31	202	202		
Marina Master Plan Marine centre	350	3,643	3,643	200	800
Marina Master Plan Waste & recycling		36	36		
Marina Master Plan Marina extension	200	200	200	200	11,451
Marina Master Plan Security			93	280	280
Marina Public Promenade	2,639				
New IT Equipment		3		3	
IT hardware renewals			7		
Furniture and Fittings		3		3	
New Signage	10	10	10	10	10
Plant & Equipment	20	20	20	20	20
Sundry New Capex	50	50	50	50	50
	8,785	5,412	5,900	2,885	1,574
<i>less: TIF Funding (Central Government)</i>					1,130
					7,655

PROJECTED DEBT PROFILE

Third Party Debt (\$m)	FY25	FY26	FY27	FY28	FY29
Loan Opening Balance	12.0	16.6	25.1	30.3	35.8
Loan Drawdown	4.8	8.7	5.4	5.9	2.9
Loan Repayments	0.2	0.2	0.3	0.4	0.8
Loan Closing Balance	16.6	25.1	30.3	35.8	37.9



ACCOUNTING POLICIES

Nelson Marina Management Limited operates as a profit-oriented management company, incorporated under the Companies Act 1993. It does so on behalf of Council as the asset owners.

The accounting policies of Nelson Marina are aligned with the statutory requirements of the Companies Act 1993 and the Financial Reporting Act 1993. These policies are prepared in compliance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They adhere to New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other relevant financial reporting standards suitable for entities focused on profit generation.

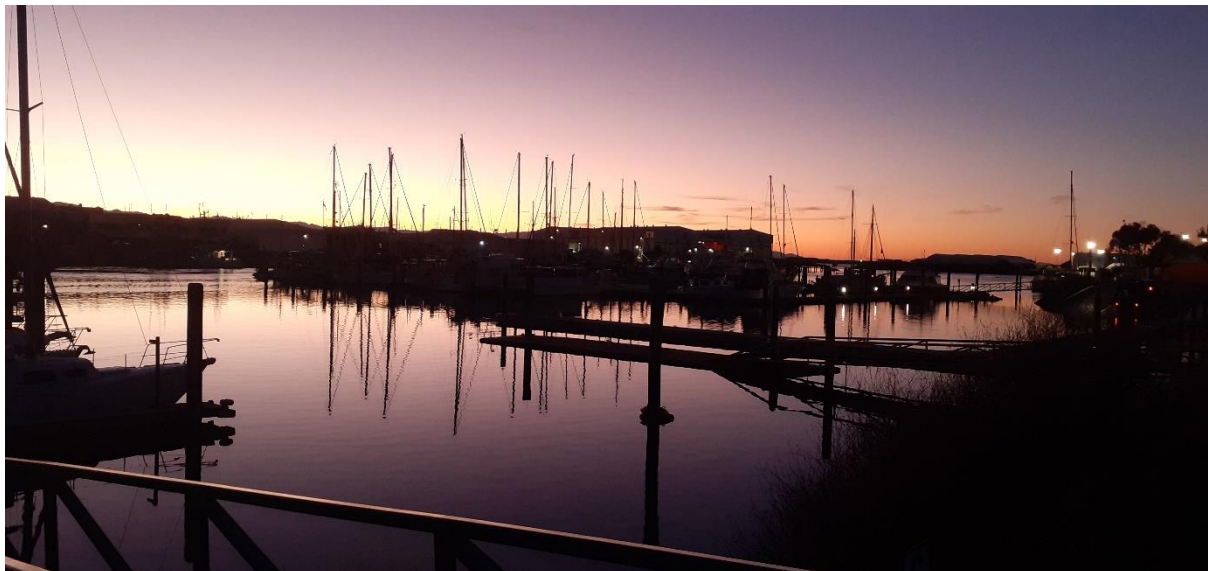
DIVIDEND POLICY

The board of Nelson Marina expects to reinvest any surplus from operations into the capital growth of the marina, to support positive community outcomes, and to pay down debt. No dividend to Council as shareholders is anticipated in the next three years.

COMMERCIAL VALUATION

Nelson Marina's assets are valued at cost less depreciation. In 2023 Nelson Marina underwent an asset valuation for insurance purposes, the value of which was significantly more than book value.

The fair valuation of the assets of land, buildings and infrastructure will be reviewed by an independent registered valuer in 2024/25.



NON-FINANCIAL PERFORMANCE:

RISK MANAGEMENT

At Nelson Marina, managing risk is a cornerstone of our operational strategy, ensuring the safety and sustainability of our business. We adopt a proactive and comprehensive approach to risk management, encompassing the identification, evaluation, and mitigation of potential risks. This process is integral to every aspect of our operations, from environmental stewardship and health and safety protocols to financial and strategic decision-making. By continuously monitoring and assessing potential hazards and uncertainties, we can implement timely and effective measures to prevent accidents, financial losses, and other adverse events.

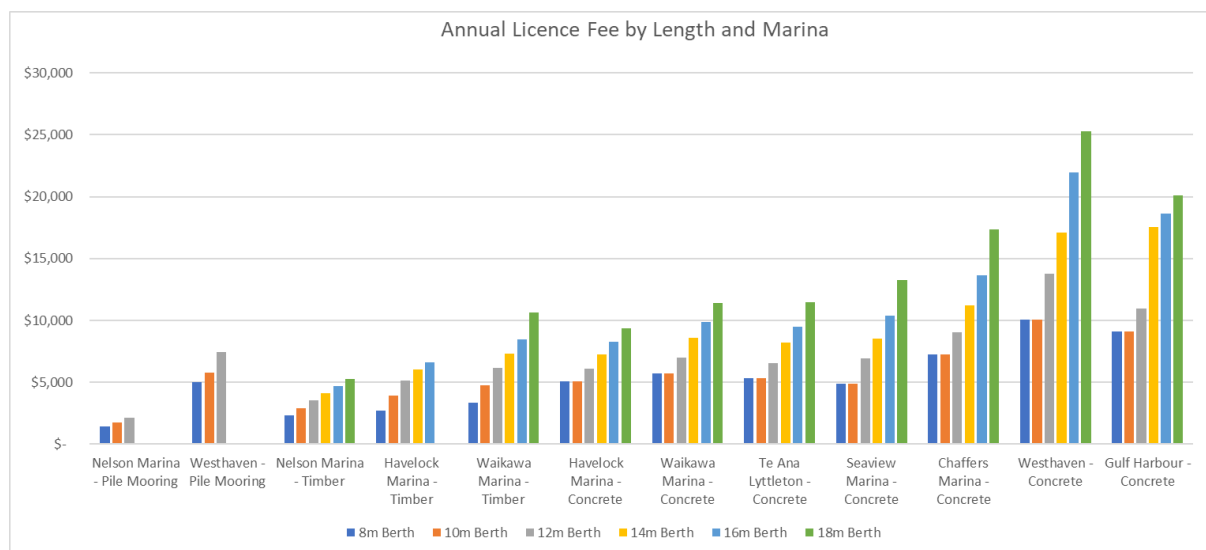
Our risk management strategy is not static; it evolves in response to new challenges and opportunities, ensuring that Nelson Marina remains resilient and adaptable in a dynamic and sometimes unpredictable industry. By prioritising risk management, we protect not only our assets and employees but also the broader community and environment in which we operate, thereby upholding our commitment to excellence and responsibility in all our endeavours.

Apart from operational and strategic risks, company-wide risks at Nelson Marina also include natural hazards such as earthquakes, tsunamis, and storms, as well as risks associated with climate change.

Our emergency response and risk mitigation includes both internal staff training as well as external training and engagement with NZ Police, Fire and Emergency NZ, Maritime NZ, Customs and Immigration, and Biosecurity NZ. Our risk assessment and mitigation plan is reviewed regularly by staff and the board.

BENCHMARKING

Benchmarking against other marinas is essential for Nelson Marina to ensure that our services, despite having some of the lowest fees in New Zealand, maintain the highest standards of quality and efficiency, aligning with industry best practices and customer expectations.



RESILIENCE

Nelson Marina is deeply committed to resilience, response, and recovery planning, particularly in the face of pandemics and natural hazards. Our comprehensive plan is designed to ensure business continuity and the safety of our employees and customers under such challenging circumstances. This involves regular risk assessments and updates to our strategies to address the evolving nature of pandemics and the unpredictability of natural events. Our response plan includes clear protocols for health and safety measures, communication strategies, and operational adjustments to manage and mitigate the impact of pandemics. For natural hazards, we focus on infrastructure resilience, emergency preparedness, and rapid recovery processes. This dual-focused approach ensures that Nelson Marina is well-prepared to respond swiftly and effectively, minimising disruption and ensuring a quick return to normal operations, while prioritising the well-being of all stakeholders.

SUSTAINABILITY

Nelson Marina is dedicated to minimising its environmental impact, including its contribution to climate change, and aims to provide clear information to the community about the potential effects of climate change on marina operations.

The Marina Masterplan recognises Council's objective to demonstrate leadership in sustainability across the region to deliver an improved quality of life for the current and future residents of Nelson. Key principles for Nelson Marina are:

- Optimising the efficient use of resources and minimising waste generation;
- Implementing sustainable procurement procedures taking into account of whole of life costs;
- Minimising adverse impacts on the environment or the local community;
- Increasing the use of renewable resources;
- Reducing greenhouse gas emissions; and
- Taking positive actions promoting continual improvement in sustainability performance.

Building resilience is also a key consideration relevant to the marina.

CARBON REDUCTION:

Nelson Marina has set two primary goals for carbon reduction:

- A 80% reduction in gross carbon emissions from the 2019 Fiscal Year to the 2035 Fiscal Year.
- Achieving net-zero carbon emissions by 2050.

The initial target is in line with the Climate Leaders Coalition's aim to limit global warming to 1.5 degrees.

With electricity consumption being our main contributor to carbon emissions we plan to integrate solar production into the design of all new buildings and facilities through the development of the masterplan and begin metering and charging for electricity over the docks to encourage our customers to minimise unnecessary use.

The board is also investigating the option of procuring an electric straddle lift, decreasing our reliance on diesel.

CLIMATE CHANGE:

A preliminary assessment of climate change impacts on the Marina was conducted in 2022 through the development of the Nelson Marina Masterplan as well as through the support of the Nelson City Council climate change team. All future capital projects will be designed with climate change in mind, and in particular, rising sea levels.

WASTE MINIMISATION:

In alignment with our Clean Marina certification, Nelson Marina is committed to advancing a circular economy approach, focusing on significantly reducing waste directed to landfills. This commitment involves not only minimising waste generation but also enhancing our recycling efforts. Central to this initiative is our active engagement with customers, where we emphasise and promote environmental best practices, underscoring the critical role of environmental stewardship. As part of our circular economy strategy, Nelson Marina provides comprehensive recycling services, extending beyond traditional waste to include the recycling of oil, oily bilge water, batteries, and flares. By doing so, we not only reduce environmental impact but also contribute to the creation of a sustainable, closed-loop system where resources are reused and repurposed, minimising our ecological footprint.

HEALTH AND SAFETY

Nelson Marina is committed to managing health, safety, and well-being risks and ensuring a safe and healthy work environment for everyone entering the marina premises.

Nelson Marina operates under a comprehensive health and safety management plan. This plan equips the marina with the necessary systems and processes to maintain a safe work environment. A crucial aspect of this plan is the continuous improvement of these systems and processes through active engagement.

Health and safety responsibilities are embedded in every role at Nelson Marina. The marina also ensures that every worker is well-informed about the risks associated with their work and the corresponding control measures. Regular work group meetings facilitate engagement, maintain focus, and provide access to data and training. Safety signage is used throughout the marina property.

Nelson Marina offers an online health and safety induction for our customers and contractors. This covers health and safety on the marina and in the boat yard as well as the marina emergency procedures. The boat yard area has restricted access to only those who have completed the induction.

The board of Nelson Marina actively participates in setting health and safety policies and ensuring compliance.

RELATIONSHIPS

Nelson Marina ensures transparent communication with its shareholding local authorities through a well-defined reporting structure. This includes direct interactions at the mayor, CEO, and officer levels. The Marina values the role of councillors as vital connectors to the community and encourages direct engagement on issues that may arise.

Nelson Marina has a policy of open communication and a 'no surprises' approach with council as shareholders. As part of its social license to operate, the Marina is dedicated to fostering and maintaining strong community relationships through various channels. Our customers and contractors are also kept informed about Marina activities through our website, social media platforms, and our monthly newsletter.

GOOD EMPLOYER OBLIGATIONS

Nelson Marina diligently fulfils its obligations as a responsible employer under the LGA 2002, with particular emphasis on adhering to the principles of fair pay and equal employment opportunities. The marina ensures equitable remuneration for all its employees, reflecting the value of their contributions and expertise. Through transparent and impartial employment practices, Nelson Marina upholds fairness in compensation structures, striving to eliminate any form of wage discrimination. Furthermore, the marina is committed to fostering an inclusive work environment where diversity is celebrated and embraced. By promoting equal employment opportunities, irrespective of gender, race, ethnicity, or any other characteristic, Nelson Marina demonstrates its dedication to upholding the spirit of being a good employer and contributing positively to the broader community.

DIVERSITY AND SUCCESSION PLANNING

Nelson Marina is deeply committed to fostering diversity in its employment practices and to implementing effective succession planning. Recognising the value of a diverse workforce, the Marina actively seeks to create an inclusive environment where individuals from various backgrounds, cultures, genders, and age groups are not only welcomed but are also given equal opportunities for employment, growth, and development. This approach enriches the workplace with a broad range of perspectives and skills, enhancing creativity, problem-solving, and decision-making.

In parallel, Nelson Marina places a strong emphasis on succession planning to ensure business continuity and sustainability. This involves identifying and developing internal talent to fill key roles in the future, thereby creating a robust pipeline of skilled, versatile, and prepared

employees. By investing in professional development and leadership training, Nelson Marina ensures that it is not only embracing diversity in its present workforce but is also preparing a diverse and capable group of future leaders, aligned with the company's strategic goals and values.

ASSETS AND SECURITY

Nelson Marina's assets have been consistently undervalued, prompting the board to plan to rectify this issue during the upcoming fiscal year through the engagement of an independent valuer. Presently, all assets undergo thorough inspection by qualified engineers, complemented by the implementation of a comprehensive long-term maintenance strategy. However, it is noteworthy that the assets are currently managed through two distinct software systems within Council. Efforts are underway to explore a new software solution that will consolidate the management and maintenance of these assets into a singular, easily accessible system.



GOVERNANCE PERFORMANCE:

APPROACH TO GOVERNANCE

Nelson Marina recognises the critical importance of robust corporate governance in its capacity to generate value for stakeholders. As such, Nelson Marina has established a comprehensive suite of governance structures and practices designed to uphold best practice, maintain high ethical standards, and ensure sound decision-making across all governance activities.

COMPANY

Under New Zealand law, particularly as outlined in the Companies Act 1993, the primary objective of a company is to operate as a successful business. This is often interpreted to mean the company should aim to be profitable, sustainable, and deliver value to its shareholders. The Act does not define what constitutes a "successful business," leaving it to the discretion of the company's directors to determine the specific goals and strategies that align with their business model and the interests of the shareholders.

However, it's important to note that while pursuing profitability and shareholder value, directors are also required to adhere to their legal duties. These duties include:

- **Acting in good faith and in the best interest of the company:** Directors must make decisions that they believe are in the best interests of the company, considering the interests of shareholders while also taking into account the impact of their decisions on employees, customers, and other stakeholders.
- **Exercising powers for a proper purpose:** Directors must use their powers for the reason those powers were given, not for any ulterior or personal motive.
- **Complying with the Companies Act and the company's constitution:** Directors must ensure that the company operates within the law and its own set of rules.
- **Acting with care, diligence, and skill:** Directors are expected to act with the level of care, diligence, and skill that a reasonable director would exercise in the same circumstances.
- **Avoiding conflicts of interest:** Directors must avoid situations where their personal interests conflict with the interests of the company.
- **Not engaging in reckless trading or incurring obligations without the belief on reasonable grounds that the company will be able to perform them:** Directors must ensure the company trades solvently and responsibly.

These legal obligations ensure that while the pursuit of success and profitability is a primary objective, it must be balanced with ethical management, legal compliance, and consideration for the broader impacts of the company's operations.

CORPORATE CODE OF GOVERNANCE

The board of Nelson Marina operates under the Company Constitution and a Board Charter, both of which are reviewed annually by the board.

BOARD

The board, appointed by the shareholders, is tasked with the governance, strategic direction, and monitoring of the company's business to fulfil its objectives, in line with Nelson Marina Management Ltd's Constitution and Board Charter. The board comprises of 5 board members, one of which is a dedicated iwi seat.

BOARD COMMITTEES

Given the modest size of the board and relative to Nelson Marina's scale, the board currently does not utilise board committees or sub-committees. However, the board recognises the potential utility of such committees and remains open to establishing them should they become necessary in the future.

CHAIRPERSON

The Council selects the chairperson and the board may elect a deputy chairperson or alternate. The chairperson is responsible for the efficient functioning of the board.

MARINA MANAGER

The Marina Manager, appointed by Nelson City Council, is charged with leading and managing the company following the board's directives. The Marina Manager may delegate day-to-day operational decisions to other levels within the company, in accordance with delegated authorities approved by the board and Council policy.

GOVERNANCE HEALTH AND SAFETY

Health and safety governance is a high priority for the board. The board actively leads in this area by reviewing and approving the safety management plan and assessing the effectiveness of the company's systems and performance. The board endorses the "Good Governance Practice Guidelines for Managing Health and Safety Risks" produced by the Institute of Directors and the Ministry of Business, Innovation and Employment.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS:

Nelson Marina is dedicated to upholding the principle of transparency in its reporting to key stakeholders. Throughout the period covered by this Statement of Intent, Nelson Marina will develop an integrated reporting framework.

DRAFT ANNUAL STATEMENT OF INTENT

The Directors shall deliver to the shareholder a draft Statement of Intent which fulfils the requirements of Schedule 8 of the Local Government Act 2002 and is aligned with the Statement of Expectation from Council, as shareholder, before March 1 each year.

ANNUAL STATEMENT OF INTENT

After considering shareholders' comments on the draft, the Directors shall deliver to the shareholder a Statement of Intent which fulfils the requirements of Schedule 8 of the LGA 2002 and which meets the shareholder's approval annually before 30 June each year.

HALF YEARLY REPORT

Within two months after the end of the first half of each financial year, Nelson Marina will present its Half Yearly Report to the shareholder. Prepared in accordance with NZ IFRS and the Financial Reporting Act 1993, this report will include unaudited consolidated financial statements and performance commentary, along with other information deemed appropriate by the Board.

The report will cover:

- Performance Commentary
- Statement of Comprehensive Income
- Balance Sheet
- Statement of Cash Flows
- Performance against SCI Performance Targets and Other Measures

ANNUAL REPORT

Within three months after the end of each financial year, Nelson Marina will deliver its Annual Report to the Shareholders. Complying with section 67 of the Local Government Act 2002, International Financial Reporting Standards (IFRS) and the Financial Reporting Act 1993, the report will include audited annual consolidated financial statements and performance commentary, among other relevant information.

The report will contain:

- Performance Commentary
- Statement of Comprehensive Income
- Balance Sheet

- Cash Flow Statement
- Statement of Changes in Equity
- Notes to the Financial Statements
- Performance against SCI performance targets and other measures
- Auditor's Report

GENERAL DISCLOSURE

Nelson Marina will continuously provide confidential information to shareholders to promptly inform them of significant events related to the company that may impact shareholders.

COMMUNICATION OF INFORMATION

For all formal reports and ad hoc business matters, Nelson Marina's primary communication line is directly to the shareholders or their nominated representatives.

