

STATEMENT OF INTENT 2020-21

Prepared by Nelson Regional Development Agency Board

1 July 2020 to 30 June 2021

1. Introduction

1.1. Purpose of the NRDA

The Nelson Regional Development Agency (NRDA) exists to make a difference to the future prosperity of the Nelson Tasman region through positioning, connecting and promoting the region, with a current focus on the recovery and regeneration of the region from the economic impacts of COVID-19.

Everything we do is built on a strong platform of collaboration and partnership with the public and private sectors to achieve alignment, build stakeholder engagement, and drive NRDA's role in execution.

For this year NRDA's three key areas of focus have been amended to reflect the focus on recovery and regeneration from the current and future economic impacts of COVID-19 on the region's economy.

1. **Positioning** the Nelson Tasman region as a place where talent, visitors and investment wants to be and young people can thrive.
2. **Connecting** our clever people and companies with opportunities to recover, grow, innovate and collaborate.
3. **Promoting** the destination as a place of choice for visitors, talent and business.

For the 2020-21 Statement of Intent (SOI) period all of NRDA's activities will be focused on leading the collaborative implementation of Project Kōkiri, the region's economic response and regeneration plan to the COVID-19 pandemic. All of NRDA's activity will be aligned and driven by the seven-point action plan contained within Project Kōkiri. Project Kōkiri is a collaboration between Nelson City Council (NCC), Tasman District Council (TDC), NRDA, Nelson Tasman Chamber of Commerce (NTCC), iwi and central government's regionally based agencies. (<https://projectkokiri.nz>)

For clarity, while NRDA is responsible for the majority of the deliverables in the Project Kōkiri action plan, it is not accountable for all. For the duration of this SOI the NRDA's role in Project Kōkiri will be focused around the following 5 areas:

1. Supporting the collaborative leadership and delivery model
2. Providing management and oversight for the implementation of the Action Plan
3. In partnership with NTCC leading the engagement and comms with business, councils, iwi, education, local and central Government and other key stakeholders around the implementation of the plan
4. Leading the establishment of funding partnerships around implementation
5. Leading the delivery of initiatives, where NRDA has accountability or coordinating with delivery partners as identified in the SOI.

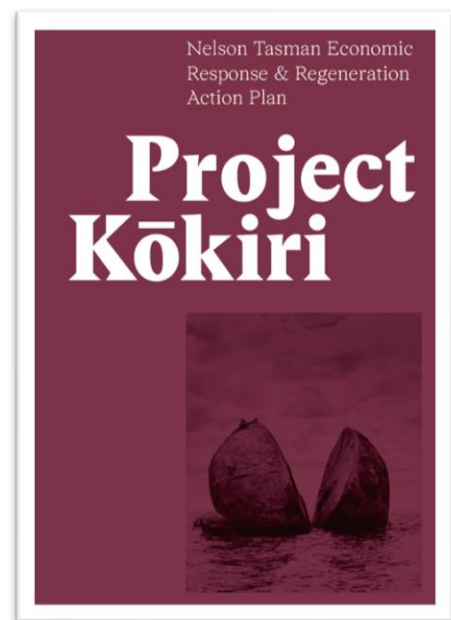
1.2. Background

The NRDA is a Council Controlled Organisation established on 1 July 2016 and is 100% owned by NCC. Core funding for the NRDA is provided by NCC. TDC also contributes financially to the NRDA for economic development, business support and destination marketing and management services through a Service Level Agreement that sets out the accountability arrangements, and the anticipated outputs and performance measures. These services are delivered by the NRDA with a combined Nelson Tasman regional focus. This SOI has been prepared to enable NRDA in its role in the implementation of Project Kōkiri, the region's economic response and regeneration plan to the COVID-19 pandemic.. The SOI forms the basis of accountability for the NRDA to the shareholder for the 12 months commencing 1 July 2020 and is in accordance with Schedule 8 of the Local Government Act.

1.3. COVID-19 and Project Kōkiri

The onset of COVID-19 and resulting economic crisis sets the scene for this SOI. COVID-19 has presented the greatest economic shock in living memory, and although the full extent of this is still to play out, it is clear that the economy will be significantly changed by the pandemic. Independent economic forecasts indicate that the impact here in Nelson Tasman is likely to be on par with the hit to the national economy. We expect an 8% contraction in GDP over the year to March 2021 and an unemployment rate of 9% which will have significant and far reaching impacts on our local communities. The negative impacts are also projected to be disproportionately greater on the tourism, hospitality and retail sectors. At the time of writing the initial unemployment figures also show a disproportionate impact on those aged under 30 in our communities.

For this SOI period all of NRDA's activities will be focused on leading the collaborative implementation of Project Kōkiri. In June 2020, Project Kōkiri released the Nelson Tasman's Economic Response & Regeneration Plan which outlines the region's economic strategy for the next twelve months. The aim is to initiate a response and regeneration that will stimulate the economy, protect and create new jobs and accelerate investment into the region. Project Kōkiri provides an opportunity to deliver on the aspiration of the Te Taihū Intergenerational Strategy – to be good ancestors. Our actions will be guided by Te Taihū Oranga, the eight-point wellbeing framework designed by the communities of Te Taihū through the Te Taihū Intergenerational Strategy process.



All of the activities contained within this SOI are aligned and driven by the seven-point action plan contained within Project Kōkiri:

1. Targeted Business and Innovation Support
2. Capability Building and Job Creation
3. Business and Investment Attraction
4. Stimulating Local Spending and Domestic Visitation
5. Local Government Stimulus
6. Visitor Destination Management
7. Regional Competitive Advantage and Regeneration Initiatives

Project Kōkiri is purposefully titled an Economic Response and Regeneration plan and in the seven-point action plan we have tried to get the balance between shorter-term responsive and medium-longer term regenerative activities. Returning to where a business was pre-COVID is likely not a viable option, even in the medium to longer term. The action plan contains a range of responsive activities to support those in the economy who are really struggling to get through until the economic environment for their business improves. The regeneration activities within the plan are about identifying that we need to build back in a stronger and more resilient manner than before. It is also about recognising that those major influences on the region's economy pre-COVID still exist, and a regenerative approach provides a unique opportunity to influence them into the future.

While the impact of the necessary health response to COVID will continue to have a significant impact on the regions' economy, the Nelson Tasman sustainable economic growth direction still presents plenty of opportunity and has helped to shape the regenerative focus of Project Kōkiri. That growth direction is still based around the application of research, science, and technology within our areas of regional competitive advantage in the oceans economy, high-value nutritional food and beverage, a sustainable natural environment based visitor economy and an emerging technology sector.

The economic growth direction also looks to build on the growing appreciation of the livability of the region based on leveraging the region's attractiveness as a place to live, work and do business. The urban and rural centres of the Nelson Tasman region have an increasingly important role to play in enabling the achievement of this direction. In particular Nelson City's "Smart Little City" vision is a critical element as the major population and commercial centre of the top of the South.

The six major influences on the region's economy pre-COVID that we will aim to influence through the economic regeneration activity contained in this Sol are:

1. **Nelson Tasman productivity** per employee is about 25% lower than NZ average.¹

¹ Based on NRDA assessment of Stats NZ and Infometrics regional data.

2. **Income levels** remain about 15% lower than the NZ average despite the Nelson Tasman region keeping pace with income growth.²
3. **Accelerating aging population.** We have a significantly disproportionate ageing population base. Even with good migration growth, we are projected to see a decrease of around 8.5% in our traditional working age population over the next 15 years, which is in contrast to the NZ trend of +13%.³ There is a risk this could be amplified if increased outwards migration in the under 30's age group occurs given the early indications of the higher impacts of COVID unemployment on this group in our region.
4. **Resilient, future-proof infrastructure** is required to support private sector confidence. As a growing region, both in terms of population and the economy, we need to develop a more resilient, future-proof infrastructure base which will in turn support the confidence of the private sector in making the necessary future investment decisions required to take the Nelson Tasman region forward. Priority infrastructure has been identified as water, roading and housing.⁴
5. **Visitor sector seasonality** has a significant impact on the viability of product development, staff security, social license and flow-on to the retail and transport sectors within the region.
6. **Climate Change** is a significant risk to the future of NZ and the region's economy. Consideration of the transitions required within the current economy to a lower emissions focused economic and community base and a focus on the future resilience of the region in response to the significant challenges presented by climate change is at the heart of the regenerative economic thinking in Project Kōkiri.

For more information on Project Kōkiri, please visit (<https://projectkokiri.nz>)

For more information on the forecast potential impacts of COVID-19 on the regions economy please visit: <https://www.nelsontasman.nz/do-business/insights/>

1.4. NRDA Directors

As at June 2020, the NRDA Board comprises the following directors:

- Meg Matthews – Chairperson
- Martin Byrne
- Marina Hirst-Tristram
- Alan Dunn
- Sarah-Jane Weir
- David Johnston
- Jeremy Banks

² Based on NRDA assessment of Stats NZ and Infometrics regional data.

³ Based on Stats NZ population data

⁴ Based on various market research reports and the 2019 NTIN Nelson Tasman Talent research

1.5. NRDA Review of Operations 2019-20

In December 2019, Martin Jenkins Ltd undertook a Review of NRDA Operations. The report had three key recommendations:

1. **Build strategic alignment between the councils and the NRDA** to agree four or five outcome areas and related strategic priorities for the CCO, consistent with Council objectives.
2. **Refresh and communicate the value of the NRDA**, reflecting the agreed strategic priorities and set out in an outcomes and measurement framework, and supporting monitoring and evaluation plan. This recommendation also includes developing a stakeholder engagement plan, a restructured SOI, and a new reporting framework to NCC and TDC.
3. **Take steps to secure the sustainability of the NRDA** which includes reviewing the interfaces between the NCC and NRDA for efficiency improvements, completion of the NRDA's business model review, and the development of a business case for additional funding.

While the advent of the COVID-19 pandemic and the associated response activity has delayed progressing the recommendations of the report, in February 2020, the board of NRDA provided feedback to the shareholder that it believes the report presents a fair assessment of the current situation, reflecting positively on activities and the effective and efficient manner within which NRDA operates. NRDA acknowledges and agrees with the key recommendations and looks forward to working with both councils in securing greater strategic alignment around priorities and exploring additional funding opportunities to support the longer-term sustainability of NRDA through the next Long Term Plan process.

NRDA takes comfort that the report reinforced a CCO is the preferred delivery structure, that our activities are consistent with our peer Regional Development Agencies in NZ and that in delivering those activities we operate on a best practice basis. The report identified that NRDA currently operates on approximately 45% of the local authority funding of comparable RDA's, albeit with a higher level of private sector funding, which is consistent with the concerns raised in our 2019/20 SOI. The NRDA board sees it as a priority to find a solution to this situation if we are to secure the longer-term sustainability of the NRDA business model.

NRDA looks forward to building on our engagement with councils, at both an elected member and staff level, to secure the strategic alignment required to agree on four or five outcome areas and related strategic priorities for NRDA that are consistent with council objectives.

Securing this level of clarity will contribute towards getting an agreed level of balance between wider economic development and tourism related activity, while also providing greater clarity of the NRDA value proposition.

In conclusion the NRDA board thanks Nelson City Council for undertaking this independent review and looks forward to being a proactive participant in the next steps over the course of this SOI and leading into the Long Term Plan process.

2. Areas of Activity and Performance Measurement

The core business activities and key performance measures are based on the seven-point Project Kōkiri Economic Response and Regeneration Action Plan and the expected base funding outlined in the financial section.

The performance framework is based on two key metrics:

- **Regional Indicator (RI)** – The RIs form the basis of why we undertake an activity and are based on a key indicator that reflects outcomes at the regional level which NRDA will monitor, report and where possible influence at a local level. However, they are not the measure of performance for the organisation due to our limited ability to influence the significant number of factors that contribute to this indicator, in particular in a Post-COVID environment.
- **Key Performance Measure (KPM)** - The KPMs are based on those aspects that the NRDA has a degree of control over and will form the basis of accountability to the shareholder.

2.1. 2020-21 Sol Headline Key Performance Measures Summary

	Activity Area	2020/21 KPM	Baseline
	Responsive one on one business continuity service (RBP)		
1.	Companies receiving RBP Support	> 400	454
2.	RBP funding support attracted	> \$1million	\$1.2million
3.	Customer Satisfaction net promoter score	+60	>60
	Targeted Business Recovery and Regenerate Accelerator Programme		
4.	Establishment of business enhancement clusters	3	New
5.	Businesses involved in the business enhancement clusters	>36	New
	Reposition Mahitahi Colab to support COVID Recovery		
6.	Attendees at Mahitahi Colab business and talent collaboration events	>1500	2335
7.	Potential business start-up's attending a COVID recovery Co.Starters program	>10	New
	Education to Employment Programme		
8.	Regional secondary schools engaged in employment brokerage services	12 Schools	New
	Young People Work Placement Programme		
9.	Business involved in the work placement programme	>20	New
10.	Students placed into work placements and Intern & Grad programme	>40	11
	Targeted Business Relocation Programme		
11.	Business relocation pitches presented	>10	New
	Locals and Domestic Marketing Campaign		
12.	Businesses engaged in campaign activity	>500	36
13.	Registration of Nelson Tasman expats ambassadors	>1000	New
14.	Digital Content Marketing Engagement levels	> NZ Avg	5x NZ Avg
	Visitor Destination Management		
15.	Coordinate the development of a Regional Destination Management Plan	Y/N	New
16.	New tourism product development feasibility and/or investment cases developed	>4	New
17.	Major Events Attendees (% out of town) through events programme activity	>15,000 (50%)	17,894 (79%)
18.	Return on NCC Economic Event Fund Investment	>20:1	31:1
19.	Out of region Business Event delegates attracted through business events programme	>2,000	1912
20.	Australian travel trade and media hosted and trained on the Nelson Tasman proposition	>50	254
21.	Travel trade sales and marketing referrals provided to Nelson Tasman Co's	>200	500
22.	Customer Satisfaction with the Nelson i-Site	>80%	90%
	Regional Projects Pipeline		
23.	Organisations supported through the projects pipeline process	>50	New
	Project Kokiri Management and Operations		
24.	Nelson Tasman businesses engaged with regularly through communications channels	>3000	1600
25.	Individual Nelson Tasman businesses directly engaged in Project Kokiri activity	>500	New
	NRDA Management and Operations		
26.	NRDA maintains a balanced budget (EBITDA)	Y	Y
27.	Lost time work injuries	0	0
28.	Annual Stakeholder engagement levels of satisfaction	>60%	>60%

2.2. Core Business Areas of Activity and Key Performance Measures

1 Targeted business and Innovation Support				
Focus area (What we do)	Regional Indicator (Why we do it)	Description (How we do it)	FY20 Key Performance Measures	FY20 Baseline
1.1 Responsive one on one business continuity service (Regional Business Partner Programme)	<ul style="list-style-type: none"> A positive change in regional productivity relative to NZ trends (GDP / filled job – infometrics data) Sustaining the number of business units and jobs in the region, relative to NZ trends of growth or decline, post COVID. (Business Units & Filled Jobs infometrics data) 	<p>Connecting with and understanding Nelson Tasman companies' current situation and needs with a focus on the impacts of and recovery from COVID.</p> <p>Connecting Co's with the various business support services and networks available to address their immediate needs and to assist in enabling them to be better positioned to withstand the future impacts.</p> <p>The programme has two key components:</p> <ol style="list-style-type: none"> Coordination, management and delivery of the Regional Business Partner Programme (Mentoring, Business support vouchers and R&D support & funding programmes) Targeted one-on-one COVID response and recovery service 	<ul style="list-style-type: none"> Delivering RBP support to over 400 companies, attracting in excess of \$1 million in RBP funding and a customer satisfaction net promoter score of +60 across the RBP programme by June 2021. Targeting a minimum of 30% of businesses from any one district. 20 Tasman and 20 Nelson businesses intensively case-managed. 	<ul style="list-style-type: none"> Delivered support to 454 companies Attracted \$1.2 million in RBP funding Customer satisfaction net promoter score greater than 60. At least a minimum of 30% of businesses from any one district. 89 Tasman and 133 Nelson businesses intensively case-managed. (note COVID impact)
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> NRDA has a contractual relationship with NZTE and Callaghan Innovation for the delivery of this programme. NRDA delivers programme management and coordination, the front-line R&D, and some of the responsive COVID support services. NRDA has a sub-contract for delivery of some parts of the service with the Chamber of Commerce and Nelson Tasman Business Trust. 			

1.2 Targeted business recovery and regenerate accelerator programme	<ul style="list-style-type: none"> • A positive change in regional productivity relative to NZ trends (Infometrics data) • A positive change in income levels for the region relative to NZ trends. (Mean earnings Infometrics data) • Sustaining the number of business units and jobs in the region, relative to NZ trends of growth or decline, post COVID. (Business Units & Filled Jobs Infometrics data) 	<p>Delivery of a deliberate and proactive wrap-around business acceleration service focused on supporting organisations that wish to collaborate on common business challenges and opportunities resulting from the impacts of COVID. The programme will focus on companies that make a significant contribution to our economy through generating demand and flow-on impacts for SMEs and the rest of our community, while also contributing to the improvements in productivity and incomes in the region.</p> <p>The programme has three key components:</p> <ol style="list-style-type: none"> 1. Research & insights into the current situation, needs and solutions. 2. Programme design, funding, delivery 3. Evaluation of impact and future sustainability 	<ul style="list-style-type: none"> • Establishment of at least 3 business enhancement clusters with up to 12 companies per cluster. • At least 40% of the companies involved in the research and invited into the programme will come from each district. 	<ul style="list-style-type: none"> • New initiative • Nelson Tasman has the 2nd lowest rate of productivity in NZ⁵ • Nelson Tasman Mean annual earnings are 15% below that of NZ.⁶ • Infometrics projected unemployment rate of 9% as a result of COVID⁷
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> • NRDA delivers research, programme design and delivery • Will require a high-level of engagement with local and national business development solution providers, Callaghan and NZTE. 			
1.3 Reposition Mahitahi Colab to support Covid-19 recovery	<ul style="list-style-type: none"> • Collaborating to support and inspire clever business, innovation and talent in Nelson Tasman through a positive 	<p>The intention is that together we will be able to build a more connected business and innovation community by creating stronger links between business, investors, researchers, business development providers and the</p>	<ul style="list-style-type: none"> • Mahitahi Colab hosts at least 50 business and talent collaboration events attracting 1500 attendees. 	<ul style="list-style-type: none"> • Hosted 100 events • Attracting 2335 attendees.

⁵ Infometrics 2019 Economic Profile

⁶ Infometrics 2019 Economic Profile

⁷ Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020

	change in the utilisation of the Mahitahi Colab space for the hosting of collaboration events, tenants and student connections with business. (Mahitahi reporting)	education sector in a post-COVID environment. The programme has four key components: 1. Collaboration and innovation events 2. Coworking space 3. COVID recovery start-up programme 4. Student-led consulting programme and other initiatives designed to connect young talent with business.	<ul style="list-style-type: none"> At least one COVID recovery and regeneration Co.starters programme delivered with at least 10 potential start-up's participating. The Student consulting programme has at least 10 students involved, and they have delivered services to at least 10 Nelson Tasman clients. 	<ul style="list-style-type: none"> New initiative 12 Students involved in the consulting programme
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> NRDA has a lease and funding agreement with Mahitahi Colab for the delivery of the above services. NRDA is a shareholder in the ownership of Mahitahi, with Nelson Marlborough Institute of Technology (NMIT) and NTCC and provides Governance and management support (finance and admin). NRDA provides some additional support to Mahitahi around some of the event and programme delivery. 			

2 Capability Building and Job Creation

Focus area (What we do)	Regional Indicator (Why we do it)	Description (How we do it)	FY20 Key Performance Measures	FY20 Baseline
2.1 Interim Regional Skills Leadership Group (iRSLG)	To better manage changing skills and workforce needs in the region and to support the recovery of labour markets. The iRSLG is the eyes and ears on the ground, gathering local intelligence, supporting the immediate response to the regional labour market impact arising from	The iRSLG is one of the Governments responses to creating a joined up approach to labour market planning to see the workforce, education, and immigration systems working together to better meet differing skills needs across the region. The iRSLG's are facilitated by MBIE.	<ul style="list-style-type: none"> NRDA making a proactive contribution to the iRSLG programme. 	<ul style="list-style-type: none"> New initiative Research in Nov 2019 identified that skills attraction and retention was identified as 1 of the 3 top challenges for 60%

	COVID-19 and advising Government on the region's labour market.			of Nelson Tasman Co's ⁸
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> NRDA Chair is also the Chair of the iRSLG, and the NRDA CE is on the iRSLG. NRDA will support MBIE and the iRSLG with labour market, education and skills activity that is identified as the iRSLG programme evolves. 			
2.2 Coordination of labour market services and recovery activity	<ul style="list-style-type: none"> Minimising the level of COVID impact on the region's unemployment rate, with the aim of being better than the projected 9.0% by July 2021⁹. Minimising the level of COVID impact on the region's NEET rate, with the aim of an improvement in the current levels of Nelson 17%, Tasman 12% (NZ 11%) . (NEET rate¹⁰) 	<p>Coordinate activity that supports both businesses and individuals whose circumstances have changed as a result of Covid-19. A key focus on Young people (under 30) employment as the most affected age-group and to ensure we maintain a sustainable pipeline of future talent in the region.</p> <p>This includes:</p> <ol style="list-style-type: none"> Liaison and coordination with Ministry of Social Development (MSD), iRSLG and other key stakeholder programmes. Delivery of the Youth NEET pathways project. Delivery of the Education to Employment Broker (EEB) Service. 	<ul style="list-style-type: none"> Engage all 12 targeted schools (staff and students) in the region in the Education to Employment Brokerage Service (EEB) and facilitate the opportunity for students and school staff to be able to attend at least 4 industry sector expo/information events. Identify, trial and evaluate up to two appropriate interventions that will help young people who are at a disproportionate risk from the economic fallout of Covid-19, avoid or recover from NEET status. 	<ul style="list-style-type: none"> New initiative
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> NRDA works closely with MSD, iRSLG and other key stakeholders to ensure coordination of programmes to maximise impact and reduce duplication risk. NRDA holds a contract for delivery of the Youth NEET pathways project with NCC. NRDA holds a contract for delivery of the Education to Employment Broker Service with MSD. 			

⁸ Nelson Tasman Innovation Neighbourhood Talent Challenge Research – Nov 2019

⁹ Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020

¹⁰ % of population under 24 years of age not in employment, education or training, MSD supplied data

2.3 Coordinate Education and Skills development activity	<ul style="list-style-type: none"> The majority of Employers in Nelson Tasman find it easy to access the skills required in the regional labour market. (Local labour market survey) Minimising the level of COVID impact on the region's NEET rate, with the aim of an improvement in the current levels of 17%, Tasman 12% (NZ 11%). (NEET rate) 	<p>Coordinating skills development and upskilling opportunities across the region to support retraining and redeployment as a result of COVID-19, with an overarching focus on ensuring we meet our talent needs, lift productivity and deliver on higher paying jobs throughout the region.</p> <p>This includes:</p> <ol style="list-style-type: none"> Liaison and coordination with MSD, iRSLG, Ministry of Environment (MOE), NMIT and other key stakeholder programmes. Young people work placement, intern & graduate programmes. 	<ul style="list-style-type: none"> Establishment of work placement programme with at least 20 businesses and 20 students engaged. An increase to at least 20 students engaged in the intern and grad programme. 	<ul style="list-style-type: none"> 11 students participated in the 2019 Summer of Tech Intern Programme. Research in Nov 2019 identified that skills attraction and retention was identified as 1 of the 3 top challenges for 60% of Nelson Tasman Co's.¹¹ Other activities are new initiatives
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> NRDA works closely with MSD, iRSLG, MOE, NMIT, other key stakeholders to ensure coordination of programmes to maximise impact and reduce duplication risk. NRDA holds a contract for delivery of the Young people work placement, intern & graduate programmes with MSD. 			

3 Business and Investment Attraction				
Focus area (What we do)	Regional Indicator (Why we do it)	Description (How we do it)	FY20 Key Performance Measures	FY20 Baseline
3.1 Targeted business relocation programme	<ul style="list-style-type: none"> A positive change in knowledge intensive employment in the region relative to NZ. (Infometrics data) Sustaining the number of business units and 	<p>Delivering a programme that leverages our advantages as an attractive place to live and visit into an attractive place to also work and do business, especially for those in the technology and service sectors, who can work from anywhere. Primary focus on businesses which will create new high-value jobs within the</p>	<ul style="list-style-type: none"> 10 target businesses relocation pitches presented including highlighting the benefits of being located in the urban centres of each district. 	<ul style="list-style-type: none"> New initiative. In 2019 knowledge intensive employment in the region made up 26% of all employment (NZ

¹¹ Nelson Tasman Innovation Neighbourhood Talent Challenge Research – Nov 2019

	<p>jobs in the region, relative to NZ trends of growth or decline, post COVID. (Business Units & Filled Jobs Infometrics data)</p>	<p>region, in particular for the younger demographic and likely be located within our urban centres.</p> <p>Initial activity will target the key urban centers of Auckland and Wellington where we can capitalise on our lifestyle proposition and value case.</p> <p>The programme has three key components:</p> <ol style="list-style-type: none"> 1. Research, benchmarking and investment case development 2. Targeted in-market programme design and delivery 3. Post relocation integration and connection programme 		<p>32%) for the 2019 year there was +3.6% growth (NZ +2.4%)¹².</p> <ul style="list-style-type: none"> • Infometrics projected unemployment rate of 9% as a result of COVID.¹³
<p>NRDA Role and Collaboration with others</p>	<ul style="list-style-type: none"> • NRDA will be responsible for research, programme design and delivery • The delivery of this programme will require a high degree of engagement with other business support agencies and networks, such as NTCC and Nelson Tasman Innovation Neighbourhood (NTIN). 			
<p>3.2 Targeted investment and skills attraction to assist existing businesses in region</p>	<ul style="list-style-type: none"> • The majority of employers in Nelson Tasman find it easy to access the skills required in the regional labour market. (Local labour market survey) 	<p>Identifying and delivering targeted investment and skills attraction activity into existing businesses to assist their growth, leading to the development of more high-value jobs. This includes:</p> <ol style="list-style-type: none"> 1. Facilitating individuals looking to migrate to the region on investor or global impact work visas (COVID restrictions dependent). 	<ul style="list-style-type: none"> • Facilitating investor or global impact work visas inquiries in a timely manner. (COVID restrictions dependent) • Facilitation of an appropriate targeted skills attraction initiative if identified by labour market activity. 	<ul style="list-style-type: none"> • Research in Nov 2019 identified that skills attraction and retention was identified as 1 of the 3 top challenges for 60% of Nelson Tasman Co's.¹⁴

¹² Infometrics 2019 Economic Profile

¹³ Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020

¹⁴ Nelson Tasman Innovation Neighbourhood Talent Challenge Research – Nov 2019

		<ol style="list-style-type: none"> 2. Targeted talent attraction for key skills shortages if identified through labour market activity. 3. Assembly of a portfolio of projects that are investment ready. 		<ul style="list-style-type: none"> • 2 skills attraction campaigns delivered
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> • NRDA will be responsible for identifying and delivering activity. • The delivery of this activity will require a high degree of engagement with other business support agencies and networks, such as NTCC and NTIN. 			

4 Stimulating Local Spending				
Focus area (What we do)	Regional Indicator (Why we do it)	Description (How we do it)	FY20 Key Performance Measures	FY20 Baseline
4.1 Campaign initiatives and activations to encourage those who can, to support and buy local, build confidence and pride in the region, and generate national exposure to support the recovery of domestic tourism to Nelson Tasman.	<ul style="list-style-type: none"> • Increased domestic visitor spend in Nelson Tasman relative to NZ trends. (Infometrics data) • Increased awareness of local products and services (locals survey) 	<p>Delivery of the 'We've Got This' cross—sector campaign designed to support local businesses and showcase the region as a visitor destination. This cross-sectoral approach will enhance the value and reach of the campaign and ensure alignment of regional messaging.</p> <p>The campaign is designed to achieve the following two key outcomes:</p> <ol style="list-style-type: none"> 1. A sense of solidarity and support within the Nelson Tasman community, igniting local pride and encouraging locals to spend locally on with local products and services and to explore their backyard and to tell their family and friends to visit. 2. A platform to showcase the region's offerings nationwide, including our award-winning food and beverage 	<ul style="list-style-type: none"> • Campaign launched by 20th July. • Campaign achieves a digital content marketing engagement level that is above the national industry avg. • Over 500 Business from across the region are engaged in the campaign, with at least 40% coming from each district. • Registration of at least 1,000 Nelson Tasman Expats to promote the campaign. • Two in-market activations, 1 in Wellington and 1 in 	<ul style="list-style-type: none"> • New Initiative with the locals focus and the scale of activity. • Domestic digital engagement 5 times higher than NZ Avg • 36 compnaies engaged in dometic visitor maskreting

		<p>sector, stunning natural landscapes, vibrant arts and artisans, extraordinary visitor experiences and diverse calendar of events.</p> <p>A suite of campaign assets will be created that can be used by locals, businesses, visitors, media, event organisers and travel partners when promoting the Nelson Tasman region.</p> <p>A database of Nelson Expats (NEA) will be created to facilitate distribution of campaign assets and build longevity.</p> <p>Digital, Print and Physical marketing activations will run across our three key visitor markets of Auckland, Wellington and Christchurch. Collaboration with national media platforms and influencers will further amplify this activity and stimulate local spend and domestic visitation.</p> <p>On-going promotion will be enhanced by seasonal marketing campaigns to promote shoulder season visitation.</p>	Auckland that secure national attention.	
<p>NRDA Role and Collaboration with others</p>	<ul style="list-style-type: none"> NRDA will be responsible for programme design and delivery. The delivery of this programme will require a high degree of engagement with many sectors of the economy and other local business support agencies, such as NTCC, UN, TBPA, GBP, the Councils etc. At a national level, the campaign will be delivered in partnership with Tourism New Zealand, airlines, regional airports and other transport partners to demonstrate our connectivity. 			
<p>4.2 Supporting local and social procurement policy and campaign</p>	<ul style="list-style-type: none"> Increased participation by social enterprise organisations in local economy. (survey) 	<p>Supporting NTCC and Social Impact Nelson as they establish a local and social procurement policy to enable greater economic activity and local business participation in public and private</p>	<ul style="list-style-type: none"> Social Impact Nelson Tasman and the NTCC level of satisfaction with NRDA support of the delivery of this activity. 	<ul style="list-style-type: none"> New Initiative

	<ul style="list-style-type: none"> Increased awareness of social enterprise in creating an economy built on positive impact. (survey) 	<p>projects and stimulus initiatives. This activity has four key components:</p> <ol style="list-style-type: none"> 1. Identify key procurement contacts in region. 2. Work with the Akina Foundation on education resources for social enterprise. 3. Work with Akina Foundation to educate procurement contacts as to the value of supporting social enterprise . 4. Recruit local social procurement ambassadors to promote the concept to their business peers. 		
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> NRDA will support Social Impact Nelson Tasman and the NTCC in their establishment of this activity. 			

5 Local Government Stimulus	
NRDA Role	<ul style="list-style-type: none"> This programme of activity is not a direct NRDA accountability Where appropriate, we will continue to provide insights, advice and support to enable this critically important aspect of the region's economic recovery and regeneration.

6 Visitor Destination Management				
Focus area (What we do)	Regional Indicator (Why we do it)	Description (How we do it)	FY20 Key Performance Measures	FY20 Baseline
6.1 Destination Management Restart and Recovery Plan	<ul style="list-style-type: none"> Positive community sentiment towards the visitor sector in the region. (NRDA survey) 	Design, coordinate and lead the development of a Regional Visitor Destination Management Plan designed to evolve and respond to the significant impacts of COVID on the visitor sector,	<ul style="list-style-type: none"> Regional destination management plan completed and endorsed by 	<ul style="list-style-type: none"> New initiative

	<ul style="list-style-type: none"> Minimising the level of COVID impact on the regions visitor sector, with the aim of performing better than the projected 21% decline in domestic visitor spend and 90% decline in international spend by July 2021.¹⁵ (visitor spend infometrics data) 	<p>with the aim of ensuring that the tourism industry is a resilient and regenerative contributor to the Nelson Tasman economy, community and environment.</p> <p>Our Destination Management approach will target the following key areas:</p> <ul style="list-style-type: none"> Creating 100,000 passionate local ambassadors Creating a light footprint (low carbon) visitor journeys within the region. Smoothing seasonality with a focus on product development that will contribute to March-November visitation. Attract higher value visitors through product development Create sustainable higher value careers Supporting the sector to restart and recover from the impacts of COVID 	<p>key stakeholders by June 2021.</p> <ul style="list-style-type: none"> Development of 3 theme-based journeys within the region and 1 connecting Te Taihu. Production of 2 visitor sector product development investment cases and 2 early stage product development feasibility studies. With at least one in Tasman and one in Nelson City. 	
<p>NRDA Role and Collaboration with others</p>	<ul style="list-style-type: none"> NRDA will be responsible for research, design and delivery of this activity. NRDA will hold an agreement with MBIE to support the funding of the delivery of this programme. (Subject to successful funding outcome) The delivery of this programme will require a high degree of engagement with many local, regional and national public and private sector stakeholders. 			

¹⁵ Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020

6.2 Support the reactivation of Events including Business Events	Minimising the level of COVID impact on the Nelson City events programme, with the aim of sustaining the level of event attendees attracted to events in our region relative to NZ trends. (NRDA data)	Rebuilding of the major, business and community events programme post COVID. The events programme is designed to maximise the impact of events on Nelson City and the visitor sector while also contributing to smoothing seasonality: The programme has four key components: <ol style="list-style-type: none"> 1. Delivery of major event lead generation 2. Coordination of the events fund (major and community events) 3. Event coordination, marketing, and development 4. Business event lead generation and facilitation 	<ul style="list-style-type: none"> • Through the NCC events fund, support at least 12 community events and major events contributing to the attraction of over 15,000 major events attendees (50% from out-of-region) delivering a return on event fund investment ratio of 20:1 • Contributing to the attraction of 2,000 out-of-region business events delegates, at an average of 2.5 nights each (5,000 room nights), with 75% between March-November for events to take place within the next three years. 	<ul style="list-style-type: none"> • Supported 13 community events • Supported 15 Major events contributing to the attraction of over 17,894 (79% from out-of-region) • Return on event fund of 31:1 • Contributed to the attraction of 1912 out-of-region business events delegates. • >80% between March-November.
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> • NRDA will be responsible for the delivery of this activity. • NRDA holds an agreement with NCC to coordinate the NCC events fund • The delivery of this programme will require a high degree of engagement with the local and national events sector stakeholder. 			
6.3 Reactivation of international marketing	Minimising the level of COVID impact on the regions international visitor sector, with the aim of performing better than the projected 90% decline in	Reactivation of the region's international visitor marketing programme, when the border settings allow. It is very likely that this activity will have a heavy focus on Australia as a result of the activation of	<ul style="list-style-type: none"> • 50 Australian trade and media hosted and trained, and 4 in-market trade training events attended or led (incl virtual) with 200 referrals¹⁷ by June 2021. 	<ul style="list-style-type: none"> • 254 Australian trade and media hosted and trained • 500 referrals.

¹⁷ Referral is a qualified sales lead provided to a business partner.

	international spend by July 2021 ¹⁶ . (international visitor spend)	the proposed Trans-Tasman Bubble. The programme has two key components: 1. Regional positioning within Tourism NZ and target markets. 2. Lead generation.		
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> NRDA will be responsible for the delivery of this activity. The delivery of this programme will require a high degree of partnership with Tourism NZ and the local and national tourism sector stakeholders. 			
6.4 Reactivation of the Nelson i-SITE	<ul style="list-style-type: none"> Enhancing the Nelson Tasman visitor experience through a strong national visitor information network delivered by locals who are authentic, trusted personalized hosts as measured by the customer satisfaction ratings. Supporting the vibrancy of the Nelson City Centre by maintaining a footfall of over 110,000 p.a. 	Reactivation of the Nelson i-SITE services to enhance the regions visitor experience.	<ul style="list-style-type: none"> Minimising the level of COVID impact on the Nelson i-SITE while maintaining a Customer Satisfaction Rating of 80% of 4/5 and 5/5 ratings. (i-SITE data) Agreeing and implementing a long-term sustainable future i-SITE business model, within the context of meeting Councils expectations and the revised national business model. 	<ul style="list-style-type: none"> Customer satisfaction rating 80%
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> NRDA will be responsible for the delivery of this activity. The delivery of this programme will require a high degree of engagement with the sector, NCC and i-SITE NZ (the national body) in the design and implementation of the new national business model. 			

¹⁶ Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020

7 Regional Competitive Advantage and Regeneration Initiatives				
Focus area (What we do)	Regional Indicator (Why we do it)	Description (How we do it)	FY20 Key Performance Measures	FY20 Baseline
<p>7.1 Regional Projects Pipeline that will identify and facilitate investment ready proposals around our areas of key competitive advantage</p>	<ul style="list-style-type: none"> Amount (\$) of new Government investment into the region. (measured through the pipeline) Amount (\$) of new private sector and philanthropic sector funding and investment into the region. (measured through the pipeline) 	<p>Establishment and delivery of A coordinated regional projects pipeline programme which will assist with project development, the identification and securing of funding. There will be a key focus on positioning the region to attract as much central government funding as possible, by prioritising and supporting the development of key projects that are aligned to our regions competitive advantages, so they can leverage different government funding sources as they are announced.</p> <p>In implementing this process we will engage in a proactive manner with the appropriate Te Taihū iwi organisations and Māori enterprises to identify if and how this process may be able to specifically support iwi-led and Māori enterprise economic development related projects seeking investment.</p> <p>We will also look to utilise this process to support the securing of investment for the priority Te Taihū Intergenerational Strategy projects, where that is appropriate. The Pipeline process will assist with:</p> <ul style="list-style-type: none"> Project identification and prioritisation Project proposal development 	<ul style="list-style-type: none"> At least 50 organisations engaging with the Pipeline triage process and receive the business support offered by the Pipeline team. Of those Project Proposals which are developed to an investment ready stage, 20% are successful in securing investment. 	<ul style="list-style-type: none"> New Initiative

		<ul style="list-style-type: none"> • Identification of funding and investment channels (public and private sector) • Drafting of Business Cases, PitchDecks and funding proposals; • Project advocacy and securing regional stakeholder support. 		
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> • NRDA will be responsible for the design and delivery of this activity. • The delivery of this programme will require a high degree of engagement with the public and private sectors incl: Iwi, councils, MSD, MBIE, MPI, Te Puni Kōkiri (TPK), and Department of Conservation (DOC). 			

8 Management and Operations				
Focus area (What we do)	Regional Indicator (Why we do it)	Description (How we do it)	FY20 Key Performance Measures	FY20 Baseline
Project Kōkiri Management and Operations	<ul style="list-style-type: none"> • Mobilising the business community to be active in the economic response and regeneration. (levels of engagement) 	<p>Establish and facilitate the Project Kōkiri Leadership and Action teams to enable the successful development, coordination and implementation of the restart and regeneration plan.</p> <p>Creating and communicating a trusted set of data and intelligence on the economic impacts, needs and responses to COVID-19 on the Nelson Tasman business community to assist understanding and inform decision making.</p> <p>Delivering on a programme of communications and engagement that builds confidence in the Nelson Tasman economic response, allows people to participate and contribute their ideas</p>	<ul style="list-style-type: none"> • Engaged with over 3,000 businesses across the region through communications channels to keep them informed with up-to-date information. • Direct participation and engagement through virtual events from over 500 individual businesses, with at least 40% coming from any one district. • Maintain economic data insights, provides timely reports and regional COVID impact related information on a regular basis. 	<ul style="list-style-type: none"> • New initiative

		<p>and keeps key stakeholders well informed.</p> <p>Coordination of the economic recovery and regeneration plan with the social, health and Iwi recovery Pou activity</p>	<ul style="list-style-type: none"> • Proactively engage with the leaders of the Kia Kotahi te Hoe, the Nga iwi o Te Taihupo Transition and Recovery Plan and provide support where appropriate. • Provide input to at least four COVID economic development related stakeholder working groups and at least 10 regional collaboration projects in Nelson and Tasman. • Proactively contribute to the COVID Recovery Pou Leads Forum. 	
NRDA Role and Collaboration with others	<ul style="list-style-type: none"> • NRDA will coordinate and facilitate the Project Kōkiri Leadership and Action teams. • NRDA will deliver Project Kōkiri management oversight, coordination, and communications in partnership with the NTCC. • NRDA will lead on data and insights. • NRDA will lead the liaison and coordination with the Project Kōkiri Collaboration partners. 			
NRDA Organisational Sustainability and Culture	<ul style="list-style-type: none"> • Positive visibility of NRDA with key stakeholders. (NRDA survey) • Financially sustainable organisation. (NRDA Annual report) • Safe and Well organisation with engaged staff. (NRDA data) 	<p>Maintaining oversight of the NRDA contributions to the delivery of Project Kōkiri and the future sustainability of the NRDA.</p>	<ul style="list-style-type: none"> • Annual Stakeholder engagement survey demonstrates that at least 60% of respondents are positive about NRDA's service. • The NRDA maintains a balanced budget. • NRDA delivers a clean Audit. 	<ul style="list-style-type: none"> • 61% of respondents are happy or very happy with NRDA's service with a further 26% neutral. • Achieved • Audit underway at time of writing

			<ul style="list-style-type: none">• Zero lost-time work injuries.• The CEOs 360 review demonstrates an engaged and valued team with improvements shown within any identified areas for improvement.• Every staff member completing at least one Professional Development activity annually.	<ul style="list-style-type: none">• Zero• Achieved • Achieved
--	--	--	---	---

3. How the NRDA Works

3.1. Risk management

The current uncertain economic climate poses many potential risks to the successful delivery of this SOI. In addition to our focus on high-levels of engagement and communication with key stakeholders and best practice Governance approach outlined in sections 3.5 and 6, we have assessed the following approach to assist us in managing the identified potential risks.

Identified Potential Risk	Mitigation strategies
1. Deterioration of economic or health environment as a result of COVID impacting our ability to deliver	<ul style="list-style-type: none"> • Implementing an Agile business response approach • Three-phases approach designed to be responsive • Insight-led approach to enable a proactive response • Collaboration with Health & Social recovery Pou to assist in being proactive.
2. Loss of Local Government Support (incl funding)	<ul style="list-style-type: none"> • Councils part of the Project Kokiri Leadership & Management groups • Strong engagement and coms with the Council stakeholders • Maintaining a sub-regional level of engagement (e.g. GB, Mot, Nelson etc.)
3. Loss of Central Government Support (incl funding)	<ul style="list-style-type: none"> • Local Central Government staff part of the Project Kokiri Leadership & Management groups • Strong engagement and coms with the local and Wellington Central Government staff and stakeholders • Funding contracts in place
4. Loss of Business Community Support	<ul style="list-style-type: none"> • Delivering on the strong business community coms and engagement plan • Maintaining the NTCC and NTIC relationships • Sector leaders' part of the Project Kokiri Leadership groups
5. Loss of Iwi Support	<ul style="list-style-type: none"> • Delivering on the iwi coms and engagement plan • Participation in the Economic Pou, and Recovery leads group • Iwi part of the Project Kokiri Leadership & Management groups
6. Loss of staff capacity to deliver	<ul style="list-style-type: none"> • Staff part of the plan development, involved at multiple levels and all clear on their roles • Extra funding designed to provide additional capacity support • Strong collaborative culture to support each other
7. Collaboration partner non-delivery	<ul style="list-style-type: none"> • Delivering on the strong coms and engagement plan • Part of the Project Kokiri Leadership groups • Where appropriate contract for delivery in place

An Agile Response underpins our approach

We define agility as the ability to reconfigure strategy, processes, structure and people quickly toward value-creating and value-protecting opportunities. The economic

response and regeneration will be business-led with a high-level of collaboration, defined mission and a sense of urgency to assist in guiding NRDA in its roles in implementation. We are a small team which enables us to act with agility as we know that the regions that move earlier, faster and more decisively will do best out of this recovery. We recognise that this will require unprecedented collaboration by private and public sector and are committed to achieving this outcome. The successful implementation of this Sol will be an iterative process that will require constant adjustment, flexibility and timely response to changing conditions.

Phases of Economic Response and Regeneration

The onset of COVID-19 and resulting economic crisis impacts will have a significant influence on the economic environment over the coming 12 months. We are seeing three, non-linear phases emerging. The timeframes for these phases are a balance of probabilities, however, we have made assumptions for planning purposes and are prepared to adapt if circumstances change. To demonstrate the fluidity of the situation, we have amended the timeframes from the original Project Kōkiri document within the last month, due to the pace at which the country has moved through the alert levels. In making these assumptions we have also considered that different sectors will recover at varying rates. For example, food & beverage will likely be a lot quicker than tourism. The three phases we are working towards as part of this SOI are:

Phase 1: Survival and response (Now – Jan 2021)

Phase 2: Response and Recovery (Jan – Dec 2021)

Phase 3: Recovery and Regeneration (Jan 2022 onwards)

3.2. Te Taihu Intergenerational Strategy

NRDA sees the Te Taihu Intergenerational Strategy as a key piece of strategic work for the region assisting to create alignment between business, iwi and local government around the priorities for the region. Project Kōkiri gives us an opportunity to deliver on the aspiration of the Intergenerational Strategy - to be Good Ancestors (Tupuna Pono). Collectively, NRDA and Project Kōkiri's actions are guided by Te Taihu Oranga, the wellbeing framework designed by the communities of Te Taihu through the intergenerational strategy process. The vision, intergenerational outcomes and key priorities of the strategy will be at the heart of our future decision making.

The eight intergenerational outcome areas also provided the high-level strategic context for shaping the focus and application of Project Kōkiri's Response & Regeneration Plan and will guide our implementation through this Sol. The eight intergenerational outcome areas are:

- Te Ao Tūroa - Environment
- Pūtea - Economy
- Te Taihutanga - Identity
- Tangata - People & Communities
- Te Rākau Taumatua - Place

- Rangatiratanga - Leadership
- Papa Whenua - Infrastructure
- Mātauranga – Knowledge

Support for the key Pūtea related projects identified in the strategy will be considered as part of the regional competitive advantage and regeneration projects pipeline process.

Representatives of the Intergenerational Strategy governance and management are included in the Project Kōkiri leadership and action teams.

More can be found at <https://tetauihu.nz/>

3.3. Council Priorities

Nelson City Council and Tasman District Council take a regional partnership approach to economic development. Supporting the need for economic development is captured within all of the councils' joint Community Outcomes. It is particularly related to:

1. Providing leadership and fostering partnerships, a regional perspective, and community engagement; and
2. Our region is supported by an innovative and sustainable economy.

NCC and TDC recognise the unprecedented impact that COVID-19 has had, and will continue to have, on our regions people, businesses, and community. The economic impact will be long-lasting and there will not be a return to the way things were before. The Councils, alongside NRDA, the Nelson Tasman Chamber of Commerce, Iwi and other stakeholders came together to collaborate on the economic response, recovery and regeneration through Project Kōkiri.

NCC has increased it's funding this year to NRDA through Project Kōkiri in recognition of the additional resources that are needed to support businesses through this period, support people into employment and training, attract investment and people into the region, and identify opportunities for innovation, productivity and resilience improvements. Both councils will play an important role in providing economic stimulus to the region through increased investment in infrastructure and renewals.

3.4. Nelson Smart Little City

NRDA sees Nelson City's "Smart Little City" vision is a critical element to enabling the future of the region, in particular as it relates to creating a place where talent, visitors and investment want to be. This SOI has a number of key actions that will contribute to this vision, including:

1. Business and Investment Attraction
2. Stimulating Local Spending and Domestic visitation
3. Visitor Destination Management Programme

In addition to doing what we can at present to integrate the Smart Little City vision and priorities into our relevant activity areas, NRDA is looking forward to delivering on some

more targeted and tangible projects as the City Centre Development plan develops and resources for implementation become available.

3.5. Stakeholder Relationships

NRDA has a high-level of stakeholder engagement in everything we do. This was a key element in the initial response to COVID and the formation of Project Kōkiri, which now provides a strong platform for strengthening and delivering value on these relationships over the next year.

The NRDA currently measures its acceptance, recognition and legitimacy with stakeholders in the following ways:

- The level of engagement of the business community in the collaborative projects and events NRDA is involved in with over 90 in the past year such as Project Kōkiri, Tourism sector COVID response forums, NTIN, various DOC projects, Mahitahi Colab, Young Enterprise Scheme, NMIT student consulting business, Innovation Strategy, Tourism NZ, Te Tauihu Intergenerational Strategy, and a significant range of additional visitor sector groups and projects.
- The number and value of the private sector investment in our activity areas with over 100 businesses investing over \$350K in our activity programmes last year, as a result of COVID this will take a different form this year, but for example we already have over 100 companies prepared to commit products and services to the 'We've Got This' campaign.
- The number of companies engaged in our innovation programmes, which is over 300.
- The level of attendance at the various NRDA-hosted or partnered events. For example, we were humbled by in excess of 100 business people who turned up to our AGM and Mahitahi Colab First Birthday last year.
- The number of NRDA staff that are part of national economic development groups. For example our Regional Business Advisor is part of many national R&D and business support programme design and testing groups, our Visitor Destination Manager is part of many Tourism NZ groups.

3.6. Partnerships with Iwi and Māori Business

Over the past year we have worked to build on enhancing our engagement with both iwi and Māori business, however we acknowledge we still have much to do. The Chair to Chair and General Manager programme of meetings last year assisted to understand how we can better engage and collaborate with the various stakeholders in a manner that can add value. The follow-on from those initial engagements has assisted to build relationships which has been very important in the response to COVID and the development of Project Kōkiri.

The appointment of two directors with strong Māori linkages into the community has also enhanced our position to be able to proactively support future iwi and Māori business aspirations. It has also made a significant contribution to improving the understanding of

what it is we need to do to improve this engagement over time. We have a plan for continued upskilling in basic Te Reo and Tikanga over the coming year.

Over the period of this SOI we will be active in the following key Iwi and Māori Business forums:

- Economic Pou of the Regional Intersectoral Forum
- Iwi engagement in Project Kōkiri
- The regional COVID Recovery leadership group
- Where appropriate the Māori Business Network
- Where appropriate engaging with the appropriate Iwi GM's on specific or collective areas of interest
- The development of Te Tauihu Intergenerational Strategy, which has been important in assisting to build a closer working relationship with Wakatu Incorporation is assisting us to gain a better level of understanding around various Māori business initiatives, organisational needs as well as the various Iwi entities' future economic development aspirations.

We look forward to evolving this aspect of our organisation over the coming year.

3.7. Sustainability and Climate Change Responsiveness

The NRDA recognises that Climate Change is a significant risk to the future of NZ and the region's economy and that the advent of the COVID Pandemic is not reason to not take sustainability and Climate Change into account in our activities for the next year. The NRDA has taken a lead from the work completed as part of the environment pillar of Te Tauihu Intergenerational Strategy around Climate Change. This work has assisted to both improving our understanding and informing us of what considerations we should be taking into any future sustainable economic development programs or initiatives.

Project Kōkiri also recognizes this challenge and consideration of the transitions required within the current economy to a lower emissions focused economic and community base, and a focus on the future resilience of the region in response to the significant challenges presented by climate change are at the heart of the regenerative economic thinking in the plan.

Three key examples of how we will achieve this are:

- Maintaining a strong dialogue with the Nelson Tasman Businesses for Climate Change Action group.
- Facilitating a climate change transitions focused "build back better" workshop in August 2020 to guide our integration of climate change into the implementation of Project Kokiri initiatives.
- Having a climate change focused low carbon footprint ambition built into the scope of the regional visitor destination management plan.

The NRDA has sustainability at the heart of the organisation's approach to all of its activities. Sustainability is a core element that runs through all aspects of the Nelson Tasman identity. The organisation demonstrates this commitment through:

- Sustainability being a key theme of all our economic development strategy activity, noting that Climate Change is a critical future element.
- The future sustainability of the Nelson Tasman environment is a core component of the visitor destination management plan to be delivered in this SOI.
- The future sustainability of the Nelson Tasman environment is a core component of all of the visitor marketing activity we deliver.
- The NRDA as an organisation has signed-up to the national Tourism Industry Aotearoa Sustainability pledge, which has many obligations on us around meeting various sustainability requirements. We are also actively encouraging local visitor operators to join us in this commitment further strengthening the Nelson Tasman's sustainability story including hosting some events in-region to promote it to our partners.
- Sustainability forms an important part of the way in which we present our view through formal submissions on matters of importance to the sustainable economic development community.
- As part of our relocation to Mahitahi Colab we have signed-up to the NMIT recycling programme and we have a hybrid vehicle which has contributed to a reduction in our fuel consumption.
- Environmental sustainability is also a key aspect for consideration of events funding applications with applicants required to demonstrate what measures they are taking around waste reduction and sustainability.

4. Financial Information

4.1. Projected financial performance

A Prospective Statement of Comprehensive Income and Opening Statement of Financial Position is appended to this Sol (refer Appendix 1 and 2). As a result of COVID-19 we have an extraordinary year ahead and this calls for an extraordinary budget to deliver a plan to position our region to respond and rebound from the effects. Project Kōkiri has a wider mandate than the normal NRDA activity, however the project is utilising this NRDA annual Sol process to secure the required funding.

The total budget for the implementation of Project Kōkiri for the next 12 months, is \$3m, which is approx. \$700K more than NRDA's pre-COVID budget. As a result of the impact of COVID-19, the Project Kōkiri budget includes 4 additional aspects that are over and above the normal pre-COVID inclusions in an NRDA SOI. Those aspects are:

1. Support of a targeted business recovery and regeneration accelerator programme (\$200K)
2. Additional Workforce Development and labour market coordination activity (\$150K)
3. Stimulating local spending and domestic visitation activations and Visitor Destination Management (\$485K)
4. Additional stakeholder coordination, project pipeline support, comms, and insights (\$330K)

These 4 additional areas of work have a total financial impact of \$1.1m however we have managed to save and reappropriate resources so that the net impact on previous budgets is \$700K.

Compounding this extra budget, is the fact that NRDA has traditionally raised \$500k from private sector funding partners, mostly in the tourism sector. For the purposes of this budget we have assumed they will not be in a position to continue to invest this year. This initially left us with an unsecured funding amount of \$1.0m.

To address that funding gap, we have been successful in working with Central Government in securing a \$700K investment, through the Strategic Tourism Assets Fund. This funding will enable us to apply \$500K to the shortfall of funding, the additional \$200K is tagged to some extra outcomes we had not previously budgeted for. This investment enables us to apply it directly to the funding of areas (4) and (6) of the Activity Plans contained within this SOI (4. Stimulating local spending and domestic visitation; 6. Visitor Destination Management).

NCC has committed an investment of up to \$350K in addition to their current Sol investment commitment of \$980K. However NCC have indicated that their intention in providing up to \$350K was to make a \$250K investment, as part of their commitment of 50% of the Local Authority short-fall and provide up to an additional \$100K should NRDA not be successful in securing the required Central Government support. NRDA have also applied to TDC for an additional \$250K of investment to assist with the unsecured

funding shortfall and are currently working through the funding process with an expectation of knowing the outcome by the end of August 2020.

The SOI budget demonstrates an EBITDA surplus of \$2.5K and an EBIT loss of (\$80K) after depreciation assuming we achieve raising the additional \$250K of unsecured funds identified in the budgets.

4.2. Building long-term financial sustainability

Nelson City Council commissioned external consultants Martin Jenkins to perform an independent review to establish whether NRDA could improve its financial position through internal efficiencies and operating improvements, or additional funding from other sources.

Review Key Findings

Amongst the findings the review advised that there was little scope for NRDA to reduce costs given its current business model and management and staff are focused on keeping a tight control of costs. Staff oversight and monitoring of budgets appears to be professional. New financial processes and systems have been introduced. It was identified the level of local government funding in NRDA (on a per capita, per business and per ratepayer basis) is relatively low. NRDA attracts a relatively high level of private sector funding for destination marketing in comparison to peers.

Due to the impacts of COVID the private sector investment over the next 12 months will be negligible due to the strain on the visitor sector and in turn will take the next 2-3 years to build back up to pre-COVID levels.

One of the reviews key recommendations was the development of a business case for additional funding.

The current budget focuses on the next 12 months. NRDA is looking forward to having the opportunity to address long term financial sustainability of the organisation through engagement with NCC and the LTP process.

4.3. 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.

4.4. 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 2020 is \$294,976.

The projected ratio of consolidated shareholder funds to total assets at 1 July 2020 is 30%.

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.

4.5. Accounting Policies

The NRDA Accounting Policies were reviewed by the board in December 2019 following the 2018/2019 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.

4.5. Capital Expenditure and asset management intentions

Based on the business model assumption the capital expenditure estimate for 2020/2021 is \$20K. This will assist in the delivery of expected outcomes and will be primality allocated to digital assets for the Local Spend & Domestic Visitors section of the Project Kōkiri plan.

5. Health and Safety

The Nelson Regional Development Agency is committed to the provision of a healthy and safe working environment for employees and others that may be affected by its activities.

The NRDA Board will review the Health, Safety and Wellness Policy by June 2021 to ensure it reflects the current working environment. This Policy is compliant with the requirements of the Health and Safety at Work Act of 2015, which came into effect, April 2016. In addition to the statutory requirements the board has also instigated the inclusion of a number of Health, Safety and Wellness aspects into the NRDA Reward, Perform and Grow recognition framework, assisting to ensure that this is a key aspect of the NRDA culture and values.

The NRDA Management has proactively created a safe and healthy workplace by means of:

- Creating a culture that allows all staff and contractors to use their skills and knowledge to take personal ownership for health, safety and wellness in the workplace.
- Taking a personal interest in incidents within their area of influence, ensuring proper investigation and follow up, and the welfare of people involved.
- Ensuring a high priority to health, safety and wellness through its prominence in all business plans, projects, and the NRDA Reward, Perform and Grow recognition framework.
- Ensuring adequate resources and training are available to enable successful health, safety and wellness initiatives.
- Including health, safety and wellness as an agenda item at any staff and management meetings as well as reporting on a regular basis to the Board of Directors.
- Inviting solutions to any health, safety and wellness issues from staff.
- In implementing this policy, the NRDA has established a Health, Safety and Wellness committee which meets regularly, any significant outcomes of which are reported to the Board.

6. Approach to Governance

6.1. Reporting to the Shareholder

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

Quarterly – NRDA report to Shareholder

- By the 31 October and 31 January each year, the NRDA will provide the shareholder a quarterly report against the SOI Key Performance Measures and any other relevant governance or operational matters.
- This report will also be provided to TDC.

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 the 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.

Annual Economic Profile

- By the end of April each year NRDA will provide each council with an annual economic profile for the Nelson Tasman region.

In addition, the NRDA will be available to attend ad-hoc Council meetings or workshops throughout the year on an as requested basis. 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.

6.2. 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 stakeholders.
- The Chairperson and Board members are expected to adhere to the communication protocols identified in the Sol in 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 2020.

6.3. 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 impact detrimentally or bring into disrepute the Shareholders reputation.

7. Signatories:

Meg Matthews
Chairperson
Nelson Regional Development Agency



Date: 23.07.20

Mark Rawson
Chief Executive
Nelson Regional Development Agency



Date: 23.07.20

8. Appendices

8.1. Appendix 1: Summary Statement of Comprehensive Income

Revenue:	FY 2020-21	FY 2021-22	FY 2022-23
Central Government	\$1,190,000	\$490,000	\$345,000
Private Sector Investment	\$36,500	\$200,320	\$405,480
Local Body Funding	\$73,500	\$73,500	\$73,500
Project Kokiri	\$250,000	\$0	\$0
Trading Income	\$35,000	\$79,680	\$119,520
Other Income	\$2,400	\$10,620	\$10,620
Unsecured Funding	\$250,300	\$500,000	\$500,000
Core Shareholder Funding			
<i>Sol Shareholder Funding (NCC)</i>	\$909,200	\$909,200	\$909,200
<i>Sol Funding (TDC)</i>	\$303,000	\$303,000	\$303,000
Total Core Shareholder Funding	\$1,212,200	\$1,212,200	\$1,212,200
Total Revenue	\$3,049,900	\$2,566,320	\$2,666,320
Less Operating Expenses:			
Business & Innovation Support	\$606,376	\$600,750	\$603,704
Capability Building & Job Creation	\$287,297	\$207,437	\$9,947
Business Investment Attraction	\$278,047	\$320,830	\$322,704
Local Spend & Domestic Visitors	\$448,305	\$195,911	\$197,539
Visitor Destination Management	\$822,965	\$787,898	\$1,106,521
Competitive Advantage & Regeneration	\$151,104	-	-
NRDA & Project Kōkiri Mgmnt & Ops	\$453,266	\$349,372	\$358,175
Total Operating Expenses	\$3,047,360	\$2,462,198	\$2,598,590
Operating Surplus (EBITDA)	\$2,540	\$104,122	\$67,730
Depreciation/Interest	\$82,600	\$64,000	\$39,000
Operating Loss (EBT)	(\$80,060)	\$40,122	\$28,730

8.1. Appendix 2: Statement of Financial Position

Prospective Statement of Financial Position

Opening Balance as at 1 July 2020 - 1 July 2021 - 1 July 2022

<u>Assets</u>	2019-2020	2020-2021	2021-2022
Current Assets	\$819,832	\$728,759	\$781,404
Non-current Assets	\$148,235	\$89,634	\$49,634
Total Assets	\$968,067	\$818,393	\$831,038
<u>Liabilities</u>			
Current Liabilities	\$673,091	\$603,477	\$576,000
Total Liabilities	\$673,091	\$603,477	\$576,000
Net Assets	\$294,976	\$214,916	\$255,038
<u>Equity</u>			
Retained Earnings	\$94,976	\$14,916	\$55,038
Issued Capital	\$200,000	\$200,000	\$200,000
Equity	\$294,976	\$214,916	\$255,038