

NOTICE OF MEETING

Joint Shareholders' Committee

Date: Tuesday 24 August 2021

Time: 1.30 pm – 4.30 pm

**Venue: Tasman Council Chamber
189 Queen Street
Richmond**

MEMBERSHIP

Members

Tasman District Council
Mayor T King (Chair)
Deputy Mayor S Bryant
Cr B Dowler
Cr K Maling
Cr C Mackenzie
Cr D Ogilvie

Nelson City Council
Mayor R Reese
Deputy Mayor J Edgar
Cr M Courtney
Cr B McGurk
Cr G Noonan
Cr R Sanson

In Attendance:

Janine Dowding CE TDC
Mike Drummond Group
Manager Finance TDC
Christina Ewing Executive
Assistant Finance

Pat Dougherty CE NCC
Nikki Harrison Group Manager
Corporate Services NCC
Tanya Robinson Strategic
Advisor Community Services
NCC

(Quorum 6 members)

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AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 DECLARATIONS OF INTEREST

4 CONFIRMATION OF MINUTES

That the minutes of the Joint Shareholders Committee meeting held on Tuesday, 6 April 2021, be confirmed as a true and correct record of the meeting.

5 PRESENTATIONS

Nil

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6 REPORTS

6.1 TASMAN BAY HERITAGE TRUST - TRUSTEE REMUNERATION 2021-22

Report To: Joint Shareholders Committee
Meeting Date: 24 August 2021
Report Author: Tanya Robinson, Strategic Advisor Community Services
Report Number: RJSC21-08-1

1 Summary

- 1.1 Please find attached Tanya Robinson Strategic Advisor Community Services, Nelson City Council, report on the Tasman Bay Heritage Trust -Trustee Remuneration 2021-22 with supporting attachments.

2 Draft Resolution

That the Joint Shareholders' Committee:

1. Receives the report Tasman Bays Heritage Trust – Trustee Remuneration and its attachments (A2106703 and A2065956); and
2. Agrees a 1.4% increase in the Trustees' remuneration pool for the 2021/22 financial year.

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Attachments

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Item 2.4.1: Tasman Bays Heritage Trust - Trustee Remuneration 2021/22



Joint Shareholders Committee

24 August 2021

Report Title: Tasman Bays Heritage Trust - Trustee Remuneration 2021/22

Report Author: Tanya Robinson - Strategic Adviser Community Services

Report Number: R26095

1. Purpose of Report

1.1 To approve the Trustees' remuneration pool for Tasman Bays Heritage Trust for 2021/22.

2. Recommendation

That the Joint Shareholders Committee

1. ***Receives** the report Tasman Bays Heritage Trust – Trustee Remuneration (R26095) and its attachments (A2106703 and A2065956); and*
2. ***Agrees** a 1.4% increase in the Trustees' remuneration pool for the 2021/22 financial year.*

3. Background and Discussion

3.1 Tasman Bays Heritage Trust is a joint Council Controlled Organisation established in 2000 to manage and operate Nelson Provincial Museum.

3.2 Trustees are appointed by an Appointments Committee, following a process set out in the Trust Deed (Attachment 1, clauses 14 and 15).

3.3 The appointment process is underway and will be reported to the 23 November 2021 Joint Shareholders Committee, to be noted (rather than approved) in keeping with delegations and past practice.

R26095

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Item 2.4.1: Tasman Bays Heritage Trust - Trustee Remuneration 2021/22

- 3.4 The process has been delayed as the Appointments Committee identified opportunities to improve compliance with the Trust Deed, including reviewing performance and adjusting the rotation cycle.
- 3.5 This process will be completed in time for Trustee appointments to be announced immediately after the Trust Annual Meeting on 27 October 2021.
- 3.6 The remuneration pool also needs to be confirmed prior to the Annual Meeting (Attachment 2, para. 7.2). As this is scheduled for the week following the next Joint Shareholders Committee meeting, a decision now will assist with Trust planning.
- 3.7 Each year the Joint Shareholders Committee determines the total pool for remuneration of Trustees. The Trust Board then determines the allocation for individual Trustees and the Trust Chair (Attachment 1, clause 26).
- 3.8 The process for determining the remuneration pool is set out in the joint policy, Joint Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations (Attachment 2). Paragraph 7.2 states that:
- Remuneration of directors/trustees of jointly held CCOs is set in accordance with scales approved from time to time by the Joint Shareholders Committee prior to the organisation's annual general meeting.*
- 3.9 Recent practice of the Joint Committee has been to align Trustees' remuneration pool increases to the Consumer Price Index (CPI).
- 3.10 In 2020 there was no increase to the remuneration pool due to the financial pressures generated by COVID-19. In 2019 the remuneration pool was adjusted by CPI of +1.9% (annualised to December 2018), which took the pool to \$65,441.
- 3.11 It is therefore recommended to use the same calculation for the year ahead using the most recent annualised CPI measure of +1.4% to December 2020. This percentage increase is based on data published on the Statistics New Zealand website.¹
- 3.12 The total pool for the year ahead would therefore be \$66,357.
- 3.13 By way of comparison, the same calculation has been used for the forthcoming report to Nelson City Council regarding remuneration of the Bishop Suter Trust, which is a Council Controlled Organisation.

¹ <https://www.stats.govt.nz/indicators/consumers-price-index-cpi>

Item 2.4.1: Tasman Bays Heritage Trust - Trustee Remuneration 2021/22

- 3.14 An option to increase the remuneration pool by CPI for both years (annualised to December 2019 plus annualised to December 2020, CPI of +1.9% and +1.4% respectively), is also included in the table below.

4. Options

- 4.1 The Joint Shareholders Committee can approve the recommendation to increase the remuneration pool by 1.4% (annualised CPI); increase the pool by a different amount; or make no increase at all.

Option 1: Increase the Trustees' remuneration pool by Consumer Price Index (CPI) of 1.4% (preferred option)	
Advantages	<ul style="list-style-type: none"> • Increase keeps pace with inflation over the past year and helps maintain relativity. • Helps attract and retain quality applicants and Trustees into the future. • Provides a small cost saving, as does not include an increase for 2020-2021 (an additional 1.9% CPI).
Risks and Disadvantages	<ul style="list-style-type: none"> • Cost to Councils is higher than no increase at all. • Does not account for the lack of increase for 2020-2021 during COVID-19, so the amount is already tracking lower than CPI equivalent in 2019-2020.
Option 2: Increase the Trustees' remuneration pool by a different amount	
Advantages	<ul style="list-style-type: none"> • Could increase by two years CPI annualised to December 2020 to include lack of increase during 2020-2021, due to COVID-19. This would increase the total pool by 3.3% to \$67,601. • Opportunity to further maintain relativity and improve remuneration of Trustees. • Helps attract and retain quality applicants and Trustees into the future. • Could increase by a lower amount, see Option 3, Advantages, Risks and Disadvantages.
Risks and Disadvantages	<ul style="list-style-type: none"> • Cost to Councils could be viewed as out of step with similar Council-funded institutions. • A remuneration increase, or lower amount, could be viewed as inconsistent with Council officers, appointees and elected officials' remunerations.

Item 2.4.1: Tasman Bays Heritage Trust - Trustee Remuneration 2021/22

Option 3: Do not increase Trustees' remuneration pool	
Advantages	<ul style="list-style-type: none"> • Cost saving. • Given ongoing impact of COVID-19, no increase could be perceived as showing restraint.
Risks and Disadvantages	<ul style="list-style-type: none"> • Remuneration of the Trustees does not keep pace with inflation. • Remuneration loses relativity with other similar roles. • Potentially makes it harder to attract and retain quality applicants and Trustees into the future.

<p>5. Important considerations for decision making</p>
<p>5.1 Fit with Purpose of Local Government</p> <p>The Tasman Bays Heritage Trust is a Council Controlled Organisation as identified in LGA 2002 s.6.</p> <p>The process for Trustee remuneration complies with the process set out in the Councils' joint policy and the Trust's Deed.</p> <p>Remunerating Trustees of Council Controlled Organisations supports the provision of good quality local infrastructure.</p>
<p>5.2 Consistency with Community Outcomes and Council Policy</p> <p>The Trust contributes to the outcomes identified by both Councils.</p> <p>Nelson City Council:</p> <ul style="list-style-type: none"> - Our communities have opportunities to celebrate and explore their heritage, identity and creativity - Our communities have access to a range of social, educational and recreational facilities and activities <p>Tasman District Council:</p> <ul style="list-style-type: none"> - Our communities have access to a range of social, cultural, educational and recreational facilities and activities. - Our communities have opportunities to celebrate and explore their heritage, identity and creativity.

Item 2.4.1: Tasman Bays Heritage Trust - Trustee Remuneration 2021/22

<p>- Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement.</p>
<p>5.3 Risk</p> <p>The risk for approving the remuneration increase of 1.4% is low as the increase matches the annualised CPI index calculated by Statistics New Zealand, using data from the year to 31 December 2020, and funds allocated in both Council's Long Term Plans.</p> <p>There is moderate risk of difficulty attracting and retaining suitable Trustees if remuneration increases do not match CPI increases.</p>
<p>5.4 Financial impact</p> <p>The operation of the Museum is a budgeted activity for both Councils.</p> <p>The financial impact can be regarded as low, as the recommended remuneration increase is moderate, matches the annualised CPI index and allocations in both Council's Long Term Plans; and does not include additional increases for any other purpose.</p>
<p>5.5 Degree of significance and level of engagement</p> <p>This matter is of low significance because it is part of a recurrent cycle of appointments and complies with the process set out in joint policy and the Trust's Deed. There is no identified need for engagement.</p>
<p>5.6 Climate Impact</p> <p>Appointment of Trustees will support expectations, as performance measures for the Trust include progress to address climate response.</p>
<p>5.7 Inclusion of Māori in the decision making process</p> <p>Iwi are represented on the Trust Board and the Appointments Committee.</p>
<p>5.8 Delegations</p> <p>The Joint Shareholders Committee has the responsibility for:</p> <p><i>Areas of Responsibility:</i></p> <ul style="list-style-type: none"> • <i>All matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading Organisations, including statements of intent, statements of corporate intent, half yearly reports, the appointment of directors and setting of directors' fees.</i> <p><i>Powers to Decide:</i></p>

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- *All matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading Organisations, including statements of intent, statements of corporate intent, half yearly reports, the appointment of directors and setting of directors' fees.*

6. Conclusion and Next Steps

- 6.1 The Trust Chair will be informed of the decisions made, in preparation for the Annual General Meeting, scheduled for 21 October 2021.

Author: Tanya Robinson, Strategic Adviser Community Services

Attachments

- Attachment 1: A2106703 - Tasman Bays Heritage Trust - Deed of Trust - 22Jun2000 signed.pdf
- Attachment 2: A2065956 - Joint Appointment of Directors_Trustees of CCOs and CCTOs Policy - approved by Joint Shareholder Committee - Nov2018.docx

Date

Parties

NELSON CITY COUNCIL
TASMAN DISTRICT COUNCIL
JOSEPH MARTIN RUDHALL
ROBERT GORDON DICKINSON

TASMAN BAYS HERITAGE
TRUST

DEED OF TRUST

This **DEED** is made the 22nd day of June 2000.
Between THE NELSON CITY COUNCIL and THE TASMAN DISTRICT COUNCIL, local authorities constituted pursuant to the Local Government Act 1974, as settlors ("the Councils")
And JOSEPH MARTIN RUDHALL of Nelson, Chief Executive and ROBERT GORDON DICKINSON of Richmond, Chief Executive "the Trustees".

BACKGROUND

- a. The Councils wish to establish a Trust for charitable purposes to be registered under the Charitable Trusts Act 1957 and to be known as "The Tasman Bays Heritage Trust" ("the Trust").
- b. It is intended that the Trust manage and operate the Nelson Provincial Museum ("the Museum") and any other assets or collections that are acquired or operated by the Trust, or which by agreement with the Councils the Trust agrees to manage or operate on behalf of the Councils.
- c. The Trustees have agreed to act as Trustees of the Trust.
- d. This Deed is being completed by the Councils and the Trustees for the purpose of constituting the Trust, specifying its objects and providing for its control, governance and regulation.
- e. It is intended that the Trust serves the community and its development by providing vision, leadership and support for the acquisition, care, research, communication, and exhibition of the material evidence and related information of the people of Nelson and Tasman for the purpose of study, education and enjoyment.

1. ACKNOWLEDGEMENT OF TRUST AND INITIAL SETTLEMENT

- 1.1 The Councils hereby settle a sum of \$10 on the Trustees as an initial settlement on the Trust.
- 1.2 The Trustees acknowledge that the Trustees will hold the Trust assets and collections on trust for the purposes and with the powers set out in this Deed.

2. NAME OF TRUST

The charitable trust established by this deed will be known as the **Tasman Bays Heritage Trust**:

3. AIMS OF THE TRUST

The aim of the Trust shall be to foster, promote and celebrate a sense of history and awareness of the importance of the region's heritage and identity and the relationship of the Tangata Whenua to their taonga.

4. ESTABLISHMENT OF THE TRUST

- 4.1 The Trust shall comprise all Trust assets and collections from time to time acquired or held by the Trustees under this Deed including the income arising therefrom, and all monies bequeathed or donated to the Trust.
- 4.2 The Trust assets and collections shall be held on trust by the Trustees and shall be managed and administered on the terms contained in this Deed and any funding deed or document entered into with the Councils.
- 4.3 The Trust shall commence on the date of this Deed and shall continue until wound up in accordance with Clause 35.

5. TREATY OF WAITANGI

The Trust and the Trustees will abide by the Preamble and Articles of the Treaty of Waitangi and be guided by the recommendations of the Waitangi Tribunal in any negotiations or discussions between the Trust and Tangata Whenua.

6. OBJECT OF THE TRUST

- 6.1 The objects for which the Trust is established shall be:
- (a) to manage and operate the Museum in accordance with the Strategic Plan as set from time to time in accordance with clause 29, to manage the Trust assets and facilities, and acquire and manage the collections and to operate them for the benefit of the residents of the region and the public generally, in accordance with that Strategic Plan;
 - (b) To recognise the special nature of the history of the region and the role of Tangata whenua as kaitiaki of taonga Maori and their special contribution to the heritage and identity of the region;
 - (c) to foster effective participation with the community on heritage matters;
 - (d) to collaborate with other museums and facilities within the region to maximise community input to heritage issues;
 - (e) to provide services which relate to the education of the residents of the Nelson and Tasman regions and the wider community generally, relating to the region's past history and heritage issues relating to the present time;
 - (f) to consult with and seek input from the community generally by whatever manner the Trustees deem appropriate to enable the services provided by the Trust and the Museum to be in accordance with the wishes of the community;
 - (g) to support the strategic directions and policies of the Councils in relation to heritage issues and to enhance the special character of the region by protecting and celebrating its heritage and the vision of the regions as a destination for cultural tourism.
 - (h) to establish exhibition programmes and education policies for the Trust facilities Museum programmes and services and to determine charges for viewing or using any of the Trust facilities, the
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collections, or the Trust assets with a view to maximising public utilisation of the Trust facilities and services;

- (i) to develop Acquisition, Deaccession and Collection Development policies for the Trust; to provide all financial, administration, marketing, technology and other services required for the Trust facilities;
- (k) to acquire land and other assets where such land or other assets can be used in conjunction with the Trust facilities or to promote the aims and objectives of the Trust;
- (l) to ensure that all facilities are managed effectively and in particular to be a good employer;
- (m) to comply with all relevant legislation and regulations and, where practicable, observe and support all international conventions and treaties as they relate to museums and items held by museums;
- (n) to develop and maintain partnership programmes with other Museums;
- (o) to protect and manage for the benefit of the Museum all intellectual property, including trademarks, copyright and any reproduction rights;
- (p) generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the object and aims of the Trust set out above.

7. POWERS OF THE TRUST

Subject to the provisions of this Deed and in particular Clauses 8 and 10 and any provisions as to specific resolutions required, the Trustees shall have all powers over and in respect of the Trust, the Trust assets and collections which they could exercise if they were the absolute and beneficial owners of the Trust assets subject to the limitations provided for in this Deed with regard to collections. In particular, the Trustees shall have full and absolute power to do the following:

- (a) to retain any property forming part of the Trust assets for so long as they think fit;
- (b) subject in the case of real or personal property to sub-clause (x) to sell, call-in and convert into money or other property the whole or any part of the Trust assets at such time in such manner and upon such terms as they think fit;
- (c) to accumulate the income and receipts of the Trust or the resulting income from the Trust or both from time to time;
- (d) exchange any property forming part of the Trust assets for other property authorised by this Deed or otherwise by law;
- (e) to set apart any portion of the Trust assets or collections as a sub-trust, a special endowment or for a special purpose or under any special or distinguishing name for such a term and upon such conditions as may by law

be allowed and to apply each such portion together with any accretions to it for the endowment or other purpose for which the same was set aside or for any other purpose authorised by this Deed;

- (f) to pay, the premiums on any policies of insurance or assurance or on any indemnities or commitments taken out or acquired by the Trustees out of either income or capital, and to surrender any such policy or policies, convert the same into fully paid up policies and to accept a new policy or policies in lieu of any policy and to agree with the insurer on any variation of the terms of any policy;
- (g) to pay all insurance premiums, rates, taxes, rents and other outgoings in connection with any assets subject to the Trusts of this Deed and to manage those assets and effect such repairs to such assets as the Trustees may consider necessary, desirable or advisable and where the Trustees are unable to charge such expenditure against income the Trustees may resort to capital;
- (h) to apply any monies for the time being forming part of the Trust in improving or developing or subdividing any property for the time subject to the Trusts of this Deed;
- (i) without in any way limiting the generality of paragraph (h) of this clause to add to any building or erections and to do any act in connection with any property which the Trustees consider will increase the value of it, whether or not the Trustees would apart from this Deed be empowered to do such act, including, but not by way of limitation, the power to enter into leases, tenancy agreements, party wall agreements, easements or profits a prendre, on such terms as the Trustees think fit;
- (j) to grant leases or licences for all or any part of any property for the time being subject to the Trusts of this Deed for any period upon such terms and conditions and for such rent as the Trustees think fit and make allowances to and with tenants and others and accept surrenders and waive breaches of covenants and determine tenancies and licences and raise out of the capital or income of the Assets any sum from time to time required for the exercise of any of the powers and discretions contained in this Deed, and generally to deal with the property in a proper manner and in due course of management as if the Trustees were beneficially entitled to it;
- (k) to exercise any voting powers attaching to any shares, stock, debentures, debenture stock, bonds, notes, options or other securities ("securities") at any time forming part of the Trust assets and to appoint directors in any company in which the Trustees hold securities forming part of the Trust assets;
- (l) to consent to any reorganisation or reconstruction of any company the securities of which form part of the Trust assets and to consent to any increase or reduction of capital or other dealing with such securities;
- (m) to employ and remunerate any financial adviser, lawyer, accountant, valuer, surveyor, auctioneer, kaumatua or cultural adviser, or other expert or professional person or other personnel or entity to advise on or carry out all or any of the trusts and powers contained in this Deed and to act upon any opinion or advice or information obtained from such person AND the Trustees shall, except in the case of the Trustees' dishonesty or wilful and knowing breach of trust, not be responsible for any loss caused by acting or not acting in accordance with such opinion or advice or information;

- (n) to set aside out of the capital or income of the Trust assets from time to time any sum of money to meet any debt or obligation due or accruing due;
 - (o) to raise or borrow money either bearing or free of interest from any person and to secure the repayment of money so borrowed and any interest on it by mortgage or charge over all or any of the Trust assets and to apply such money for any of the purposes for which either the income, receipts or the capital of the Trust assets are for the time being applicable under this Deed including the investment of money in any manner, and no lender shall be concerned to enquire as to whether the necessity for any such borrowing has arisen or as to the purpose for which it is required or as to the application of the money borrowed;
 - (p) Subject to Clause 8.1, to enter into any contract of indemnity or act as surety or give any guarantee and to give any security in support, provided that any such contract, guarantee or security given must relate to the Trust's objects;
 - (q) to enter (either directly or through an intermediary) into any arrangement with any person, organisation, or government (referred to in this paragraph as "the other party") whereby the Trustees undertake to make payments to, or to the account of, the Trustees in the same or any other currency, including where beneficial to the Trust entering into forward rate arrangements, to give certainty in respect of any future payments to be made in foreign currency and provided that all such arrangements promote and further or carry out the objects of the Trust;
 - (r) to open and maintain bank accounts and to decide who shall be the signatories to such accounts;
 - (s) to apply the whole or any part of the Trust assets in and towards the payment of any liabilities incurred by the Trustees under this Deed or in and towards the repayment of any monies owing as unpaid purchase money or on mortgage of any of the assets of the Trust or otherwise owing or in the payment of interest or other charges properly payable in respect of such liabilities, unpaid purchase monies, mortgages or monies otherwise owing;
 - (t) to advertise the existence and objects of the Trust;
 - (u) to purchase, lease take as gift or otherwise howsoever acquire and hold land and buildings.
 - (v) to purchase, take as gift or on loan or otherwise howsoever to acquire chattels of any kind.
 - (w) to lease, let or grant the use of land and/or buildings or parts thereof held by the Trust for any lawful purpose in furtherance of the aims and objects of the Trust and apply the rents commission or other payment whatsoever accruing to the objects of the Trust.
 - (x) with the written approval of the Councils, to sell, demolish or otherwise dispose of any real or personal property vested in the Trust but only in furtherance of the objects of the Trusts;
 - (y) to enter into any arrangement with Tangata Whenua, any government body or local authority that may seem conducive to the Trust's objects or any of them and to obtain from Tangata Whenua or any such government body or
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authority any rights, privileges and concessions which the Trustees may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;

- (z) to acquire, hire, operate and maintain any means of transportation whether of persons or of goods or both that the Trustees may deem necessary or desirable for the carrying out of the objects of the Trust or any of them and to make such charges for the use thereof as the Trustees shall deem reasonable;
- (aa) to lend money to any person, body or society whether incorporated or not on such terms as the Trustees may think fit and to guarantee the performance of contracts by any such persons, but only in furtherance of the objects of the Trust and in respect of any loan made to effect a charitable purpose the Trustees may lend money interest free or at a nominal rate of interest or at a rate that is less than at market rate;
- (bb) to enter into any agreement or lease with any local authority or company or enterprise owned by or controlled by a local authority regarding the use or occupation of any equipment or land owned or under the control of the Trust;
- (cc) generally to do all such other lawful acts and things incidental or conducive to the attainment of the objects or purposes of the Trust and to pay any expenses incurred as a result from the Trust assets.

8. RESTRICTION ON EXERCISE OF TRUSTEES' POWERS

8.1 The Trustees shall obtain the written consent of the Councils prior to their exercise of any power to:

- (a) sell, acquire or lease any land, buildings or to terminate any lease of any land or buildings;
- (b) borrow any money or give any guarantee;
- (c) give any security over any of the Trust assets;
- (d) enter into any contract of indemnity or act as surety;
- (e) undertake any expenditure on any property owned or leased by the Trust where the total projected cost exceeds 20% of the capital value of the Trust.

8.2 Trustees may not enter into a major transaction unless the major transaction is:

- (a) authorised by a Special Resolution; or
- (b) contingent upon the passing of a special resolution.

8.3 Trustees may not in any way deal with any collection or part of any collection contrary to any policy established in accordance with clause 11.

9. POWER TO EMPLOY

The Trust shall have power to employ any person and to enter into contracts of employment or service with any persons, body or society whether incorporated or not, and to pay remuneration for services rendered as the Trustees may think fit.

10. PROHIBITION ON BENEFIT OR ADVANTAGE

- 10.1 No trustee or person associated with a trustee of the trust shall derive any income, benefit or advantage from the trust except where that income, benefit or advantage is derived from:
- (a) professional services to the trust rendered in the course of normal or usual business; or
 - (b) interest on money lent by such person to the trust at no greater rate than current market rates.
- 10.2 The provision and effect of this clause shall not be removed from this document and shall be included and implied into any document replacing this document.

11. COLLECTIONS

- 11.1 The collections and assets of the Museum shall be vested in the Trust, subject to any special provision or conditions attaching to collections and stated at the time of acquisition of any collection.
- 11.2 All collections, assets or acquisitions of any kind which are acquired by the Trust after the date of the signing of this Deed shall be held by the Trust, in accordance with any terms and conditions stated by grantees or donors at the time of acquisition as applying to those collections.
- 11.3 The Trustees shall as far as is practical clearly identify the origin of all collections held by it, or transferred to it, and where any item or collection has been loaned to the Trust, shall keep a clear record of ownership of that collection and record in writing the terms and conditions upon which the collection is to be either held by the Trust or displayed.
- 11.4 The Trustees shall, in consultation with the Councils and Tangata Whenua, formulate acquisition, deaccession and collection development policies in respect of all the collections held by the Trust such policies to be approved by special resolution.
- 11.5 Where such policies already exist as policies of the Museum they are to be ratified, or amended or discontinued by special resolution.
- 11.6 The disposal of any item or part of any collection shall only be in accordance with the approved acquisition, deaccession and collection development policies.
- 11.7 Where appropriate taking into account the value of any item or collection, and the cost of insurance and/or replacement of any collection, the Trustees shall use their reasonable endeavours (but shall not be obligated) to insure all or any collection, and shall advise Councils and Tangata Whenua in respect of any collection or item forming part of any collection that they will not or cannot insure.

12. BOARD OF TRUSTEES/POARI MATUA

- 12.1 There shall be established a Board of Trustees/Poari Matua ("the Trustees") to manage the Trust.
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- 12.2 Subject to the provisions of clauses 13.1 to 13.3 inclusive except for the period during which the Initial Trustees hold office as Trustees, there shall be no more than 7 nor fewer than 5 Trustees. The initial Trustees shall be the signatories to this Deed.
- 12.3 If at any time the number of Trustees falls below the minimum number provided for in this clause, the Appointments Committee will procure the number of Trustees to be increased to such minimum number as soon as reasonably practical.
- 12.4 Notwithstanding anything to the contrary in this Deed, all acts and decisions of the remaining Trustees or Trustee in relation to the Trust pending the increase in the number of the Trustees will be valid and binding on all persons.

13. INITIAL TRUSTEES

- 13.1 The Chief Executive Officers of the Councils, namely Joseph Martin Rudhall and Robert Gordon Dickinson, shall be the initial trustees and signatories to this Trust Deed.
- 13.2 The initial Trustees shall immediately upon the signing of this Deed of Trust take the necessary steps to establish the Appointments Committee to be established pursuant to clause 14.1(a), and once the Appointments Committee has been established shall provide such administrative and other support as that Committee may require to enable the appointment of Trustees pursuant to clause 14.
- 13.3 Once all the Trustees have been appointed pursuant to clause 14 the initial Trustees shall cease to hold office.

14. APPOINTMENT OF TRUSTEES/KAIWHAKAHAERE

- 14.1 Trustees shall be appointed as follows:
- (a) An Appointments Committee comprising two representatives appointed by the Nelson City Council, two representatives appointed by the Tasman District Council and two representatives appointed by the Tangata Whenua, each of whom shall be appointed to the Appointments Committee by resolution of the respective Council or the Tangata Whenua, shall be established,
 - (b) The Appointments Committee shall seek nominations of persons for consideration as Trustees of the Tasman Bays Heritage Trust from the public and shall prior to the election process taking place, advertise within the local newspapers calling for nominations for Trustees of the Tasman Bay Heritage Trust.
 - (c) The Appointments Committee shall appoint Trustees from the list of persons nominated and in making any appointment shall take into account the following criteria:
 1. Trustees should be interested in and able to promote the objectives of the Tasman Bay Heritage Trust.
 2. Trustees should be persons known in the communities for their respective business acumen, competence in financial

stewardship, or expertise and knowledge in heritage matters and issues.

3. Trustees should be familiar with and have or be willing and able to gain an appreciation of heritage issues, education, tourism and regional development issues, promotional interests and iwi perspective and a cultural awareness especially of issues relating to Maori taonga.

- 14.2 All persons appointed as Trustees shall hold office in accordance with Clause 16 until the Annual Meeting which takes place on the expiry of any Trustee's term of office or immediately after the expiry of that term.

15. PROCEEDINGS AND FUNCTIONS OF APPOINTMENTS COMMITTEE

- 15.1 The functions of the Appointments Committee are:
- (i) the appointment of Trustees (clauses 14.1 and 18)
 - (ii) the filling of vacancies in Trustees (clause 17)
 - (iii) the removal of Trustees (clause 18)
- 15.2 The Appointments Committee shall meet as and when necessary for the purpose of carrying out its functions.
- 15.3 A meeting of the Appointments Committee may be called by any member of the Committee on 7 days written notice to the other members of the Committee.
- 15.4 At each meeting of the Appointments Committee those present shall elect a Chairperson who, in the case of an equality of votes, shall have a casting vote as well as a deliberative vote.
- 15.5 Other than as provided in this Deed the Appointments Committee shall determine its own procedures.
- 15.6 At any meeting of the Appointments Committee 4 members shall form a quorum.
- 15.7 Every question before the Appointments Committee shall be decided by a majority of votes but the Councils express hope that all matters will be decided by consensus of the members.

16. ROTATION OF TRUSTEES

- 16.1 At the conclusion of each Annual Meeting of the Trust one third of the Trustees for the time being (or if their number is not a multiple of three then the number nearest to one third) shall retire from office. A retiring Trustee shall be eligible for reappointment as a Trustee. The Trustees who so retire shall be those Trustees who have been longest in office since their last appointment or reappointment. As between persons who became Trustees on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.
- 16.2 Trustees to fill the vacancies arising pursuant to clause 16 shall be appointed in accordance with clause 14 provided that where the Appointments Committee is satisfied that a Trustee retiring pursuant to ~~Clause 16.1 continues to meet the criteria in Clause 14.1 (c), and is likely to~~ be the best candidate for appointment, then the calling for nominations and advertising as required by Clause 14 (b) shall not be required to fill the vacancy in respect of which the retiring Trustee seeks reappointment

17. TERMINATION OF APPOINTMENT OF TRUSTEES

Notwithstanding anything to the contrary contained in this Deed a Trustee will cease

to hold office if:

- (a) the Trustee resigns from office;
- (b) the Trustee becomes bankrupt or insolvent;
- (c) the Trustee is convicted of any indictable offence;
- (d) the Trustee becomes of unsound mind;
- (e) the Trustee dies;
- (f) the Trustee is removed in accordance with clause 18;
- (g) the Trustee is removed from office by a court of competent jurisdiction.
- (h) the Trustee fails to attend 3 consecutive meetings unless the failure to attend those meetings is excused (whether before the meeting or after) at a meeting of the Trustees.

18. REMOVAL OF TRUSTEES

The Appointments Committee shall have power:

- (a) at any time to remove by notice in writing any Trustee and to appoint a Trustee in his or her place;
- (b) subject to Clause 12.2 to appoint at any time an additional Trustee;

provided that the Appointments Committee shall not act to remove any Trustee or to appoint a replacement Trustee or appoint any additional Trustee without first consulting with the remaining Trustees.

19. PROCEEDINGS OF TRUSTEES

19.1 Election of Chairperson

The Trustees shall at their first meeting, and thereafter at each Annual Meeting of the Trust elect from one of their number a Chairperson, and if they so desire a Deputy Chairperson.

19.2 Chairperson to Preside

The Chairperson or in his/her absence the Deputy Chairperson (if there is one) will preside over meetings of the Trustees, but if at any meeting the Chairperson or Deputy Chairperson is not present within five minutes after the time appointed for holding the meeting, the Trustees present may choose one of their number to be Chairperson of the meeting.

19.3 Rules of Proceedings

Subject to any provisions in this Deed to the contrary, the Trustees will dispatch business and regulate their decision making as they think fit but shall observe the following rules of proceedings:

(a) Majority Vote

Questions arising at any meeting of the Trustees will be decided by a majority decision provided that in the event of an equality of votes, the Chairperson shall have a casting vote.

(b) Notice of Meetings

Trustees shall be given notice of all meetings by phone, fax or letter, provided that it will not be necessary to give notice of a meeting of the Trustees to any Trustee for the time being absent from New Zealand.

(c) Quorum

The quorum necessary for the transaction of the business of the Trustees will be a majority of the Trustees. If at any meeting no quorum is present the meeting shall be adjourned for one week and the Trustees attending the adjourned meeting shall constitute a quorum.

(d) Frequency of Meetings

The Trustees shall meet as necessary to conduct the business of the Trust but shall meet not less than once every three months. One of such meetings, to be held not more than one month after the end of each Financial Year, shall be designated as the Annual Meeting of the Trust. Meetings of Trustees shall be convened by the Chairperson at such place or time as the Chairperson or in his/her absence the Deputy Chairperson may determine.

(e) Written Resolutions

A resolution in writing signed by all of the Trustees entitled to receive notice of a meeting of the Trustees will be as valid and effectual as if it had been passed at a meeting of the Trustees duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more Trustees.

(f) Copies of all resolutions of Trustees passed without notice to a Trustee who is overseas shall as soon as practicable after the passing of the resolutions be sent to the last known address of such absent Trustee.

(g) Meetings to be Open to the Public

Trustees shall conduct their meetings and deliberations in public, but may exclude the public for the reasons permitting the exclusion of the public under the Local Government Official Information and Meetings Act, 1987.

(h) Minutes

The Trustees will cause to be kept full and proper minutes of their decision making process and resolutions.

20. APPOINTMENT OF ADVISORY COMMITTEES

- 20.1 An Advisory Committee may be established as the Trustees see fit for the Trust or for any specific part of the Trust, properties, or collections or programmes. Any such Committee may be disestablished by the Trustees at anytime.
- 20.2 Trustees will negotiate with Tangata Whenua, the relationship with any such committee advising on Tangata Whenua issues.
- 20.3 Each Advisory Committee shall comprise such persons including any Trustees as the Trustees may appoint, and shall provide recommendations and information to the Trustees in respect of the matter for which the Advisory Committee was established.
- 20.4 The Trustees shall carefully consider any advice or recommendations submitted by the Advisory Committee, and whether that advice or those recommendations should be incorporated into any decision made by the Trust, provided that the Trustees shall not be bound to accept any advice or recommendations made.
- 20.5 Time spent by any Trustees serving on an Advisory Committee shall not be deemed as service to the Trust for remuneration purposes.

21. MEETINGS BY WAY OF ELECTRONIC COMMUNICATION

- 21.1 The contemporaneous linking together by telephone or other means of communication of a number of Trustees being not less than the quorum (whether or not any one or more of the Trustees is out of New Zealand) shall be deemed to constitute a meeting of Trustees and all the provisions of this Deed in respect of such meetings shall apply, so long as the following conditions are met:
- (a) All the Trustees for the time being entitled to receive notice of a meeting of the Trustees shall be entitled to notice of the meeting by telephone or other means of communication and to be linked by telephone or other means for the purpose of such meeting :and shall have received two working days notice prior to such meeting.
 - (b) Each Trustee taking part in a meeting by telephone or other means of communication must throughout the meeting be able to hear each of the Trustees taking part in the meeting.
 - (c) At the commencement of the meeting each Trustee must identify himself/herself to each other Trustees and must acknowledge the Trustees presence for the purpose of the meeting to all other Trustees taking part.

22. FINANCIAL ADVISER

- 22.1 The Councils may at any time and from time to time appoint a person of their choice as a Financial Adviser to the Trust ("The Financial Adviser").
- 22.2 The Financial Adviser shall be given access to all accounts, record and information as he or she may require to oversee the financial management of the Trust.
-

- 22.3 The Financial Adviser may from time to time:
- a. inquire into the financial management of the Trust
 - b. report to the Trustees and/or the Councils (with or without recommendations) on any matter which he or she thinks appropriate in relation to the financial management of the Trust.
- 22.4 The Trustees shall consult with the Financial Adviser in respect of any report made to the Trust and shall have regard to the contents of any such report including any recommendations made in such report.
- 22.5 The costs and expenses of the Financial Adviser shall be borne by the Councils.
- 22.6 The Financial Adviser shall be entitled to attend any meeting of the Trustees and to participate in any meeting but shall not be entitled to vote on any matter arising at the meeting. For that purpose the Financial Adviser shall be given all information, material and notices as if he or she were a trustee.

23. ALTERNATE TRUSTEES

- 23.1 Where the Appointments Committee has appointed any person as a Trustee, the Appointments Committee may appoint (but shall not be obliged to appoint) a person to act as an alternate Trustee for any Trustee so appointed during any period when that Trustee is absent from New Zealand or is otherwise unable to attend any meeting of Trustees.
- 23.2 Each person appointed as an alternate Trustee shall:
- (a) Have all the rights, power and obligations of the Trustee for whom the alternate Trustee is acting.
 - (b) Automatically be entitled to act as an alternate Trustee for any Trustee or Trustees from time to time during any periods of absence until such time as the alternate Trustees appointment is cancelled.
- 23.3 The Appointments Committee may from time to time revoke the appointment of any person appointed to act as alternate Trustee by notice in writing to the Chairperson and may appoint any other person as an alternate Trustee.
- 23.4 Each alternate Trustee shall be entitled to receive copies of all notices of meetings, Trustees minutes and other written information forwarded to Trustees.

24. INTEREST OF TRUSTEES

- 24.1 Any Trustee of the Trust may contract and have dealings with the Trust in respect of the Trust assets, whether as purchaser, vendor, lessor, lessee, licensor, licensee, manager, employee or otherwise howsoever, provided that if any Trustee of the Trust or any other person (whether that person and the Trustee are associated persons as defined in the Income Tax Act 1976), either personally or by virtue of being a director or shareholder of any company or as Trustee of any other Trust:
- (a) is in any way interested in any contract or dealing with the Trust; or
-

- (b) shall have an interest or duty in any particular matter or matters which shall conflict with the duty of the Trustee or the terms of the Trust herein;

then such Trustee must prior to any relevant discussion declare his or her interest in the matter and he or she shall not be entitled to participate or vote in any consideration of it by the Trustees.

- 24.2 Where any matter in which a Trustee or Trustees have a personal interest is being considered then that Trustee or Trustees shall declare that interest prior to any discussions or decision being made.

25. EXECUTION OF DOCUMENTS

- 25.1 All documents shall be executed in accordance with Section 19 of the Charitable Trusts Act 1957.

26. TRUSTEES' REMUNERATION AND EXPENSES

- 26.1 The Trustees may with the prior approval of the Councils resolve to pay themselves or any of them an annual remuneration for their services as Trustees provided that such remuneration shall not exceed reasonable reimbursement for services actually rendered or out of pocket expenses incurred by the Trustees in relation to their obligations under this Deed.

27. ACCOUNTS AND AUDIT

- 27.1 The Trustees will cause true and full records to be kept in accordance with proper accounting practices of all their receipts, credits, payments and liabilities and all other matters necessary for showing the true state and condition of the Trust and its assets.
- 27.2 The annual accounts of the Trust will be prepared by a Chartered Accountant appointed by the Trustees and will be audited at least once a year by an auditor appointed by the Trustees.
- 27.3 The books of account will be kept at the Trustees' office or at such other place as the Trustees think fit and will always be open to the inspection of the Trustees.

28. ANNUAL MEETING AND REPORTING

- 28.1 Once each year the Trustees shall call a meeting of the Trustees with the Councils and Tangata Whenua at which the Trustees shall provide and report in respect of the following:
 - (a) The annual accounts and the audit.
 - (b) Compliance with the Strategic Plan and the Aims and Objectives of the Trust.
 - (c) Compliance with the terms and conditions upon which any collection is held.
-

- (d) Compliance with any accessioning policy.
 - (e) The disposal of any item or part of any collection in accordance with the approved Deaccessioning Policy.
- 28.2 The Trustees shall prepare and submit to the Council such accounting and other information concerning the Trust as the Councils may require to fulfil their own obligations under the Local Government Act 1974.
- 28.3 The Councils and Tangata Whenua may ask the Trustees to report to them at any time but only in respect of such other matters as may reasonably be required by the Councils or Tangata Whenua to fulfill or comply with any statutory obligation.

29. STRATEGIC PLAN

- 29.1 The Trustees shall within the first 12 months from the date of this Deed develop and complete a Strategic Plan to give effect to the Aims and Objectives of the Trust Deed and the acquisition, deaccession and collection development policies. That Strategic Plan shall be submitted to the Councils and Tangata Whenua in draft form not less than three months prior to the end of the financial year and the Councils and Tangata Whenua shall be invited to submit comments in respect of that Strategic Plan which shall be had regard to by the Trustees in finalising that Plan.
- 29.2 The Strategic Plan shall be reviewed once each year no later than the end of the financial year and the Councils and Tangata Whenua shall be given the opportunity to comment each year in respect of the Trust's Strategic Plan.

30. TRUSTEES INDEMNITY AND LIABILITY

- 30.1 The Trustees shall not be liable for:
- (a) any losses or liabilities except losses or liabilities arising from their own dishonesty, wilful default or wilful breach of trust; or
 - (b) any act or acts or attempted act done in exercise of or pursuant to any trust, power or discretion vested in them by this Deed; or
 - (c) any omission or omissions or non-exercise in respect of any trust, power or discretion of the Trustees under this Deed.
- 30.2 The Trustees and every other person acting on behalf of the Trustees shall be indemnified out of the Trust Assets against all liabilities and expenses incurred by them in the exercise or attempted exercise of the trusts, powers and discretions vested in the Trustees pursuant to this Deed and in respect of any matter or thing done or omitted to be done in any way relating to this Deed and the Trust. This indemnity shall extend to any payments made to any Person whom the Trustees bona fide believe to be entitled thereto though it may be subsequently found that the person was not in fact so entitled. The Trustee shall have a lien or charge on the Trust Assets and may retain and pay out of any moneys in the Trust all sums and amounts necessary to give effect to this indemnity.
- 30.3 The liability of the Trustees in connection with this Deed or at law shall at all times be limited to the Trust Assets.

- 30.4 No Trustee shall be subject to any greater standard of care, diligence and skill in executing the trusts of this Deed by virtue of that Trustee's professional employment or business. In particular, although the Trustees will from time to time include persons whose professions, employment or business is, or includes acting as a trustee or investing money on behalf of others, the care, diligence and skill to be exercised by the Trustees shall be the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.
- 30.5 Each Trustee is indemnified by the Councils for any loss, liability or expense suffered or incurred by a Trustee where:
- (a) the loss liability or expense is properly suffered or incurred by the Trustee in carrying out the Trusts of the Deed, and is not due to any breach by the Trustee of their obligations under this Deed, or otherwise as Trustee (and shall include a liability or expense suffered or incurred by the Trustee in defending an action against the Trustee in good faith, other than an action for breach of trust under Clause 8.1 and 8.2 of this Deed, which is unsuccessfully defended); and
 - (b) the Trust Assets are insufficient to cover the liability or expense; and
 - (c) any Trustees' insurance effected by the Trustees is insufficient to cover the liability or expense (and in that case to the extent of the insufficiency of cover); and
 - (d) the Councils are satisfied on reasonable grounds that the Trustees (or any of them) have made reasonable efforts to minimise that liability or expense.
- 30.6 The Trustees will notify the Councils immediately they become aware of any contingent liability or expense or loss for which indemnity may be sought under Clause 30.5 and act in accordance with any reasonable directions of the Councils.

31. DELEGATION BY TRUSTEES

- 31.1 The Trustees shall have, to the extent permitted by law, full power to delegate to any officers or employees of the Trustees or to any attorney, agent or other person nominated or appointed by the Trustees, all or any of the powers, authorities and discretions exercisable by the Trustees under this Deed, but without in any way releasing the Trustees from their obligations under this Deed. Without in any way affecting the generality of the foregoing the Trustees may in exercising this power of delegation:
- (a) by power of attorney appoint any person to be the attorney or agent of the Trustees for such purposes and with such powers, authorities or discretions as the Trustees think fit with power for the attorney or agent to subdelegate any such powers, authorities or discretions;
 - (b) appoint by writing or otherwise any person to be agent or sub-agent of the Trustees as the Trustees may think necessary or proper for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Trustees) as they think fit and to supersede or suspend any such agent or sub-agent for any reason as the Trustees think sufficient.

32. INCORPORATION UNDER THE CHARITABLE TRUST ACT 1957

32.1 The Trustees shall forthwith after the execution of this Deed apply for incorporation under the Charitable Trusts Act 1957 and the Trustees are authorised to make such application on behalf of the Trust.

33. COMMON SEAL

33.1 Upon incorporation of this Trust in accordance with Clause 32.1 the Trustees shall procure a common seal for the Trust and shall provide for its custody. Any documents required to be signed under the Common Seal shall be attested by any two Trustees.

34. ALTERATION TO THE DEED

34.1 The Trustees may from time to time by special resolution alter, or add to any of the provisions of this Deed provided that:

(a) any alteration or addition to this Deed made to correct a manifest error or which is of a formal, technical or administrative nature only, other than an alteration or addition shall not be made without the prior consent in writing of the Councils and Tangata Whenua.

(b) at least 14 days notice of intention to move any amendment to this Deed has been given to all Trustees.

34.2 No alteration, or addition may be made to this Deed which detracts from the exclusively charitable nature of the Trust.

35. WINDING UP OF THE TRUST

35.1 On the winding up of the Trust or on its dissolution by the Registrar of incorporated Societies, all surplus assets after the payment of costs, debts and liabilities shall be disposed of in accordance with the directions of the High Court pursuant to Section 27 of the Charitable Trusts Act 1957.

35.2 Neither the Trustees nor any individual Trustee shall make an application under Section 25 of the Charitable Trusts Act 1957 to the High Court to put the Trust into liquidation without first obtaining the written consent of the Councils. Before the Councils give any such consent they shall consult with Tangata Whenua.

35.3 The Councils may make application to the High Court under the said Section 25 but before doing so shall consult with the Trustees and Tangata Whenua.

35.4 On any winding up of the Trust, Collections are to be retained by the Councils as an entity within the region and used for Charitable Purposes similar to those specified in this deed.

36. INTERPRETATION DEFINITIONS

36.1 In this Deed unless the context otherwise requires,

"Advisory Committee" means a committee established under clause 20.

"Assets" or **"Trust Assets"** means all money, material, information, investments, property and leases of property and anything from time to time owned or beneficially held by the Trust, but excludes:

- (a) all collections
- (b) the Trust facilities.

"Charitable Purpose" means every purpose which under the law of New Zealand is charitable, and without limiting its generality includes a purpose which is for the education or benefit or enjoyment and advancement of the people of the Nelson and Tasman districts and other people of New Zealand with particular regard to heritage issues, history, aesthetics and culture.

"The **"Collection"** and **"Collections"** means all material evidence and associated information, also referred to as specimens or artefacts and taonga that are registered as belonging to or in the care of the Museum or Trust for the purpose of preservation, research, documentation, exhibition or interpretation.

"Deed" means this Deed including any schedules and any amendments.

"Financial Year" means the same period adopted by the Councils as their financial year or with the consent of the Councils any other period.

"Major Transaction" means a transaction, undertaking agreement or arrangement that has or is likely to have the effect of the Trustees acquiring rights or interests or incurring obligations or liabilities as the value of which is more than 25% of the value of the Trust Assets at that time.

"The Museum" means Nelson Provincial Museum and **"Museum"** means primarily "The Museum" a place in which the material history of an area and its people resides, and where it is preserved for the use and enrichment of future generations of that community.

"Property" means real property.

"Region" means within the boundaries of the Nelson City Council and Tasman District Council.

"Special Resolution" means a resolution passed at a meeting of Trustees at which not less than three quarters of the Trustees present vote in favour of the resolution.

"Strategic Plan" means the Strategic Plan for the Trust, completed in accordance with Clause 29.

"Tangata whenua" means those people of Maori descent whose ancestral tribal roots are of the Nelson-Tasman region,

"Trust " means the Trust established by Deed and known as the Tasman Bay Heritage Trust.

"Trust facilities" means the facilities known as the Nelson Provincial Museum and any other facilities for the provision of Museum and the gallery services acquired or managed by the Trust, and includes any digital or electronic site, entity or mechanism.

“Trustees” means the Trustess of the Trust from time to time, and can also be referred to as Nga kaiwhakahaere or in the singular as kaiwhakahaere.

36.2 A person includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of state (in each case whether or not having separate legal personality).

36.3 This Deed is binding upon the parties and their respective successes and permitted assigns, where the context permits words describing the singular include the plural and vice versa and words importing masculine, feminine or neuter gender include all genders.

The Common Seal of the
Tasman District Council was
hereto affixed in the presence of:



[Handwritten Signature]

Mayor
[Handwritten Signature]

Chief Executive

The Common Seal of the
Nelson City Council was
hereto affixed in the presence of:



[Handwritten Signature]

Mayor
[Handwritten Signature]

Chief Executive

Signed by **Joseph Martin Rudhall**)
as Trustee in the)
presence of:)

[Handwritten Signature]

Signature:

Name:

Address:

Occupation *Divisional Manager*

Signed by **Robert Gordon Dickinson**)
as Trustee in the)
presence of:)

Signature:



The image shows a handwritten signature in black ink. The signature is written in a cursive style and appears to read 'R G Dickinson'. Below the signature, the initials 'RGS' are written in a smaller, simpler font.

Name:

Address:

Occupation

Joint Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations

Joint Policy of Nelson City Council/Tasman District Council

Contact Mike Drummond, Corporate Services Manager TDC
Nikki Harrison, Group Manager Corporate Services NCC

Approved by Joint Shareholders Committee

Date November 2018

Review November 2021

JOINT APPOINTMENT OF DIRECTORS/TRUSTEES

1. Introduction

1.1 Nelson City Council and Tasman District Council jointly control or have significant shareholdings in several Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs). These are independent organisations, whose operations are governed by a board of directors or trustees.

2. Purpose

2.1 This Policy sets out the process for selection, appointment and review of directors/trustees jointly appointed to CCTOs, and to the governing boards of CCOs as per section 57 of the Local Government Act 2002.

3. Criteria for Selection of Directors/Trustees

3.1. The Joint Shareholders Committee must have regard to the diversity of each governing board when considering candidates for joint appointment or re-appointment.

3.2 Any person jointly appointed as a director/trustee of a CCO or CCTO must:

3.2.1 Have completed the Institute of Directors course; or

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Procedure for Joint Appointment of Directors/Trustees of
Council Controlled Organisations and Council Controlled Trading Organisations

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3.2.2 Have equivalent experience.

3.3 The following qualities of candidates for joint appointment as directors/trustees must also be considered:

3.3.1 Ability to think commercially and financially about strategies, projects and the intelligent deployment of resources;

3.3.2 Ability to communicate in a concise and clear manner;

3.3.3 Leadership skills, and willingness to be counted on important matters;

3.3.4 Commitment to, and understanding of, the responsibilities of directors / trustees;

3.3.5 Relevant business experience and/or the ability to gain an in-depth understanding of the company/trust and its activities;

3.3.6 Objectivity in decision making;

3.3.7 Respect for colleagues and staff;

3.3.8 High ethical standards;

3.3.9 Proven commercial experience;

3.3.10 Positive attitude to public ownership and the principles of good corporate citizenship;

3.3.11 Financial acumen;

3.3.12 Commitment to regional needs and priorities;

3.3.13 Any other special considerations/requirements in respect of the specific organisation.

4. Process for Appointment of Directors/Trustees

4.1. The Co-Chairs of the Joint Shareholders Committee will:

4.1.1. Meet with the Chairperson of the relevant governing board to discuss specific requirements (including whether the

appointment is necessary), and to consider whether there is any need for a variation of procedure under section 8;

- 4.1.2. Retain a recruitment consultant as required to advertise the vacancy and develop a list of candidates; and
- 4.1.3. Decide on the composition of the interview panel, which will include the board chairperson (or another board member if the board chairperson is unavailable)
- 4.2. The Joint Shareholders Committee may include on the list of candidates any persons recommended by the chairperson of the governing board.
- 4.3. The recruitment consultant shall, in consultation with the interview panel, assist with any interview process and carry out reference checks of persons on the list of candidates, having regard to the criteria listed in Section 3 above, and report a short list with recommendations to the Joint Shareholders Committee.
- 4.4. The interview panel will conduct interviews on the short list of candidates and recommend a preferred candidate (or in the case of multiple vacancies, candidates) to the Joint Shareholders Committee through the Group Manager Corporate Services and/or the Group Manager Community Services.
- 4.5. The Joint Shareholders Committee will make the final decision to appoint the director/ trustee on the recommendation of the interview panel.

5. Process for Reappointment of Directors/Trustees

- 5.1. No Director/Trustee may be reappointed for a fifth consecutive term unless there are special circumstances.
- 5.2. Subject to the constitution of the organisation concerned, where a Director/Trustee's term of appointment is about to expire and they are offering themselves for reappointment, the Co-Chairs of the Joint Shareholder's Committee:
 - 5.2.1. May make confidential enquiries from the Chairperson and other members of the Governing Board as necessary, including:
 - Whether the skills of the incumbent add value to the work of the Governing Board;
 - Whether there are other skills which the Governing Board needs;

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 Procedure for Joint Appointment of Directors/Trustees of
 Council Controlled Organisations and Council Controlled Trading Organisations

- Whether a change to the existing Directors/Trustees would compromise the Governing Board's ability to pursue a desired vision and long term strategy, or whether there is a need for new skills and ideas on the Board; and
 - Whether an appointment is necessary.
- 5.2.2. Must consider any information obtained and form a view on the appropriateness of reappointment or making a replacement appointment; and
- 5.2.3. Must recommend to the Joint Shareholders Committee whether reappointment is appropriate.
- 5.3. If reappointment is not appropriate, the appointment process outlined in Section 4 will be followed.

6. Performance of directors/trustees

- 6.1. A review of the Board and individual director/trustee performance shall be undertaken by the Chairperson of the governing board at least once every 18 months, including consideration of:
- 6.1.1. Board 'fit' and rapport;
 - 6.1.2. Demonstration of the necessary skills and qualities;
 - 6.1.3. Any changes in the organisation's strategic direction which may require different skills or experience;
 - 6.1.4. Individual's contribution and meeting attendance.
- 6.2. The Chair of the Board should reference this evaluation when making recommendations on the re-appointment or recruitment of Board members.

7. Remuneration of directors/trustees

- 7.1. Remuneration of directors/trustees of jointly held CCTOs is covered by the *Procedure for Joint setting remuneration for Directors of Council Controlled Trading Organisations (A1929440)*.
- 7.2. Remuneration of directors/trustees of jointly held CCOs is set in accordance with scales approved from time to time by the Joint Shareholders Committee prior to the organisation's annual general meeting.

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Procedure for Joint Appointment of Directors/Trustees of
Council Controlled Organisations and Council Controlled Trading Organisations

8. Appointment of staff members or Elected Members as directors/trustees

- 8.1. No staff member or elected member of either Council may be jointly appointed as a director/trustee, except where good reason exists for doing so. Any report recommending the appointment or reappointment of a staff member or elected member of either Council must clearly explain the reasons for doing so.
- 8.2. Subject to clause 8.1, each Council may develop separate policies regarding the appointment of elected members or staff members as directors/trustees.

9. Variation of Procedure

- 9.1. The procedures outlined in this policy may be varied to meet the requirements of the organisation's rules, constitution, trust deed or other guiding document, provided that such variation meets the requirements of the Local Government Act 2002.
- 9.2. The Joint Shareholders Committee may decide to vary the procedures outlined in Sections 4 and 5 of this policy as necessary, provided that such variation is not contrary to the requirements of the Local Government Act 2002, and conforms to relevant trust deed, the company's constitution, and other relevant legislation e.g. the Port Companies Act.

6.2 TASMAN BAY HERITAGE TRUST - FINAL STATEMENT OF INTENT 2021-22

Report To:	Joint Shareholders Committee
Meeting Date:	24 August 2021
Report Author:	Tanya Robinson, Strategic Advisor Community Services
Report Number:	RJSC21-08-2

1 Summary

- 1.1 Please find attached Tanya Robinson Strategic Advisor Community Services, Nelson City Council, report on Tasman Bay Heritage Trust – final Statement of Intent 2021-22 with supporting attachment.

2 Draft Resolution

That the Joint Shareholders Committee receives the Tasman Bay Heritage Trust - Final Statement of Intent 2021-22 RJSC21-08-2; and

- 1. receives the report Tasman Bays Heritage Trust - Final Statement of Intent 2021/22 (R26098) and its attachment (A2579562); and**
- 2. notes the delivery of the Tasman Bays Heritage Trust final Statement of Intent 2021/22 (A2579562) as required under the Local Government Act 2002; and**
- 3. adopts the final Tasman Bays Heritage Trust Statement of Intent 2021/22 (A2579562); and**
- 4. notes that the final Tasman Bays Heritage Trust Statement of Intent 2021/22 (A2579562) will be made publicly available on the councils' website within one month of adoption as per legislation.**

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3 Attachments

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Item 0: Tasman Bays Heritage Trust - Final Statement of Intent 2021/22



Joint Shareholders Committee

24 August 2021

Report Title: Tasman Bays Heritage Trust - Final Statement of Intent 2021/22

Report Author: Tanya Robinson - Strategic Adviser Community Services

Report Number: R26098

1. Purpose of Report

- 1.1 To approve the final Statement of Intent 2021/22 for Tasman Bays Heritage Trust, as required under the Local Government Act 2002.

2. Recommendation

That the Joint Shareholders Committee

1. ***Receives*** the report ***Tasman Bays Heritage Trust - Final Statement of Intent 2021/22 (R26098)*** and its attachment (A2579562); and
2. ***Notes*** the delivery of the ***Tasman Bays Heritage Trust final Statement of Intent 2021/22 (A2579562)*** as required under the ***Local Government Act 2002***; and
3. ***Adopts*** the final ***Tasman Bays Heritage Trust Statement of Intent 2021/22 (A2579562)***; and
4. ***Notes*** that the final ***Tasman Bays Heritage Trust Statement of Intent 2021/22 (A2579562)*** will be made publicly available on the councils' website within one month of adoption as per legislation.

Item 0: Tasman Bays Heritage Trust - Final Statement of Intent 2021/22

3. Background

- 3.1 Tasman Bays Heritage Trust presented a draft Statement of Intent 2021/2022 to the Joint Shareholders Committee on 6 April 2021.
- 3.2 The Committee provided the following comments and feedback to the Trust:
- a) that the draft Statement of Intent meets the shareholders' expectations; and
 - b) requests that the Trust considers the amendment of changing the word 'museum' to 'facility' written under 3.1.1 of the Trust's SOI.
- 3.3 The Trust has now considered and edited that section to further clarify the statement. Item 3.1.1 (Attachment 1, p.9, as highlighted) now states an intention to:
- Participate in at least one collaborative project with a Nelson Tasman cultural heritage organisation or iwi by 30 June 2022.
- 3.4 This amendment clarifies the original statement and provides a clear and measurable performance measure, linked to the strategic goal:
- To actively support and collaborate with iwi and Nelson Tasman cultural heritage organisations (Attachment 1, p.8).

4. Conclusion

- 4.1 The amendment to the attached Statement of Intent meets the request and consideration to amend the performance measure.
- 4.2 The Statement of Intent can now be approved and published on Council websites.

Author: Tanya Robinson, Strategic Adviser Community Services

Attachments

Attachment 1: A2579562 - Statement of Intent 2021-22 - Tasman Bays Heritage Trust - FINAL.pdf



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TASMAN BAYS HERITAGE TRUST

Statement of Intent

1 July 2021 – 30 June 2022

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TBHT STATEMENT OF INTENT 2021/22 FY

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TBHT STATEMENT OF INTENT 2021/22 FY

Introduction

This Statement of Intent (SOI) is submitted by the Tasman Bays Heritage Trust ('the Trust'), operating as Nelson Provincial Museum ('the Museum'), a Council Controlled Organisation of Nelson City Council and Tasman District Council ('the Stakeholders'), and in accordance with Section 64 of the Local Government Act 2002 and its amendments, and sets out the intentions and expectations of the Trust for the period 1 July 2021 – 30 June 2023.

In presenting this SOI we wish to thank the Nelson City Council and Tasman District Council for their continued support of Tasman Bays Heritage Trust. We are confident that our strategic plan will enhance the value of the Museum to our communities for current and future generations, and add to the vibrancy and attractiveness of the region as a destination for visitors and for those seeking a new place to call home.

For the Trust's Purpose Statement, Mission, Values and Activities please see Appendix 1

STRATEGIC GOALS 2021/22 FY

This SOI defines five strategic objectives with associated activities and KPIs, which underpin the strategic planning for the next three years. These are largely derived from the priorities and stated objectives of the Trust, combined with the expressed expectations of our two stakeholder Councils:

1. To plan for and progress a capital works project that will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection;
2. To be a highly valued visitor destination, educational facility and cultural tourist attraction;
3. To actively support and collaborate with Nelson Tasman cultural heritage organisations, iwi and other community organisations;
4. To continue to develop and care for a strong Regional Collection that is relevant, valued by, and accessible to, our Nelson Tasman communities; and
5. To improve our sustainability performance.

TBHT STATEMENT OF INTENT 2021/22 FY

1. To plan for and progress a capital works project that will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection

As first identified in 2004 and in several feasibility studies from 2010 to 2014 (Stuart report 2010, OCTA Associates 2011, Walker Associates Strategic Review 2014), the Research Facility and Collection Store at Isel Park is at the end of its functional life. Subsequent analysis of the Isel Research Facility (Opus 2017, Tasman Consulting Engineers 2018) has determined that there is a maximum lifespan of five years, meaning the Collection should be moved out of the Isel Park Collection Store by 2023.

For the Trust to continue to provide adequate care for the regional Collections, including the UNESCO inscribed Tyree Photographic Studio Collection, a new facility is required. After significant consultation with both Councils and on the recommendation of the JSC Working Group, the site adjacent to the Museum in Church Street was identified as the optimum location for the new Archives, Research and Collections (ARC) Facility. Following Council approval, the Trust purchased the site for \$820,000 funded from the Trust's capital reserves.

It is gratefully acknowledged that Nelson City Council has allocated \$1.5 million in 2021/22 and \$1.5 million in 2022/2023 within the 2018 to 2028 Long Term Plan. Tasman District Council has revisited the Trust's request for capital funding, and at the time of writing has committed \$3 million in their draft 2021 – 2031 Long Term Plan.

Progressing the ARC Facility is the primary strategic aim of the Trust over the next three-year period. Over the 2021-22 FY, the focus will be on procurement process, and concept and developed design stages. Fundraising will also be prioritised, with recruitment of external expertise to support the work of the Fundraising Committee and project staff. Support will be sought from funding agencies, central government, and potential private donors. A parallel work-stream will see the Collections team working to audit, record and pack collections ready for the move.

2. To be a highly valued visitor destination, educational facility and cultural tourist attraction

We will continue to evolve the visitor experience to more closely represent our values and strategic aspirations. Our aim is to be a vibrant, dynamic, and contemporary institution that is relevant to and inclusive of all people in the regional community. We will continue to be recognised as a provider of quality content and dynamic storytelling with a strong connection to local communities. We deliver compelling narratives through a variety of formats and media including onsite experiences, an engaging special exhibition programme, educational and outreach programmes, and digital channels.

Our strategic engagement goal in this period is to design and deliver a varied visitor experience, including at least four temporary exhibitions. In 2021/22 we have an exciting and dynamic programme targeted directly at our local audiences. These include the internationally touring 'Dinosaur Revolution' exhibition featuring animatronic models

TBHT STATEMENT OF INTENT 2021/22 FY

(developed specifically for family and school visits), and a photographic exhibition from National Geographic 'Rarely Seen' which we are confident will prove as popular with local audiences as its predecessor from the same organisation. Smaller exhibitions through this period will include 'Let Me Be Myself: The Life Story of Anne Frank' – a topic as vitally relevant today as it has ever been given world events, the hands-on science exhibition we are curating in collaboration with Cawthron Institute to celebrate the Institute's 100th Anniversary, and a commemorative online exhibition to mark the 150th anniversary of Ernest Rutherford's birth.

Taken together, all these exhibitions and associated public programmes will create a strong family friendly programme for our local Nelson Tasman audiences, providing free or low-cost activities for families who may have been financially affected by COVID-19. These experiences also bring visitors to the central city and increase the vitality and liveability of our region.

A further objective of this financial year is to strengthen the cultural diversity of our visitor programmes. We intend to work with organisations such as Multicultural Nelson Tasman to tell stories about the diversity of migration and settlement in Nelson Tasman, and to reflect the positive contributions made by ethnic communities. These stories will be told in events, public programmes and the further development of our educational programme 'We came to stay'.

The Museum had planned to refresh the regional gallery in the 2021-24 period but it is recognised that this development timeline does not offer sufficient opportunity for in-depth consultation and partnership with mana whenua. It is also recognised that we do not have sufficient staffing resource to drive this project while focusing on ARC. As such the timeline for this project will be adjusted to ensure it is undertaken properly.

Visitation

Visitation to the Museum had increased significantly since 2016 to bring us in line with other regional museums despite lower levels of funding and staffing. Unfortunately COVID-19 impacted our visitation for the 2020/21 FY and is expected to continue to do so while International travel to New Zealand is restricted.

In light of the continuing global pandemic, we have set our visitor forecast for the 2021/22 FY at 44,500 across all venues, excluding our education audiences. This figure has been based on the average performance of the Museum over the 2017-20 pre-COVID operating period, minus a 20% drop to account for the lack of overseas tourists.

Our school programme is funded by the Ministry of Education through the Learning Experience Outside the Classroom (LEOTC) programme, and has a separate visitation target of 5,500 children for the 2021 calendar year. We have been notified that the LEOTC programme itself will not be continuing past this point. At time of writing we have not yet learned what will replace this scheme, but we are confident the Ministry will continue to see the value of the Museum's educational contribution.

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3. To actively support and collaborate with Nelson Tasman cultural heritage organisations, iwi and other community organisations

The Museum works with iwi through Te Tai Ao Komiti, consisting of representatives of six manawhenua iwi of Te Taihū. This forum provides expert guidance on matters of tikanga, taonga and mātauranga Māori, and is shared with the Bishop Suter Trust, providing opportunities for collaboration and cross-organisational synergies.

As the regional Museum for Nelson Tasman, the Trust aims to continue supporting the Tasman district museums (Golden Bay, Motueka and Murchison) and heritage facilities, such as Willow Bank Heritage Village and Higgins Heritage Park, as well as iwi, marae and other cultural and community organisations throughout Nelson Tasman such as Founders Park and Broadgreen House. We do this through support and participation in community based events, through the provision of expertise, hands-on assistance and professional museum support, and making available touring and tailored exhibits for display. In recent years this support has taken a variety of forms including expert assistance, free venue hire, mentoring, exhibition loans, event support and internal exhibition development. Our intention is to continue to add cultural, social and economic value across the wider Nelson Tasman region through our outreach programme and by supporting our communities in their endeavours and smaller organisations in their aspirations. Examples of projects from the past year include 'Ablaze: the 2019 Tasman Fires' exhibition, displayed at community and school halls around Wakefield, Brightwater and Appleby in addition to Motueka Museum – our intention is to develop this exhibition further with community input of images and stories.

In addition to working with individual organisations to help meet their goals, we also seek to support collaboration and partnerships across the region's galleries, libraries, archives and museums (the GLAM sector). We provide advice, guidance and mentoring and coordinate regional online hui and workshops to help strengthen the sector, loaning objects for exhibit, and sharing skills and resources digitally. This year we will provide over 50 hours of professional support to Te Taihū district museums and cultural organisations, and organise at least two regional Te Taihū museum hui on topics relevant to all participants.

4. To continue to develop and care for a strong Regional Collection which is relevant and valued by, and accessible to, our Nelson Tasman communities

In 2017, the Trust adopted a new Collections Management Policy that focuses our collecting activities firmly on material with strong significance and relevance to the Nelson Tasman communities. Active measures are taken to acquire items for the Collection that represent Nelson Tasman's dynamic contemporary culture. This will continue and collecting will include objects and oral histories relating to the COVID-19 pandemic and the 2019 Tasman Fires as well as contemporary taonga by local artists. At the same time, the focus of the Trust must be on auditing, measuring, packing and updating records to enable the Collection to be move-ready when the ARC building is completed. Staff will be concentrating on these

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TBHT STATEMENT OF INTENT 2021/22 FY

tasks in order to ensure the care and accessibility of the regional collection for the benefit of the Nelson Tasman region, its residents, visitors and future generations – a focus which may require curatorial and collection staff to be involved in fewer outreach programmes this year.

5. To improve our sustainability performance

The Museum looks to place sustainability front and centre of all our operations. A staff Sustainability Committee meets monthly to identify areas for improvement and to workshop solutions.

A focus on preserving the past for future generations means that we are very conscious of our role in safeguarding natural resources for the future and in sharing knowledge about climate change through our public and education programmes. We have commissioned an EMSOL Audit and Energy Management plan, to be run over the 2021/22FY, to identify further energy savings. We have also committed to a capital programme to upgrade the ageing air-conditioning system at the Museum in Trafalgar Street over the next three years, an investment which we expect will return significant energy savings costs.

Possibly the biggest opportunity the Museum has to reduce our energy footprint is to design the ARC Facility as a green building. When the design brief for the new collection storage facility is prepared we will consider various sustainability requirements with respect to materials used, passive solar design features for energy efficiency, and incorporating solar energy generation. By these actions the Museum has the opportunity to demonstrate good organisational citizenship, community leadership, best practice sustainability and to make our contribution to addressing the pressing global challenges of climate change. This objective is a good example of how we can achieve our mission of becoming more relevant to our communities in responding to the environmental and social challenges of climate change through 'walking the talk' and communicating climate change knowledge through our public educational offerings, programmes, outreach and digital channels.

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STRATEGIC GOALS 2021- 24

Strategic goal	Actions	Measures / KPI
1. To plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman regional Heritage Collection	1.1 Robust planning, budgeting, fundraising and project management	1.1.1 Phase One of Project Plan complete by 30 June 2022, including: <ul style="list-style-type: none"> • Approved procurement process • Developed Design
	1.2 Identifying, canvassing and securing funding sources	1.2.1 20% of non-Council funding secured by 30 June 2022
2. To be a highly valued visitor destination, educational facility and cultural tourism attraction	2.1 Implement a programme which attracts a diverse local audience	2.1.1 Design and deliver a varied visitor experience including at least four temporary exhibitions by 30 June 2022
		2.1.2 Implement at least one new accessibility initiative by 30 June 2022
		2.1.3 Implement at least one new initiative to encourage repeat family visitation by 30 June 2022

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	2.2 Consolidating and attaining visitation targets in post-COVID environment	2.2.1 Achieve target visitation of 44,500 across all venues (excluding education) by 30 June 2022 <i>*based on average performance of the Museum over the 2017-20 pre-Covid operating period, minus 20% drop in overseas visitation</i>
	2.3 Achieve annual Ministry of Education visitation target of 5,500 (including remote learning)	2.3.1 Achieve annual Ministry of Education visitation target of 5,500 (including remote learning) by 31 December 2021* <i>*noting that the LEOTC programme ends at that time and details of what will replace it are not available at time of writing</i>
	2.4 Provide a high-quality customer service and visitor experience	2.4.1 Twice yearly customer surveys with rating of at least 85% satisfaction
	2.5 Provide a high-quality educational service	2.5.1 Teacher evaluation satisfaction levels of at least 90%
3. To actively support and collaborate with iwi and Nelson Tasman cultural heritage organisations	3.1 Providing content to district museums.	3.1.1 (Provide at least one exhibition or public programme to a Tasman district facility by 30 June 2022)

TBHT STATEMENT OF INTENT 2021/22 FY

	3.2	3.2.1	
	Providing advice, guidance, mentoring and support to smaller galleries, libraries, archives and museums within Nelson Tasman	Provide 50 hours of assistance to Te Taihu district museums and cultural organisations by 30 June 2022	
		3.2.2 Organise at least two regional museum hui by 30 June 2022	
3.3	3.3.1		
Collaborating with Nelson Tasman cultural heritage organisations and iwi	Participate in at least one collaborative project with a Nelson Tasman cultural heritage organisation or iwi by 30 June 2022.		
4. To continue to develop and provide appropriate care for a strong Collection which is relevant and valued by, and accessible to, Nelson Tasman communities	4.1	4.1.1	
	Actively collecting objects that are strongly related to the history and cultural story of Nelson Tasman	Collect at least two relevant contemporary local objects or taonga by 30 June 2022	
		4.2	4.2.1
		Provide access for our visitors to connect with the Collection, digitally, on-site and in the community	Provide at least five relevant outreach programmes by 30 June 2022.
	4.2.2	Develop one new digital project by 30 June 2022	

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	4.3 Prepare collection for relocation	4.3.1 Project plan for Collection relocation in place by 30 June 2022
5. To improve our sustainability performance.	5.1 Measure and identify energy savings	5.1.1 Undertake and implement EMSOL Audit and Energy Management Plan Year 1 by 30 June 2022
	5.2 Implement actions to improve sustainability performance	5.2.1 Implement at least one new staff driven initiative by 30 June 2022

TASMAN BAYS HERITAGE TRUST

PROJECTED OPERATING STATEMENT OF FINANCIAL PERFORMANCE

	COVID					
	Actual June 2020	Forecast June 2021	Forecast June 2022	Forecast June 2023	Forecast June 2024	Forecast June 2025
	CPI%1.9%	1.50%	1.50%	1.50%	1.50%	1.50%
Revenue						
TDC Operating Grant	875,688	892,326	905,711	919,297	933,086	947,082
NCC Operating Grant	875,688	892,326	905,711	905,711	905,711	905,711
NCC Operating Grant Extra	74,194	75,398	76,529	76,529	76,529	76,529
Total Councils	1,825,570	1,860,050	1,887,951	1,901,536	1,915,326	1,929,322
Contracts - Education LEOTC	82,190	82,190	82,190	82,190	82,190	82,190
Project Grants	51,220	7,000	65,000	65,000	65,000	30,000
Other	228,190	76,677	253,270	257,069	260,925	264,839
Total Revenue	2,187,170	2,025,917	2,288,411	2,305,795	2,323,441	2,306,351
Staffing	1,035,139	959,813	1,109,858	1,126,506	1,143,403	1,102,555
Education	84,374	92,679	81,612	82,836	84,078	85,340
Property	169,250	196,310	196,310	196,310	196,310	196,310
Other	249,467	117,900	225,486	228,868	232,301	235,786
Total Direct Costs	1,538,230	1,366,702	1,613,266	1,634,520	1,656,093	1,619,990
Gross Surplus	648,940	659,215	675,145	671,275	667,348	686,361
Overheads	219,864	222,384	237,830	241,397	245,018	248,694
Interest Costs	72,636	57,116	57,116	57,116	57,116	57,116
Trustee Fees	56,280	65,331	66,311	67,306	68,315	69,340
Total Expenses	348,780	344,831	361,257	365,819	370,450	375,150
Operating Surplus	300,160	314,384	313,888	305,456	296,898	311,211
Depreciation	333,129	368,870	369,000	369,000	369,000	369,000
Operating Net Surplus/Deficit	(32,969)	(54,486)	(55,112)	(63,544)	(72,102)	(57,789)
ARC Funding***	-	1,500,506	5,559,000	4,409,000	121,500	-
Net result before revaluations	(32,969)	1,446,020	5,503,888	4,345,456	49,398	(57,789)

*** see ARC Indicative Reports

In the 5 years to 2025 the building of the ARC Facility is planned to be constructed.

Significant revenue from grants and fundraising will form part of the annual profit and loss for the Trust.

In these early stages these funds are shown below the line so focus remains on operating performance.

The costs of construction and directly related expenditure will be capitalised

TASMAN BAYS HERITAGE TRUST

PROJECTED OPERATING STATEMENT OF FINANCIAL POSITION

	Actual June 2020	Actual Dec 2020	Forecast June 2021	Forecast June 2022	Forecast June 2023	Forecast July 2024	Forecast August 2025
Assets							
Cash & Bank	10,195	291,718	8,977	10,000	7,553	9,067	9,895
Debtors	21,508	17,736	11,650	11,650	11,650	11,650	11,650
Stock on Hand	23,036	17,580	23,700	23,700	23,700	23,700	23,700
Investments	160,000	160,000	160,000	160,000	160,000	250,000	325,000
Non Current Assets	19,620,701	19,525,098	19,321,720	19,212,720	18,903,720	18,594,720	18,315,720
Total Assets	19,835,440	20,012,152	19,526,047	19,418,070	19,106,623	18,889,137	18,685,965
Liabilities							
Bank overdraft ^a	25,050	0	10,000	102,519	0	0	0
Creditors	78,501	43,956	61,800	61,800	61,800	61,800	61,800
GST	(7,625)	(12,973)	(1,612)	(1,612)	(1,612)	(1,612)	(1,612)
Wage & Holiday Pay Accrual	71,420	72,508	45,000	45,000	45,000	45,000	45,000
Grants Received in Advance	1,245	3,432	1,245	1,245	1,245	1,245	1,245
Loan ex.NCC/TDC ^{**}	1,154,963	1,154,963	993,825	848,441	703,057	557,673	412,289
Total Liabilities	1,323,554	1,261,886	1,110,258	1,057,393	809,490	664,106	518,722
Net Assets	18,511,886	18,750,266	18,415,789	18,360,677	18,297,133	18,225,031	18,167,243
Equity							
Retained Earnings	18,544,855	18,511,886	18,470,275	18,415,789	18,360,677	18,297,133	18,225,031
Current Year Earnings	(32,969)	238,380	(54,486)	(55,112)	(63,544)	(72,102)	(57,789)
Total Operating Equity	18,511,886	18,750,266	18,415,789	18,360,677	18,297,133	18,225,031	18,167,242
ARC Facility Assets & Equity ^{***}	820,000	2,320,506	7,879,506	12,288,506	12,410,006	12,410,006	0
Combined Equity							
Retained Earnings	19,364,855	19,364,855	19,364,855	20,865,361	26,424,361	30,833,361	30,954,861
Current Year Earnings	0	0	1,500,506	5,559,000	4,409,000	121,500	0
Total Equity	19,364,855	19,364,855	20,865,361	26,424,361	30,833,361	30,954,861	30,954,861

^a Revolve credit facility due for renewal May 2022.

^{**} Loans shown at fair value, amount repayable as at 30 June 2025 will be \$125,000 to each Council.

^{***} see ARC Indicative Reports

In the 5 years to 2025 the building of the ARC Facility is planned to be constructed.

The balance sheets are not combined at this early stage to better manage operating assets.

TASMAN BAYS HERITAGE TRUST

PROJECTED OPERATING STATEMENT OF CASHFLOWS

	Actual June 2020	Actual Dec 2020	Forecast June 2021	Forecast June 2022	Forecast June 2023	Forecast June 2024	Forecast July 2025
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>							
Council Operating Grants	1,823,845	934,202	1,860,050	1,887,951	1,901,536	1,915,926	1,929,322
Contracts	112,176	41,095	82,190	82,190	82,190	82,190	82,190
Interest Received	4,678	1,928	3,200	3,000	3,000	3,000	3,000
Receipts from Other Revenue	258,196	207,157	80,477	315,270	319,069	322,925	291,839
Payments to Suppliers & Employees	(1,784,253)	(804,907)	(1,654,417)	(1,917,407)	(1,943,223)	(1,969,427)	(1,938,024)
Interest Paid	(2,264)	(40)	(2,498)	(2,500)	(2,500)	(2,500)	(2,500)
Goods and Services Tax (Net)	(4,592)	(5,349)	-	-	-	-	-
Net Cash from Operating Activities	407,485	374,085	369,002	368,504	360,072	351,514	365,827
<u>CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES</u>							
Maturing/Sale of Investments	271,927	160,000	160,000	160,000	160,000	160,000	250,000
Purchase of Property	(79,589)	(67,513)	(80,000)	(260,000)	(60,000)	(60,000)	(90,000)
Purchase of Investments	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)	(250,000)	(325,000)
	32,338	(67,513)	(80,000)	(260,000)	(60,000)	(150,000)	(165,000)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>							
Cash from/(to) Overdraft (revolve cred)	(240,639)	(25,050)	(90,000)	92,519	(102,519)		
Repayment of Council Borrowings	(200,000)	-	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
	(440,639)	(25,050)	(290,000)	(107,481)	(302,519)	(200,000)	(200,000)
Net Increase (Decrease) in Cash	(1,115)	291,523	(998)	1,023	(2,447)	1,514	827
Opening Cash Balance	11,910	10,195	9,975	8,977	10,000	7,553	9,067
Closing Cash Balance	10,195	291,718	8,977	10,000	7,553	9,067	9,895
ARC Cash***	0	0	150,506	373,506	285,506	535,506	3,006
Combined Cash Balance	10,195	291,718	159,483	383,506	293,059	544,573	12,901

*** see ARC Indicative Reports

In the 5 years to 2025 the building of the ARC Facility is planned to be constructed.

In these early stages separate cash flows have been prepared to distinguish operating and capital cash.

TASMAN BAYS HERITAGE TRUST
ARCHIVE RESEARCH COLLECTION FACILITY
INDICATIVE STATEMENT OF FINANCIAL PERFORMANCE

	Actual June 2020	Forecast June 2021	Forecast June 2022	Forecast June 2023	Forecast June 2024	Forecast June 2025
Revenue						
TDC ARC Grant			1,500,000	1,500,000		
NCC ARC Grant		1,500,000	1,500,000			
Total Councils	0	1,500,000	3,000,000	1,500,000	0	0
ARC Grants			2,050,000	2,400,000		
Other		506	509,000	509,000	121,500	
Total Revenue	0	1,500,506	5,559,000	4,409,000	121,500	0
Operating Surplus	0	1,500,506	5,559,000	4,409,000	121,500	0
Depreciation						
Net Surplus/Deficit	0	1,500,506	5,559,000	4,409,000	121,500	0

Grant and other timing is indicative.

Costs directly attributed to the construction of the ARC Facility will be capitalised.

Other costs are included in the Trust operating Profit and Loss.

Other costs are planned to be funded by way of grant, sponsorship or in kind.

TASMAN BAYS HERITAGE TRUST
ARCHIVE RESEARCH COLLECTION FACILITY
INDICATIVE STATEMENT OF FINANCIAL POSITION

	Actual June 2020	Forecast June 2021	Forecast June 2022	Forecast June 2023	Forecast June 2024	Forecast June 2025
Assets						
Cash & Bank	0	150,506	373,506	285,506	535,506	3,006
Debtors			250,000	250,000	60,000	
Investments		1,350,000	6,000,000	6,000,000	1,000,000	
Non Current Assets	820,000	820,000	1,236,000	5,753,000	10,814,500	12,407,000
Total Assets	820,000	2,320,506	7,879,506	12,288,506	12,410,006	12,410,006
Net Assets	820,000	2,320,506	7,879,506	12,288,506	12,410,006	12,410,006
Equity						
Retained Earnings	820,000	820,000	2,320,506	7,879,506	12,288,506	12,410,006
Current Year Earnings	0	1,500,506	5,559,000	4,409,000	121,500	0
Total Equity	820,000	2,320,506	7,879,506	12,288,506	12,410,006	12,410,006

At this early stage construction timing is indicative only.
No provision for GST or creditors as too early to anticipate timing.
Debtors are estimated as 60% of fundraising pledged but received in following year.

TASMAN BAYS HERITAGE TRUST
ARCHIVE RESEARCH COLLECTION FACILITY
INDICATIVE STATEMENT OF CASH FLOWS

	Actual June 2020	Forecast June 2021	Forecast June 2022	Forecast June 2023	Forecast June 2024	Forecast June 2025
CASH FLOWS FROM OPERATING ACTIVITIES						
Council Operating Grants		1,500,000	3,000,000	1,500,000		
ARC Grants			2,050,000	2,400,000		
Interest Received		506	9,000	9,000	1,500	
Receipts from Other Revenue			250,000	500,000	310,000	60,000
Net Cash from Operating Activities	0	1,500,506	5,309,000	4,409,000	311,500	60,000
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES						
Maturing/Sale of Investments		0	1,350,000	6,000,000	6,000,000	1,000,000
Purchase of Property		0	(432,000)	(4,497,000)	(5,061,500)	(1,592,500)
Purchase of Investments		(1,350,000)	(2,060,000)	(6,000,000)	(1,000,000)	0
	0	(1,350,000)	(5,060,000)	(4,497,000)	(61,500)	(592,500)
Net Increase (Decrease) in Cash	0	150,506	223,000	(88,000)	250,000	(532,500)
Opening Cash Balance	0	0	150,506	373,506	285,506	535,506
Closing Cash Balance	0	150,506	373,506	285,506	535,506	3,006

TBHT STATEMENT OF INTENT 2021/22 FY

APPENDIX 1**Purpose Statement**

To care for, strengthen and make widely accessible the taonga and heritage collections of Nelson Tasman; and to create unforgettable experiences that stimulate awareness, celebrate diversity and entertain.

Mission

The Trust operates as Nelson Provincial Museum, the regional museum of Nelson Tasman. The Museum is the repository of material culture and a proponent of local, distinctive intangible culture. It presents regional history, natural history, mātauranga Māori and contemporary narratives in stimulating and provocative ways, by making its collection accessible on-site, online and in the community.

- We are a highly valued repeat destination for local visitors;
- We provide exceptional taurima (caring for and entertaining) for all of our audiences, regardless of their culture, language, or abilities;
- We provide interactive, multi-sensory and playful educational experiences beyond the classroom that speak to the needs of 21st century learners of all ages – both lifelong and formal;
- We contribute to the activation of the upper Trafalgar Street precinct and the heart of the CBD by fulfilling our building's existing potential, including the use of the roof garden, foyer and adjacent kerbside;
- We honour the Museum's commitment to bi-culturalism, collaborating with mana whenua iwi across Nelson Tasman to tell their stories in their own words, and facilitating connection to their taonga;
- We actively collect, care for, and preserve objects of regional, national and international significance – both historical and contemporary – and create innovative ways of sharing these with the community;
- We are developing a new, fit-for-purpose Archives, Collection and Research Facility (ARC) to enable us to preserve the treasures of the regional Collection for current and future generations;
- We are relevant to the lives of the public and our stakeholders by responding to current social, cultural, and environmental challenges and opportunities through our educational offerings, public programming, collecting and exhibitions;
- We are recognised as a provider of dynamic storytelling and top-quality content with a strong connection to local communities, told through a variety of formats and media including onsite experiences, outreach, and digital channels; and

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- We actively collaborate across the region, sharing our knowledge and expertise to support the aspirations of the cultural organisations including the Tasman district museums.

Values

The following principles underpin decision-making and set the standard for performance interactions with the Museum's communities:

- To celebrate and respect our region's cultural heritage in respect of Tangata Whenua and Tangata Tiriti, along with Nelson Tasman's diverse multi-cultural mix, both past and present, and to show how this contributes to our distinctive regional identity;
- To be innovative, valuing imaginative approaches and creative solutions;
- To be customer focused: to care for our visitors and be responsive to their needs, embodying the principle of manaakitanga (hospitality) and taurima;
- To act professionally, embodying best museum practice within a context of scholarship and the Museums Aotearoa and ICOM (International Council of Museums) Code of Ethics;
- To be relevant to our community and to actively engage with them;
- To care for and value our people – our staff and volunteers – attracting and retaining a creative and engaged team;
- To be financially sustainable, attracting resources and revenues that will underpin our Purpose, Mission, and related activities;
- To be environmentally sustainable and to model best practice for our communities.

Activities

Nature and scope of activities to be undertaken:

- To manage and operate the Museum for the benefit of the residents of Nelson Tasman and visitors to the region;
- To strengthen, care for, manage, interpret, preserve and make accessible the Museum's regional heritage collections for the benefit of mana whenua iwi, residents and visitors;
- To promote understanding and appreciation of the region's rich cultural heritage and natural environments;
- To develop and maintain partnerships that mutually benefit the Museum, the community, and allied organisations;
- To professionally manage and maintain all of the Trust's assets, including the regional heritage Collection; and
- To be a good employer and foster a culture of staff excellence and well-being.

APPENDIX 2**Alignment with Joint Community Outcomes**

The Museum is actively aligned with the Joint Community Outcomes of Tasman District Council and Nelson City Council, which both Councils adopted as part of their respective Long Term Plans.

1. Our unique natural environment is healthy, protected and sustainably managed

The Museum profiles a variety of environmental issues and encourages engagement with, and protection of, our regional biodiversity through education, exhibitions and events.

We are implementing internal initiatives and measures for sustainability.

2. Our urban and rural environments are people friendly, well-planned, accessible and sustainably managed

The Museum works to create a welcoming and engaging social space contributing to the activation of the Upper Trafalgar precinct. The Museum is free to visit for Nelson Tasman residents (except for occasional major touring exhibitions for which there may be a small reduced entry fee charged on a cost recovery basis). Our contribution to the vibrancy of the region is especially important in the post-COVID environment, providing community engagement in the heart of the city and a domestic tourism destination. We will continue to support cultural heritage activities across the region through outreach to district museums, galleries, libraries and historic and heritage facilities and organisations.

3. Our infrastructure is efficient, cost effective and meets current and future needs

The Archive, Research and Collections Facility capital works project will ensure that we can provide an appropriate facility that provides the most cost-effective long-term solution for the care of the regional heritage Collection for future generations.

We are also in the process of upgrading air-conditioning facilities at the Trafalgar Street building to reduce costs and provide increased temperature and humidity protections for objects and taonga on display.

4. Our communities are healthy, safe, inclusive and resilient

We provide many opportunities for community engagement, lifelong learning and playful experiences, which are needed more than ever given the impact of COVID-19 on the region's families, iwi, workers and businesses. Our core activities are free for Nelson Tasman residents to access and our programming will increasingly cater to the bi-cultural and multi-cultural diversity of the region. Our public programmes focus on inclusivity. Bespoke programmes are available for groups with sight or hearing impairments on request.

5. Our communities have opportunities to celebrate and explore their heritage, identity and creativity

Our core business is to enable local residents to connect with their heritage, both cultural and environmental. We do this through a range of programmes at the Museum, in the

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community and, increasingly, digitally, making the region's treasures available for visitors and locals alike. We are focused on ensuring engagement across the region as well as increasingly catering to a broader demographic.

6. Our communities have access to a range of social, cultural, educational and recreational facilities and activities

We provide social engagement across demographics and opportunities for life-long learning, recreation and leisure. In the last year we have delivered free-of-charge programmes to almost 8,000 school-aged children, plus tertiary groups, English as a Second Language (ESL) classes, pre-schoolers, aged communities, special interest groups and the general public.

7. Our Council provides leadership and fosters partnerships, a regional perspective and community engagement

The Museum works with the community to create opportunities for engagement on-site, on-line and in the community. We provide leadership and guidance within and across the sector, to support the activities of local museums and heritage parks, heritage houses, historic organisations, galleries and libraries.

8. Our region is supported by an innovative and sustainable economy

As the most visited cultural tourism attraction in the region, the Museum supports and complements the region's tourist offerings. High-impact window displays, good visibility into the foyer, exciting programming, an enhanced digital experience and an attractive retail area has markedly improved the Museum's value proposition and helps bring destination traffic to the Upper Trafalgar precinct.

We attract innovative and creative people from around New Zealand and the world to work at the Museum, and to contribute to the regional arts and cultural sector and the local economy.

APPENDIX 3:**ADDITIONAL INFORMATION****Governance Statement: Structure, Function and Obligations of the Board****The Role of the Board**

- To set policy
- Ensuring the Trust meets its objectives approved in the Deed of Trust, Statement of Intent and Memorandum of Understanding with the two Council Stakeholders
- Ensuring the Trust complies with all its lawful obligations
- Ensuring sound financial management of the Trust
- Ensuring the Stakeholders are kept well informed on all relevant issues, and that there are no surprises on matters likely to cause community or political concern
- Encouraging the Stakeholders to take an active and positive role in ensuring that the Museum meets its objectives and continues to aim for sustainable growth within the community
- Employing the Chief Executive (including entering into a performance management agreement, reviewing performance and setting remuneration)

Composition of the Board

- The Board is made up of no more than seven, nor less than five, non-executive Trustees
- The appointment, rotation and removal of Trustees shall be in accordance with the procedures defined in the Deed of Trust and the Council's policy and procedure for the joint appointment of directors/trustees of Council Controlled Organisations and Council Controlled Trading Organisations

Guidance and Resources Provided to Board Members

Resources available to Board members to carry out their duties:

- Sound financial management systems that provide Board reports as follows:
 - Statement of Cash Flow for the preceding quarter and forecast for next quarter
 - Schedule of Fixed Assets for the preceding quarter and year to date
 - Chief Executive's report addressing issues related to the Trust and Museum performance against objectives (financial and non-financial, including health and safety)
- The Board will ensure that relevant training opportunities and an induction kit are made available to Trustees

Code of Conduct:

- All Board members shall observe the Governance Charter, 2008

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- All Board members will be required to comply with the New Zealand Institute of Directors “Code of Proper Practice for Directors”
- All Board members will apply their best endeavours to ensure the Trust achieves the financial, cultural, social and environmental objectives defined in Section 2 of this document
- All Board members will apply their best endeavours to ensure the Trust complies with the requirements of its Deed of Trust, Memorandum of Understanding and the statutory compliance of the annual Statement of Intent and Strategic Plan
- All Board members will apply their best endeavours to ensure the Trust complies with the Museums Aotearoa Code of Ethics
- Board members are expected to devote the time, diligence, effort and commitment to allow the Board to achieve its objectives
- Board members will undertake a review of their performance every 18 months and work towards rectifying any issues identified

Significant Policies in Place for Accountability

The Board shall ensure the Trust complies with the reporting requirements of the Local Government Act, the Trust Deed and those outlined in this document.

Risk Management Policies

- The Board shall ensure that appropriate insurance is maintained on all insurable risks of the Trust, and in particular public liability insurance
- The Board shall ensure that the Trust has systems in place to achieve compliance with the The Health and Safety at Work Act 2015 and subsequent amendments
- The Board shall review appropriate security measures to safeguard assets (cash, Collection, archives) and staff handling of such assets
- The Chief Executive maintains a full Risk Register for all Museum operations. The Trust Audit & Risk reviews the full document quarterly, and newly identified or significant risks are reported to the full Board monthly. Risks identified include natural hazards and information technology failures (malicious and otherwise) causing business interruption.

Remuneration

- Trustees may with the prior approval of both Councils, and in accordance with the Terms of the Deed of Trust, resolve to pay themselves an annual remuneration

Nature and Scope of Activities

The objects for which the Trust is established are detailed in the Deed of Trust:

- To manage and operate the Museum in accordance with the Strategic Plan, to manage the Trust’s assets and facilities, and acquire and manage the Collections, including research collections of archives, library and photographs, and to operate them for the benefit of the residents of the region and the public generally, in accordance with the Strategic Plan

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- To recognise the special nature of the history of the region and the role of Tangata Whenua as kaitiaki of taonga Māori and their special contribution to the heritage and identity of Te Tau Ihu
- To support the strategic direction and policies of Nelson City Council and Tasman District Council in relation to cultural heritage issues and to enhance the special character of the region by protecting and celebrating its heritage and promoting it as a destination for cultural tourism (in association with NRDA - Nelson Regional Development Agency)
- To foster support from a wide network including employees, volunteers, iwi, life associates, ratepayers and residents, educational providers, domestic and international visitors, heritage and other interest groups, corporate sponsors, private donors and supporters, philanthropic / funding agencies, Museums Aotearoa and departments of the New Zealand government
- To foster effective participation with the community on heritage matters
- To develop exhibition programmes and education policies for the Trust facilities and Museum services, with a view to maximising public utilisation of these facilities and services at the Museum in Nelson City and the Collections Research Facility at Isel Park
- To provide services that relate to the education of the residents of the Nelson and Tasman region, the rohe of Te Tau Ihu, and the wider community generally, relating to the region's past history and heritage issues and to the present time via exhibitions, our website, and physical and electronic access to Collections
- To collaborate with other museums and facilities within the region to maximise community input into heritage issues
- To develop and maintain partnership programmes with other museums
- To consult with and seek input from the community generally by whatever manner the Trustees deem appropriate to enable the services provided by the Trust and the Museum to be in accordance with the wishes of the community
- To retain Acquisition, Deaccession, Exhibition and Collection Policies for the Trust
- To provide all financial, administration, marketing, technology and other services required for the Trust facilities
- To acquire land and other assets where such land or other assets can be used in conjunction with the Trust facilities or to promote the aims and objectives of the Trust
- To ensure that all facilities are managed effectively
- To comply with all relevant legislation and regulations and, where practicable, observe and support all international conventions and treaties as they relate to museums and items held by museums
- To protect and manage for the benefit of the Museum all intellectual property, including trademarks, copyright and any reproduction rights Generally, to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects and aims of the Trust set out above.

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Accounting Policies

The reporting entity is Tasman Bays Heritage Trust. The financial year is from 1 July until 30 June.

The Trust reports financially under the Accounting Standards Framework implemented by the Financial Accounting External Reporting Board to effect changes enacted by the Financial Reporting Act 2013. For Financial Reporting purposes the Trust is a “Not-For-Profit Public Benefit Entity”. The Trust reports under the Tier 2 PBE Accounting Standards. All transactions in the financial statements are reported using the accrual basis of accounting. The Trust reports internally on a monthly accounting cycle with actuals for the Statement of Financial Performance and Statement of Financial Position being presented to Management and the Board monthly. Progress against budgets and forecasts is regularly monitored internally and reported against.

The Accounting policies are those set out in the Trust’s Annual Report.

Measurement Base

The financial accounting policies which materially affect the measurement of financial performance and financial position will be applied.

Goods and Services Tax

The financial statements will be prepared so that all components are stated exclusive of Goods and Services Tax.

Fixed Assets

Tasman Bays Heritage Trust has the following classes of assets:

- Land, Buildings and Improvements
- Plant and Equipment
- Exhibition Fit Outs – permanent gallery
- Office Furniture and Fittings
- Collections

All fixed assets acquired from the Nelson Provincial Museum [NPM] in 2000-01 were recorded at their previous book value. Subsequent additions are recorded at cost. Collection assets donated to, or acquired by, the Trust are recorded and are not subject to depreciation. Items with a value greater than \$500 are approved prior to accession and where practicable a value is assigned based on research.

Depreciation

The Trust adheres to its Depreciation Policy. Each asset group has been assigned an appropriate depreciation rate calculated to allocate asset costs over their estimated life.

Land and Buildings are assessed on Fair Value. A new schedule was adopted in 2009-10. Buildings are valued for Audit and Insurance purposes biennially.

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Financial Instruments

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, accounts receivable, accounts payable and loans.

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are recognised in the Statement of Financial Position.

Employee Entitlements

Provision is made in respect of the Trust's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Audit and Risk Management Committee

This Board sub-committee was established in 2008-09 to consider all financial and accounting information and to identify and assist in the management of the risk framework and performance targets.

Annual Objectives

As detailed in the Strategic Plan document.

- Governance, Financial and Strategic Performance Objectives set by the Board
- Service Performance Objectives developed by the CEO with senior staff

Governance Obligations

- Operate within the annual budget at all times
- Consult with Te Tai Ao Komiti to assist with kaitiakitanga of taonga Māori
- Maintain the Research Library and catalogue and care for the NPM collection at Isel Park
- Prioritise strategies that contribute towards sustainable growth and future certainty
- Open the Nelson city facility at 270 Trafalgar Street to the public for 363 days per year
- Care for the NPM Collection in accordance with Museum standards and legal requirements.

Reporting to Stakeholders

Financial reports will be provided to stakeholders in accordance with statutory compliance.

Draft Statement of Intent (SOI)

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The Trust will begin development of the SOI by 30 November in each year. No later than 28 February in each year, the Trust will deliver to the Stakeholders a DRAFT Statement of Intent [SOI], Strategic Plan and Budgets that fulfil the requirements of LGA 2002 (Section 64).

Completion of Statement of Intent (SOI)

The Stakeholders' comments on the draft are to be received no later than 30 April. After due consideration, the Trustees will deliver to the stakeholders a Final SOI for the Stakeholders' approval, on or before 30 June each year. Performance objectives and Proposed budget (year 1) and Indicative budgets (years 2 and 3) are included with the Draft and Final SOI.

Half-Year Report

After the end of the half-year (31 December) of the financial year the Trust will deliver to the Stakeholders a brief un-audited report containing the following information in respect of the period under review (due no later than 28 February).

- Statement of financial performance disclosing actual and budgeted revenue and expenditure (P&L) and comparative figures from previous half year report
- Statement of financial position at the end of the period
- Statement of cash flow
- A Trust commentary on the results for the period, including progress against objectives in the Statement of Intent and the Strategic Plan. An outlook for the second half year, with reference to any significant factors that are likely to have an effect on performance

Annual Report

The Trustees shall deliver to the Stakeholders an annual report which fulfils the statutory requirements of LGA 2002 (Section 67) and prepared to comply with NZ International Financial Reporting Standards (IFRS) and audited financial statements in respect of the financial year containing at least the following information:

- A report including a summary of the financial results, a review of operations and comparison of performance in relation to objectives in the Statement of Intent and the Strategic Plan
- Statement of financial performance disclosing actual and budgeted revenue and expenditure and comparative figures from previous annual reports
- Statement of financial position at the end of the year
- Statement of cash flows
- Auditor's report on the above statements and the measure of performance in relation to the declared objectives
- The annual report is to be available for public inspection (on the NPM website)

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The non-financial part and the draft financials will be delivered to TDC and NCC Councils on or before 13th August 2021. Finalised financials will be delivered on or before 20th August 2021.

Procedure for Acquisition of Other Interests

If the Trustees believe that Tasman Bays Heritage Trust should invest in or otherwise acquire any interests in any other organisation or property, they will obtain the approval of both stakeholding Councils. This will require a resolution passed by each Council.

Funding from Local Authorities

An annual funding contribution shall be made to the Trust as an operational grant, in accordance with the funding agreement in the Memorandum of Understanding. This grant and other Council funding such as Trustee fees or special funds will be clearly identified by the Trust in the SOI budgets. In addition to the base funding Tasman District Council makes storage space available at Whakatu Estate in a lease arrangement [at an estimated value of over \$65,000 pa] and Nelson City Council has made a grant of \$70,552 pa available for work on the Collection Inventory project. The confirmation of funding requires the approval of each Council by resolution. Council provisions for the Trust will be disclosed in each Council's ten-year Long Term Plan [LTP], annual plans and annual reports. The Trust will submit all funding requests to the two Councils in accordance with due process.

Estimate of the Trust's Value

The net asset worth of the Trust at 30 June 2016 was \$19,012,323. The Museum Collection was valued at \$15,316,700 with an effective date of 28 August 2015. This was carried out by independent valuers Dunbar Sloane. Significant donations are examined by independent valuers and are noted in the annual accounts. A collection valuation will be carried out in the 2020/21 FY.

The most recent valuation of land and buildings was performed by independent registered valuer I McKeage of Telfer Young (Nelson) Ltd. The Isel property was valued at \$413,000 (a drop of \$220,000 from the 2015 valuation) while the TA445 land and buildings was valued at \$9,220,000 (a rise of \$64,000 in the same period). The effective date of this valuation was 30 June 2018.

Loan Agreements

The Trust has entered into a loan arrangement with the Nelson City Council and Tasman District Council for their respective loans. The Trust will repay the amount of \$100,000 to each Council commencing June 2016 until the loans are repaid, subject to adequate ongoing operational grant funding from both Councils. As the loans are at nil interest these are discounted to their fair value upon receipt. Loan facility agreements are in process and are expected to be in place by 30 June 2021.

Dividend Policy

As a non-profit charitable trust the Councils are stakeholders rather than shareholders. There is no issue of shares and no mechanism for dividends. However, the Trust anticipates, through delivery of performance objectives, that an annual, non-financial dividend will be

TBHT STATEMENT OF INTENT 2021/22 FY

returned to our wider community through a contribution to the social and cultural wellbeing of the region.

Insurance

On behalf of the Trustees, Tasman Bays Heritage Trust will purchase Trustees' indemnity insurance. The Trustees will in return sign a declaration that such insurance is fair, as required by the Companies Act 1993. The Trust will ensure that appropriate insurance is maintained on all inwards loans, buildings owned by the Trust, and in particular public liability insurance.

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APPENDIX 4**RESPONSE TO STATEMENT OF EXPECTATIONS**

As requested in the letter sent to the Tasman Bays Heritage Trust Chair by Mayor Reese and Mayor King, dated 18 December 2020

1.1	SOIs/SOCI must include a complete set of summary prospective financial statements for at least three years (preferably five years) i.e. Statement of Comprehensive Income, Statement of Financial Position and cash flow statement.	See Financial Statements pp11-13
1.2	SOIs/SOCI should disclose measures like Earnings before interest and tax (EBIT) and Earnings before interest, tax, depreciation and amortisation (EBITDA) and balance sheet ratios where applicable i.e, CCTOs.	See Financial Statements pp11-13
1.3	SOIs must fully comply with Schedule 8 of the Local Government Act. This is to ensure a consistent approach across all CCOs.	See Governance Statement: Structure, Function and Obligations of the Board pp20 – 27
1.4	In the Public Records Act 2005, a local authority includes a (council controlled) organisation. As such, the requirements of this Act and its related mandatory Information and Records Management Standard - July 2016 applies for the management, retention, and disposal of records.	See Governance Statement: Structure, Function and Obligations of the Board pp20 - 27
1.5	Compliance with legislation and reporting on Health and Safety matters must be given due emphasis.	See Governance Statement: Structure, Function and Obligations of the Board pp20 – 27
1.6	Where the councils make a financial contribution to the operational costs of the organisation, the CCO should show how it intends to increase non council revenue streams.	See Financial Statements pp11-13
1.7	Capital expenditure and asset management intentions should be included.	See Financial Statements pp11-13

TBHT STATEMENT OF INTENT 2021/22 FY

1.8	CCOs should use the same information for both managing the business and reporting through to the councils/shareholders, i.e. the information used for setting targets and reporting against them for the SOI should overlap and be a subset of the information used for internal reporting.	See Strategic Goals and KPIs pp 2- 10
1.9	SOIs and other CCO reports should be in a plain style, concise, relevant, accessible and focused on meeting the needs of the shareholding councils and the public they represent. The use of graphs, tables and charts is expected to convey both financial and non-financial information along with trends (past, current and future numbers).	See Strategic Goals and KPIs pp 2-10
1.10	To be effective the SOI must disclose the performance story for the CCO, providing a clear and succinct understanding of the CCO purpose, the goods and services it delivers and what success looks like. Providing a clear message to the boards on these requirements and other expectations will assist in ongoing improvements in the SOI and reporting.	See Strategic Goals and KPIs pp 2-10
1.11	The main aspects of the SOI performance story are: - Strategic context - Specifying and presentation of the outcomes framework - Main measures and targets, outcomes and objectives - Linking the strategy outputs performance together.	See Strategic Goals and KPIs pp 2-10
1.12	Risk management: shareholders would like to understand better in the SOI how the boards are considering and managing risks, including natural hazards and climate change.	See Governance Statement: Structure, Function and Obligations of the Board pp20 - 27

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1.13	Sustainability - the councils would like to understand better in the SOI how the boards are addressing sustainability including carbon emissions and waste minimisation,	See Strategic Goal 5 and KPI 5 pages 6 and 10
1.14	<p>Health and safety - given the requirements of the Health and Safety at Work Act 2015 (the Act), it is appropriate for the councils to set out their expectations in relation to Health and Safety in the CCOs.</p> <ul style="list-style-type: none"> • 1.14.1 Under Section 44 (3) of the Act elected members do not have a duty to exercise due diligence to ensure that any council controlled organisation complies with its duties or obligations under the Act unless that member is also an officer of that council-controlled organisation. • 1.14.2 However, as owners and key funders, it is still appropriate to set out expectations of Health and Safety management in CCOs. • 1.14.3 The Councils expect the boards of the jointly held CCOs to set appropriate Health and Safety strategy and policy, understand the nature of risks/hazards within the business, monitor performance and activities to ensure risk is being managed and review Health and Safety systems and performance, 	<p>A robust Health and Safety Policy is in place and guides reporting.</p> <p>The Health and Safety Staff Committee, made up of management and staff representatives, meets regularly and reports monthly to the Trust Board.</p> <p>A Risk Register is maintained and is reviewed quarterly by the Audit & Risk Committee. The Trust Board reviews the top five risks monthly. The Risk Register process was reviewed by an external expert in February 2021.</p>

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1.15	<p>Governance performance - in order to aid the councils when making decisions on director/trustee remuneration and appointments, the boards should undertake regular evaluation of their own performance.</p> <p>The councils expect these reviews to be carried out at least once every eighteen months.</p> <p>The chairs of the boards should reference this evaluation when making recommendations on the re-appointment or recruitment of board members.</p>	<p>A self-evaluation exercise was undertaken by the Trustees in November 2020 and will be repeated this coming FY</p>
1.16	<p>The councils require that CCOs, before making a decision that may significantly affect land or a body of water, must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wahi tapu, valued flora and fauna, and other taonga.</p> <p>This is a provision in the LGA.</p>	<p>This is observed through the Trust's relationship with Te Tai Ao Komiti.</p>
1.17	<p>The shareholders request that all CCOs include in their SOIs how they are intending to respond to the challenges of COVID-19 including the likely economic downturn.</p>	<p>A drop of 20% visitation is forecast for the coming year due to COVID-19 and the absence of international visitors.</p> <p>See Strategic Goal 2 for impact on visitation p4 and Financial Statements for impact on budget pp11-13</p>
Specific expectations to be included in the Museum SOI		

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1.18	Asks that the Trust set out its plans regarding the project to build a new Archive Research and Collections (ARC) facility for the Nelson Provincial Museum, in particular regarding funding opportunities, timelines and project management;	See Strategic Goal 1 p 3 and Strategic KPI 1 p7
1.19	Asks that the Trust outline how it will respond to the effects of COVID-19 including: - Impacts on visitor numbers and budgets; and - How the Nelson Provincial Museum's activities contribute to and align with regional recovery efforts;	A drop of 20% visitation is forecast for the coming year due to COVID-19 and the absence of international visitors. See Strategic Goal 2 for impact on visitation pp3 and Financial Statements for impact on budget pp11-13
1.20	Asks that the Trust sets out its succession plan for Trustees noting that four Trustees are due to complete their term in November 2021.	All four Trustees have signalled their intention to stand again in November 2021

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6.3 NELSON AIRPORT LIMITED - FINAL STATEMENT OF INTENT 2021-22

Report To: Joint Shareholders Committee
Meeting Date: 24 August 2021
Report Author: Nikki Harrison, Group Manager Corporate Services
Report Number: RJSC21-08-3

1 Summary

- 1.1 Please find attached Nikki Harrison, Group Manager Corporate Services, Nelson City Council, report on Nelson Airport Limited – final Statement of Intent 2021-22 with supporting attachment.

2 Draft Resolution

That the Joint Shareholders Committee receives the Nelson Airport Limited - Final Statement of Intent 2021-22 RJSC21-08-3; and

- 1. receives the report Nelson Airport Limited final Statement of Intent 2021/22 (R26019) and its attachment (A2696022); and**
- 2. notes the delivery of the Nelson Airport Limited final Statement of Intent 2021/22 (attachment A2696022) as required under the Local Government Act 2002; and**
- 3. adopts the final Nelson Airport Limited Statement of Intent (A2696022); and**
- 4. notes that the final Nelson Airport Limited Statement of Intent (A2696022) will be made publicly available on the councils' website within one month of adoption as per legislation.**

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3 Attachments

- | | | |
|----|---------------------------------------------------------------------|----|
| 1. | Nelson Airport Limited - Final Statement of Intent 2021-22 - Report | 81 |
| 2. | Nelson Airport Limited - Final Statement of Intent 2021-22 | 86 |

Item 2.4.3: Nelson Airport Limited final Statement of Intent 2021/22



Joint Shareholders Committee

24 August 2021

Report Title: Nelson Airport Limited final Statement of Intent 2021/22
Report Author: Nikki Harrison - Group Manager Corporate Services
Report Number: R26019

1. Purpose of Report

- 1.1 To formally acknowledge the receipt and adopt the Nelson Airport Limited final Statement of Intent 2021/22.

2. Recommendation

That the Joint Shareholders Committee

- 1. Receives the report Nelson Airport Limited final Statement of Intent 2021/22 (R26019) and its attachment (A2696022); and***
- 2. Notes the delivery of the Nelson Airport Limited final Statement of Intent 2021/22 (attachment A2696022) as required under the Local Government Act 2002; and***
- 3. Adopts the final Nelson Airport Limited Statement of Intent (A2696022); and***
- 4. Notes that the final Nelson Airport Limited Statement of Intent (A2696022) will be made publicly available on the councils' website within one month of adoption as per legislation.***

Item 2.4.3: Nelson Airport Limited final Statement of Intent 2021/22

3. Background

3.1 Under the Local Government Act 2002, Nelson Airport is required to complete a Statement of Intent (SOI) on an annual basis no later than 1 March each year. This requirement has been met and the draft SOI was presented to the Joint Shareholders Committee on 6 April 2021.

3.2 At the meeting the following resolution was passed:

Provides the following comments and feedback to the Nelson Airport Ltd Board:

- a) that the Draft Statement of Intent meets the shareholders' expectations; and*
- b) requests the Board considers updating the Nelson Resource Management Plan section to explain the importance of NAL as significant infrastructure; and*
- c) requests the Board to amend the performance measures to better reflect the strategic objectives in particular Health, Safety and Risk and also People, Culture and Values.*

3.3 Due to the timing of the Airport's annual planning cycle, which got underway in March 2021, the updated financial forecasts were to be incorporated in the final SOI presented to this meeting.

3.4 The company had until 30 June to deliver the final SOI to the Shareholder. The final SOI was received on 30 June and is included as Attachment 1. The adopted final SOI must be published on both councils' websites within one month of adoption.

3.5 Given the number of changes from the draft SOI, the Board Chair Paul Steere and Airport staff will attend the meeting to answer any questions.

4. Discussion

4.1 The SOI has been checked for compliance with the statutory requirements and there are no matters to bring to the attention of the Committee. In addition, the SOI has been considered in light of the Council's feedback provided on the draft SOI.

4.2 As part of the Board's integrated planning review in March 2021 and shareholder feedback, the following key changes have been made to the final SOI:

- 4.2.1 The financial targets are updated to reflect the latest, increased aeronautical pricing together with increased forecasts of

Item 2.4.3: Nelson Airport Limited final Statement of Intent 2021/22

passenger numbers. This has resulted in significant upside in all years;

- 4.2.2 The Nelson Plan (page 9) -economic impact diagram has been added to highlight the key role the Airport plays in the economy;
- 4.2.3 Our Plan (page 13) -People, Culture and Values and Health, Safety and Risk sections and performance measures and targets have been updated and expanded as requested;
- 4.2.4 Dividend policy (page 21) -Some words added confirming the Directors' commitment to review the dividend policy in the 2021/22 year.

4.3 Other changes include:

- 4.3.1 Executive Summary – Our Strategic Objectives (page 3) have been revised following the planning cycle & strategic review. Two categories have been removed (Purpose and Compliance).
- 4.3.2 Nature and scope of activities – Revenue analysis (page 5) - This section has been reviewed to recognise the importance of diversification for resilience and business sustainability.
- 4.3.3 COVID-19 (Page 7) Minor update to recognise the establishment of travel bubbles and the good recovery of domestic travel.
- 4.3.4 Historical vs Forecast total passenger – Full year 2021 target has been updated from 584,000 to 715,000. The graph has been updated with passenger numbers forecast marginally increased over the draft SOI.
- 4.3.5 Health, Safety and Risk Management (Page 8) is beefed-up significantly compared to previous.
- 4.3.6 Cultural relationships (Page 10) – A new section has been added.
- 4.3.7 Sustainability (Page 11) -Economic sustainability has been reworded to reflect the diversity challenge previously explained on page 5.
- 4.3.8 2nd para under table (Page 11) - We will provide safe storage for bicycles and charging stations for e-bikes and e-cars e-vehicles. The provision of chargers for e-bikes in the new bike hub proved not practicable.
- 4.3.9 Climate change – Mitigating climate change impact on the Airport (page 12) - this section has been improved and updated, including reference to the coastal erosion study just completed.
- 4.3.10 Our Plan (page 13 – 14) - under Customers and Stakeholders there is now a target re Iwi participation in governance. Under

Item 2.4.3: Nelson Airport Limited final Statement of Intent 2021/22

the same section the passenger number forecast has been increased from 672,500 to 800,000 for 2021/22.

4.3.11 Sustainability (page 14) – now renamed Environmental Sustainability, includes more detail than previous version.

4.4 The proposed dividend out to 2023/24 is set out in the Prospective Summary Statement of Cash Flows on Page 21 of the SOI. These dividends are materially higher than forecast in the draft Statement of Intent. This reflects the updated financial performance however it needs to be noted that a dividend policy review is going to be undertaken.

5. Options

5.1 The options are to either:

5.1.1 Option 1 - to receive and adopt the final Nelson Airport Limited Statement of Intent 2021/22.

5.1.2 Option 2 – to not agree to adopt the final Statement of Intent. If the Committee does not agree to the SOI then shareholders must take all practicable steps under Clause 5 of Schedule 8 of the Local Government Act to require the SOI to be modified. This approach is not recommended.

6. Important considerations for decision making
<p>6.1 Fit with Purpose of Local Government</p> <p>Appropriate reporting of the performance of councils' Council Controlled Trading Organisations supports the economic wellbeing of the community.</p>
<p>6.2 Consistency with Community Outcomes and Council Policy</p> <p>The recommendation supports the Community Outcome that "our infrastructure is efficient, cost-effective and meets current and future needs".</p>
<p>6.3 Risk</p> <p>There is relatively low risk to councils of accepting the final Statement of Intent as it does not propose any substantial change to previous Statements of Intent.</p>
<p>6.4 Financial impact</p> <p>The dividend stream to councils is higher than the draft Statement of Intent.</p>
6.5 Degree of significance and level of engagement

Item 2.4.3: Nelson Airport Limited final Statement of Intent 2021/22

	<p>This matter is of low significance therefore no engagement has been undertaken.</p> <p>This matter is of low significance therefore no engagement has been undertaken.</p>
6.6	<p>Climate Impact</p> <p>Climate change responsiveness has been identified by councils as a specific matter of interest in the Statement of Expectation letter.</p>
6.7	<p>Inclusion of Māori in the decision making process</p> <p>No engagement with Māori has been undertaken in preparing this report.</p>
6.8	<p>Delegations</p> <p>The Joint Shareholders Committee has the following delegations to consider the draft Statement of Intent:</p> <p><i>Areas of Responsibility:</i></p> <ul style="list-style-type: none"> • <i>All matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading Organisations, including statements of intent, statements of corporate intent, half yearly reports, and the appointment of directors and setting of director fees.</i> <p><i>Powers to Decide:</i></p> <p><i>All matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading organisations, including statements of intent, statements of corporate intent, half yearly reports, and the appointment of directors and setting of director fees.</i></p>

7. Conclusion and Next Steps

- 7.1 Nelson Airport Limited has submitted the final Statement of Intent 2021/22 as required by the Local Government Act.

Author: Nikki Harrison, Group Manager Corporate Services

Attachments

- Attachment 1: A2696022 - Nelson Airport Ltd final Statement of Intent 2021/22



INTRODUCTION

Nelson Airport Limited ("NAL") is a Council Controlled Trading Organisation under section 6 of the Local Government Act 2002.

This Statement of Intent is presented by the Directors of NAL in accordance with section 64 of the Local Government Act 2002.

This Statement of Intent is for the 2021/22 Financial Year to 30 June 2022, and for the two following financial years.

The purpose of this document is to publicly state the objectives, activities and intentions of NAL.

NAL acknowledges the Letter of Expectation from Shareholders dated 7th December 2020, feedback on the draft Statement of Intent that was received from shareholders following their review and the general expectations for Council Controlled Organisations. These items, among others, are incorporated into NAL's comprehensive planning cycle which runs from March to June. The planning cycle encompasses the strategic plan, the business plan, budgets and financial forecasts. The outcome of this integrated planning process is reflected in this Statement of Intent.

A full copy of the Statement of Intent will be made available via NAL's website within 30 days of delivery to Shareholders. www.nelsonairport.co.nz

PURPOSE STATEMENT

"To provide world-class infrastructure connecting
Te Taihu to the world and
supporting regional development"

EXECUTIVE SUMMARY - OUR STRATEGIC OBJECTIVES

For the financial year 2021/22 to 2023/24, the Statement of Intent concentrates on the following Strategic Objectives:

<p>People, Culture & Values</p> 	<ul style="list-style-type: none"> • Enhance policy framework and accountability. • Maintain a culture of open communication and respect. • Health and wellbeing "Get Active Be Well" programmes. • One airport, one team. Committed, motivated, "we not me". 	<p>Health, Safety & Risk</p> 	<ul style="list-style-type: none"> • Top ten risks identified, mitigated and managed. • Continuous improvement in identifying and managing all health and safety risks. • Continuous improvement in staff engagement and wellbeing. • No lost time injuries or serious harm injuries. • Build on successful result of CAA Safety Management System audit.
<p>Infrastructure and Property</p> 	<ul style="list-style-type: none"> • Plan / design / develop core infrastructure e.g. underground services. • Complete Full Spatial Plan and Asset Management Plan. • Manage <i>The Nelson Plan</i> process to successful outcome. 	<p>Financial Results</p> 	<ul style="list-style-type: none"> • Maintain reliable and informative accounts and financial reports. • Manage performance for long-term growth and returns. • Manage debt levels. • Review the dividend policy. • Obtain an unmodified audit opinion from Audit New Zealand.
<p>Customers and Stakeholders</p> 	<ul style="list-style-type: none"> • Build and maintain meaningful relationships, especially with local iwi. • Embrace technology to improve customer and stakeholder experience. • Restructure the marketing programme to directly manage outcomes for NAL. • Utilise customer research to monitor customers' needs. 	<p>Environmental Sustainability</p> 	<ul style="list-style-type: none"> • Manage, monitor and report on carbon usage. • Refuse, reuse and recycle products – work to reduce waste in all areas. • Conduct an assessment of a solar farm at scale. • Offset at 120% until carbon neutrality achieved.

NATURE AND SCOPE OF ACTIVITIES



NAL was incorporated in 1996 and purchased the assets and undertakings of the Nelson Regional Airport Authority in March 1999.

The airport is a key strategic asset and contributor to the development and growth of the Nelson Tasman economy. Its operations and services deliver significant benefits to the Nelson Tasman region. Its key service is moving people into and out of the region. Prior to COVID-19, the number of passengers through the airport was progressively increasing, matching the growth in the region's population and visitor expenditure. NAL has shown resilience through the COVID-19 pandemic and it is anticipated that ongoing improvements in the handling of virus cases and development of viable vaccine solutions will result in a return to previously predicted levels of activity within a 4 to 5-year timeframe.

The airport supports some 30 related businesses that service passengers or require access to air services or airport infrastructure.

The airport also has important catalytic effects on the Nelson Tasman region. An efficient, well-connected airport gives the area a competitive advantage.

The airport connects Nelson Tasman to the rest of New Zealand and the world. With increasing dependency on air access and the region's relative isolation, the airport is critical to delivering on the region's development and growth aspirations. In particular, the airport contributes to the:

- attraction and retention of talent
- growth and productivity of business
- resilience of the region and its ability to respond to emergencies.



NATURE AND SCOPE OF ACTIVITIES cont'd

The revenue streams earned reflect the scope of airport activities. The diagram below illustrates a summarised view of the projected revenue split, based on the latest full year 2021/22 forecast.

In addition to passenger related income, NAL generates revenue from the property it controls. NAL may grant sub-leases of the land, buildings or installations vested in NAL for any purpose consistent with the ongoing safe and efficient operation of the airport.

REVENUE ANALYSIS

The following diagrams analyse revenues in two different ways.



Diagram 1

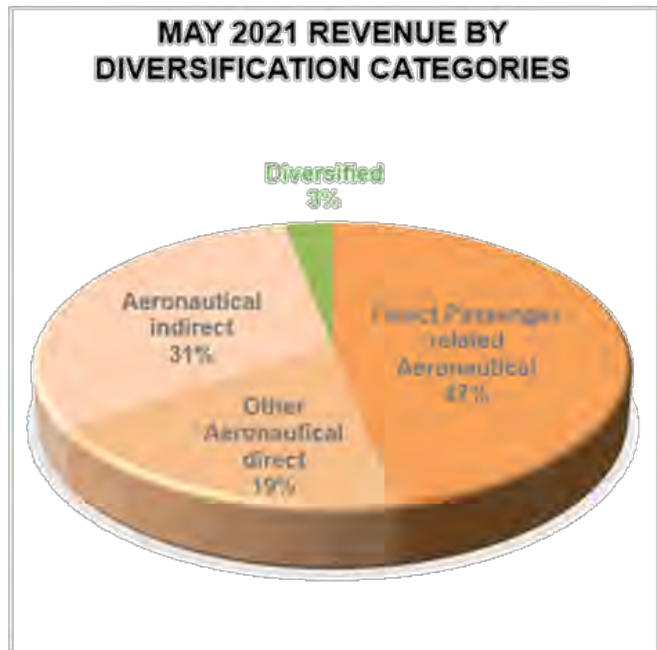


Diagram 2

The business has traditionally looked at revenues as categorised in diagram 1.

Conversations around diversification of income have focused on identifying opportunities to decrease the proportion of the pie that the “Aeronautical” revenues represent. The *Aeronautical* revenues in diagram 1 comprise; passenger related aeronautical charges from Regular Passenger Transport operators (Air New Zealand, Originair and Sounds Air) plus landing charges from General Aviation flights (itinerant aircraft and other non-airline planes based at the airport) and aircraft parking charges.

Diagram 2 is showing degrees of diversification from those directly linked to Regular Passenger Transport carriers (the airlines) through to those that are ‘fully diversified’ i.e. have no link to any aeronautical or airport activity. Utilising May actuals provides a ‘snapshot’ of the current situation.

The following list gives examples of each of the diversification categories displayed;

- *Direct Passenger-related Aeronautical* – revenues directly related to the number of airline passengers processed. These revenues correlate 100% with total passenger numbers.

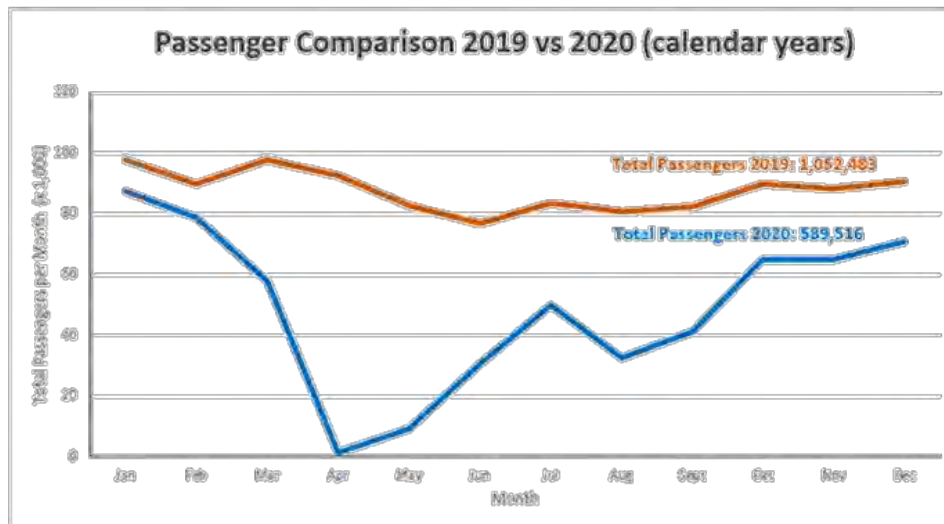
- *Other Aeronautical Direct* – revenues directly associated with airfield activity. Such revenues include landing charges for general aviation (non-airline) aircraft, rental of hangars and repair facilities for aircraft.
- *Aeronautical Indirect* – revenues that have a positive correlation with total passenger numbers over time but not a perfect correlation in the short-term. Such revenues include rental car related revenues, retail, advertising.
- *Diversified* – Revenues independent of other airport activity.

NAL will continue to appraise opportunities for diversification of income in support of resilience, business growth and economic sustainability.

The above analysis provides a benchmark against which to measure future progress in diversification over the medium and long term.

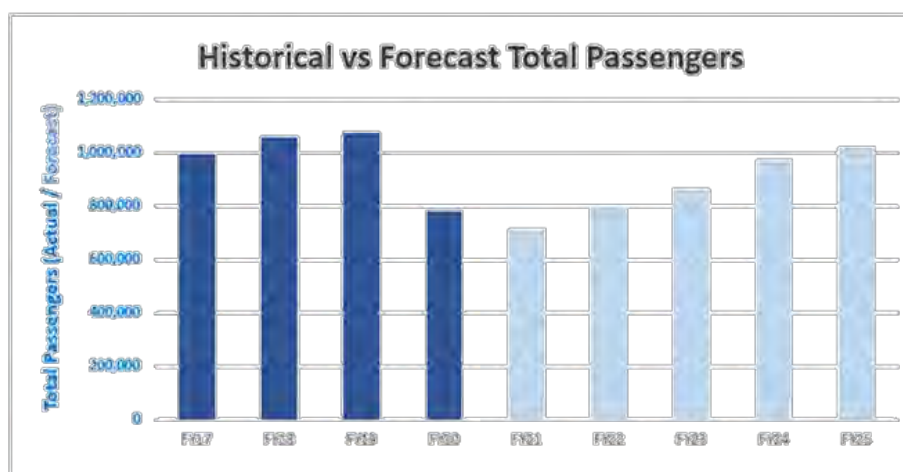
COVID-19

The COVID-19 pandemic continues to have an impact on NAL's business although this has now reduced given the recovery of domestic travel. International travel is slowly returning with the Australia and Cook Islands travel bubble up and running. The graph below shows a monthly comparison of passenger numbers for the 2019 and 2020 calendar years. It should be noted that prior to COVID-19, Jetstar withdrew operations from regional airports, including Nelson at the end of November 2019. In the year to November 2019 Jetstar carried 174,796 passengers through Nelson Airport. Our carriers have ensured the travelling public has retained access to frequent scheduled flights and this combined with the public's propensity to utilise regional domestic flights has enabled a faster than expected recovery.



HISTORICAL vs FORECAST TOTAL PASSENGERS

Uncertainty remains as New Zealand manages new, more contagious strains of COVID-19 at the borders making planning and investment more challenging. Our initial FY21 target of 403,000 passengers has been revised upwards to 715,000. The forecast for FY22 and beyond reflects a slow recovery due to new COVID-19 strains and ongoing infection levels. We expect this recovery to continue until a widespread vaccination programme has been implemented and proven effective.



HEALTH, SAFETY AND RISK MANAGEMENT

Any aviation business depends on an impeccable safety record to ensure success. NAL is dedicated to ensuring our workplace is accident free and that the health of everyone in our workplace is protected. It is the duty of every Airport employee to be familiar with the company's Health and Safety policies, procedures and practices. NAL insists on, and actively encourages, open and honest reporting of all safety and health hazards and incidents within a 'just safety reporting culture'.

NAL requires all its employees, tenants, contractors and other stakeholders to work both individually and as a team to ensure a safe workplace. Success of the Safety Management System (SMS) across our precinct will only be achieved through collaboration and open communication and a strong safety culture.

We have systems in place to ensure regular audits of the Health and Safety manuals, policies, and procedures and involve all staff who provide input into these matters. We monitor industry activity to remain up to date on best practices and incorporate these into our own practices, where it is possible and practicable to do so. NAL's Health and Safety Policy is formally reviewed and signed off at Board level annually.

Our measurement of success as a company will include an accident free and healthy workplace. Our Employee Assistance Programme (EAP), offered to all staff and their immediate family free of charge, underpins wellbeing and incorporates associated reporting to Board and CEO.

Our newly established comprehensive Safety Management System (SMS) has been audited by the Civil Aviation Authority (CAA) for the first time and has been certified as "*present and suitable*" with no significant adverse findings. NAL is now focused on continued improvement towards certification by CAA as "operating and effective". Readers will note that this has been set as a target for the 2021/22 year.

NAL continues to facilitate monthly Safety/Security fora with staff and stakeholders, ensuring they are participative and relevant. Relevant safety training is provided to all staff members.

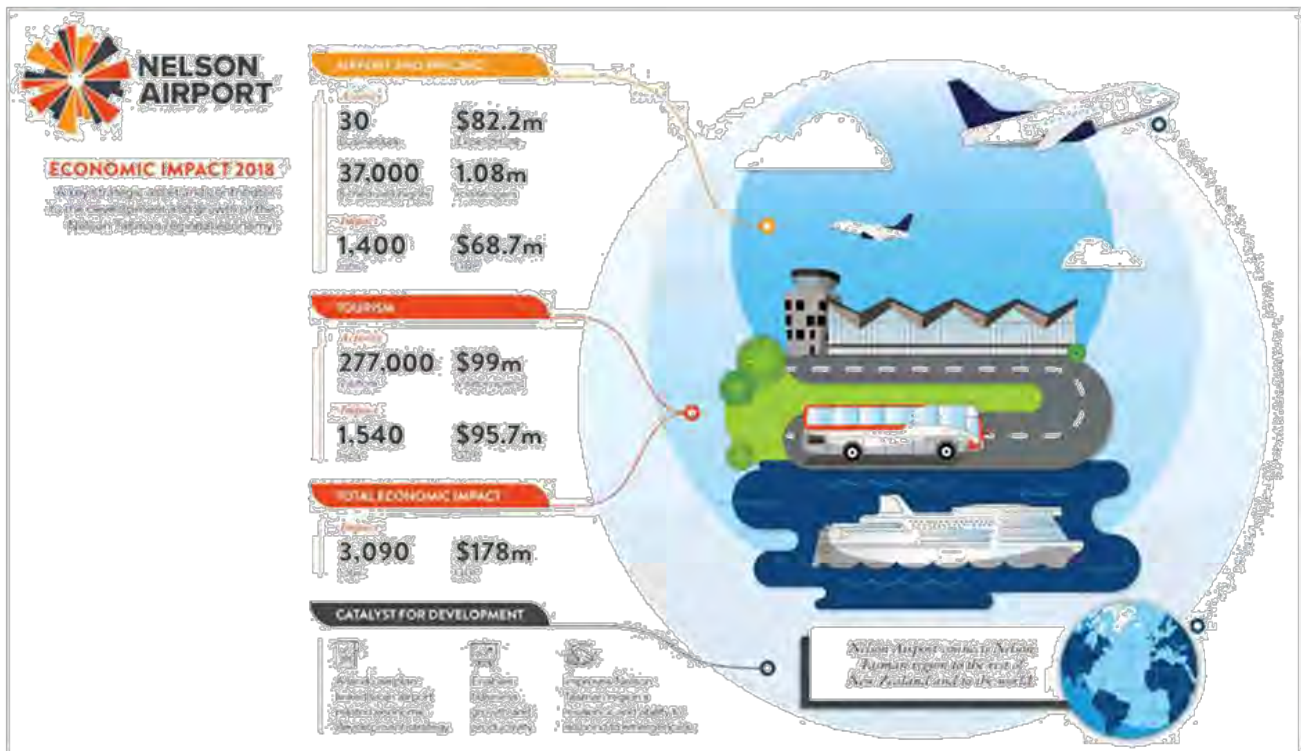
The Board actively reviews a detailed Health and Safety Report at all Board meetings.

NAL maintains a live Risk Register, monitoring and reviewing the key risks regularly and ensuring that resources are available to effectively manage the risks.

THE NELSON PLAN

NAL continues to evaluate its facilities and infrastructure and how it can contribute to the success of the region. The Nelson Plan process helps bring focus to that evaluation and allows the airport to present a view of its development and future contribution to the region's economy. Near term demands for cashflow and efficiency need to be balanced with the airport's ability to manage growing passenger numbers, growing demand for space on the airport precinct and potential future options around freight, solar power and alternate modes of transport to the airport and in the air.

The following diagram identifies and highlights Nelson Airport's economic contribution to the local economy. The figures presented are in 2018 money.



Source: Nelson Airport's Contribution to the Nelson Tasman Economy: Martin Jenkins June 2019

INFRASTRUCTURE AND PLANNING

The new terminal has been the recipient of multiple awards. It has also proven to be a functional and efficient airport terminal building. There is now an opportunity to focus on developing the airport and optimising the use of the precinct as well as the terminal itself. Whilst recognising the care required before any major spend can be undertaken in the current environment we cannot stop moving forward.

We have committed to an apron upgrade, a new replacement rescue fire appliance and fire station emergency management centre.

We continue to focus on improving stormwater infrastructure, demolition of the final remains of the old terminal and the development of new cargo facilities, perimeter security and extending the covered airside walkway. Plans are being considered for hangar developments and further support for cyclists and electric cars.

NAL recognises the inextricable link between climate change and infrastructure development and management.

CULTURAL RELATIONSHIPS

NAL recognises the importance of the local mana whenua iwi. We need to better reflect this in our governance and management.

Governance is a matter for shareholders. NAL will investigate, alongside local iwi, an effective way to bring meaningful iwi representation to our governance team.



SUSTAINABILITY

Sustainability for the purposes of NAL has been considered in three ways:

1. Economic sustainability - The impact of COVID-19 on the aviation industry and on the wider regional economy has forced us to look carefully at our business and consider its financial resilience.
2. Mitigating our impact on the climate
3. Mitigating the impacts of climate change on our business.

ECONOMIC SUSTAINABILITY

The challenges presented by COVID-19 highlighted the dependency that NAL has on aeronautical income.

The revenue analysis on page 5 illustrates the challenge that NAL faces with diversification of income as a tool towards better economic sustainability. Rather than signalling a change in focus from our core business this signals a necessary addition to our business to ensure we remain viable to serve our key clients.

CLIMATE CHANGE – MITIGATING NAL'S IMPACT

NAL has measured and offset 120% of its Scope 1, 2 & 3 CO₂ emissions from its business operations for the 2020 calendar year period with the following details:

Total emissions = 177.44 t CO₂-e

Total offsets purchased = 212.93 t CO₂-e (120%)

Metric	Emissions CO ₂ -e	Percentage
Electricity consumption	113.1	64
Waste	22.2	13
Land transport	12.9	7
Fuel and energy related emissions	12.5	7
Downstream leased assets	7.4	4
Air conditioning / refrigerants	7.3	4
Air travel and accommodation	2.0	1
TOTAL	177.4 t	100%

Focusing on NAL's operations, the biggest gains are to be made from reducing our electricity usage and continuing to investigate the use of renewable sources of electricity including solar. We will continue to look for viable options for solar facilities to be used to support a greener electricity use profile.

NAL sees that it has a role to encourage and enable its carriers, tenants and customers to be more sustainable. The gains available through our clients significantly outweigh the opportunities from our own operations. Through the future provision of sustainable alternatives NAL will support the use of bicycles, e-bikes and e-cars. We will provide safe storage for bicycles and charging stations for e-vehicles.

Significant emission reductions will be made in the future when our carriers choose to move to alternate fuels, hydrogen and/or electric aeroplanes. To support this we will investigate the viability of a solar farm to provide electricity for recharging or to potentially make hydrogen as a fuel.

CLIMATE CHANGE – MITIGATING CLIMATE CHANGE'S IMPACT ON NAL

Nelson airport is situated on the coast and is susceptible to flooding and coastal erosion. This situation will be exacerbated by the likely impact of climate change over time.

FLOODING

The airport experiences surface flooding when a high tide and a low-pressure weather system coincide. NAL is currently looking at stormwater piping upgrades, tidal control valves, stop banks, additional sumps and the use of the lagoon as a retention pond as potential options to reduce the impact of flooding.

NAL has recognised the need to carefully monitor service levels of flood-prone infrastructure. As the service level profiles are understood by NAL they will become important tools in managing this risk. An example might be recognising the number of hours or days per year on average that a taxiway may be unserviceable due to expected inundation and utilising that factor explicitly in forming the business case for related capital works.

COASTAL EROSION

Based on the coast the airport land is subject to coastal erosion and has already lost land along its western and southern boundaries. We continue to monitor and retreat or protect in the face of this erosion.

NAL has just received an updated coastal erosion analysis from independent experts. This will inform NAL of viable means to manage coastal erosion on airport land and prioritisation of related capital works options.

OUR PLAN

NAL has developed strategic areas to improve business performance and encourage growth. These strategies are underpinned by a series of activities and key performance indicators.

2021/22

Strategic Area	Measure	Target
People, Culture and Values	Staff wellbeing policy created, consulted with staff and formally signed off by the Board.	By 31 December 2021
	Board and management to determine and promulgate new values statement.	By 31 December 2021
	Design and implement a staff survey.	By 30 June 2022
	Implement new remuneration structure.	By 31 July 2021
	Board and CEO oversight of Employee Assistance Programme (EAP) activity.	All EAP independent reports reviewed by nominated Board representative and CEO.
Health, Safety and Risk	Nil harm to staff, contractors and visitors.	Nil Serious harm injuries Nil Lost-time injuries.
	Improve operational safety	NAL to facilitate a minimum of 9 Safety/Security meetings.
	Educate NAL staff on human factors in safety to reinforce safety culture.	Specific training for all staff.
	Further improve implementation of NAL's newly implemented Safety Management System (SMS).	Obtain audited certification from CAA as "Operating and Effective".
	Ensure all incidents are investigated appropriately and actions/learnings processed.	Formal incident investigation training for Airfield & Safety Manager by 31 December 2021
Infrastructure and Property	Implement Phase I of upgrade of stormwater improvement works for storm surge and sea level rise mitigation.	By 30 June 2022
	Complete rental car facilities, including offices and public counters, for on-site rental car operators.	By 30 June 2022
	Construct new purpose-built rescue fire and emergency management centre.	By 30 June 2022

pg 13

Strategic Area	Measure	Target
	Implement full aerodrome aviation security fence.	By 30 June 2022
Financial Results	Manage performance to achieve real business growth, maximising return to shareholders.	Total Revenues \$13.7m
		Earnings before Interest, Tax and Depreciation (EBITDA or Operating Profit) \$8.0m
		Dividends Policy to be reviewed
	Maintain accurate, reliable and informative financial records and reports.	Secure an unmodified audit opinion from Audit New Zealand
Customers and Stakeholders	Actively support airlines and the market to achieve customer growth.	Total passengers 800,000
	Establish a positive, effective, ongoing relationship with local iwi.	Advocate for establishment of a meaningful representation for local iwi at governance level
	Utilise research to understand NAL's customer profile post the COVID-19 environment.	Implement a customer survey by 31 December 2021
Environmental Sustainability	Continuous improvement in sustainability performance.	At least one new significant sustainability project completed delivering a step-change in environmental performance/impact
	Complete coastal protection works where critical to airfield protection.	By 30 June 2022
	(see Stormwater improvement works under <i>infrastructure</i> section above)	

MEDIUM TERM MILESTONES & ACTIVITIES

2022/23 - 2023/24

STRATEGY	ACTIVITY / MILESTONE
People, Culture and Values	<p>A place where people want to work.</p> <p>No unplanned staff turnover.</p> <p>Best practice training & development policy in place and delivering enhanced organisational capability.</p>
Health, Safety & Risk	<p>No major findings from Civil Aviation Authority safety or security audits.</p> <p>Investigate pushback configuration on the apron in conjunction with users.</p> <p>Delivery and commissioning of new Rosenbauer rescue fire appliance.</p> <p>Implement domestic security screening as required by legislation effectively managing the impact on customer experience.</p>
Infrastructure and Property	<p>Complete apron reconfiguration including resurfacing and possible pushback configuration.</p> <p>Complete refurbishment of runway surface including grooving to enhance aeronautical safety.</p> <p>Commence construction of significant southern airfield development including new hangars in response to demand (aircraft and freight activity).</p>
Financial Results	<p>Total Revenues of \$18m per annum by June 2024.</p> <p>EBITDA of \$12m per annum by June 2024.</p> <p>Improved cost of funds supporting debt management, further airport developments and improved dividends.</p>
Customers and Stakeholders	<p>Complete a permanent air cargo facility in consultation with airlines.</p> <p>972,000 passengers per annum by June 2024.</p>
Environmental Sustainability	<p>Further reduction in carbon emissions by reduction of energy use and waste.</p> <p>Complete Phase 2 of stormwater services upgrade and sea level rise mitigation project.</p> <p>Continue to monitor and respond to threats posed by coastal erosion.</p> <p>Continue to target initiatives that deliver diversified revenues.</p>

Note that the financial targets included in the tables above are consistent with the Prospective Summary Financial Statements provided in this document.

GOVERNANCE

The Board's approach to governance of NAL is to preserve and enhance Shareholder value in the long term.

The Board is responsible for the Strategic Plan and Statement of Intent and is accountable to the Shareholders within the framework provided by the constitution of NAL, the provisions of the Companies Act 1993 and The Local Government Act 2002.

The Board must:

- Ensure that NAL meets its objectives as defined in this Statement of Intent
- Ensure that NAL complies with its legal obligations
- Make any decisions as to policy that is not the preserve of general management and day to day administration
- Employ the Chief Executive including entering into a performance management agreement, reviewing performance and setting remuneration
- Ensure sound financial management of NAL
- Ensure NAL meets all health and safety obligations

The Board consists of five, non-executive Directors appointed by the Shareholders in accordance with the Constitution.

The Board meets at least nine times per year. The individual Directors' attendance record is maintained and reported in the Annual Report.

NAL employs sound financial management and systems providing reports to the Board on monthly and year-to-date performance. The Board also receives a Chief Executive's Report at each Board Meeting which addresses issues related to NAL's performance against its objectives.

All Directors will use their best endeavours to ensure NAL achieves the objectives as defined in this document and will comply with the requirements of its constitution and this Statement of Intent.

All Board Members comply with the New Zealand Institute of Directors' Code of Proper Practice for Directors.

Fees for the Board are set by the Shareholders in accordance with a policy jointly approved by Nelson City Council and Tasman District Council.

THE VALUE OF SHAREHOLDERS INVESTMENT IN NAL

The commercial value of the Shareholders' investment in the Company is considered by the Directors to be not less than the Shareholders' funds as disclosed in the Statement of Financial Position published in the last Annual Report.

The fair value of assets is supported by valuations of land, buildings, infrastructure and the leasehold interest in the aerodrome land by independent registered valuers as required.

A reassessment of the value of the Shareholders investment in NAL will be undertaken as required from time to time by the Shareholders or Directors.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

GENERAL

NAL operates on a 'no surprises' basis in respect of significant Shareholder-related matters, especially on matters likely to cause community or political concerns, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

HALF-YEARLY REPORT

- To be delivered to Shareholders by 28th February.

The half-yearly report will include:

- A Directors' report which includes commentary on NAL's operations and performance against non-financial performance measures
- A condensed Statement of Comprehensive Income
- A condensed Statement of Changes in Equity
- A condensed Statement of Financial Position
- A condensed Statement of Cash Flows
- Appropriate Notes to the condensed Financial Statements

The half-yearly report will be published on NAL's website following delivery to Shareholders.

When presenting the half-yearly report the Board will indicate any significant movement expected in the final year-end position.

STATEMENT OF INTENT

- Draft to be delivered to Shareholders by 1st March
- Comments from Shareholders on draft Statement of Intent, if any, to be provided to NAL by 1st May
- Completed Statement of Intent to be delivered to Shareholders by 30th June after consideration of any Shareholder comments
- Completed Statement of Intent to be made available to the public within one month of delivery to Shareholders

The Statement of Intent will contain prospective financial information in the form of forecasts for the current year and following two years. The financial forecasts will include; a summary Statement of Comprehensive Income; Statement of Financial Position; Cashflow Statement; Earnings Before Interest and Tax (EBIT); Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA); Debt to Equity Ratio; Working Capital; Capital Expenditure; Return on Equity; and Ratio of Shareholders' Funds to Total Assets.

ANNUAL REPORT

- To be delivered to Shareholders by 30th September and not less than 20 working days before the date fixed for holding the Annual Shareholders' Meeting
- To be made available to the public by 30th September

Within three months after the end of the financial year the Board will deliver an audited Annual Report which fulfils the requirements of the local Government Act 2002 and is prepared to comply with the requirements of the Financial Reporting Act 2013.

The Annual Report will include:

- A Directors' Report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend
- A Statement of Comprehensive Income disclosing actual and budgeted revenue and expenditure and comparative actual figures from the previous year
- A Statement of Changes in Equity with actuals and comparative figures from the previous year
- A Statement of Financial Position with actuals and comparative figures from the previous year
- A Statement of Cash Flows with actuals and comparative figures from the previous year
- An Auditor's Report on the above statements and the measure of performance in relation to objectives

ANNUAL SHAREHOLDERS' MEETING

- Annual Shareholders' Meeting to be held by 31st December
- Annual Report to be delivered to Shareholders not less than 20 working days prior to the Annual Shareholders' Meeting
- Written Notice of Meeting to be delivered by not less than ten working days before the meeting

Written notice of the time and place of a meeting of Shareholders' will be sent to every Shareholder and to every Director and Auditor of NAL not less than ten working days before the meeting. The notice must be in accordance with the requirements of Schedule 1 of the Companies Act 1993.

PROSPECTIVE SUMMARY FINANCIAL STATEMENTS

NAL adopts General Purpose Financial Reporting utilising the revaluation model based on the accounting concept of Fair Value. The Prospective Summary Financial Statements have been prepared utilising the concept of Fair Value.

Aeronautical charges form approximately half of NAL's revenues. Aeronautical charges were reset by NAL for a five-year period effective from 1 July 2016, following a thorough consultation process. The aeronautical charges are updated to reflect the actual cost and configuration of the new terminal development infrastructure.

FY21 figures have been provided for comparison purposes and are provisional, being based on recent forecasts.

NAL has secured a \$40m commercial loan facility from Westpac, the terms of which have been agreed between the parties. A portion of the interest cost of the facility is floating and a portfolio of interest rate swaps has been secured to mitigate interest rate risk. The level of swaps put in place was to cover approximately half of the forecast debt over the period to March 2025.

PROSPECTIVE FINANCIAL STATEMENTS

Prospective Summary Statement of Comprehensive Income (\$ million)

	2020/21	2021/22	2022/23	2023/24
Total Revenues	11.2	13.7	15.2	17.6
Total Operating Expenses	(5.1)	(5.7)	(5.8)	(5.9)
EBITDA before Other Income / Expenses	6.1	8.0	9.4	11.7
Depreciation and Amortisation	(3.5)	(3.6)	(4.1)	(4.5)
Other Income / (Expense)	3.0	0.4	0.3	0.3
EBIT	5.6	4.8	5.6	7.4
Finance (Expense) / Income	(1.1)	(1.1)	(1.2)	(1.3)
Profit before Income Tax	4.5	3.6	4.4	6.2
Income Tax	(0.6)	(1.2)	(1.4)	(2.0)
Net Profit after Income Tax	3.8	2.5	2.9	4.2

Notes

In the 2020/21 financial year, Other Income includes the non-taxable gain on acquisition of fixed assets of \$2.5m.

Prospective Summary Statement of Capital Expenditure (\$ million)

Capital Expenditure Forecast	2021/22	2022/23	2023/24
Aprons, Taxiways and Runway	0.4	3.5	2.6
Commercial Developments	2.0	0.2	1.3
Solar Electricity Generation	0.0	0.0	1.7
Drainage / Stormwater Works	0.5	0.0	0.1
Landside Roding / Carpark	0.3	0.4	0.0
Security and Rescue Fire Service	2.2	2.8	0.0
Coastal Erosion Prevention / Remediation	0.7	0.0	1.4
Other Capital Expenditure	1.3	0.5	0.6
	7.5	7.4	7.6

Prospective Summary Statement of Financial Position - As at year end (\$ million)

	2021/22	2022/23	2023/24
Assets			
Current Assets	1.8	2.0	2.2
Property, Plant & Equipment	113.4	116.7	119.8
Intangible Assets	0.1	0.1	0.1
Total Assets	115.3	118.8	122.1
Liabilities			
Current Liabilities	1.8	2.2	3.1
Total Loan Finance	35.6	37.2	36.8
Total Other Non-Current Liabilities	6.2	5.9	5.6
Total Liabilities	43.6	45.2	45.5
Total Net Assets	71.7	73.6	76.6
Total Equity	71.7	73.6	76.6

Prospective Key Ratios and Indicators - As at year end

	Note	2021/22	2022/23	2023/24
Working Capital (\$ x 1,000,000)	1	(0.1)	(0.2)	(0.9)
Working Capital Ratio	2	1.0	0.9	0.7
Return on Equity	3	5.1%	5.9%	8.1%
Shareholders' Funds to Total Assets Ratio	4	0.6	0.6	0.6
Debt to Equity Ratio	5	0.5	0.5	0.5
Leverage Ratio	6	4.4	4.0	3.1
Interest Cover Ratio	7	7.0	7.7	9.5

Notes

- Working Capital = (Current Assets - Current Liabilities)
Cash balances will be maintained at minimal levels whilst the MOCL finance facility remains active.
- Working Capital Ratio = (Current Assets / Current Liabilities)
Cash balances will be maintained at minimal levels whilst the MOCL finance facility remains active.
- Return on Equity = (Net Profit before Tax / Total Shareholders' Equity)
- Shareholders' Funds to Total Assets Ratio = (Total Shareholders' Equity / Total Assets)
- Debt to Equity Ratio = (Total third-party debt at year end / Total Shareholders' Equity)
- Leverage Ratio = (Total third-party debt at year end / EBITDA before other Income/Expenses)
- Interest Cover Ratio = (EBITDA before other Income/Expenses / Net Finance Costs)

Prospective Summary Statement of Cashflows (\$ million)

	2021/22	2022/23	2023/24
Cash Opening Balance	0.2	0.2	0.2
Cash In			
Cash from Operations	15.6	17.3	20.1
Cash drawn from Loan Facility	2.8	1.7	3.6
Other Assets/Liabilities	0.5	0.0	0.0
Total Cash Inflows	18.9	19.0	23.7
Cash Out			
Operational Expenses	6.1	6.3	6.4
Income Tax Paid	1.5	1.3	1.8
Dividends	1.05	1.13	1.20
Capital Expenditure	8.8	8.5	7.9
GST Paid/(Received)	0.4	0.5	1.1
Loan Repayments	1.2	1.2	5.2
Total Cash Outflows	18.9	19.0	23.7
Cash Closing Balance	0.2	0.2	0.2

Notes

Cash balances will be maintained at minimal levels whilst the MOCL finance facility remains active.

ACCOUNTING POLICIES

NAL reports financially under the new Accounting Standards Framework implemented by the Financial Accounting External Reporting Board to effect changes enacted by the new Financial Reporting Act 2013. For financial reporting purposes NAL is a “for-profit public sector entity”. By virtue of the size of the business, and by election, NAL reports under the Reduced Disclosure Regime to Tier 2 requirements.

From the 2015/16 financial year NAL has undertaken General Purpose Financial Reporting utilising the revaluation model based on the accounting concept of Fair Value. Significant valuation work was undertaken towards this end and underpins the reporting of Property, Infrastructure and Leasehold Interest at fair value.

NAL regularly reports internally on a monthly accounting cycle with actuals for the Balance Sheet and Income Statement being presented to management and the Board monthly. Progress against budgets and forecasts is regularly monitored internally and reported against.

The reporting entity for accounting and financial reporting purposes is Nelson Airport Limited. Nelson Airport Limited has a balance date of 30th June.

Accounting policies are set out in detail in NAL's Annual Report which is available from Nelson Airport Ltd's website at: www.nelsonairport.co.nz.

DIVIDEND POLICY

NAL will use its best endeavours to pay an annual ordinary cash dividend to Shareholders that is both higher than that declared in the previous financial year and is at a level that delivers an annual growth rate of higher than the Consumer Price Index for the last published annual period.

NAL's dividend policy has seen dividends grow in real terms, increasing from \$321k to \$800k in the ten-year period to 2020. This is dividend growth of 149% over the period or a compound annual growth rate of 10%. Now that the terminal redevelopment has been delivered, it is appropriate for the company to review its policy on dividends. The board are committed to reviewing the current Dividend Policy in the current year.

PROCEDURE FOR ACQUISITION OF OTHER INTERESTS

If the Directors believe that NAL should invest in or otherwise acquire any interest in any other organisation, they will obtain the prior approval of the Shareholders by special resolution, unless the total cost is less than \$50,000. In this case prior approval will not be required, but Shareholders will be advised in writing within 14 days.

COMPENSATION FROM LOCAL AUTHORITIES

There is no indication of any matter or activities for which NAL may seek compensation from any Local Authority.

7 CONFIDENTIAL SESSION

7.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

7.2 Nelson Airport Limited - Director Reappointment

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

7.3 Directors Remuneration 2021 - Port Nelson and Nelson Airport Limited

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

7.4 Port Nelson draft Statement of Intent - 2021-2024 Presentation

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution

<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>
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7.5 Port Nelson Limited - Draft Statement of Corporate Intent 2021 to 2024

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

7.6 Port Nelson Director Reappointment

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

MINUTES
of the
JOINT SHAREHOLDERS COMMITTEE MEETING
held
Tuesday, 6 April 2021
at
Tasman Council Chamber, 189 Queen Street, Richmond

Present: **Tasman District Council:** Mayor T King, Deputy Mayor S Bryant, Councillors B Dowler, K Maling, C Mackenzie and D Ogilvie

Nelson City Council: Mayor R Reese, Deputy Mayor J Edgar, Councillors M Courtney, B McGurk, G Noonan and R Sanson

In Attendance: **Tasman District Council:** Corporate and Governance Services Manager (M Drummond), Executive Assistant & Committee Advisor (C Ewing)

Nelson City Council: Group Manager Corporate Services (N Harrison)

Part Attendance: Olivia Hall (Tasman Bays Heritage Trust), Lucinda Blackley-Jimson (Tasman Bays Heritage Trust), Hugh Morrison (Port Nelson Limited) Catherine Taylor (Nelson Airport Limited) Andy Wotton (Nelson Airport Limited)

1 OPENING, WELCOME

Tim King opened the meeting with a Karakia.

2 APOLOGIES AND LEAVE OF ABSENCE

Nil

3 DECLARATIONS OF INTEREST

Nil

4 CONFIRMATION OF MINUTES

Moved Deputy Mayor Bryant/Courtney
JSC21-04-1

That the minutes of the Joint Shareholders' Committee meeting held on Tuesday, 17 November 2020, be confirmed as a true and correct record of the meeting.

CARRIED

5 PRESENTATIONS

Nil

6 REPORTS

6.1 Review of the procedure for jointly setting remuneration for Directors of Council Controlled Trading Organisations

Mike Drummond Corporate and Governance Services Manager, Tasman District Council took the report as read and was available to answer questions. In response to a question regarding why the Tasman Bay Heritage Trust (TBHT) was not included in the report being presented. The Officer responded that the councils could reconsider how we manage the remuneration for directors of the Trust moving forward. Accordingly, the following resolution was passed.

Moved Cr Edgar/McGurk
JSC21-04-2

That the Joint Shareholders' Committee

- 1. receives the Review of the procedure for jointly setting remuneration for Directors of Council Controlled Trading Organisations' report; and**
- 2. approves the updated 'Procedure for jointly setting remuneration for Directors of Council Controlled Trading Organisations'. (attachment 1)**

CARRIED

6.2 Tasman Bay Heritage Trust (TBHT) draft Statement of Intent 2021-22 & Mid-Year Report 2020

Andrew White Manager Community Services, Nelson City Council took the report as read and was available to answer questions. Olivia Hall (TBHT) and Lucinda Blackley-Jimson (TBHT) were also available. A resolution was passed to accept the draft Statement of Intent (SOI) with one amendment under 3.1.1 of the Company's draft SOI.

Moved Cr Edgar/Cr Ogilvie
JSC21-04-3

That the Joint Shareholders' Committee

- 1. Receives the report Tasman Bays Heritage Trust Half Yearly Report to 31 December 2020 and Draft Statement of Intent 2021/22 (R22675) and its attachments (A2579584, A2579562 and A2515960); and**

2. **Notes the delivery of the Tasman Bays Heritage Trust draft Statement of Intent 2021/22 (A2579562) as required under the Local Government Act 2002; and**
3. **Provides the following comments and feedback to the Tasman Bays Heritage Trust:**
 - a) **that the draft Statement of Intent meets the shareholders' expectations; and**
 - b) **requests the Trust considers the amendment of changing the word 'museum' to 'facility' written under 3.1.1 of the Trust's SOI.**

CARRIED

6.3 Port Nelson Limited - Interim Financial Report - for the six month ended 31 December 2020

Mike Drummond Corporate and Governance Services Manager took the report as read and was available to answer questions. Hugh Morrison (Port Nelson Limited) was also available to answer questions. A general discussion commenced regarding Port Nelson Limited reaching their targets and a comparison of how other ports operate. It was noted that the Committee asked Port Nelson Limited to provide a breakdown of their community sponsorship. This would be emailed out to the Committee.

**Moved Mayor Reese/Cr Dowler
JSC21-04-4**

That the Joint Shareholders' Committee

1. **receives the Port Nelson Limited - Interim Financial Report - for the six month ended 31 December 2020 report.**
2. **notes the delivery of the Interim Financial Report – for the six month ended 31 December 2020 report as required under the Port Companies Act 1988.**

CARRIED

6.4 Nelson Airport Limited - Half yearly Report ending 31 December 2020

Nikki Harrison Group Manager Corporate Services, Nelson City Council took the report as read and was available to answer questions. Catherine Taylor (NAL) and Andy Wotton (Acting CE, NAL) were also available.

**Moved Cr Mackenzie/Courtney
JSC21-04-5**

That the Joint Shareholders Committee

1. **Receives the report Nelson Airport Limited - Half yearly Report ending 31 December 2020 and its attachment, the Nelson Airport Limited Interim Report 2020-2021. (A2585196).**

CARRIED

7 CONFIDENTIAL SESSION**7.1 Procedural motion to exclude the public**

Moved Cr Maling/Cr Dowler
JSC21-04-6

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

7.2 Nelson Airport Draft Statement of Intent 2021-2022

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

CARRIED

Date Confirmed:

Chair: