

**NELSON
REGIONAL
DEVELOPMENT
AGENCY**

A Year 2019 – 2020
In Review



**nelson
tasman.nz**



Split Apple Rock



Contents

Directory

Corporate Structure

NRDA is a Council Controlled Organisation established 1 July 2016, and is 100% owned by the Nelson City Council (NCC).

NRDA Board

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

Chief Executive

Mark Rawson

Street Address

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Nelson Marlborough
Institute of Technology,
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Nelson 7010

Postal Address

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Auditor

Crowe Horwath on behalf of the
Auditor General

Solicitors

Pitt and Moore Lawyers

Bankers

Westpac

Company Registration Number

5887332

- 6 Chairperson and Chief Executive Report
- 10 What we do
- 13 Our Partners and Stakeholders
- 14 Core Business Highlights 2019/2020
 - 16 Positioning
 - 18 Connecting
 - 20 Promoting
- 22 Key Performance Measures — Summary
- 24 Our People
- 28 Financial Performance — Summary
- 31 Statement of Service Performance
- 55 Statement of Financial Performance
- 77 Auditors Report

Cover Images:
Nelson Lighthouse | Photo: Tim Cuff
Nelson Lighthouse | Photo: Nelson Provincial Museum, Kingsford Collection: 155070 [part of]
Tahunanui Beach | Photo: Oliver Weber
The Glen | Photo: Rich Hay
Boulder Bank | Photo: Nelson Regional Development Agency
Boulder Bank and City | Photo: Nelson Regional Development Agency

1050

businesses supported post COVID-19 lockdown

No.2

performing Regional Business (RBP) Partner Programme in NZ

\$1.15m

grant funding attracted into local businesses

2335

attendees across 100 events at the Mahitahi Colab



Launched Project Kōkiri collaboration

We've Done This

To Support This

99%

increase in nelsontasman.nz website users



\$16.7m

EAV from 380 international media results

Economic Development NZ

Best Practice Award

for Collaboration

37%

increase in people and businesses sharing the Nelson Tasman regional identity story



400

international travel agents trained

20,546

'out of town' event attendees





Chairperson and Chief Executive Report

Upper Trafalgar Street

Tēnā rā koutou,
Ka tangi ki a rātou kua wehe ki te pō, okioki atu rā.
Ka mihi ki a tātou te hunga ora, tēnā rā tātou katoa.
Ahakoa ngā tini ahuatanga o te tau kua hipa, ināianeī
tō tātou wā. Kei a Tātou!

The Board and Staff of NRDA are proud to be able to present the 2019/20 Annual Report for what has been an *extraordinary* year.





The year began with a focus on further strengthening the already solid foundations and collaborations established in previous years, whilst also seeking to identify a sustainable business model. We made progress towards both of these key objectives during the first eight months of the year, however, the emergence of the COVID-19 Pandemic in early 2020 significantly impacted our business and our focus for the balance of the year and will continue to underscore our focus for the immediate future.

By late February NRDA had shifted all business as usual activities and resources to a four-point initial COVID-19 response plan, designed to contribute-to, and manage the short-term impact and minimise the medium to longer-term impacts of COVID-19 on the region's economy.

This refocus resulted in the collaborative development and initial implementation of Project Kōkiri; the region's COVID-19 economic response and regeneration plan.

We are proud that despite this disruption, we still managed to achieve 94% (29 of 31) of the desired outcomes set in the original pre-COVID-19 key performance areas of the 2019/20 Statement of Intent including a balanced operating budget.


Pre-COVID-19 Highlights (July 2019–Feb 2020)


-  Being awarded the Economic Development NZ Best Practice Award for Collaboration for our work with the Nelson Tasman Innovation Neighbourhood.
-  Being recognised as the No2 performing Regional Business Partner Programme in New Zealand at the National RBP Conference, hosted in Nelson.
-  Growing the Mahitahi Colab space to become a key part of the region's innovation and talent ecosystem.
-  Enhancing the regions international visitor proposition by training over 400 international travel agents from across the world.




Mahitahi Colab Event


“We are proud that despite disruption, we still managed to achieve 94% of the desired outcomes set in the original pre-COVID-19 key performance measures.... We would like to acknowledge the significant support of all those public and private sector partners who have contributed.”


 Achieving significant improvements in all of our visitor and talent digital platforms including a 99% increase in users of nelsontasman.nz and engagement across all social media channels that is 5–6 times higher than industry averages.


 Securing two major international events to be held in Nelson for the first time—the Enduro World Series Mountain Biking Event and the NZ BlackCaps v England T20 match.


 Positive findings from the independent Martin Jenkins Review of NRDA operations, undertaken in December 2019, which concluded that a CCO is the preferred delivery structure, that our activities are consistent with our peer Regional Development Agencies (RDA) in NZ, that we operate on a best practice basis, and that we currently operate on approx. 45% of the local authority funding of comparable RDA's and attract a higher level of private sector funding.


Post-COVID-19 Lockdown Highlights (Feb 2020–June 2020)


 Collaboratively developing Project Kōkiri, the regions seven-point COVID-19 economic response and regeneration plan, including identifying and securing the significant amount of additional resources required to enable implementation.


 Connecting with and supporting more than 1,050 SMEs through our one-on-one business services.

 Communicating on a weekly basis with more than 3,000 local businesses to provide up-to-date information and access to assistance and support.

 Coordinating the regional 'Shovel Ready Projects' proposal, targeting \$155.4m investment from the Government, collectively representing direct employment of 2,434.

 Coordinating a range of labour redeployment and lwi project proposals to government.

 Collating and sharing a range of COVID-19 related insights with key stakeholders across the region and government on a weekly basis to inform decision making.

 Maintaining weekly engagement with up to 100 tourism operators, providing a range of support and advocacy services.

The evolving COVID-19 situation and resulting impacts on the region will continue to shape our future desire to ensure NRDA is purposefully excellent in everything we do. Within this context, we have refined our purpose to reflect the current focus on the recovery and regeneration of the region from the economic impacts of COVID-19.

All of NRDA's activities for the foreseeable future will be focused on leading the collaborative coordination and implementation of Project Kōkiri.

We would like to acknowledge the significant support of all those public and private sector partners who have contributed and we are excited by the evolving relationships we are developing with the lwi and Māori business networks within Te Taihū.

We particularly wanted to acknowledge those many businesses in the community who have supported our activities throughout the year.

We also need to acknowledge the support of our shareholder Nelson City Council (NCC), their funding partner Tasman District Council (TDC) and our other key local community supporters including Nelson Airport, Nelson Tasman Innovation Neighbourhood members, Nelson Marlborough Institute of Technology, Bowater Motor Group, and the government's regionally-based agencies. We would especially like to acknowledge the strong collaboration with the Nelson Tasman Chamber

of Commerce which is going from strength to strength as we band together to do what we can to fight the COVID-19 impacts on our economy.

Finally, NRDA's most valuable asset is our high performing team, and the extraordinary commitment they have demonstrated to the delivery of this years outcomes, in particular over lockdown. We would also like to acknowledge the significant contribution of our Board members for providing the direction and guidance required to guide us through this extraordinary year and position us well for the future.

Nā māua, i roto i te manaakitanga.

Meg Matthews, Chairperson

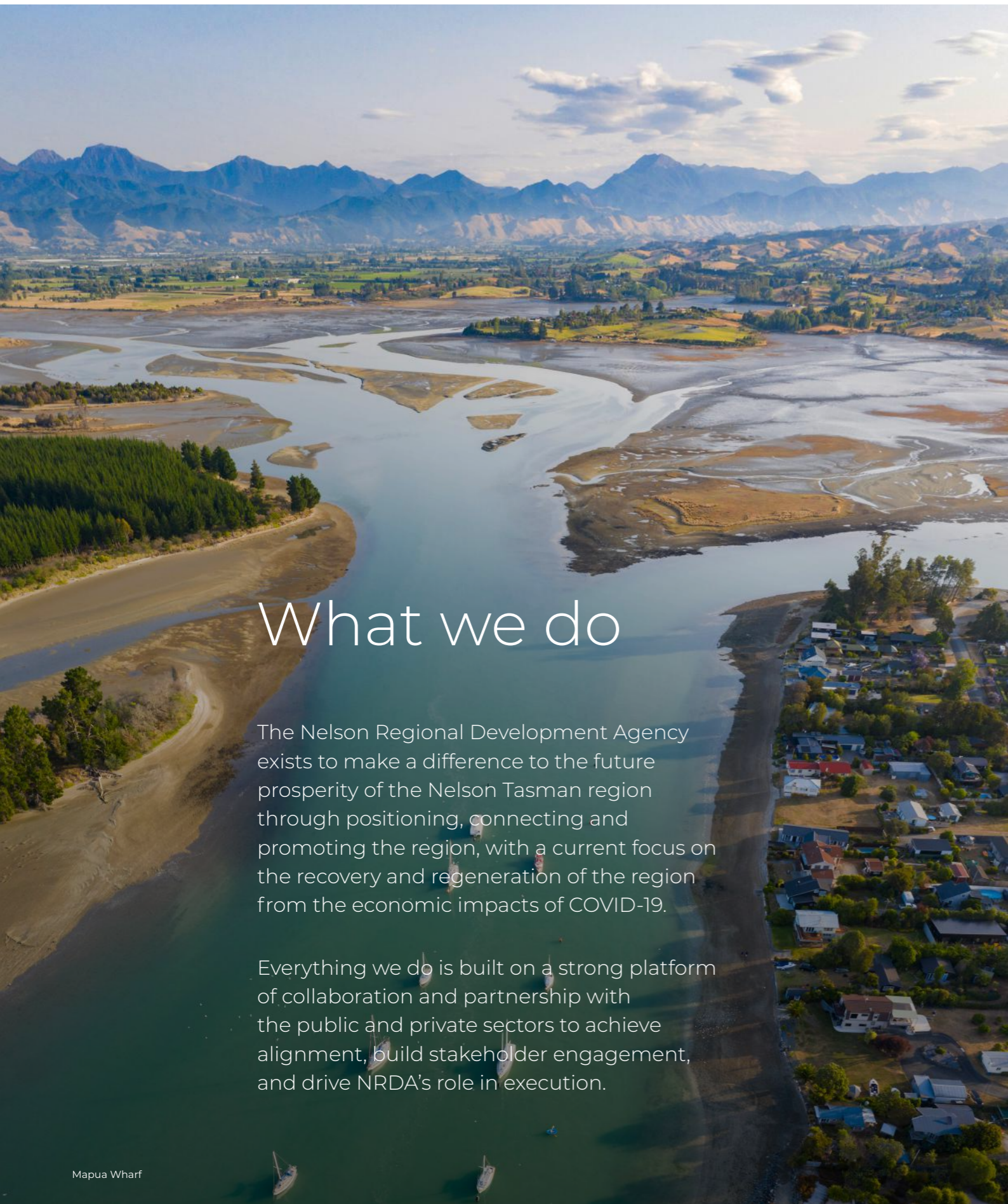
Mark Rawson, Chief Executive



Tasman's Great Taste Trail | Photo: Kiwi Journeys



Nelson Airport Terminal | Photo: Storyline Pictures Nelson



What we do

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

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

Mapua Wharf

Positioning the Nelson Tasman region as a place where talent, visitors and investment wants to be and young people can thrive.



Promoting the destination as a place of choice for visitors, talent and business.

Connecting our clever people and companies with opportunities to recover, grow, innovate and collaborate.

Partnership Partnering with the public and private sectors to achieve alignment, build stakeholder engagement, and drive NRDA's role in execution.

Project Kōkiri

Our activity areas for the upcoming year are focused on leading the collaborative implementation of Project Kōkiri, the region's economic response and regeneration plan to the COVID-19 pandemic. All of our activity will be aligned and driven by the **seven-point action plan** contained within Project Kōkiri.

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

Our Identity Pillars

The five pillars of the Nelson Tasman identity story provides the regional value proposition and strategic framework for everything we do. Through the sharing of our authentic identity story we aim to attract and retain investment, visitors, and talent who will contribute to our region's future.



Clever Business

Pure grit and clever thinking have fashioned an extraordinary business story.



Stunning Natural Landscapes

Even on an ordinary day, we live amongst extraordinary nature.



Surprisingly Diverse

In our extraordinarily diverse city and towns we live and work together as one.



Highly Connected

It is easy to live an extraordinary life here while being connected to each other, the rest of New Zealand and the world.



Arts and Artisans

There is an extraordinary depth of heritage, artists and artisan businesses here.

Our Partners and Stakeholders

We would like to acknowledge the support of the following public and private sector partners and stakeholders who have been critical to our third-year achievements, while also providing a strong partnership platform for the future.



Industry Partners

We are also proud to have more than 100 visitor industry partners, including the following gold partners.



Snapshot of Core Business Highlights for 2019/20

Nelson City and Boulder Bank

Positioning

Positioning the Nelson Tasman region as a place where talent and investment wants to be.



Working collaboratively across the region post-lockdown to respond to and mitigate the economic impacts of COVID-19 on the Nelson Tasman region. This led to the development and early implementation of Project Kōkiri, the regions seven-point economic response and regeneration plan. Activity during this time included:

- Communicating on a weekly basis with over 3,000 businesses to provide up-to-date information and access to assistance and support.
- Coordinating the regional 'Shovel Ready Projects' proposal, targeting \$155m in investment from the Government, collectively representing direct employment of 2,434. To date approx. \$26m has been secured.
- Coordinating a range of labour redeployment and Iwi project proposals to government, including establishing a partnership approach with DOC to assist with progressing these.
- Collating and sharing a range of COVID-19 related insights with key stakeholders across the region and government on a weekly basis to inform decision making.
- Identifying and securing the significant amount of additional resources required to enable the implementation of Project Kōkiri.

Being recognised nationally for our work with the Nelson Tasman Innovation Neighbourhood by winning the Economic Development NZ Best Practice Award for Collaboration in November 2019. This collaboration drove the majority of our talent attraction activity with highlights including:

- Completing and releasing the 'Nelson Tasman Talent Challenge' research, which identified that talent attraction is one of the top 3 business challenge for 60% of businesses in the region, with the key contributors to this being low wages, a limited perception of opportunities in the region, and a lack of a 'Plan B' or a role for partner/spouses. The report also identified various practical solutions and initiatives to address these challenges.
- Delivering the first in-market regional talent attraction campaign in December. This included a 12-page insert in the NZ Herald telling a range of stories about the region as a place to live, work and do business and was accompanied by a multi-channel digital campaign.
- Growing the 2019/20 Nelson Tasman Intern Programme to include 11 interns as well as supporting the development of a new Nelson Tasman Graduate Programme, facilitated through Intepeople.

Enabling and inspiring others to share the extraordinary Nelson Tasman identity story. Following the launch of our online toolkit in 2019 and the addition of almost 400 new assets, we have had extensive growth (37% increase) in locals, businesses and partner organisations utilising the regional identity tools and assets. This strategy and the identity have provided an important platform to launch the recent 'We've Got This' campaign which is all about building 100,000 ambassadors for the region.

"Leading a group of representatives from local organisations who come together to tackle common challenges would be close to impossible without the unwavering support from the NRDA team, particularly as we reassess our priorities and refocus our efforts during these uncharted times."

Russell Manning, Chair,
Nelson Tasman Innovation Neighbourhood

"Collaboration is the key, we are a small region with audacious ambition and to get there we need to work together. Project Kōkiri has given us the opportunity to put this into practice and support our business community as we move through the response phase into recovery and regeneration."

Ali Boswijk, Chief Executive,
Nelson Tasman Chamber of Commerce

Working with Wakatū Incorporation and a range of regional partners from business and iwi to communities and councils to launch the Te Taihū Intergenerational Strategy.

- The strategies aspiration of 'to be a good ancestor' provided the strategic context for the development of the Project Kōkiri plan. The actions within Project Kōkiri are guided by the Te Taihū Oranga, the wellbeing framework designed by the communities of Te Taihū through the intergenerational strategy process.
- NRDA supported the strategy development through contributions to the steering group, project management team and the secondment of an NRDA staff member.

"NRDA were very quick out of the blocks to formulate and organise a COVID-19 economic response for the Nelson Tasman region. They not only built on previous strategic work, they also got going early on pulling people together to form a targeted action plan, Project Kōkiri, and the resources to implement it. This type of work to save jobs and livelihoods is just what you need from your Development Agency in a crisis."

David Wilson, Managing Director,
Cities and Regions NZ

Connecting

Connecting our clever people and companies with opportunities to grow and innovate.



Being recognised as the No.2 performing Regional Business Partner (RBP) Programme in New Zealand at the National RBP Conference, hosted in Nelson. Other highlights from the year for the team include:

- Supporting local businesses to access \$1.15m of RBP funding.
- Engaging with 454 businesses through the programme and hosting over 600 companies attended our RBP events.
- Achieving high levels of customer satisfaction with a net promoter score of +76.

The RBP team swiftly and seamlessly pivoted as a result of COVID-19 to deliver a one-on-one business continuity service. Through this they assisted an additional 1050 companies over the March–June period. They worked with these businesses to address their immediate needs and assist them to be better positioned to withstand future impacts.

Growing the Mahitahi Colab space to become a key part of the region's innovation and talent ecosystem. This included hosting 2335 attendees across 100 events, establishing a student consulting programme, and growing the number of tenants using the space across the IT, digital design, workforce development, business support, start-up, governance and Artificial Intelligence sectors.

“NRDA offer outstanding assistance - they have provided crucial support towards our research and innovation journey throughout 2019 and into 2020. The advisory expertise and funding we have accessed through the NRDA has helped us accelerate our goals towards creating new IP, products and partnerships. At each stage of our R&D strategic plan we have gained exceptional assistance and beneficial access to: R&D expertise/staff, technical information, networks and funding opportunities. The knowledgeable and proactive NRDA staff have always supported us above and beyond our expectations. Due to the availability of outstanding courses we have also gained benefits in our manufacturing facilities.”

Dr David Aitchison, Research & Innovation Manager, Trinder Engineers

“I have worked with the NRDA on many projects in all the different growth phases of our company. They have been instrumental in our journey and a key part of many of our successes. The team are extremely knowledgeable, approachable and competent. They should be your first stop when looking for advice, to grow you or your teams skills, R&D projects and business strategy. We are very fortunate to have this team in Nelson and I cannot speak highly enough about them.”

Chris Rodley, CEO & Founder, Snap Information Technologies

RBP Case Study: A large Tasman-based Engineering business.

Over the year we provided support to build business cases and approved funding of just over \$100K for the following:

- Access to the Callaghan 'Booster Voucher' scheme which provided access to third party IP lawyers.
- Student R&D Fellowship grant which allowed them to employ a PhD engineering student to assist with their R&D projects.
- Student R&D Experience grant which allowed them to employ a master's engineering student to assist with their R&D projects. We were able to get this repeated in 2019 & 2020.
- Connection to Callaghan's 'Research Library' service which gave access to 35 free research papers/articles and publications relating to their future concept R&D work. This helped them shape their future 'marine' strategy focus which led to a significant commercial collaboration with another local business.

We also provided additional support including:

- Supporting their registration to a major industry conference, which led to the development of a new business area based around an 'Engineering Centre of Excellence'.
- Provided them with the opportunity to attend a Lean workshop and an R&D Tax Incentive workshop.
- Connecting them with the local Angel investment group around potential capital raising.
- Connecting them with a number of other local and national stakeholders, which have led to at least two commercial collaborations in the region benefiting the growth of both organisations.

Promoting

Promoting the destination as a place of choice for higher-value visitors who visit between March and November.

Despite the impact of COVID-19 resulting in the cancellation of multiple international trade events, we still trained over 400 international agents from around the world and hosted 146 international trade in the region.

A highlight included hosting a group of 35 Flight Centre Agents from Canada shortly before lockdown who have since sent superlative reviews of their experiences here and when borders reopen will be huge ambassadors for the region. *“Coming home from a trip like this, all I want to do is send Canadians to New Zealand because I know that it will be an experience of a lifetime and I will have clients for life.”*

Played a role in securing two major international events to be held in Nelson for the first time—the Enduro World Series Mountain Biking Event and the NZ BlackCaps v England T20 match. In addition, the events programme attracted 20,546 out of town attendees, with 86% of events held between March and November and an ROI exceeding 31:1.

Facilitating the attraction of 14 business events to the region with a highlight being the NZ Planners Institute Annual Conference. This was scheduled for April 2020 but due to COVID-19 has been postponed, however it will be one of the biggest conferences to be held in the region with 750 delegates over three nights.

Our digital activity in the domestic marketing space has gone from strength to strength, allowing us to reach more people than ever before. The website saw a 112% increase in sessions and 99% increase in users, and our social media channels achieved engagement results 5–6 times higher than industry averages.

“What a journey we are on. It has been heartening to see the response from TDC & NCC through Project Kōkiri. The regional value of tourism and the trickle-down effect is going to be very identifiable over the next 18 months. NRDA is to be commended for developing with its partners a coordinated domestic marketing response that all sectors can leverage off and promote with a united voice. It is said “It’s an ill wind that blows no one any good” this is our time to refocus and in my opinion increase our focus on key domestic/short haul markets.”

Darryl Wilson, Wilson’s Abel Tasman



Cable Bay taken on a content creation fam | Photo: @cjmaddock

Achieved 380 international media results with a total EAV of \$16.7m. Highlights include hosting a German journalist who had over 200 articles published in international digital and print media, with an EAV of \$1m and a Fish of the Day episode with Clarke Gayford featuring Golden Bay screening in NZ and internationally.

A series of domestic media partnerships with MOREFM, NZME, Stuff.co.nz, Gotta Love NZ, airlines and ferries enabled us to amplify our reach and access new audiences with our Spring campaign reaching a potential 6.45 million NZ consumers in our target markets.

“As expert peanut butter marketers, when we opened Peanut Butter World in 2019, we knew heaps of cool stuff about what we wanted but not how to do tourism marketing. Cue a Gold partnership with NRDA and it’s like having an additional team member to tell NZ, and the world (when it’s open), all about us. Love these guys!”

Nikki Neate, Global Marketing Manager, Pic’s Peanut Butter and Peanut Butter World

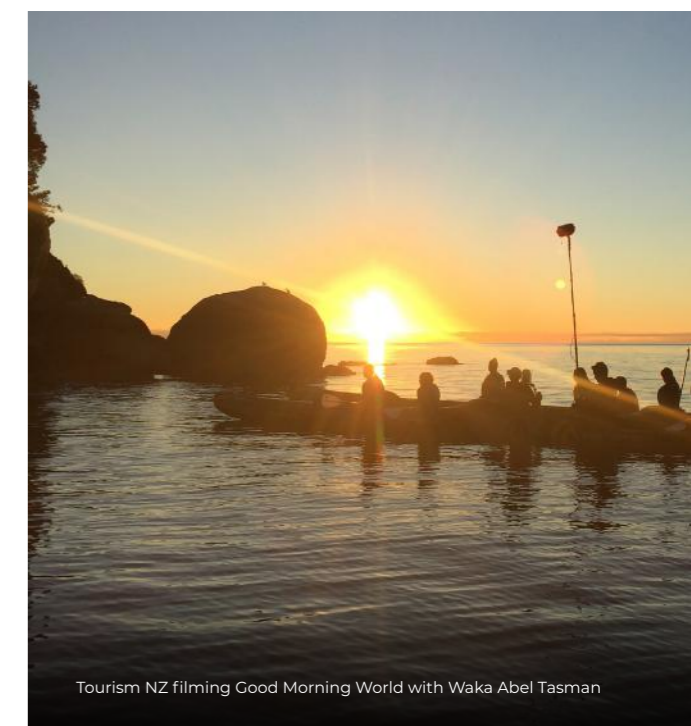


NZ Blackcaps vs England T20 cricket match

Post lockdown our visitor team effectively repositioned to support the visitor sector. We did this to ensure the sector had all the resources they needed to navigate their way through the initial crisis and to help position them as strongly as possible for the future. We held weekly Zoom meetings with up to 100 tourism operators, personally connected with 237 businesses throughout lockdown and established a tourism taskforce to drive recovery planning. We also offered a range of support and advocacy services around the extension of the wage subsidy programme, securing additional air connectivity, and funding support for destination management and domestic marketing.

“We have had amazing support from the NRDA on a number of levels, from lead generation to their tireless work in promoting the region and its assets. It is a partnership we see true value in.”

Richard Ussher, Cable Bay Adventure Park



Tourism NZ filming Good Morning World with Waka Abel Tasman

Key Performance Measures - Summary

We achieved 94% (29 of the 31) of the key performance measures (KPM) set out in the 2019/20 Statement of Intent (Sol). COVID-19 had a significant impact on a number of NRDA's core Sol activities, requiring a significant pivot of focus and resources, therefore impacting on the achievement of some KPM's. We have followed the Audit NZ COVID-19 emergency reporting standards advice in assessing these.

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
1 Positioning the Nelson Tasman region as a place where talent and investment wants to be.		
1.1	Regional identity story shared by others An increase of 10% in locals, businesses and partner organisations utilising the regional identity tools and assets by June 2020.	✓
1.2	Talent attraction and retention 50 Nelson Tasman businesses engaged in the programme achieving a reach of over 500,000, and engagement level above the national average across the digital channels within the target markets of Auckland and Wellington.	✓
1.3	Catalyst for Te Taihū Intergenerational Strategy Provides input into the Strategy Steering and Project Management Groups. NRDA attracts the appropriate resource commitments to drive priority NRDA implementation actions identified within the strategy by June 2020.	✓
	Using the Wellbeing Indicators, establish baseline data (Data Dashboard) for future benchmarking. <i>(delayed due to Covid)</i>	✗
1.4	Contribution to Smart Little City Centre Development Provides input into the Centre City Project team. Demonstrate outcomes from the key roles identified for NRDA within the City Centre project where targeted funding is provided. Contribution to Smart Little City Centre Development.	✓
2 Connecting our clever people and companies with opportunities to grow and innovate.		
2.1	Regional Business Partner Programme Delivering RBP support to over 300 companies, attracting in excess of \$1 million in RBP funding and a customer satisfaction net promoter score of +50 across the RBP programme by June 2020. Targeting a minimum of 30% of businesses from any one district.	✓
	10 Tasman & 10 Nelson businesses intensively case-managed.	✓
	3 initiatives or connections made to support targeted businesses challenges across the region.	✓
2.2	Catalyst for collaboration NRDA engaged in at least 10 regional collaboration projects by June 2020 (e.g. NTINC, Nelson City Identity, Lean Cluster etc.) and have hosted over 100 collaboration events or activities within the Nelson Tasman region by June 2020.	✓

3 Promoting the destination as a place of choice for higher-value visitors who visit from March to November.			
3.1	International visitor marketing programme	100 international trade and media hosted and trained, and 4 in-market trade training events attended with 500 referrals within the target markets by June 2020.	✓
		Number of international trade and media hosted and trained with breakdown of businesses engagement by district.	✓
		Report on market reach of media and estimated equivalent advertising value.	✓
		Total Visitor spend by month and by district in comparison to year on year against NZ average. Reported in a manner that identifies total spend, international and domestic split.	✓
3.2	Domestic consumer visitor marketing campaign	Maintain a consistent digital content marketing engagement level that is above the industry average based on specific campaign objectives targeting Auckland, Wellington and Christchurch markets by June 2020.	✓
3.3	Business events sales and marketing	Contributing to the attraction of 6,000 out-of-region business events delegates, at an average of three nights each (18,000 room nights), with 75% between March–November for events to take place within the next three years.	✗
		Number of conference events hosted between March and November by district.	✓
3.4	NCC Economic Events programme	Through the NCC events fund, contributing to the attraction of over 35,000 major events attendees (50% from out-of-region), with 80% between March–November delivering a return on event fund investment ratio of 10:1.	✓
3.5	Nelson i-SITE programme	Implementing the first phase of a revised business model as agreed with council, while maintaining a Customer Satisfaction Rating of 80% of 4/5 and 5/5 ratings.	✓
4 Partnering with the public & private sectors to build stakeholder engagement, achieve alignment and drive NRDA's role in strategy execution.			
4.1	Business partner programmes	120 partners contributing \$350,000 of business partner contributions commitments to delivery of NRDA programmes with breakdown by region.	✓
4.2	Independent trusted advisors	The NRDA maintains economic data insights and provides timely reports.	✓
		Engage in at least 10 Te Taihū forums and/or hui with Iwi and Māori businesses by June 2020.	✓
		Provide input to at least four economic development-related stakeholder working groups in Nelson and Tasman.	✓
		Implement an annual stakeholder survey and achieve a net positive result.	✓
4.3	Financially sustainable organisation NCC Economic Events programme Nelson i-SITE programme	The NRDA maintains a balanced budget and identifies a future sustainable business model by June 2020.	✓
		NRDA delivers a clean Audit.	✓
		Progress development of sustainable future business model by June 2020.	✓
		Review Health, Safety & Wellbeing Policy.	✓
4.4	Organisational culture & development, incl. communications	Communications strategy: <ul style="list-style-type: none"> Track and analyse engagement with communications channels Stakeholder survey completed by June At least 8 off-site team meetings held. 	✓
		The CEO's 360 review demonstrates an engaged and valued team with improvements shown in the identified areas for improvement.	✓
		Every staff member actively taking part in completing at least 1 professional development activity throughout the year.	✓
		Zero Lost-time work injuries.	✓

Our People — Board of Directors



Meg Matthews, Chair

Meg is the chair of the Nelson Regional Development Agency and brings with her a breadth of skills and knowledge from previous roles. A former World of WearableArt (WOW) CEO and Head of Marketing – Australasia for Air New Zealand, Meg started her career at the national airline as an accountant in 1996 after beginning her trade with Deloitte. She is a qualified accountant with diverse experience across key business disciplines of finance, human resource management, strategic planning and marketing. Meg is also the Chair of the Cawthron Institute and a Director on the boards of MEVO and Halberg Foundation.



Alan Dunn

Alan is an experienced corporate leader. He was CEO and Chair of McDonald's Restaurants New Zealand before moving to Chicago to become Vice President of Operations. He later became Regional Vice President in the Nordic region and Managing Director of McDonald's Sweden. Alan's professional director career started in 2009 and in addition to the NRDA he is currently on the board of Burger Fuel. He also serves on the TDC Commercial sub-committee as well as consulting to several small private companies.



Marina Hirst Tristram

Marina is Managing Director at Tasman Bay Food Group, a business that manufactures and markets a wide range of food products both domestically and in export markets. Marina has a background in sales and marketing for Australasian food and beverage businesses and is qualified with EMBA (University of Sydney) and BCom, BPhEd (Otago University). Marina is a chartered member of the Institute of Directors.



Martin Byrne

Martin Byrne is an experienced Senior Executive, having spent the last 30 years in the Maritime industry working in New Zealand, Australia and Fiji. From 2004–2019 he served as Chief Executive of Port Nelson Ltd and has been a Director of the NRDA since the merger of Nelson Tasman Tourism and the Economic Development Agency in 2016. He has previously served as a Director of Big Brothers Big Sisters Nelson Tasman, and as Vice President representing Asia Oceania on the International Association of Ports and Harbours. He is also a member of the National Steering committee of the Business Leaders Health and Safety Forum. In July 2019 Martin formed Nautilus Management Consultants and since then has carried out a number of consulting and project roles for various organisations both within the Nelson/Tasman region and nationally.



Jeremy Banks

Jeremy is the founder of Plink Software and his experience includes growing and managing software companies. Currently on the boards of Wakatū Incorporation, Ngāti Rārua Ātiawa Iwi Trust and The Network for Learning, Jeremy whakapapas into Te Tauihu through Ngāti Rārua, Rangitāne ki Wairau and Ngāti Kuia.



Sarah-Jane Weir

Sarah-Jane is a director of infrastructure providers Nelmac and Network Tasman, a trustee for the Rata Foundation and the Cawthron Trust Board and the local branch chair and national councillor of The Institute of Directors. Her professional career was as a commercial lawyer and partner at Anderson Lloyd.



David Johnston

David is Ngāti Porou and whānau is his foundation. He has extensive experience in leadership and has a strong background in General Management of Iwi business, banking and operations management. He was runner up in the local 2013 Duncan Cotterill Aspiring Directors award and was selected for the Institute of Directors Mentoring for Diversity Programme for 2015. David has a history of community involvement in local non for-profit boards and is the current Co-Chair of the Kotahitanga mo Te Taiao Alliance. David is the General Manager for Te Rūnanga o Ngāti Kuia Trust and a Board Director on the Nelson Regional Development Agency. In his spare time, you can find him on the ocean on board a waka ama.

Our People — NRDA Team

Our diverse team is made up of individuals from 11 different countries, speaking 13 different languages, uniting in their undying passion for our extraordinary region and their dedication to sharing this with current and potential talent, visitors and investors.



Mark Rawson
Chief Executive



Mark Maguire
Regional Business Advisor



Gisela Purcell
Visitor Destination Manager



Hannah Norton
Destination Identity Manager



Toni Power
Finance & Commercial Lead



Lesley McQue
Economic Developments Projects & Insights Programme Manager



Tracee Neilson
International Liaison & Business Events Lead



Laura Duquemin
Marketing & Digital Executive



Rebecca Leach
Events Liaison



Jenelle Strickland
Vocational Coordinator



Amanda Gregg
Partner Programme Coordinator



Donna Adlam
Business and Marketing Support Coordinator



Phoebe Legge
Receptionist/Business Support



Jess Harvey
Business Support Coordinator



Sarah Fitchett
Growth Advisor & Mahitahi Colab Community Manager



Renée Bennett-Shields
Nelson i-SITE Manager



Nathaniel Tapnio
Nelson i-SITE Travel Consultant



Caryn Hee
Nelson i-SITE Travel Consultant



Lisa Bouvet
Nelson i-SITE Travel Consultant

Financial Performance — Summary

Statement of Comprehensive Revenue and Expense

Account	2020	2019
Revenue		
Revenue from non-exchange transactions	1,662,859	1,487,999
Revenue from exchange transactions	713,913	855,246
Total Revenue	2,376,772	2,343,245
Expenses		
Cost of sales	57,378	67,300
Depreciation and amortisation expense	95,266	113,310
Grants and sponsorship	247,283	198,362
Marketing and strategic projects	492,865	534,855
Employee benefits	1,103,528	1,068,773
Other overhead and administrative expenses	429,027	429,172
Total Expenses	2,425,347	2,411,772
Net Finance Income		
Finance income	2,659	7,323
Interest expense	(1,807)	(1,896)
Total Net Finance Income	852	5,427
Operating Surplus Before Tax	(47,723)	(63,100)
Taxation expense		
Tax Expense	(8,086)	(926)
Other Comprehensive Revenue and Expenses		
Total Other Comprehensive Revenue and Expenses	-	-
Total Comprehensive Revenue and Expenses After Tax	(39,637)	(62,174)

Statement of Financial Position

Account	30 Jun 2020	30 Jun 2019
Assets		
Current Assets		
Cash and cash equivalents	545,361	373,859
Receivables	217,936	114,538
Prepayments	14,765	29,157
Inventories	27,515	26,603
Total Current Assets	805,577	544,157
Non-Current Assets		
Deferred tax	21,453	13,367
Property, Plant and Equipment	83,127	111,799
Intangibles	65,109	94,352
Total Non-Current Assets	169,689	219,518
Total Assets	975,266	763,675
Liabilities		
Current Liabilities		
Payables	281,482	250,555
Taxes payable	34,224	1,799
Income tax payable	(888)	(9,110)
Deferred revenue	242,330	55,618
Employee entitlements	77,826	100,985
Accruals	44,313	28,210
Total Current Liabilities	679,287	428,057
Total Liabilities	679,287	428,057
Net Assets	295,979	335,618
Equity		
Share capital	370,285	370,285
Accumulated earnings	(74,306)	(34,667)
Total Equity	295,979	335,618

To view the full Statement of Financial Performance go to page 55.

Statement of Service Performance

For the year ended 30 June 2020

3.1 Description outcomes

The 2019/20 financial year began with a focus on building on the solid foundations and partnerships established in the first four years of operation and also seeking to identify a future sustainable business model based on the outcomes of the independent Martin Jenkins Review of the NRDA. While we were making solid progress towards both of the two key objectives in the first half of the year, the emergence of the COVID-19 Pandemic in early 2020 significantly impacted our business for the balance of the year. NRDA's COVID-19 response consisted of a ceasing of all business as usual in late February and shifting all activities and resources to a four-point initial COVID-19 response plan, designed to manage the short-term impacts and minimising the medium to longer-term impacts. This four point plan, delivered under lock-down, consisted of:

- **Business Intelligence** — To be a trusted source of intelligence on the impacts of and responses to the current situation on the Nelson Tasman business community to assist understanding and support decision making.
- **Business community communications platform** — To be a trusted clear and concise communicator of relevant information to key COVID-19

response stakeholders, the business community, and visitors to the region.

- **Business Continuity Support Service** — Connecting with and understanding a business's current situation and then connecting them with the various business support services or networks to address their immediate needs and to assist in enabling them to be better positioned to withstand the future impacts.
- **Proactive recovery planning** — activities that will assist the region to be better positioned to recover faster.

This COVID-19 focused activity eventually led to the development of Project Kōkiri, the regions COVID-19 Economic Response and Regeneration Plan which was launched in May 2020.

The scale of the COVID-19 impacts on the NRDA has impacted on the development of a longer-term sustainable business model. We are proud that overall, we still achieved 94% (29 of 31) of the desired outcomes set in key performance areas of the 2019/20 Statement of Intent including a balanced operating budget and receiving a clean audit.

3.2 Description inputs

The greatest asset of the NRDA and the largest input to delivering on our core purpose and business plan is our extraordinary team. The team are enabled through the financial support of our shareholder and by our incredibly supportive public and private sector partners. The shareholder investment and the business plan are guided by the NRDA Statement of Intent. In addition to the human and financial resources, NRDA also enjoys significant benefit from the in-kind support provided through our range of public and private sector partnership relationships across all of our activity areas.

3.3 Description outputs

3.3.1 Governance

The Board has adopted a robust governance and policy framework that has specific governance policies as follows:

- Family Violence Policy (reviewed Sept 2019)
- Health Safety and Wellness Policy (reviewed June 2020)
- Expenditure Policy (reviewed Sept 2019)
- Fraud Policy (reviewed Sept 2019)

- Reward Performance and Remuneration Policy (reviewed Sept 2019)
- Accounting Policy (reviewed Sept 2019)
- Gender Equality in Employment Policy (reviewed Sept 2019)
- Investment Policy (reviewed Sept 2019)
- Conflict of Interest Policy (reviewed Sept 2019)
- Delegated Authority Policy (established Sept 2019).

A Register of Interests is tabled and updated at each Board meeting and any conflicts of interest declared. All policies are subject to regular review of no less than three-yearly as per the Policy Register.

3.3.2 Reporting

The Board met the legislative requirements as set out in the Local Government Act, to provide the following documents to the Nelson City Council by the required dates:

- Half yearly report to 31 December 2019 by 1st March 2020.
- The Draft 2020/21 Statement of Intent was delayed as a result of COVID-19 but was delivered within the July 2020 timeframes established by NCC.

- 2019/2020 Annual Report by 30th September 2020.

Quarterly economic reports were also provided to Nelson City and Tasman District councils as well as reporting separately and jointly through the Councils' Joint Shareholders Committee. Both Councils provided input into the draft Statement of Intent.

In addition to this, regular shareholder and stakeholder updates on progress were provided throughout the year, including having Board meetings at various businesses around the region. NRDA has also connected with various businesses and network organisations from around the region throughout the year, including a high-level of engagement throughout the COVID-19 lock-down.

This Annual Report has been prepared in alignment with the NRDA Statement of Intent 2019/20 and in accordance with generally accepted accounting practice in New Zealand and the PS PBE Tier 2 framework.

3.3.3 Strategy

Following the approval of the Statement of Intent (SoI), the Board adopted a business plan to guide NRDA's strategy, and to drive and monitor activity to fulfil the key objectives and strategic parameters outlined in the 2019/20 SoI.

The plan is driven by the NRDA's purpose of existing to make a difference

to the future prosperity of the Nelson Tasman region through positioning, connecting and promoting the region. We do this by partnering with the public and private sectors in the attraction and retention of talent, visitors and investment who add value to the identity of the extraordinary Nelson Tasman region.

The NRDA aims to inspire others to share our Extraordinary Nelson Tasman identity story and experiences through new thinking and behaviour changes. We exist to make a difference to the future prosperity of the Nelson Tasman region through:

1. **Positioning** the Nelson Tasman region as a place where talent and investment wants to be;
 - Inspiring ownership of the Extraordinary Nelson Tasman identity across the community.
 - Being a catalyst in establishing the future sustainable economic development aspirations and direction for the Nelson Tasman region through Te Tauihu Regional Strategy.
 - Attracting talent with skills for the future that will enhance our clever companies.
 - Leveraging our regional strengths to attract companies with employees in the target areas that will add value to the future of our clever companies and community.

- 2. Connecting** our clever people and companies with opportunities to grow and innovate;
- Being a catalyst to generate greater collaboration and value from new ideas and technologies.
 - Connecting clever individuals and companies to the services or networks that will enable them to be better positioned for future prosperity.
- 3. Promoting** the destination as a place of choice for higher-value visitors who visit between March and November;
- Inspiring others to share our Extraordinary Nelson Tasman identity story and experiences.
 - Delivering a range of targeted marketing and sales programmes across the international, domestic and events market segments.
 - Promoting the positive contribution, the visitor sector makes to our local communities.

These three areas of focus are built on a strong platform of **partnering** with the public and private sectors to build stakeholder engagement, achieve alignment, and drive NRDA's role in strategy execution.

Building on the organisational purpose and strategy refinement in the 2018–19 year, the review of the longer-term sustainability of the current NRDA business model was further substantiated by the independent Martin Jenkins Ltd Review of NRDA operations. The report had three key recommendations:

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

As a result of COVID-19, the NRDA strategy was amended to reflect the focus on the recovery and regeneration of the region from the economic impacts of COVID-19. For the March–June 2020 period all activity was refocused to leading the collaborative development and implementation of Project Kōkiri, the region's economic response and regeneration plan to the COVID-19 pandemic. All of NRDA's activity is aligned and driven by the seven-point action plan contained within Project Kōkiri. Project Kōkiri is a collaboration between Nelson City Council (NCC), Tasman District Council (TDC), NRDA, Nelson Tasman Chamber of Commerce (NTCC), Iwi and the government's regionally based agencies. (<https://projectkōkiri.nz>)

3.3.4 Programmes and Sol Key Performance Measures Summary

This table presents a summary of achievement against the NRDA Sol key performance measures for the year. The summary indicates the achievement of 29 of the 31 performance measures, with an achievement rate of 94%. COVID-19 had a significant impact on a number of NRDA's core Sol activities, requiring a significant pivot of focus and resources, therefore impacting on the achievement of some KPM's. We have followed the Audit NZ COVID-19 emergency reporting standards advice in assessing our performance measures.

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
1. Positioning the Nelson Tasman region as a place where talent and investment wants to be.	1.1 Regional identity story shared by others	An increase of 10% in locals, businesses and partner organisations utilising the regional identity tools and assets by June 2020. ✓
	1.2 Talent attraction and retention	50 Nelson Tasman businesses engaged in the programme achieving a reach of over 500,000, and engagement level above the national average across the digital channels within the target markets of Auckland and Wellington. ✓
	1.3 Catalyst for Te Taihū Intergenerational Strategy	Provides input into the Strategy Steering and Project Management Groups. NRDA attracts the appropriate resource commitments to drive priority NRDA implementation actions identified within the strategy by June 2020. ✓
	1.4 Contribution to Smart Little City Centre Development	Using the Wellbeing Indicators, establish baseline data (Data Dashboard) for future benchmarking. <i>(delayed due to Covid)</i> ✗
		Provides input into the Centre City Project team. Demonstrate outcomes from the key roles identified for NRDA within the City Centre project where targeted funding is provided. Contribution to Smart Little City Centre Development. ✓

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
2. Connecting our clever people and companies with opportunities to grow and innovate.	Delivering RBP support to over 300 companies, attracting in excess of \$1 million in RBP funding and a customer satisfaction net promoter score of +50 across the RBP programme by June 2020. Targeting a minimum of 30% of businesses from any one district.	✓
	2.1 Regional Business Partner Programme	
	10 Tasman & 10 Nelson businesses intensively case-managed.	✓
	3 initiatives or connections made to support targeted businesses challenges across the region.	✓
2.1 Catalyst for collaboration	NRDA engaged in at least 10 regional collaboration projects by June 2020 (e.g. NTINC, Nelson City Identity, Lean Cluster etc.) and have hosted over 100 collaboration events or activities within the Nelson Tasman region by June 2020.	✓

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
3. Promoting the destination as a place of choice for higher-value visitors who visit from March to November.	100 international trade and media hosted and trained, and 4 in-market trade training events attended with 500 referrals within the target markets by June 2020.	✓
	3.1 International visitor marketing programme	
	Number of international trade and media hosted and trained with breakdown of businesses engagement by district.	✓
	Report on market reach of media and estimated equivalent advertising value.	✓
	Total Visitor spend by month and by district in comparison to year on year against NZ average. Reported in a manner that identifies total spend, international and domestic split.	✓
3.2 Domestic consumer visitor marketing campaign	Maintain a consistent digital content marketing engagement level that is above the industry average based on specific campaign objectives targeting Auckland, Wellington and Christchurch markets by June 2020.	✓
3.3 Business events sales and marketing	Contributing to the attraction of 6,000 out-of-region business events delegates, at an average of three nights each (18,000 room nights), with 75% between March–November for events to take place within the next three years.	✗
3.4 NCC Economic Events programme	Number of conference events hosted between March and November by district.	✓
3.4 NCC Economic Events programme	Through the NCC events fund, contributing to the attraction of over 35,000 major events attendees (50% from out-of-region), with 80% between March–November delivering a return on event fund investment ratio of 10:1.	✓
3.5 Nelson i-SITE programme	Implementing the first phase of a revised business model as agreed with council, while maintaining a Customer Satisfaction Rating of 80% of 4/5 and 5/5 ratings.	✓

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
4. Partnering with the public & private sectors to build stakeholder engagement, achieve alignment and drive NRDA's role in strategy execution.	4.1 Business partner programmes	120 partners contributing \$350,000 of business partner contributions commitments to delivery of NRDA programmes with breakdown by region. ✓
		The NRDA maintains economic data insights and provides timely reports. ✓
		Engage in at least 10 Te Taihū forums and/or hui with Iwi and Māori businesses by June 2020. ✓
	4.2 Independent trusted advisors	Provide input to at least four economic development-related stakeholder working groups in Nelson and Tasman. ✓
		Implement an annual stakeholder survey and achieve a net positive result. ✓
		The NRDA maintains a balanced budget and identifies a future sustainable business model by June 2020. ✓
	4.3 Financially sustainable organisation	NRDA delivers a clean Audit. ✓
	NCC Economic Events programme	Progress development of sustainable future business model by June 2020. ✓
	Nelson i-SITE programme	Review Health, Safety & Wellbeing Policy. ✓
		Communications strategy: <ul style="list-style-type: none"> Track and analyse engagement with communications channels Stakeholder survey completed by June At least 8 off-site team meetings held. ✓
	4.4 Organisational culture & development, incl. communications	The CEO's 360 review demonstrates an engaged and valued team with improvements shown in the identified areas for improvement. ✓
		Every staff member actively taking part in completing at least 1 professional development activity throughout the year. ✓
	Zero Lost-time work injuries. ✓	

3.4 Core Business Areas of Activity and Key Performance Measures

During the 2019/20 financial period, the following activity programmes areas were undertaken. The key performance measures are based on those aspects that the NRDA has a span of control over and form the basis of the Sol accountability to the shareholder. In addition, we have reported on a set of high-level regional indicators that we monitor and where possible, influence at a local level through our activity focus areas. However, they are not the measure of performance for the organisation due to our limited ability to influence the significant number of factors that contribute to these indicators on a regular basis. It is important to note that COVID-19 had a significant impact on a number of the NRDA activity areas.

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
1 Positioning the Nelson Tasman region as a place where talent and investment wants to be		
1.1 Nelson Tasman Identity Economic Development Aspirations	<p><i>We undertake this activity to ensure a consistent Nelson Tasman story and narrative is used when raising the profile of the region as a place to live, visit and invest. This will help address challenges in talent attraction and retention, visitor sector seasonality and indirectly income levels and productivity. Our strategy of inspiring others to share our story will have a far greater reach than if we were to do it alone or uncoordinated through traditional media channels.</i></p> <p>An increase of 10% in locals, businesses and partner organisations utilising the regional identity tools and assets by June 2020.</p> <ul style="list-style-type: none"> We had a 37% increase in locals, businesses and partner organisations utilising the regional identity tools and assets. We added 372 new assets (for a total of 880) to Brandkit, our online regional identity toolkit where users can easily download all the regional identity tools and assets for immediate use. A highlight addition to the toolkit was the regional identity hero video – this tells the overarching story of the Nelson Tasman region as a place to live, work and play. ✓ The development of new assets, particularly image and video also contributes to our activity in the talent attraction and visitor marketing space. We have continued work on our digital strategy, as a key tool used in the identity roll out and have seen significant improvements in our digital platforms. The website saw a 112% increase in sessions, 99% increase in users and 68% increase in page views compared to the FY18/19. <p>Regional Indicator: A positive change in perception of the Nelson Tasman region as a place to live, work, visit in our target markets of Auckland, Wellington and Christchurch.</p> <p>A perception survey was unable to be completed due to COVID-19.</p>	

Focus Area **Key Performance Measures** **Achieved ✓**
Not Achieved ✗

1.2 Talent attraction and retention

We undertake this activity because Talent Attraction is one of the top 3 business challenge for 60% of businesses in the region. We also have a significantly disproportionate ageing population so are projected to see a decrease of around 9% of our working age population over the next 25 years, and at the same time we will need more staff to service the ageing population. This is a national trend and will make talent attraction an even bigger challenge than it is now. Attracting higher value businesses and talent will be one step in bridging the national productivity and wage gaps.

50 Nelson Tasman businesses engaged in the programme achieving a reach of over 500,000, and engagement level above the national average across the digital channels within the target markets of Auckland and Wellington by June 2020.

- 56 Nelson Tasman businesses were engaged in the programme achieving a reach of over 370,000, and an engagement level that is 7% above the national average across the digital channels within the target markets of Auckland and Wellington.
- Further Talent activity planned for Q4 was unfortunately cancelled due to COVID-19.
- Our partnership with the Nelson Tasman Innovation Neighbourhood (NTIN) drove the majority of our work in this area. This partnership was recognised nationally by winning the Economic Development NZ Best Practice Award for Collaboration in November 2019. Some activity highlights included:
 - Completing and releasing the 'Nelson Tasman Talent Challenge' research, which acts as an important discussion piece in-region and has been used to inform activity in this space. A copy of the research can be found at: <https://www.nelsontasman.nz/do-business/connect/ntin/>
 - Delivering the first in-market regional talent attraction campaign in December. This included a 12-page insert in the NZ Herald telling a range of stories about the region as a place to live, work and do business and was accompanied by a digital campaign through multiple channels.
 - Growing the Nelson Tasman Intern Programme to have 11 interns employed as part of the 2019/20 Programme. We also supported the development of a new Nelson Tasman Graduate Programme, facilitated through Intepeople. The aim of these programmes is to build long-term youth ambassadors for the region as a place to live and work and to develop a sustainable pipeline of future talent.
- In addition to the employee talent activity we have also progressed eight potentially significant investment attraction proposals, from supporting initial pitches to due diligence phase; these were across the technology, tourism attraction, accommodation and the education sectors.
- Although unsuccessful the pitch made to attract the establishment of the head office of the NZ Institute of Skills and Technology was a highlight in the way in which it brought together Iwi, education and the business community. The details of all the other proposals are commercially sensitive. Two of the proposals in the tourism sector were well developed, but the impact of COVID-19 has had a significant impact on realisation.
- In addition to the above activity NRDA was also a key facilitator in preparing the 'Shovel Ready' infrastructure funding proposals over lockdown.



Focus Area **Key Performance Measures** **Achieved ✓**
Not Achieved ✗

1.2 Talent attraction and retention

Regional Indicator: A positive change in % of the workforce in the skilled or highly-skilled workers category, change in the % of knowledge-intensive employment and change in the proportion of population within the 30–49 age group.

- 0.2% increase in % of workforce in the skilled or highly-skilled workers category to 47.2%.
- 1.4% increase in the % of knowledge-intensive employment to 3.6% which represents a net increase of just under 500 knowledge-intensive jobs.
- 0.2% decrease in the proportion of population within the 30–49 age group to 23.7%.

1.3 Catalyst for Te Taihū Intergenerational Strategy

We undertake this activity as the Regional Growth Strategy is a key piece of strategic work for the region resulting in creating alignment between business, Iwi and local government around the economic development priorities for the region. This should create a strong platform for engagement with Central Government around the important enablement role they will need to play in assisting to realise the strategy vision.

Provide input into the Strategy Steering and Project Management Groups. NRDA attracts the appropriate resource commitments to drive priority NRDA implementation actions identified within the strategy by June 2020.

- NRDA staff and board have been active participants in the TTI strategy steering and project management groups over the past year. ✓
- The NRDA board provided a range of formal and informal feedback on the strategy when requested.
- NRDA made a significant commitment of providing a seconded staff member to assist with strategy and data project development over the year.

Using the Wellbeing Indicators, establish baseline data (Data Dashboard) for future benchmarking.

This aspect of the strategy has been delayed by COVID-19.



Regional Indicator: Te Taihū Intergenerational Strategy completed with key stakeholder sign-off by December 2019.

- Draft Strategy with stakeholder sign-off released by Dec 2019 — <https://tetaihu.nz/>
- NRDA provided formal feedback during the consultation period.
- Final strategy delayed as a result of COVID-19.

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
1.4 Contribution to Smart Little City Centre Development	<p><i>We undertake this activity as Nelson City's "Smart Little City" vision is a critical element to enabling the future of the region, in particular as it relates to creating a place where talent and investment want to be.</i></p> <p>Provides input into the Centre City Project team. Demonstrate outcomes from the key roles identified for NRDA within the City Centre project where targeted funding is provided.</p> <ul style="list-style-type: none"> The NRDA team worked with the NCC City Centre team to finalise the Nelson City Centre Story to align with the Regional Identity. The Nelson City Centre Story was incorporated in all our relevant activity programmes, in particular talent and domestic visitor activity. The Nelson City Centre also featured strongly in the major events supported throughout the year. Five of the investment attraction proposals worked on had a Nelson City Centre location attached to them. One has been realised, one is still in development and the others have been impacted by COVID-19. <p>Regional Indicator: A positive change in spend in the Nelson City Centre.</p> <p>For the four quarters ending March 2020, total spend in Nelson CBD was \$188m. This is a drop of 4% compared to the previous year which was \$195m. The bulk of this drop was (unsurprisingly) in the March quarter due to COVID-19.</p>	✓

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
2. Connecting our clever people and companies with opportunities to grow and innovate		
2.1 Regional Business Partner Programme	<p><i>We undertake this activity to:</i></p> <ul style="list-style-type: none"> contribute to creating more capable innovators and companies with greater capacity to generate successful business growth and development outcomes in the region. generate greater collaboration and value for Nelson Tasman businesses and region by connecting people, ideas and new technologies. increase the number of entrepreneurs and businesses in the Nelson Tasman region introducing new ideas, businesses and technologies into market over the next 3–5 years. contribute to addressing productivity, talent attraction and retention challenges and the pace of technological change. <p>Delivering RBP support to over 300 companies, attracting in excess of \$1 million in RBP funding and a customer satisfaction net promoter score of +50 across the RBP programme by June 2020. Targeting a minimum of 30% of businesses from any one district.</p> <ul style="list-style-type: none"> 454 Active Company Engagements. \$1,151,431.18 RBP funding approved. Customer Satisfaction Net Promoter Score: +76. We exceeded servicing at least 30% of business from any one district. This year NRDA hosted the national RBP conference in Nelson and was also named as the 2nd highest performing RBP programme in NZ. As a result of COVID-19, in addition to the above performance, the RBP team also dealt with an additional 1050 companies over the March-June period in delivering the one-on-one COVID-19 business support services. <p>10 Tasman and 10 Nelson businesses intensively case-managed.</p> <ul style="list-style-type: none"> 89 Tasman Businesses intensively case-managed 133 Nelson Businesses intensively case-managed As a result of the impacts of COVID-19, there were a lot higher number of companies requiring additional case management over the period. <p>3 initiatives or connections made to support targeted businesses challenges.</p> <ul style="list-style-type: none"> We hosted two physical R&D and Innovation events which represented 128 business attendees. In addition, we delivered 4 RBP COVID-19 related webinars (Health & Wellbeing/Employment Law/Business Continuity/Cybersecurity) which attracted 479 attendees. <p>Regional Indicator: A positive change in regional productivity relative to NZ trends (GDP / filled job)</p> <ul style="list-style-type: none"> Nelson Tasman Growth +1.4% (NZ +1.1%) 	<p>✓</p> <p>✓</p> <p>✓</p>

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
2.2 Catalyst for collaboration	<p>We undertake this activity to:</p> <ul style="list-style-type: none"> enhance the Mahitahi Colab partnerships. generate greater collaboration and value for Nelson Tasman business and region by connecting people, ideas, new technologies & company challenges. increase the number of entrepreneurs and organisations in the Nelson Tasman region introducing business challenges, new ideas, businesses and technologies into market over the next 3-5 years. It will also support the attraction and retention of talent in the region. address productivity, talent attraction and retention challenges and the pace of technological change. 	
	<p>NRDA engaged in at least 10 regional collaboration projects by June 2020 and have hosted over 100 collaboration events or activities within the Nelson Tasman region by June 2020.</p>	<ul style="list-style-type: none"> NRDA has been involved in or facilitated more than 10 regional collaboration projects, with some examples being: NTIN, Mahitahi Student Consulting team, Lean Cluster, Innovation Framework group, Economic Pou of RIF, Te Taihū Intergenerational Strategy, Nelson City Centre project, Wairoa Mtb Trust with DoC, a multitude of regional and top of the south tourism projects and as a result of COVID-19, Project Kōkiri and a range of MSD employment related projects. ✓ Mahitahi Colab hosted 2335 attendees across 100 events.
	<p>Regional Indicator: A positive change in the utilisation of the Colab space through the hosting of networking and collaboration events within the Mahitahi Colab.</p>	<p>Over the year, there has been a positive increase in tenants utilising the Mahitahi Colab and an increase in the events hosted from 80 to 100. Note this shift in events was significantly impacted by COVID-19 forcing the venue to be closed for the March-May period.</p>

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
3. Promoting the destination as a place of choice for higher-value visitors who visit from March to November		
3.1 International visitor marketing programme	<p>We undertake this activity to contribute to increasing the value of visitors to the region in the shoulder seasons. This aligns directly with Visitor Sector Seasonality which has a significant impact on the viability of product development, employment security, social license and flow on to the retail and transport sectors. Indirectly international marketing aligns with Talent Attraction as many immigrants first encounter Nelson Tasman while on holiday here. The visitor sector also contributes to the need for, and utilisation of, local infrastructure and community assets.</p>	
	<p>100 international trade and media hosted and trained, and 4 in-market trade training events attended with 500 referrals within the target markets by June 2020.</p>	<p>Our approach to international marketing continues to focus on influencing the influencers. We work with international media and travel trade to leverage their influence and budgets.</p> <p>In Region Hosting</p> <ul style="list-style-type: none"> We hosted a total of 146 participants on international trade (122) and media (24) famils. A highlight included hosting a group of 35 Flight Centre Agents from Canada shortly before lockdown. They have sent superlative reviews of their experiences here. When borders reopen these agents will be huge ambassadors for the region. "Coming home from a trip like this, all I want to do is send Canadians to New Zealand because I know that it will be an experience of a lifetime and I will have clients for life." ✓ 6 planned trade famils were cancelled due to COVID-19 but targets were exceeded despite this. <p>In-Market Trade Training</p> <ul style="list-style-type: none"> 407 international agents were trained at five events in Australia, Singapore, India, Christchurch and Auckland with all referrals passed on to local operators. As a result of COVID-19, the cancellation of Kivilink UK/Europe and TRENZ 2020 means we did not reach the targeted 500 total referrals, reaching 407.
	<p>Number of international trade and media hosted and trained with breakdown of businesses engagement by district.</p>	<ul style="list-style-type: none"> We hosted a total of 146 participants on international trade (122) and media (24) famils. This equated to a total of 27 international famils, 22 included Nelson Tasman, 4 Tasman only and 1 Nelson only. ✓ An additional 6 trade famils were cancelled due to COVID-19.
	<p>Report on market reach of media and estimated equivalent advertising value.</p>	<ul style="list-style-type: none"> We achieved 380 media results for the region with a total EAV of \$16.7m (TNZ reported figures) Highlights include hosting Journalist Florian Sankt Johanser who had over 200 articles published in German digital and print media, with an EAV of \$1m and a Fish of the Day episode with Clarke Gayford featuring Golden Bay screening in NZ and internationally. ✓

Focus Area **Key Performance Measures** **Achieved ✓**
Not Achieved ✗

3.1 International visitor marketing programme

Total Visitor spend by month and by district in comparison to year on year against NZ average. Reported in a manner that identifies total spend, international and domestic split.

- Total visitor spend in Nelson Tasman for YE 31 May 2020 was \$576m. This is a 14% reduction on the previous year.
- The 2020 figure is the lowest spend since 2015 (that was \$554m).
- Nelson City was down by 13% and Tasman District was down 15%.
- The Nelson Tasman spend was split as follows:
 - Domestic \$379m vs \$448m in 2019 (down 15%).
 - International \$197m vs \$222m in 2019 (down 11%).

	Domestic	International	Total	% Change on same period in previous year
Nelson	\$224m	\$105m	\$329m	-13%
Tasman	\$155m	\$92m	\$247m	-15%
Nelson Tasman Total Spend	\$379m	\$197m	\$576m	-14%
National Visitor Spend			\$26,288m	-11%

Regional Indicator: Increased international visitor spend in Nelson Tasman over the March–November period relative to NZ trends.

International visitor spend in Nelson Tasman decreased by 0.3% in March to November 2019 compared to the same period in 2018. This is made up of a 0% change in Nelson and a decrease of 0.8% in Tasman. Total international visitor spend in NZ was up by 4.7%.

Focus Area **Key Performance Measures** **Achieved ✓**
Not Achieved ✗

3.2 Domestic consumer visitor marketing programme

We undertake this activity to contribute to increasing the value of visitors to the region in the shoulder seasons to address the impact that seasonality has on the local economy. Domestic travel is key for the survival of small local businesses and job security for their employees, and is a significant contributor to developing and sustaining the local economy. It is also critical in attracting talent from other parts of New Zealand as often the first interaction talent has with the Nelson Tasman region is based on a visitor experience.

Maintain a consistent digital content marketing engagement level that is above the industry average based on specific campaign objectives targeting Auckland, Wellington and Christchurch markets by June 2020.

Digital Marketing Engagement

- We achieved an Instagram engagement rate of 7.7%, compared with an industry average of 1.49%. Overall reach was 1,336,560 whilst total engagements were 101,144.
- Our Facebook engagement rate was 21.7%, compared with an industry average of 3.6%. Overall reach was 5,718,614 whilst total engagements were 1,243,040.
- Through organic, unpaid content we reached a total of 1,096,610 accounts during lockdown, generating 124,437 engagements. This gave us an engagement rate of 13% on Facebook and 8% on Instagram, both of which are significantly higher than the industry average and are excellent results for unpaid media.

Domestic Consumer Marketing Visitor Programme highlights

- A series of media partnerships with national media, airlines and ferries enabled us to amplify our reach and access new audiences with the Spring campaign reaching a potential 6.45 million consumers.
- A multi-channel partnership with NZME included 16 pages of editorial released to 50,000 households in Auckland, as well as digital advertising that generated 56,500 impressions.
- Post-lockdown, we have maximised Tourism New Zealand's partnerships with NZME and Stuff. Most notably, the GO NZ editorial series throughout June went out to 543,000 households and a web audience of 1.72 million per week.

Regional Indicator: Increased domestic visitor spend in Nelson Tasman over the March–November period relative to NZ trends.

Domestic visitor spend in Nelson Tasman decreased by 0.6% in March to November 2019 compared to the same period in 2018. This is made up of an 0.8% increase in Nelson and a decrease of 2.8% in Tasman. Total domestic visitor spend in NZ was up by 0.2%.

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
3.3 Business events sales and marketing	<p><i>We undertake this activity to contribute to increasing the value of visitors to the region in the shoulder seasons as this is when most business events take place. It also aligns with Talent Attraction and Retention as we target conferences from sectors which are relevant to local industries and delegates have the potential to become Nelson Tasman residents. Business events also contribute to the need for, and utilisation of, local events infrastructure and investment.</i></p>	
	<p>Contributing to the attraction of 6,000 out-of-region business events delegates, at an average of three nights each (18,000 room nights), with 75% between March–November for events to take place within the next three years.</p> <ul style="list-style-type: none"> During 2019/20, a steering group of local operators was established to guide the work of business events promotion. We facilitated the attraction of 14 business events to the region, with a combined total of 7194 room nights. Unfortunately, three of these events have been postponed due to COVID-19. The secured events attracted 1912 out of region delegates for a total of 3724 room nights. 73% of the events were in the shoulder season (March to November). Two further business events have been confirmed post COVID-19 as a direct result of NRDA activity. We note that these figures are lower than the KPMS. This is because we can only measure events which NRDA has <i>directly facilitated</i>. The KPM was based on the number of events which we normally contribute to attracting, however the relevant industry data report ceased late 2019. A new provider has been appointed to provide the required data from July 2020 onwards. 	✗
	<p>Number of conference events hosted between March and November by district.</p> <ul style="list-style-type: none"> A total of nine events hosted in Nelson City, six of these between March and November. A total of two events hosted in Tasman, both of which between March and November. 	✓
	<p>Regional Indicator: Positive change in business events delegate days in Nelson Tasman relative to NZ trends.</p>	Not achieved due to the impact of COVID-19 and a change in reporting data available.

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
3.4 NCC Economic Events programme	<p><i>We undertake this activity to contribute to increasing the value of visitors to the region in the shoulder seasons. Events also add to the community dynamics, making Nelson a more vibrant place to live thus supporting talent attraction and retention. Events can enrich our community, environment, and economy in line with our destination management plan. This function aligns NRDA closely with local government and supports the use and development of local infrastructure including venues and transport systems.</i></p>	
	<p>Through the NCC events fund, contributing to the attraction of over 35,000 major events attendees (50%/17,500 from out-of-region), with 80% between March–November delivering a return on event fund investment ratio of 10:1.</p> <ul style="list-style-type: none"> From 32 applications, 28 events were approved by the Events Development Committee. The total number of major and community event attendees was 99,513 with 20,546 coming from out of region. COVID-19 caused the cancellation of many events. Had all events been able to go ahead, total attendees would have been 115,000 with 25,406 out of region attendees. 86% of approved events were held between March and November. The NCC Economic Fund achieved a ROI of 31:1. A New Venue Hire Fund was introduced in November to support events booking NCC venues and nine events were approved for this financial assistance. A review of the regional events website It'sOn was undertaken and indicated a high level of usage. A proposal to improve the efficiency, effectiveness and additional functionality is currently being prepared. A suite of support services for event organisers and mass participation event attendees has been developed in conjunction with the i-SITE and we continue to work with event organisers to maximise their marketing reach. Highlights of the year include being part of the teams to help win the bid for Nelson City to host the Enduro World Series Mountain Biking Event and secure the NZ BlackCaps v England T20 match here in Nelson at short notice—an extraordinary Nelson Tasman November day and a win for NZ! 	✓
	<p>Regional Indicator: Positive change in the number of event attendees attracted from out-of-region over the July 2019–June 2020 period.</p>	There were 20,546 out of region event attendees compared to 22,500 in 2018-19. However, many events were cancelled due to COVID-19 and if all had been able to go ahead there would have been a positive change with total out of region attendees being 25,406.

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
3.5 Nelson i-SITE programme	<p><i>We undertake this activity to contribute to enhancing the Nelson Tasman visitor experience that will provide additional value to our local operators and community. The i-SITE also supports the vibrancy of the Nelson City Centre.</i></p>	
	<p>Implementing the first phase of a revised business model as agreed with council, while maintaining a Customer Satisfaction Rating of 80% of 4/5 and 5/5 ratings.</p> <p>The i-SITE continued to provide a high level of customer service enhancing the in-region visitor experience and have maintained the rating of 4.5/5 from the main customer review sites (TripAdvisor and Google reviews). This is a great achievement considering the i-SITE business model disruption and COVID-19 impacts.</p> <p>Throughout the year the i-SITE team have been focused on activities that contribute to the development of the future sustainability of the business model which included:</p> <ul style="list-style-type: none"> The Nelson i-SITE took a proactive role in working with the national i-SITE community in particular TNZ, i-SITE NZ board and DoC around the development of a new national i-SITE business model. The proposed new model was significantly impacted by COVID-19 and as a result a revised model was developed and is currently going through a consultation process with key stakeholders, including Government. This has impacted the timing of the implementation of a new model, which is scheduled for early 2021. In the interim the i-SITE team have taken a proactive approach to do what we can at a local level to improve business conditions. Developed and delivered an event packaging service to provide assistance with group accommodation and activity booking for event organisers. Highlights include assisting three large sporting groups with bookings, creating and delivering a successful custom cruise product and delivering i-SITE popup and packaging services at three conferences. Exploring opportunities to enhance the instore experience and working more closely with the inter-regional bus services. 	✓
	<p>Regional Indicator: Achieving a break-even financial bottom-line.</p> <p>Not achieved due to the disruption of the business model and the three-month closure due to COVID-19.</p>	

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
4. Partnering with public & private sectors to build stakeholder engagement, achieve alignment and drive NRDA's role in strategy execution		
4.1 Business partner programme	<p><i>We undertake this activity to provide value to partners through accumulation of their financial commitments to NRDA, to enable delivery of the NRDA business plan and to align activity decision making with partner investment.</i></p> <p>120 partners contributing \$350,000 of business partner contributions commitments to delivery of NRDA programmes with breakdown by region.</p> <p>Across all activity areas, we had 152 private sector partners contributing a total of \$341K to our activity. Due to the disruption of COVID-19 credit/refunds totalling \$45K were distributed back to the visitor sector, had this not happened total annual revenue would have been \$386K.</p> <p>The partners were split across the region as follow:</p> <ul style="list-style-type: none"> Nelson 26% Tasman 34% Operate in both regions 20% Out of region 20% 	✓
4.2 Trusted independent advisors	<p><i>We undertake this activity to provide quality and timely data for decision making, to improve the engagement with the Iwi of Te Taihū and to better understand stakeholder views of the NRDA and our activities so we can better respond to changes in circumstances and/or expectations.</i></p> <p>The NRDA maintains economic data insights and provides timely reports.</p> <ul style="list-style-type: none"> Quarterly updates were provided at www.nelsontasman.nz. An annual economic profile was reported to both councils. An additional Regional Economic Impact of COVID-19 Pandemic Report was also undertaken this year. <p>Engage in at least 10 Te Taihū forums and/or hui with iwi and Māori businesses by June 2020.</p> <p>The NRDA are continuing to evolve our Iwi and Māori engagement activity at both a management and governance level, achieving the target of being involved in at least 10 forums. We are involved in the following Te Taihū Iwi/Māori business forums which meet on a regular basis: Economic Pou of RIF, Te Taihū Strategy groups (project and governance), Project Kōkiri, Regional COVID-19 recovery steering group, Iwi GM's forum, Māori Business network, the Māori business support hui. In addition over the year the Chair and CE have engaged one on one with many of the Iwi of the top of the South and we are involved in a range of projects that involve various Iwi and/or Māori business interests.</p>	✓

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
4.2 Trusted independent advisors	Provide input to at least four economic development related stakeholder working groups in both Nelson and Tasman.	The NRDA have been involved in considerably more than four economic development forums per year, including: Te Taihu Destination Management Plan, Mahitahi Colab, Nelson Tasman Innovation Neighbourhood, NZTA transport projects and Project Kōkiri. ✓
	Implement an annual stakeholder survey and achieve a net positive result.	An annual stakeholder survey was implemented and achieved a net positive result with 61% of respondents happy or very happy with NRDA's service, and another 26% were neutral. ✓
4.3 Financially sustainable organisation	The NRDA maintains a balanced budget and identifies a future sustainable business model by June 2020.	We have successfully achieved the delivery of a balanced operating budget at an EBITDA level of \$49,351. ✓
	NRDA delivers a clean Audit.	Achieved. ✓
	Progress development of sustainable future business model by June 2020.	<ul style="list-style-type: none"> The development of a sustainable future business model has progressed through the Martin Jenkins Review of NRDA efficiency undertaken during the year. This review concluded that a CCO is the preferred delivery structure, that our activities are consistent with our peer Regional Development Agencies in NZ and that in delivering those activities we operate on a best practice basis. The report also identified that NRDA currently operate on approx. 45% of the local authority funding of comparable RDA's, albeit with a higher level of private sector funding. One of the reviews key recommendations was the development of a business case for additional funding through the LTP process. This case will be based around the agreed four or five strategic outcome areas identified by the Councils. Progress on the development of this case and the identification of the Council priorities has been significantly impacted by COVID-19, causing considerable distraction of effort going into the creation of Project Kōkiri, the region's economic response and regeneration plan. This also included the raising of significant additional investment to support the implementation of the Project Kōkiri Plan which has assisted in identifying potential future partners in a sustainable business model. ✓
	Review Health, Safety & Wellbeing Policy.	The Health, Safety & Wellbeing policy has been reviewed and approved by the board. ✓

Focus Area	Key Performance Measures	Achieved ✓ Not Achieved ✗
4.4 Organisational culture and development programme including NRDA communications strategy	Communications strategy:	<ul style="list-style-type: none"> Track and analyse engagement with communications channels. Specifically including newsletter/eDM statistics, LinkedIn engagement and media results. Stakeholder survey with all key audiences to get specific feedback on communication from and with the NRDA, and how it is received and can be improved. This will be an annual survey completed by June. At least 8 off-site team meetings held.
	Communications engagement results:	<ul style="list-style-type: none"> 35161 impressions on 70 LinkedIn updates with an average engagement rate of 6.5% (industry average is 2%). Further reach and engagement through personal accounts. Featured in 32 media articles with a combined potential distribution/reach of over 1.4million people/households. 64 EDM comms sent to NRDA stakeholders and Nelson Tasman business community (master database of over 1700 contacts). ✓ Annual stakeholder survey implemented with 84% of respondents rating the communication they receive from the NRDA as relevant or highly relevant. Four off-site staff meetings were held, and four scheduled meetings were cancelled due to COVID-19.
	The CEO's 360 review demonstrates an engaged and valued team with improvements shown in the identified areas for improvement.	The CEO's 360 review indicated an engaged team and improvement in the areas of clarity of organisational purpose and communication. ✓
	Every staff member actively taking part in completing at least 1 professional development activity throughout the year.	As part of our Reward, Perform & Grow process, all staff members took part in at least one professional development activity. ✓
Zero Lost-time work injuries.	Achieved. ✓	

Statement of Financial Performance

For the year ended 30 June 2020


These financial statements should be read in conjunction with the notes to the financial statements contained in section 4.6.

4.1 Statement of Comprehensive Revenue and Expense

Nelson Regional Development Agency Limited for the year ended 30 June 2020

Account	Notes	2020	2019
Revenue			
Revenue from non-exchange transactions	1	1,662,859	1,487,999
Revenue from exchange transactions	1	713,913	855,246
Total Revenue		2,376,772	2,343,245
Expenses			
Cost of sales		57,378	67,300
Depreciation and amortisation expense	2	95,266	113,310
Grants and sponsorship	3	247,283	198,362
Marketing and strategic projects		492,865	534,855
Employee benefits	4	1,103,528	1,068,773
Other overhead and administrative expenses	5	429,027	429,172
Total Expenses		2,425,347	2,411,772
Net Finance Income			
Finance income	6	2,659	7,323
Interest expense		(1,807)	(1,896)
Total Net Finance Income		852	5,427
Operating Surplus Before Tax		(47,723)	(63,100)
Taxation expense			
Tax Expense	11	(8,086)	(926)
Other Comprehensive Revenue and Expenses			
Total Other Comprehensive Revenue and Expenses		-	-
Total Comprehensive Revenue and Expenses After Tax		(39,637)	(62,174)


Chairperson Megan Matthews


Director Martin Byrnes

4.2 Statement of Financial Position

Nelson Regional Development Agency Limited for the year ended 30 June 2020

Account	Notes	30 Jun 2020	30 Jun 2019
Assets			
Current Assets			
Cash and cash equivalents	7	545,361	373,859
Receivables	8	217,936	114,538
Prepayments	9	14,765	29,157
Inventories	10	27,515	26,603
Total Current Assets		805,577	544,157
Non-Current Assets			
Deferred tax	12	21,453	13,367
Property, Plant and Equipment	13	83,127	111,799
Intangibles	13	65,109	94,352
Total Non-Current Assets		169,689	219,518
Total Assets		975,266	763,675
Liabilities			
Current Liabilities			
Payables	14	281,482	250,555
Taxes payable	14	34,224	1,799
Income tax payable	14	(888)	(9,110)
Deferred revenue		242,330	55,618
Employee entitlements	15	77,826	100,985
Accruals	16	44,313	28,210
Total Current Liabilities		679,287	428,057
Total Liabilities		679,287	428,057
Net Assets		295,979	335,618
Equity			
Share capital	17	370,285	370,285
Accumulated earnings		(74,306)	(34,667)
Total Equity		295,979	335,618

4.3 Statement of Changes in Net Assets

Nelson Regional Development Agency Limited for the year ended 30 June 2020

	Notes	Share capital	Accumulated funds	Other equity reserves	Total equity
Funds introduced	17	370,285			370,285
Total opening balance		370,285	27,505	-	397,790
Surplus/(deficit) for the year			(62,174)		(62,174)
Other comprehensive revenue and expenses					
Total comprehensive revenue and expenses			(62,174)		(62,174)
Transfer to/(from) equity reserves in the year					
Balance at 30 June 2019		370,285	(34,667)		335,616
Surplus/(deficit) for the year			(39,639)		(39,639)
Other comprehensive revenue and expenses					
Total comprehensive revenue and expenses		-	(39,639)	-	(39,639)
Transfer to/(from) equity reserves in the year					
Balance at 30 June 2020		370,285	(74,306)	-	295,979

These financial statements should be read in conjunction with the notes to the financial statements.

4.4 Statement of Cash Flows

Nelson Regional Development Agency Limited for the year ended 30 June 2020

Account	2020	2019
Statement of Cash Flows		
Cash flow from operating activities		
Membership subscriptions	134,469	156,619
Fundraising, donations, grants and bequests	-	-
Public Sector grants and subsidies	2,015,016	1,502,737
Receipts from goods and services provided, non-exchange transactions	-	-
Receipts from goods and services provided, exchange transactions	310,602	609,640
Payments to suppliers	(937,228)	(1,017,082)
Payments to employees	(1,092,900)	(1,040,483)
Grants, contributions and sponsorship paid	(229,267)	(160,290)
Tax	7,312	(28,968)
Net Cash from/(used in) operating activities	208,004	22,173
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	-	-
Proceeds from sale of intangible assets	-	-
Proceeds from sale of financial assets	-	-
Purchase of property, plant and equipment	(5,953)	(45,408)
Purchase of intangible assets	(31,401)	(50,746)
Investment in term deposit	-	250,000
Purchase of financial assets	-	-
Net cash from/(used in) investing activities	(37,354)	153,846
Cash flow from financing activities		
Share capital	-	-
Proceeds from capital contributions	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Interest and dividends received	2,659	7,323
Interest paid on borrowings	(1,807)	(1,896)
Net cash from/(used in) financing activities	852	5,427
Cash and cash equivalents		
Net increase/(decrease) in cash and cash equivalents	171,502	181,446
Cash and cash equivalents, beginning of the year	373,859	192,414
Cash and cash equivalents at end of the year	545,361	373,859

These financial statements should be read in conjunction with the notes to the financial statements.

4.5 Statement of Accounting Policies

Nelson Regional Development Agency Limited for the year ended 30 June 2020

1. Reporting Entity

The Nelson Regional Development Agency Ltd ("NRDA") is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The NRDA is owned 100% by the Nelson City Council.

The NRDA is a Council Controlled Organisation as defined in S6 (1) of the Local Government Act 2002.

The primary objective of the NRDA is to enhance the sustainable economic vitality of the Nelson Region by leading the development of a unique and compelling Regional Identity. This will be achieved in partnership with the public and private sectors, through the attraction and retention of investment, visitors and talent who want to add to the special character of the region. Accordingly, the Company has designated itself as a public sector ("PS") public benefit entity ("PBE") for the purposes of the Public Benefit Entity International Public-Sector Accounting Standards ("PBE IPSAS").

The financial statements of the NRDA for the year ended 30 June 2020 were authorised for issue by the Board of Directors on 04/08/2020.

2. Significant Accounting Policies

(a) Statement of Compliance

The financial statements of the NRDA have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Local Government Act 2002. The financial statements comply with generally accepted accounting practice in New Zealand ("NZ GAAP").

The financial statements of the NRDA have been prepared in accordance with the Tier 2 PS PBE Accounting Standards Reduced Disclosure Regime ("RDR") and disclosure concessions have been applied. The NRDA is eligible to report in accordance with the Tier 2 PS PBE Accounting Standards RDR because it does not have public accountability and it is not large.

(b) Basis of Preparation

The financial statements are presented for the year ended 30 June 2020.

The financial statements have been prepared on a historical cost basis and all transactions in the financial statements have been recorded using the accrual basis of accounting.

The financial statements are presented in New Zealand dollars. They are rounded to the nearest dollar.

Management is not aware of any material uncertainties that may cast significant doubt on the NRDA's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

(c) Goods and Services Tax

The NRDA is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the NRDA and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from non-exchange transactions:

Grants, funding and donations

Revenues from non-exchange transactions with the Council, the Government and other providers are

recognised when the NRDA obtains control of the transferred asset, and:

- It is probable that the economic benefits or service potential related to the asset will flow to the NRDA and can be measured reliably; and
- The transfer is free from conditions that require the asset to be refunded or returned to the provider if the conditions are not fulfilled.

Revenues from grants, funding and donations are measured at the fair value of the assets transferred over to the NRDA at the time of transfer. To the extent that there is a condition attached that would give rise to a liability to repay the grant, funding or donation amount or to return the donated asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the NRDA has satisfied these conditions.

Revenue from exchange transactions:

Event management

Revenues from exchange transactions relating to contracts for event management are recognised when the service has been rendered by reference to the stage of completion.

Membership fees

Revenues from exchange transactions relating to membership fees are recognised on a straight-line basis over the course of the membership period.

Trading fees and charges

Revenues from exchange transactions relating to trading fees and charges are recognised when the underlying transaction occurs.

Cost recoveries

Revenues from exchange transactions relating to cost recoveries are recognised when the NRDA becomes entitled to receive the reimbursement.

Interest income

Interest income is recorded using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

(e) Lease expense

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the NRDA. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

(f) Inventories

Inventory is initially recorded at cost. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventories held for sale are subsequently measured at the lower of cost and net realisable value. However, inventory held for distribution or deployment at no charge or for a nominal charge is measured at cost, adjusted when applicable for any loss of service potential.

(g) Property, plant and equipment

Initial recognition and subsequent expenditure:

Property, plant and equipment is initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property, plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the NRDA, and if the item's cost can be reliably measured.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met.

Measurement subsequent to initial recognition:

Subsequent to initial recognition, property, plant and equipment are measured at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation:

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- FurnitureSL 5 to 10 years
- Plant and EquipmentSL 2 to 5 years
- Motor VehiclesDV 21 %

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. Please refer to policy on impairment of non-financial assets below.

Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

(h) Intangible assets

Initial recognition:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Measurement subsequent to initial recognition:

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

Amortisation:

The useful lives of intangible assets are assessed as either finite or indefinite. The NRDA only has finite life intangible assets. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting

period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation rates applied to the NRDA's intangible assets are summarised as follows:

- SoftwareSL 40 %
- Website.....SL 40 %

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Derecognition:

An intangible asset is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

(i) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is

rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the NRDA in respect of services provided by employees up to the reporting date.

(j) Equity

Equity is the Nelson City Council's interest in the NRDA, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Contributed capital:

Contributed capital is the capital that was initially invested by the Nelson City Council when the NRDA was formed.

Accumulated comprehensive revenue and expense:

Accumulated comprehensive revenue and expense is the NRDA's accumulated surplus or deficit since formation, adjusted for transfers to/from specific reserves.

Restricted reserves:

This is a restricted equity reserve created by the NRDA for the purpose of financing marketing activities. The use of these funds is restricted to this specific purpose as resolved by the Board of Directors.

(k) Financial instruments—initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial assets:

Initial recognition and measurement

The NRDA's financial assets include: cash and short-term deposits and trade and other receivables. All financial assets are recognised initially at fair value.

Subsequent measurement:

Trade and other receivables

This category of financial assets is the most relevant to the NRDA. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, trade and other receivables are assessed for indicators of impairment annually.

The losses arising from impairment are recognised in the statement of comprehensive revenue and expense.

(l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of comprehensive revenue and expense because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The NRDA's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the NRDA expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in surplus or deficit, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.6 Notes to the Financial Statements

Nelson Regional Development Agency Limited for the year ended 30 June 2020

Account	2020	2019
1. Revenue		
Revenue from non-exchange transactions		
Government grants	487,442	345,000
Local body funding	1,175,417	1,142,999
Total Revenue from non-exchange transactions	1,662,859	1,487,999
Revenue from exchange transactions		
Local body funding	165,444	217,558
Memberships	134,469	157,539
Trading fees and charges	114,653	148,162
Sale of goods	170,417	215,852
Services rendered	118,255	108,399
Other income	10,675	7,736
Total Revenue from exchange transactions	713,913	855,246
Total revenue	2,376,772	2,343,245

Account	2020	2019
2. Depreciation, amortisation and impairment		
Depreciation on property, plant and equipment		
Depreciation on PP&E	31,613	34,057
Loss/Gain on Assets	3,010	5,166
Total Depreciation on property, plant and equipment	34,623	39,223
Amortisation of intangibles		
Depreciation on Software	60,643	74,087
Total Amortisation of intangibles	60,643	74,087
Total Depreciation, amortisation and impairment	95,266	113,310

Account	2020	2019
3. Grants and sponsorship		
Regional Business Partnership	224,783	188,362
Sponsorship	22,500	10,000
Total Grants and sponsorship	247,283	198,362

Account	2020	2019
4. Employee benefits		
Wages and salaries	1,047,731	1,017,204
Employer contributions to superannuation	31,626	31,192
Other costs of employment	24,171	20,377
Total Employee benefits	1,103,528	1,068,773

Account	2020	2019
5. Expenses		
Audit fees	21,475	20,325
Director fees	37,500	32,083
Operating lease payments	19,160	18,037
Other administrative expenses	350,892	358,727
Total other overhead and administrative expenses	429,027	429,172

Account	2020	2019
6. Finance Income		
Interest income on bank deposits	2,659	7,323
Total Finance Income	2,659	7,323

Account	2020	2019
7. Cash and cash equivalents		
Cash at bank	544,109	370,786
Cash on hand	1,252	3,073
Total Cash and cash equivalents	545,361	373,859

The carrying amount of cash and cash equivalents approximates their fair value. Cash at bank earns interest at floating rates on daily deposit balances.

The cash and cash equivalents balance of the entity includes an amount of \$8,193 (2019: \$8,193) that relates to undistributed events grant funds that are subject to restrictions. The undistributed funds relate to the Events Contestable Fund, the restrictions attached to these grants specify that the funds must be distributed to organising committees of qualifying events approved by the Nelson Event Management Committee.

Account	2020	2019
8. Receivables		
Receivables from non-exchange transactions		
Trade debtors	33,063	33,062
Related party receivables	-	-
Less allowance for doubtful debts	-	-
Total Receivables from non-exchange transactions	33,063	33,062

Account	2020	2019
Receivables from exchange transactions		
Trade debtors	72,883	54,273
Related party receivables	111,990	27,203
Less allowance for doubtful debts	-	-
Total Receivables from exchange transactions	184,873	81,476
Total Receivables	217,936	114,538

All receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore, the carrying value of trade debtors and other receivables approximates its fair value.

As at 30 June 2020 all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

All receivables have been assessed in light of COVID-19 for impairment. The governing body did not see a need to make an additional allowance outside the normal assessment for all receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade debtors and other receivables as disclosed above. The entity does not hold any collateral as security.

Account	2020	2019
9. Prepayments		
Service level agreements	-	4,455
Memberships and subscriptions	870	1,421
Rent prepaid	8,256	-
Software prepaid	-	14,400
Other prepayments	5,639	8,881
Total Prepayments	14,765	29,157

Account	2020	2019
10. Inventory		
Stock on Hand - Nelson i-SITE	27,515	26,603
Total Inventory	27,515	26,603

No inventories have been pledged as security over borrowings and other liabilities.
During the year inventories of \$3,162 (2019: \$477) were written off.

Account	2020	2019
11. Income tax		
a) Components of income tax expense		
Current year tax expense	-	-
Deferred tax movements temporary differences	(8,086)	(926)
Total income tax expense	(8,086)	(926)

b) Income tax payable (receivable)		
Opening balance	(9,110)	1,048
Current tax expense	-	-
Tax refunds received	9,110	-
Provisional tax and RWT paid	(888)	(10,158)
Closing balance	(888)	(9,110)

c) Taxable income after adjustments		
Operating profit before tax	(47,723)	(63,100)
Non-assessable income	(1,828,303)	(1,705,557)
Non-deductible expenses	1,828,303	1,705,557
Movement in timing differences	2,410	34,204
Total Taxable income after adjustments	(45,313)	(28,896)

Total current tax at 28%		
Tax	-	-
Total current tax at 28%	-	-

d) Deferred tax relates to the following		
Accelerated depreciation for tax purposes	10,743	26,524
Movement in holiday pay	(1,925)	8,380
Movement in audit fee accrual	(6,408)	(700)
Total movement in timing differences	2,410	34,204

Account	2020	2019
12. Deferred tax		
a) Deferred tax on temporary differences		
Opening balance	13,367	12,441
Total Temporary differences movement:	8,086	926
Accelerated depreciation for tax purposes	(4,419)	(11,400)
Movement in audit accrual	(735)	322
Movement in employee entitlements	552	3,913
Tax losses for the year	12,688	8,091
Closing deferred tax asset/(liability)	21,453	13,367

13. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

	Furniture & Fittings	Office Equipment	Motor Vehicles	Total
2020	\$	\$	\$	\$
Opening Book Value at 1 July 2019	41,548	34,584	35,667	111,799
Purchases	3,487	2,466	-	5,953
Depreciation	(8,863)	(13,570)	(9,181)	(31,614)
Impairment	-	-	-	-
Disposals	(139)	(2,872)	-	(3,011)
Depreciation written back on disposal	-	-	-	-
Closing balance	36,033	20,607	26,486	83,127
Carrying amount 30 June 2020	36,033	20,608	26,486	83,127

Intangible assets	Software	Total
2020	\$	\$
Opening Book Value at 1 July 2019	94,352	94,352
Purchases	31,400	31,400
Depreciation	(60,643)	(60,643)
Impairment	-	-
Disposals	-	-
Closing balance	65,109	65,109
Carrying amount 30 June 2020	65,109	65,109

	Furniture & Fittings	Office Equipment	Motor Vehicles	Total
2019	\$	\$	\$	\$
Opening Book Value at 1 July 2018	40,680	51,074	13,859	105,613
Purchases	11,790	3,802	43,718	59,310
Depreciation	(8,603)	(17,455)	(8,051)	(34,109)
Impairment	-	-	-	-
Disposals	(2,372)	(2,837)	(13,859)	(19,068)
Depreciation written back on disposal	53	-	-	53
Closing balance	41,548	34,584	35,667	111,799
Carrying amount 30 June 2019	41,548	34,584	35,667	111,799

Intangible assets	Software	Total
2019	\$	\$
Opening Book Value at 1 July 2018	132,092	132,092
Purchases	36,347	36,347
Depreciation	(74,087)	(74,087)
Impairment	-	-
Disposals	-	-
Closing balance	94,352	94,352
Carrying amount 30 June 2019	94,352	94,352

The governing body didn't see the need for revaluation or write off of any property plant and equipment due to COVID-19.

Account	2020	2019
14. Payables		
Payables under non-exchange transactions		
Trade creditors	18,017	18,051
Grants and donations	8,193	8,193
Total Payables under non-exchange transactions	26,210	26,244
Payables under exchange transactions		
Related party payable	7,286	(540)
Trade creditors	247,986	224,851
Total Payables under exchange transactions	255,272	224,311
Total Payables	281,482	250,555

Account	2020	2019
Taxes payable		
GST	(1,508)	(24,190)
PAYE, Kiwi Saver	35,732	25,989
Total Taxes payable	34,224	1,799

Account	2020	2019
Current tax		
Provision for Taxation	-	(5,653)
Resident Withholding Tax	(888)	(3,457)
Total Current tax	(888)	(9,110)

Account	2020	2019
15. Employee entitlements		
Annual leave entitlements	70,433	64,025
Wages & salaries accrued	7,393	36,960
Total Employee entitlements	77,826	100,985

Employee entitlements represent the entity's obligation to its current and former employees that are expected to be settled within 12 months of balance date. These consist of accrued earnings and holiday entitlements at the reporting date.

Account	2020	2019
16. Accruals		
Audit fees	21,475	19,550
Other accruals	22,838	8,660
Total Accruals	44,313	28,210

Account	2020	2019
17. Share capital		
Issued Capital	200,000	200,000
Equity transferred from predecessor entities	170,285	170,285
Total Share capital	370,285	370,285

Account	2020	2019
18. Directors fees		
Meg Matthews - Chairperson	7,500	5,625
John Palmer - Chairperson (ceased 31 March 2019)	-	5,625
Martin Byrne	5,000	5,000
Marina Hirst Tristram	5,000	5,000
Alan Dunn	5,000	5,000
Sarah-Jane Weir	5,000	3,333
David Johnston	5,000	1,250
Jeremy Banks	5,000	1,250
Total Directors fees	37,500	32,083

Account	2020	2019
19. Related Parties		
Revenue		
Nelson City Council—Shareholder		
Events grants drawdown	364,202	454,104
Funding	1,363,917	1,006,000
Purchase of services	9,655	8,094
Total Nelson City Council—Shareholder	1,737,774	1,468,198
Nelson Airport Authority—Common Shareholder		
Contribution to marketing activities	30,449	30,150
Total Nelson Airport Authority—Common Shareholder	30,449	30,150
Total Revenue Expenses	1,768,223	1,498,348
Nelson City Council—Shareholder		
Rental & Other	76,032	126,049
Total Nelson City Council—Shareholder	76,032	126,049
Nelson Airport Authority—Common Shareholder		
Contribution to marketing activities	-	-
Total Nelson Airport Authority—Common Shareholder	-	-
Total Expenses	76,032	126,049

20. Key management personnel remuneration

	FTE	2020 \$	2019 \$
Executive management	1	190,000-200,000	180,000-190,000

21. Contingent assets and contingent liabilities

The entity has no contingent assets or contingent liabilities as at 30 June 2020 (2019–nil).

22. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had a downturn on revenue as tourism was impacted for the association up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

The situation is rapidly developing and is dependent on measures imposed by the New Zealand Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstances has arisen since 30 June 2020 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.

Account	2020	2019
23. Operating Commitments		
Commitments to lease or rent assets		
Computer Equipment Lease		
No later than 1 year	16,675	13,283
Later than 1 year and no later than 5 years	16,332	22,547
Total Computer Equipment Lease	33,007	35,830
Rental of NCC building		
No later than 1 year	75,900	81,075
Later than 1 year and no later than 5 years	-	-
Total Rental of NCC building	75,900	81,075
Sublease of Mahitahi COLAB		
No later than 1 year	94,800	94,570
Later than 1 year and no later than 5 years	23,700	118,213
Total Sublease of Mahitahi COLAB	118,500	212,783
Total Commitments to lease or rent assets	227,407	329,688

NRDA have entered a 1 year lease for the Millers Acre—NCC Building with a right of renewal for a further 1 year term from 1 July 2021

Auditors Report

For the year ended 30 June 2020



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INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF NELSON REGIONAL DEVELOPMENT AGENCY LIMITED'S
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED
30 JUNE 2020**

The Auditor-General is the auditor of Nelson Regional Development Agency Limited (the "Company"). The Auditor-General has appointed me, Ken Sandri, using the staff and resources of Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 28 to 43, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 10 to 27.

In our opinion:

- the financial statements of the company on pages 28 to 43:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) and
- the performance information of the company on pages 10 to 27 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2020.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Our audit was completed on 7 August 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of shareholders, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Information Other Than the Financial Statements and Auditor's Report

The Board of Directors is responsible for the other information. The other information comprises the information included in the Chairperson and Chief Executive report on pages 5 to 8, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of matter: Impact of COVID-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the company as set out in note 22 to the financial statements.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.

Ken Sandri
Crowe New Zealand Audit Partnership
 On behalf of the Auditor-General
 Nelson, New Zealand

Professional Associations



Te Waikoropū Springs

**NELSON
REGIONAL
DEVELOPMENT
AGENCY**

