

## Council Controlled Organisations

This section summarises Council's involvement in Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs). Some CCOs are owned fully by the Nelson City Council, while others are in shared ownership with Tasman District Council (TDC). CCTOs are set up with the primary objective of returning a profit as well as delivering agreed strategic outcomes for the city. The rest of the CCOs, those that are not CCTOs trading for a profit, aim to deliver public benefit for the city in a financially prudent manner, but are not required to make a profit.

Full details for each organisation are in their current statements of expectation, statements of intent and annual reports.

The eight organisations that Council owns or part owns to achieve agreed community outcomes are:

- The Port Company – Port Nelson Ltd (50% with TDC)
- CCTOs – Nelmac Ltd, Nelson Airport Ltd (50% with TDC), Tourism Nelson Tasman Ltd, Stoke Heights (Ridgeways) Joint Venture
- CCOs – Nelson Regional Economic Development Agency, the Tasman Bays Heritage Trust (Nelson Provincial Museum – 50% with TDC), and the Bishop Suter Trust.

The key performance measures for each CCO are taken from their statements of intent. At the end of each subsequent financial year, Council's annual report summarises the results for each of these organisations, measured against the targets set in their respective statement of intent.

### Port Nelson Ltd

Council owns 50% of Port Nelson Ltd with Tasman District Council owning the other 50%. The company provides port services for the Nelson region including the provision of berths, leasing of land and the warehousing and storage of goods. It is current Council policy to retain ownership of the Port Company as a strategic asset for the region.

Port Nelson Ltd is a port Company and is covered by the Port Companies Act 1988. This Act imposes obligations on Port Nelson Ltd almost identical to those imposed on CCTOs by the Local Government Act 2002, including the provision of an annual Statement of Corporate Intent.

Port Nelson's performance objectives are substantially unchanged from previous years.

The key performance measures and targets are taken from the approved Statement of Intent 2014/15.

Target	2013/14 Actual	2014/15 Target
Gross revenue	\$43.3m	\$39m
Dividend	\$4.2m	\$4.2m
Net debt/equity ratio	17.6%	< 45%
Return on average shareholders' funds	5.2%	4%
Return on funds employed	7.5%	6%
Capital expenditure	\$1.8m	\$4m
Lost time injury frequency rate	1.64	< 1.5
Incidents leading to harbour pollution	Nil	Nil
Compliance with all resource consent conditions	100%	100%
Compliance with NZ maritime safety standards	100%	100%
Annual cargo (t)	2.7m	2.6m
Gross shipping tonnes (t)	8.6m	8.5m
Annual vessel visits	786	697

## Nelmac Ltd

Nelmac was set up in 1995 and is 100% owned by the Nelson City Council. The main activity of the company is to provide the city with high quality management, maintenance and construction of its natural and built environment. This includes managing facilities, infrastructure such as water and waste, parks, reserves and sportsfields.

The key performance measures and targets are taken from the approved Statement of Intent 2014/15.

Target	2013/14 Actual	2014/15 Target
Gross revenue	\$24.8m	\$23m
Profit before tax	\$1.3m	\$1.1m
Net profit after tax	\$0.9m	\$0.8m
Dividend	\$0.5m	\$0.4m
Ratio of shareholders' funds to total assets	57%	55-65%
AS/NZs ISO 9001:2000 accreditation.	Maintained	Maintain
Staff morale/turnover excluding retirement, redundancy and internal transfer to be within range	7.6%	5-15%
Staff health and safety – less than 1% workday losses to accidents	0.1%	< 1%

Target	2013/14 Actual	2014/15 Target
Maintain the tertiary level of ACC workplace safety management practices	Maintained	Maintain
Fully compliant with all relevant Environmental statutory and contractual obligations and responsibilities	Achieved	Achieve

## Nelson Airport Ltd

Council owns 50% of Nelson Airport Ltd with Tasman District Council owning the other 50%. It is current Council policy to retain ownership of Nelson Airport Ltd as a strategic asset for the region. The main objective of the company is to operate a successful airport business that meets the needs of the Nelson Tasman region.

The key performance measures and targets are taken from the approved Statement of Intent 2014/15.

Target	2013/14 Actual	2014/15 Target
Gross revenue	\$5.2m	\$5.2m
Profit before tax	\$2.1m	\$1.7m
Net profit after tax	\$1.5m	\$1.2m
Retained earnings	\$7.0m	\$8.5m
Dividend	\$0.7m	\$0.5m
Pass all Civil Aviation certification audits at a satisfactory standard	Achieved	Achieve
Ensure the required level of facilities are developed and maintained to support the growth of the aviation and related industries in the area.	Achieved	Achieve
Encourage growth of airline passengers and related services in the region.	5.2% increase in PAX capacity compared with previous year (953,000)	Achieve
Comply with all employment related legislation and remain a good employer.	Achieved	Achieve
Continue to manage, and where practicable, reduce carbon footprint and promote environmentally friendly initiatives.	Achieved	Achieve

## Nelson Tasman Tourism (Tourism Nelson Tasman Ltd)

Until recent changes Council owned 50% of Tourism Nelson Tasman Limited (NTT), with the Tasman District Council owning the other 50%. In August 2014 Tasman District Council passed its shares to Nelson City Council. The company undertakes destination marketing, destination management and provision of visitor information services. It co-ordinates the marketing and promotion of the Nelson Tasman region as a visitor destination, provides tourism education and product development and manages visitor information centres throughout the region. It is current Council policy to retain its ownership of Tourism Nelson Tasman Ltd.

The key performance measures and targets are taken from the approved Statement of Intent 2014/15.

Target	2013/14 Actual	2014/15 Target
Net profit before tax 2% > budget	\$16,499	\$18,588
Increase working capital	Increased by \$85,639	Increase greater than \$50,000
Achieve equity level of \$150,000	\$156,506	Achieve
Increase visitor length stay extended on previous year	Length of stay 2.21 nights	Increase from 2.21
Achieve or exceed international guest night growth against South Island average.	6.2% growth in guest nights against South Island 10.2%	Achieve
Achieve or exceed domestic guest night growth against South Island average	2.3% growth in guest nights against South Island 4.7%	Achieve
Nelson Tasman is a leader as a environmentally friendly destination	Sustainability discussed at each industry forum	Achieve
Nelson Tasman Tourism visitor centres achieve satisfaction ratings in top quartile of all NZ centres	Measured in bi-annual independent Deloitte survey	Achieve
Achieve \$25,000 website revenue	Revenue \$20,613	Achieve
Increase length of time on website site	Average length of 3.38 minutes in 2013/14 compared with 3.40 in 2012/13	Increase from 3.40

## Stoke Heights (Ridgeways) Joint Venture

The Council owns and controls 50% of the Ridgeways Joint Venture, with Homedale Holdings Ltd (previously Residential Land Nelson Ltd) owning the other 50%. The joint venture is responsible for developing, subdividing and marketing sections on Council-owned land in Stoke. The joint venture is a Council Controlled Trading Organisation (CCTO) set up for the purpose of making a profit. It is current Council policy to retain its interest in this joint venture until the completion of all section sales.

The subdivision and development work was completed several years ago and the sale of as yet unsold sections is the only stage to be completed. The current expectation is that the last sections will not be sold until March 2019, given the current economic climate. The joint venture's reporting period runs from April to March, so differs from the Council financial year, which runs from July to June of the year following. A draft Statement of Intent is due by 1 March, and an audited annual report and financial statements by 30 June.

The key performance measures and targets are taken from the approved Statement of Intent 2014/15.

Target	2013/14 Actual
Number of sections sold compared to previous two years	2011/12: 2 sections sold 2012/13: 3 sections sold 2013/14: 1 section sold
Number of serviced sections available for sale but not unconditionally sold compared with previous two years	2011/12: 17 sections 2012/13: 12 sections 2013/14: 11 sections
Ratio of actual sale prices of total section sales to total listed selling price	2011/12: 100% 2012/13: 100% 2013/14: 100%
Documentation of any issues or complaints received by the joint venture or Council relating to activities covered by the joint venture agreement	Any complaints received were documented. An insurance claim for damage to an adjacent property was heard by the Disputes Tribunal in September 2013 and the claim as dismissed as having no basis.
Forecast completion date: 31 March 2019	Forecast completion date remains at 31 March 2019.

## Nelson Regional Economic Development Agency (EDA)

The Nelson Regional Economic Development Agency (EDA) is a Nelson City Council CCO. Its mission statement is 'facilitate sustainable development of the region that enhances economic vitality, taking into account the region's cultural and environmental values. Its three operational strategic objectives are:

- Facilitate economic development projects that build national and international competitiveness
- Provide economic advice to the region
- Provide ongoing assessment of the region's performance

The EDA is funded by both Nelson and Tasman Councils. It is current Council policy to retain ownership of the EDA. This agency led the development of the Nelson-Tasman Regional Economic Development Strategy (REDS), which was updated in 2014.

The key performance measures and targets are taken from the approved Statement of Intent 2014/15.

Target	2013/14 Actual
Facilitate the Nelson Events Strategy in conjunction with the Nelson City Council and Nelson Tasman Tourism	Six events funded
Investigate options for accessing capital investment into the region's businesses	Ongoing
Support and sponsor the Young Enterprise Scheme (YES) in the region	Achieved conditions of annual contract
Facilitate innovation and entrepreneurship in the region	Sponsored Bridge Street Collective, Regional Business Partner network and referrals to business support agencies.
Cluster group facilitation	Worked with Engineering and Aviation, Food and Beverage Innovation and Marine City clusters
International business opportunities; Key market: China	Hosted a delegation to China and one to Nelson. Worked with NMIT to facilitate opportunities
Facilitate opportunities for collaboration across business, industry and government to increase innovation in the region	Initiatives identified through REDS process, facilitated business leaders meetings.
Provide six monthly key statistical information to Councils and the community on relevant performance measures	Achieved

## Tasman Bays Heritage Trust (Nelson Provincial Museum)

The Tasman Bays Heritage Trust was established in 2000 as a Council Controlled Organisation owned 50% by the Nelson City Council and 50% by the Tasman District Council. The Trust is responsible for providing museum services and protecting the collections of historic treasures held on behalf of the Nelson Tasman region.

The museum exhibition facility in the central business district opened in late 2005 and provides a combination of permanent displays and changing exhibitions. It is well used by schools as part of their learning experiences outside the classroom programmes. It is current Council policy to retain its share of ownership of Tasman Bays Heritage Trust.

The aims of the Trust are to:

- Foster, promote and celebrate a sense of history and awareness of the importance of the Nelson and Tasman region's heritage and identity and the relationship of the Tangata Whenua as kaitiaki of taonga Māori within the rohe of te taiao; and
- Be a good employer
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so
- Conduct all trading affairs in accordance with sound business practice.

The key performance measures and targets are taken from the approved Statement of Intent 2014/15.

<b>Targets</b>	<b>2013/14 Actual</b>
Museum collections: Provide access to alternative resources and modes of access.	Kiosks working well. Around 60 visitors per month to Research Facility
Museum collections: Continued work on Glass Plate Negative Collection.	80,000 plates and 30,000 online
Deliver a Forward Exhibition Programme that meets the needs and interests of a broad audience, aligned with the Exhibition Policy.	Exhibition Advisory Committee put a plan in place
Visitor Satisfaction with Services, Exhibitions and Programmes: 80% or better rate their experience as 8,9,10 on a 10 point scale	Exceeded 80%
Seek partnerships from the community and other institutions that add value to the education work of the Museum	Relationships with Brook Sanctuary, Suter and Natureland
Engage with the community through informative content on the Museum's website and monthly email newsletter. Seek to add at least 200 new addresses annually from	500 addresses added to email database

Targets	2013/14 Actual
amongst local and regional visitors.	
Add content to the Museum's electronic public access catalogue - Collections Online.	50,000 online access searches in 2013/14

## The Bishop Suter Trust (Suter Gallery)

Council established the Bishop Suter Trust in 2008 as a CCO to run the Suter Art Gallery. Its first Statement of Intent was adopted in June 2009. The art gallery is also part of the learning experiences outside the classroom programme for schools. It is current Council policy to retain the Suter Gallery as a Council Controlled Organisation managed by the Bishop Suter Trust.

The key performance measures and targets are taken from the approved Statement of Intent 2014/15.

Targets	2013/14 Actual
Total number of visits to all parts of the Suter complex	91,731
Achieve objectives within agreed budget. Generate at least 20% of the revenue needed to operate	Total revenue 29.2%
Minimum 15 exhibitions installed a year	17
Minimum of 30,000 visits to exhibition galleries a year	26,856
Deliver a Learning experiences Outside the Classroom (LEOTC) service for Nelson/Tasman region	4,733 students in 236 Suter Educator led classes from 25 schools
The Suter's relationship with iwi and Māori is strengthened	The Memorandum of Understanding with Kote Pouaranga reviewed and revised. Iwi input into redevelopment