

Decision released from confidential session			
Recommendation from (agenda report)	Date of meeting	Recommendation to (decision-making meeting)	Date of meeting
		Council	10 August 2023
Report Title and number			
Nelmac Limited final Statement of Intent 2023/24 (R27822)			
Documents released			
Decision CL/2023/187 and Report (R27822)			
Decision			
<p>That the Council</p> <ol style="list-style-type: none"> 1. Receives the report Nelmac Limited final Statement of Intent 2023/24 (R27822) and its attachment (1511110536-735); and 2. Notes the delivery of the Nelmac Limited final Statement of Intent 2023/24 (1511110536-735) as required under the Local Government Act 2002; and 3. Notes that the Nelmac Limited final Statement of Intent 2023/24 meets Council's expectations, as set out in the Letter of Expectation dated 22 December 2022 and feedback provided to the Board from the Council meeting on 4 May 2023 when the draft Statement of Intent was considered; and 4. Notes that the final Nelmac Limited Statement of Intent (1511110536-735) will be made publicly available on Council's website within one month as per legislation; and 5. Agrees that the decision be made publicly available; and 6. Notes that the Report (R27822) requires redacting, and once redacted, will be made publicly available. 			

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Item 2: Nelmac Limited final Statement of Intent 2023/24



Council

10 August 2023

REPORT R27822

Nelmac Limited final Statement of Intent 2023/24

1. Purpose of Report

- 1.1 To formally acknowledge the receipt of the Nelmac Limited final Statement of Intent 2023/24.

2. Recommendation

That the Council

1. ***Receives*** the report Nelmac Limited final Statement of Intent 2023/24 (R27822) and its attachment (1511110536-735); and
2. ***Notes*** the delivery of the Nelmac Limited final Statement of Intent 2023/24 (1511110536-735) as required under the Local Government Act 2002; and
3. ***Notes*** that the Nelmac Limited final Statement of Intent 2023/24 meets Council's expectations, as set out in the Letter of Expectation dated 22 December 2022 and feedback provided to the Board from the Council meeting on 4 May 2023 when the draft Statement of Intent was considered; and
4. ***Notes*** that the final Nelmac Limited Statement of Intent (1511110536-735) will be made publicly available on Council's website within one month as per legislation; and
5. ***Agrees*** that the decision be made publicly available; and
6. ***Notes*** that the Report (R27822) requires redacting, and once redacted, will be made publicly available.

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3. Exclusion of the Public

3.1 This report has been placed in the confidential part of the agenda in accordance with section 48(1)(a) and section 7 of the Local Government Official Information and Meetings Act 1987. The reason for withholding information in this report under this Act is to:

- Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

4. Background

4.1 The draft Statement of Intent 2023/24 for Nelmac was presented at the 4 May 2023 Council meeting [REDACTED]

4.2 [REDACTED] and reported back through the final Statement of Intent. The following resolution was passed:

Resolution CL/2023/084

Notes the delivery of the Nelmac Limited draft Statement of Intent 2023/24 (1511110536-631) as required under the Local Government Act 2002.

4.3 The Chairperson Rob Gunn, Chief Executive Jane Sheard and Chief Financial Officer Lindsay Coll will be in attendance at the meeting to answer questions.

5. Discussion

5.1 The final SOI has been checked for compliance with the statutory requirements and there are no matters to bring to the attention of Council.

5.2 At the 4 May Council meeting Nelmac presented and highlighted that the full year forecast for 2022/23 had been reduced from \$900,000 to [REDACTED]. The full year forecast has now been revised back to \$500,000.

5.3 The 2023/24 net profit before subvention payment has been reviewed down to \$750,000, with \$800,000 and \$900,000 the following two years. This forecast has been revised from the draft SOI for 2023/24 from \$1 million, \$1.075 million and \$1.125 million.

5.4 [REDACTED] The debt level is similar to the draft SOI.

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5.5 [Redacted]
[Redacted]

6. [Redacted]

[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

7. Options

7.1 If the Council does not agree to the SOI, then shareholders must take all practicable steps under Clause 5 of Schedule 8 of the Local Government Act to require the SOI to be modified. This approach is not recommended.

8. Conclusion

8.1 Nelmac has submitted the final Statement of Intent 2023/24 as required by the Local Government Act.

9. Next Steps

9.1 The final SOI will be published on the Council website.

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Attachments

Attachment 1: 1511110536-735 Nelmac Kūmānu - Statement of Intent 2023-24 - 03Jul2023

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Important considerations for decision making
Fit with Purpose of Local Government Section 64 of the Local Government Act requires the adoption of a Statement of Intent for every Council Controlled Organisation.
Consistency with Community Outcomes and Council Policy The recommendation supports the Community Outcome that “our infrastructure is efficient, cost-effective and meets current and future needs” and “our unique natural environment is healthy and protected”.
Risk There is relatively low risk to Council of accepting the Statement of Intent as it does not propose any substantial change to previous Statements of Intent.
Financial Impact s.7(2)(h) - enable any local authority holding the information to carry out without prejudice or disadvantage commercial activities
Degree of significance and level of engagement This matter is of low significance. Therefore, no engagement has been undertaken
Climate Impact Climate change responsiveness has been identified by Council as a specific matter of interest in the Letter of Expectation dated 22 December 2022.
Inclusion of Māori in the decision making process No engagement with Māori has been undertaken in preparing this report.
Delegations Council retains all responsibilities, powers, functions and duties in relation to governance matters for Nelmac Limited.