



# 2018

EASTLAND COMMUNITY TRUST  
TE RĪPOATA Ā TAU  
ANNUAL REPORT



Ka mahi ngātahi, kia tipu, kia puāwai te hāpori.  
Together, creating a positive, prosperous and attractive community.



Students at Tolaga Bay Area School greet the ECT Rescue Helicopter on a recent promotional visit.

This year, ECT renewed community support of this life saving service contributing \$1.75 million to its operating costs over the next five years.

## Tā Mātau Tironga. Vision.

Ko ECT he rōpū piripono ki te tautoko tāngata e ngākaunui ana ki te whakapau kaha mo te pai o te iwi whānui – ngā tāngata pūkenga auaha, ngā rangatira me ngā tāngata moemoeā e kitea i ngā hiahia me te whakatutuki; ā, he ahurei, he kanorau he hāngai pū i ngā huarahi katoa hoki kia hora ai ōna hua ki a tātau o Te Tairāwhiti nei.

He rōpū kōkiri whanaketanga ohaoha whakatamarahi mātau – te rapa pū i ngā āheinga, te mahi tahi mēnā e tāea, te tātaki rānei mēnā e tonu mai ana. Rokohanga rā ia, te tuku rawa ki te rohe e puawai ana ngā rōpū pakihī, e āhei ai ngā whānau ki te uru ki ngā tūranga mahi toitū, utu pai rawa hoki, ā, e puāwaitia tonutia ai te hāpori.

Ko te hāpai i ēnei manakotanga he tāonga ā-hāpori whakahirahira mo ta mātau pūtea o te Tarati. He mea nui rawa ki a mātau a mātau herenga mahi ki ngā tāngata o Te Tairāwhiti, arā te penapena pūtea mo ngā rā kei te heke me te utu i nāianeī tonu mo ngā painga ohaoha, taiao, tikanga ā-iwi, ahurei hoki o te rohe.

At ECT we are committed to supporting passionate people working towards a greater good – the innovators, leaders and community visionaries who see opportunities and respond; who in unique, varied and meaningful ways ensure we are all able to enjoy the place we call home.

We proudly drive economic development – actively seeking opportunity, partnering where we can, leading where we should. But ultimately, contributing to a region where business thrives, whanau have access to sustainable and well-paid jobs, and communities prosper.

Powering these aspirations is a significant community taonga – our Trust fund. We take seriously our obligations to the people of Tairāwhiti, to save for the future while investing today in the region's economic, environmental, social and cultural wellbeing.

## Aronga Whakamua. Purpose.

The Trust was established for the following purposes:

1. "To preserve the value of the capital of the Trust Fund having regard to the effect of inflation and profits and losses from time to time earned or sustained by the Trustees in the exercise of their powers and duties under this deed, or any other losses sustained by the Trustees.
2. To provide for the beneficiaries in such manner as the Trustees shall from time to time decide including without limiting the generality of the foregoing:
  - (a) Paying for or subsidising the installation or maintenance of electricity reticulation or the supply of electricity in areas of the district where the Trustees, after taking such advice as they think fit and

having regard to the cost of supplying power to those areas, are of the opinion that the provision of those services by the Company will not provide an acceptable commercial return to the Company except at a cost to the consumer of that electricity that is excessive having regard to the cost to the majority of consumers who are connected to the Company's electricity distribution system and who have similar load profiles.

(b) Supporting business, community and other initiatives which in the opinion of the Trustees are likely to encourage or sustain economic growth within the district that is or may be directly or indirectly for the benefit of the beneficiaries."

No Trust purpose stated in this clause shall be deemed to have greater significance than any other such purpose.

### KEY TERMS IN THIS REPORT:

**ECT:** Eastland Community Trust, **AT:** Activate Tairāwhiti, **WGL:** WET Gisborne Limited, **EDFL:** Eastland Development Fund Ltd, **ENCT:** Eastland Network Charitable Trust, **PRIME:** Prime Wood Processing Centre of Excellence, **LAUNCHI:** Launch! Coworking, **TEAP:** Tairāwhiti Economic Action Plan.

# Statement of Intent Targets FY 17/18.

## 1. Te Whakaū Tarati Whai Rawa Maintaining a Financially Sustainable Trust

- Grow the capital base by at least the rate of inflation.
- Grow the total income the Trust receives by at least the rate of inflation.
- Generate a pre-tax return between 5.5% and 6.5%, including capital growth, from all investments.

## 2. Te Whakauru Rawa, Taima hoki hei Whakatipu i te Ohanga a te Rohe me te GDP a ia Tangata Actively Investing Capital and Time into Growing our Regional Economy and GDP per Capita

- Be able to credit our direct investment strategy with assisting in creating 50 new direct jobs.
- Invest in businesses that assist in doubling the regional GDP baseline growth rate of 0.9%.

## 3. Te Tautoko ā-Hāpori, āna Rōpū me āna Rawa Supporting our Community, its Organisations and Assets

- Make available a distributions pool of at least \$10 million.
- Distribute at least 60% of that pool.
- Support organisations and fund projects that will contribute to an improved performance in key wellbeing indicators when compared to the rest of New Zealand.

# Ngā Rārangi Kōrero. Contents.

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# Ngā Hiranga. Highlights.

## FINANCIALS

**\$68.3M**

Increased total assets, driven by ongoing construction at Te Ahi O Maui.

**\$16.4M**

Net surplus after tax.

**\$18.3M**

Total equity increase.

**7.5%**

Return on equity before tax, an increase from last year's 6% return.

## COMMUNITY AND DISTRIBUTIONS

**\$6.5M**

Distributed to groups, businesses and entrepreneurs working in our region.

**49%**

Increase in the amount distributed.

**81**

Community groups supported.

**\$4.25M**

Invested in regional assets including the ECT Rescue Helicopter, Lawson Field Theatre and Mindlab.

## ECONOMIC DEVELOPMENT



Far East Sawmill operations started creating 40 jobs and absorbing the impact of the Juken line closure.

**\$12M**

Total investment in the wood processing centre of excellence to date.

**66**

Jobs created between Far East Sawmill, WET Gisborne Ltd and Eagle Flight Training School.

**83**

Rangatahi engaged in the work readiness programme.

## TOURISM



Completed the amalgamation of Tourism.

**\$1.2M**

Committed to Tourism for the 2019 financial year.

**60**

Attended inaugural Tourism symposium.

**\$151M**

Visitor spend, up 10.6% on previous financial year.

# Te Pūrongo a te Tiamana me te Kaihautū. Chairman's and Chief Executive's Message.



Kia ora koutou,

We are pleased to present Eastland Community Trust's Annual Report for the 2018 financial year - the first in our new roles as Chair and Chief Executive respectively.

The past year has been one of transition and consolidation. The Trust coped well with the amalgamation of Activate Tairāwhiti, with its economic development functions and Tairāwhiti Gisborne tourism marketing activity.

The appointment of The Trust's first CE was coupled with a relocation to Shed 3. The move physically marked AT and ECT's amalgamation, creating a one-stop-shop for community and business. With both teams now under one roof, work for the betterment of Tairāwhiti Gisborne will not only improve but accelerate.

## DISTRIBUTIONS TO THE COMMUNITY

Our staff are passionate about our community, this is evident in their stewardship of distributions worth \$6.5m over the 2018 financial year. Highlights range from community assets and events, such as The Lawson Field Theatre upgrade and Ngati Porou Pa Wars - to organisations and businesses servicing both vital social sectors and ensuring an innovative and vibrant economy - such as the ECT Rescue Helicopter, Ka Pai Kaiti and Ziggy Ardor.

The Trust is privileged to work with community organisations and assets, that represent people and groups doing invaluable community work. Behind office doors, this does not go unnoticed, in fact it is an absolute highlight and driving force behind what we do.

Efforts have been made to increase involvement with local agencies. Notably, a major regional asset came to fruition

in March in the form of Launch! Coworking, the result of a collaboration with Ngati Porou Holdings Company Ltd. Extremely important is the on-going work of The Trust's Community Engagement Manager, in developing best practice when working and engaging with iwi and tangata whenua. Building on this and our move to the inner harbour, we will spend time with mana whenua Ngati Oneone, to understand the place we now reside.

## ECONOMIC DEVELOPMENT

The Trust's economic development activity aligns strongly with outcomes of the Tairāwhiti Economic Action Plan, including its work with the Provincial Growth Fund.

An economic development standout of the 2018 financial year, were the 23 jobs saved from the Juken line closure, as a result of The Trust's historic investment in the Prime Wood Cluster and the sale of the ex-Prime Sawmill to Far East Sawmills. This sale has resulted in 40 jobs to date, more are forecast. The investment paid off, however work remains, a challenge we are prepared for. Our investment in WGL continues to progress. Despite taking time in the start-up phase, WGL is still on track to reach its set goals. There are now 20 WGL Gisborne employees at the Prime site, with product to market delivery set to start generating revenue during the 2019 financial year.

The overall vision of The Wood Cluster Centre of Excellence is clear - a place where exciting new ventures in the wood and lumber supply chain are encouraged and attracted, as the cluster becomes 'the place to be' for businesses seeking to commercialise wood innovations and production.

This has a multi-layered effect in regards to new markets and diversification of channels-to-market. The vision supports a more resilient regional economy, promotes regional jobs and drives economic growth. There are bold plans for the cluster and these will be shared with Tairāwhiti Gisborne in the near future.

## TOURISM

The addition of tourism has been a welcome challenge. We have worked hard to wrap our hands around tourism this year, understand it and resource it with additional expertise. We are making progress in operator engagement, product development and event planning.

We have worked extensively with national and domestic markets, including strong presences at major industry trade shows - this will most certainly payoff in coming years. This coming tourism season our target is the launch of three new tourism products in conjunction with local operators - including an open source regional image, video and brand assets library.

Most exciting is a 200% increase in cruise ship visits, with 18 heading to Tairāwhiti Gisborne this summer versus six across the last cruise season. This increase is a key test of our team's ability to begin growing a well-supported tourism market.

Partnerships with local operators and Air New Zealand are key. We acknowledge Air NZ's strong regional tourism support, all the while challenging them to improve the cost and frequency of air connections in to Tairāwhiti Gisborne. The creation of a coherent, focused regional strategy that pulls the live, work, play concept and collateral under a single marketing plan over the next financial year is - in short - exciting. Everything we develop in this workstream will be open source for the local community.

## EASTLAND GROUP LIMITED

Eastland Group had another strong year, pleasing for The Trust as sole owner. This success is the engine room that powers a significant community taonga - the Trust Fund - enabling the community to achieve its aspirations.

During the year we farewelled Nelson Cull as Chair of the Group for eight years. Nelson's huge contribution to the Group will be missed. We also welcomed two new Directors in to the Group, Keith Sutton and Fiona Mules. We are pleased to welcome Keith as Chair and look forward to working with him, the Board and management over the coming year, as they bring the new Te Ahi O Maui geothermal plant on line and in to business.

We have asked them to seek solutions to wood waste issues, including considerations of wood-waste-to-energy plants, in support of the Wood Centre of Excellence.

In our eyes, the investment in Electric Village continues to be a key community engagement tool for Eastland Group. This investment is especially vital for the future of energy region-wide and must continue if engagement is to increase.

## ACKNOWLEDGEMENTS

This year we said goodbye to long standing Trustees, Phillip Searle and Vicki Thorpe - both were strong supporters of The Trust's economic development and community strategies. We sincerely thank them for their immense contributions, and wish them well in future endeavours.

We also bid farewell to Leighton Evans, The Trust's General Manager of seven years. Leighton worked hard to develop operations alongside Trustees. He grew The Trust from a small one-person team borrowing an office, to the

organisation we are today - powered by nearly 16 staff and a \$10 million distribution budget. We thank Leighton for his significant contribution to The Trust and the community.

Although not a farewell, we also wish a special thank you to Michael Muir for ushering The Trust in to a new strategic era. Mr Muir held the Chair position from 2016-2018, through The Trust's most significant transitional period to date - the appointment of its first CE and amalgamation with Activate Tairāwhiti. He has stepped down from his role as Chair but will stay on as a trustee until the end of his current term.

## THE YEAR AHEAD

This year the Eastland Community Trust is looking to develop stronger, more enduring and meaningful relationships with iwi. This not only ensures we reach the entirety of the Tairāwhiti Gisborne region, but means we are able to better interact with and understand our people too.

The Trust will also look to commence two new work streams that will be at the core of many future efforts.


1. Create a deep and enduring community lead engagement activity, to understand the aspirations and constraints the community has and how The Trust can best play its role in this.
2. Create a community wellbeing and impact measurements framework, to determine what measures of community wellbeing are important for this region, and what ECT and Activate Tairāwhiti can do to improve these. As developed, both pieces of work will be freely available to the whole community for use.

These streams will be locally owned, developed with stakeholders and informed by national and global best practice.

As we make our way through these work streams, we will revisit our strategy and current KPI's. The idea being to assess whether these reflect our communities needs and can be significantly enhanced, with greater aspirations in mind. Last but not least, we thank the Activate Tairāwhiti and Eastland Community Trust team, without their hard mahi, none of this would be possible. We also thank Trustees for their time, input and guidance.

Everything we do, we do for the people of Tairāwhiti Gisborne and we look forward to continuing our support by creating a positive, prosperous and attractive Tairāwhiti in 2019.

  
Gavin Murphy | CEO

  
Paul Reynolds | Chairman, ECT

# Ngā Kaitiaki. Your Representatives.



**Dr Jill Crisp**  
Appointed July 2017

In her most recent role with the New Zealand Human Rights Commission, Jill has advised on strategic policy and legislative development. She has led regional, national and international capability-building projects with indigenous and multi-cultural communities. She has worked with the Asia Pacific Forum; the United Nations in the Middle East; the NZ Government in the Philippines; and with the Pacific Islands Forum Secretariat.

Jill has been a member and chair of various national, regional and local boards. She holds a PhD in Social Science from Victoria University of Wellington.



**John Clarke**

John Clarke, QSO, was born in Gisborne and has spent his entire working life here. John is a former Waikohu County Council Chair and Mayor of Gisborne District Council. John is currently on the Board of The Sunrise Foundation, is Chairperson of New Zealand Wine Growers and a former Director of Eastland Group. John was awarded a QSO for services to local government and the community in 2009.



**Ailsa Cuthbert**  
Appointed July 2017

Ailsa has a BCom/Law, a joint degree in business and law, from Edinburgh University. She has worked in Japan and Thailand for various securities companies including Jardine Fleming Securities in Hong Kong. She is currently Associate Director and regional representative for Dragon Capital, the largest independent asset management firm in Vietnam. Ailsa is currently Board Chair at Wainui Beach School and has been in various school governance roles for nine years.



**Mayor Meng Foon**

As Council's elected member, Mayor Meng Foon has a passion for advancing the wellbeing of our community. Meng is on the Board of a range of community organisations sitting as President on the NZ Chinese Association and chairing local chapters of Art in Public Places and Social Sector Trials, amongst others.



**Te Rau Kupenga**

Te Rau Kupenga, Te Aowera/Te Aitanga-a-Mate, has a legal background, but has spent the past ten years in executive leadership roles in the public and private sectors. He is the Principal Consultant for Te Amokura Consultants, and is passionate about tribal and community development. Te Rau, sits on the Board of Te Rungānui o Ngāti Porou, Nga Taonga Sound and Vision and is also a member of the Broadcasting Standards Authority.



**Michael Muir**

Michael Muir (OBE, BCom, FCA) is Managing Director of The Gisborne Herald and has extensive involvement in business, health and education governance in the Gisborne district. He is currently chairman of the Chelsea Hospital Trust, chair of Tairāwhiti Museum and on the Board of the Newspaper Publishers Association (NZ).



**Dr Paul Reynolds**

Paul Reynolds (BSc (Hon), PHD Biochemistry) was born and raised in Gisborne, and educated at Campion College. In addition to his role as Deputy Chair of Landcare Research, Paul serves as a Director of AgResearch, as Chair of the Our Land and Water Science Challenge, and as Chair of the Sir Peter Blake Trust.



**Philip Searle**  
Retired July 2017

Phillip Searle has built a twenty year career in commercial and business sales as principal of one of the region's largest real estate firms.

Phillip manages a range of business interests, is a Board Member of the Real Estate Institute of NZ and the Stepping Stone Foundation.



**Vicki Thorpe**  
Retired July 2017

Vicki Thorpe, LLB, is a registered Barrister and Solicitor practicing family law, Vicki has a strong desire to see Gisborne thrive. Vicki is well connected to the local charitable sector, with roles on the Board of the Gisborne SPCA and the East Coast Hawke's Bay Conservation Board.

# Rōpū Whakahaere. Our Business Model.

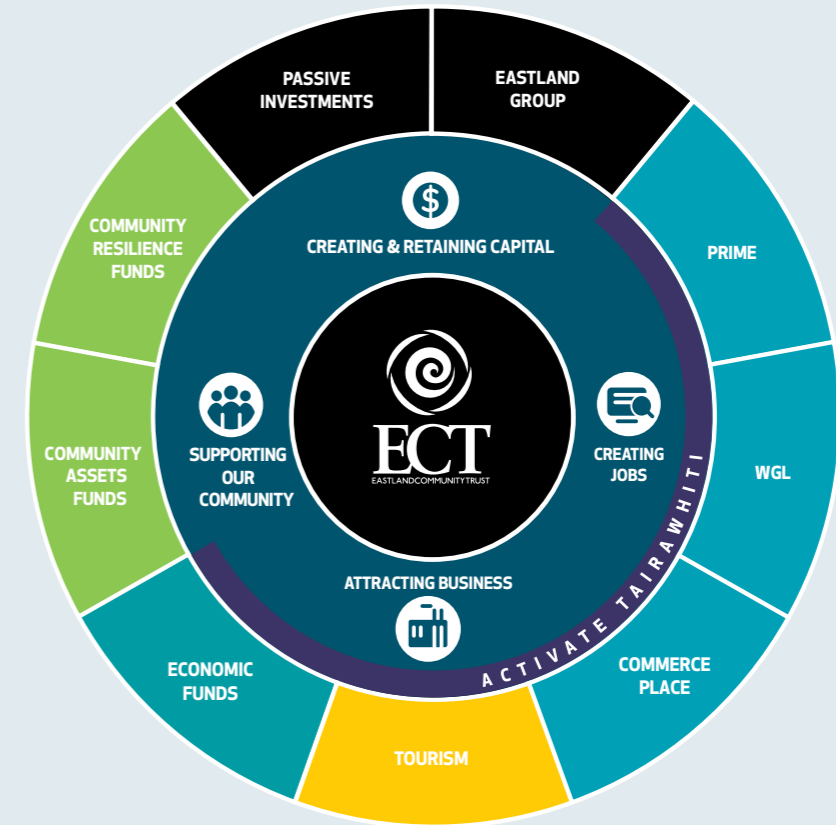
## Ownership Model



Ko te tirohanga whakamua o ECT e hāngai ana ki te whakatū tūranga mahi me te whakawhanake ohaoha ma te kōrerorero me te whakauru pūtea. Ko ta mātau hanga e whakaatu atu ana i to mātau herenga ki tāua kaupapa.

ECT has a long-term focus on job creation and business growth both through active facilitation and investment. Our structure reflects our growing commitment to that kaupapa.

## Operating Model



Ma te hua a o tātau rawa ahumoni, te ihiihi o o tātau kaimahi, me tō tātau whakawhanaungatanga ā-hāpori, arumoni hoki, ka āhei tātau ki te whakatutuki i ngā taurangi kia whakatūria ai he hāpori ngākaupai, whaihua, ātaahua anō hoki.

We harness the power of our financial resources, a passionate team, as well as our community and commercial relationships to deliver on our promise to create a positive, prosperous and attractive community.

Economic Funds include the Economic Growth Fund and the Investigation and Research Fund.

## Overall Trust Investments - Total Assets

ECT's investment portfolio is overseen by Trustees and actively managed through Craig's Investment Partners and Forsyth Barr. All decisions made are guided by a Statement of Investment Policy and Objectives that sets out the investment objectives and parameters for the management of the Trust's portfolio. The SIPO safeguards funds on behalf of our beneficiaries, assures the availability of operating and capital funds when needed, and provides an investment return as required by our Trust Deed. Trustees are also responsible for the ownership and management of \$616m total assets, which includes:

**\$547M**

Assets in Eastland Group

**\$12M**

Investment in regional economic development.

**\$57M**

Cash and investments.



## A Year of Consolidation and Growth.

In mid 2017, ECT assumed 100% ownership of Activate Tairāwhiti in an ongoing co-funding arrangement with the Gisborne District Council. At the same time, we took on the challenge of marketing Tourism for the region.

We welcomed a new General Manager Tourism, Adam Hughes, and set about establishing the building blocks for a new Tourism strategy that supports the important work of those working in this sector with the potential to achieve significant growth.

We also began to merge the ECT and Activate Tairāwhiti teams under the leadership of a new Chief Executive, Gavin Murphy.

The aim is to create a lean and agile team focused on executing its responsibilities to the Trust Deed and aligning our efforts with the strategy as articulated in the Tairāwhiti Economic Action Plan and Māori Economic Action Plan. In doing so we are working closely with a range of partners committed to improving regional outcomes,

resilience, and the economic growth of our region.

Our distribution programme grew by \$2 million, and enabled ECT to support a wider and deeper range of incredible organisations working hard in the heart of our communities. It is always a privilege to support the work of these hardworking, passionate champions and the changes they make in this community.

We have also been working with community representatives to better understand the impact our distributions programme has. We want to be absolutely sure the outcomes we fund are aligned with the social, cultural, environmental and economic aspirations of our community.

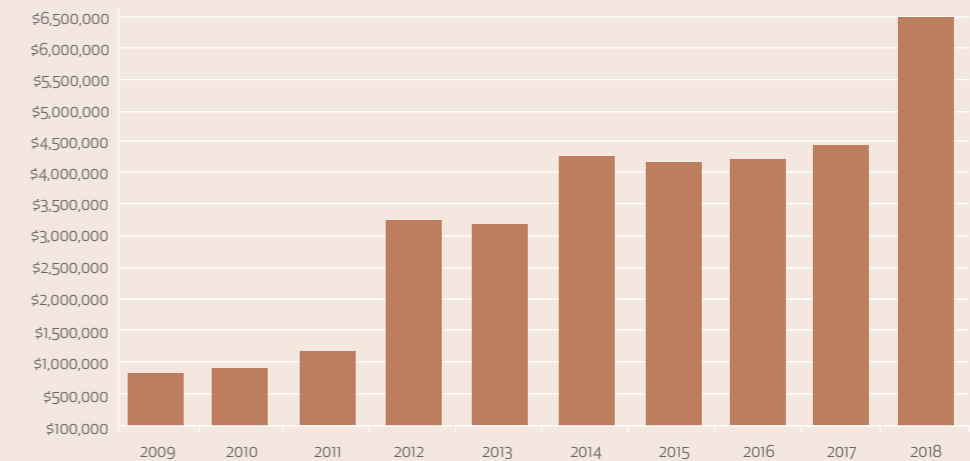
Preparations are well underway to engage better with our community, codesigning a robust community wellness and economic impact monitoring framework that is locally owned and informed by national and global good practice.

Our stewardship of the Trust fund has also been of particular focus. This is a significant community taonga, and a financial resource that positions our region to tackle issues we face. It enables us to better negotiate and leverage support from central government.

But, perhaps more importantly, it enables us to determine our own destiny – allowing us the freedom to create and implement solutions that are right for our community, on our terms and in our time.

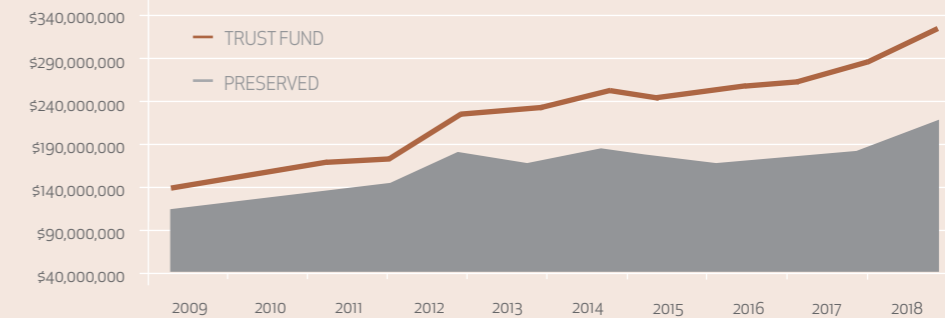
## Distributions and Total Trust Funds.

Total Distributions 2009-2018.



Over the past ten years, the Trust's approach to distributions has evolved markedly – enabling ECT to support a variety of organisations and projects, and impact the economic, social, and cultural life of our community. In the 2017/2018 financial year the distributions team distributed \$6.5 million.

Total Trust Funds



The Trust is established in part to preserve the value of the capital of the Trust Fund having regard to the effect of inflation and profits and losses from time to time. Each year, Trustees must determine the amount preserved as capital for the Capital Beneficiary (Gisborne District Council) and that available for distribution to Income Beneficiaries.

Trust Fund \$326.5M  
Preserved for Capital Beneficiary \$208.2M

## Overseeing our Direct Investments.

ECT's direct investments are governed by specialist Boards of Directors, tasked with overseeing investments intended to drive regional economic growth. In the case of Eastland Group via an independent Board of Directors and in the case of Prime and Commerce Place via the Advisory Board of Activate Tairāwhiti.

Prime's main purpose is to initialise and support the wood cluster in a sector recognised as a key economic driver for the region. In this financial year, Prime divested key sawmill assets and buildings to realise the job creation potential of the site. In doing so we welcomed Far East Sawmills to the region and celebrated the creation of 60 jobs (40 new to add to the 20 already onsite with WGL - our wood engineering business). However, we have retained strategic land and building assets, so that we can continue the vision of creating the 120 jobs forecast for the wood processing centre of excellence.

Commerce Place is the new industrial face of Tairāwhiti, combining forward-thinking business in the light industrial, manufacturing and technology sectors. Trustees have been open minded about the development, taking a long-term view of the investment and what a light industrial cluster might look like. The overriding principle however, is that Commerce Place be used to support those businesses that embed and further capitalise on our regional strengths.

The Activate Tairāwhiti Board is continually on the look out for new direct investment opportunities that align with its strategic plan.

# Eastland Group.

## Our powerhouse.

Eastland Group's Board of Directors governs all operations and subsidiaries of the Group. ECT provides the Company with an Owner's Expectation Manual outlining Trustees' expectations with respect to the governance and management of the Group's operations, our long-term aspirations, any requirements of the Trust Deed, as well as procedures and processes required to achieve those expectations.

The Owner's Expectation Manual is designed to provide clarity for Trustees, ECT management and the Eastland Group Board to operate efficiently in their roles so that they can ensure long-term sustainable shareholder (and thus beneficiary) value is created. The OEM is also backed by an annual Letter of Expectation.

# Making it Happen for the Future of Tairāwhiti.

Eastland Group is 100% owned by Eastland Community Trust. As ECT's primary commercial arm, Eastland Group is charged with running crucial regional infrastructure, delivering strong returns to the Trust, stimulating economic growth and supporting the community in which they live and work.

Eastland Group also looks to the future. With rapid changes in the energy sector, and customer demand requiring increased capacity at the port and airport, Eastland Group has spent the last year ensuring all their businesses are ready to deliver for our region for decades to come.

Eastland Group's operations include Gisborne Airport, a major gateway to Tairāwhiti, and Eastland Port, an essential transport hub and economic powerhouse for our region since the 1800s. This financial year, the port broke all records and exported 3,000,000 tonnes of cargo.

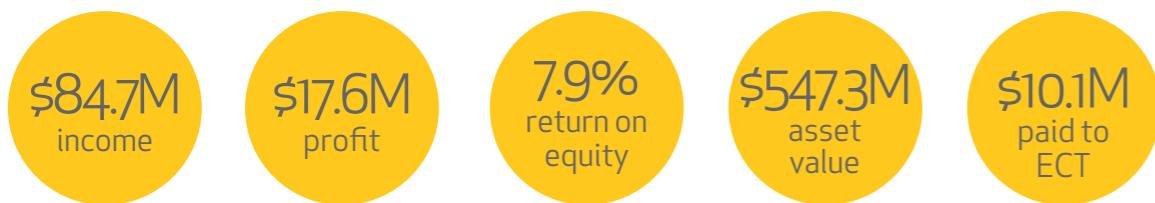
Eastland Network provides electricity distribution and transmission services for Gisborne, Wairoa and the East Coast.

A more recent business sector, Eastland Generation, runs geothermal projects in Kawerau, along with the Waihi Dam near Wairoa and diesel gensets. Construction of the new Te Ahi O Maui geothermal plant near Kawerau progressed well during the year. When operational, it will deliver long term financial returns for the benefit of the whole Tairāwhiti community.

In two significant firsts for the region, Eastland Group established a network of electric vehicle charging stations, with co-funding from EECA and a contribution from ECT. They also opened Electric Village, New Zealand's first community-focused energy hub.

After eight years as chairman, Nelson Cull stepped down at the August 2017 AGM. Our Trustees wish to thank Nelson for his important contribution to the growth and development of Eastland Group, and also thank Tony Gray who stepped in as interim chair. Towards the end of the year, Fiona Mules and Keith Sutton were appointed to the Board, with Keith becoming chairman in February 2018.

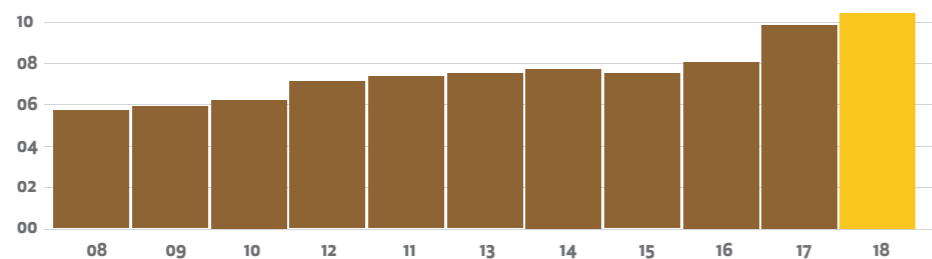
## EASTLAND GROUP'S RECORD-BREAKING YEAR



\$71.1 million capital spend of which \$30.8 million was invested in Tairāwhiti

## Returns made to Eastland Community Trust

Last 10 years (\$ millions)



## ENERGY SOLUTIONS

Eastland Group's newest business sector, Energy Solutions, was established to focus on the future of energy for Tairāwhiti.

Eastland Group hosted a series of workshops with locals interested in new energy. They said that Tairāwhiti is ideally placed to lead the way with the adoption of emerging technologies. They wanted to know more about electric vehicles, solar generation, and the future of the electricity sector. They also wanted a place where schools, businesses and community organisations could hold events and share their ideas.

In October 2017, Eastland Group opened Electric Village, New Zealand's first community-focused energy hub.

Electric Village is also home to Flick Electric Co's first bricks and mortar shopfront. Flick was named Consumer NZ's People's Choice energy retailer in 2017 and 2018. Eastland Group is Flick's largest shareholder, and they are a core part of Eastland Group's energy solutions strategy.

The stage is set for unprecedented change within the energy sector. Eastland Group's existing energy infrastructure businesses will still be highly relevant; the real value will be created in the interface between the system and the consumer, and providing people with genuine choice.



## EASTLAND NETWORK

Eastland Network had a steady year, with 307.9 GWh distributed to 25,513 connections across the region.

Despite major storms, including Cyclone Cook, causing significant damage to network assets and multiple power outages, Eastland Network achieved full compliance with price-quality regulations.

Their planned programme of maintaining and upgrading assets ensures reliable power for the region's businesses and homes.

With emerging technologies poised to transform the electricity sector, Eastland Network has a responsibility to future proof the region's power supply.

Eastland Network is commissioning in depth studies; conducting long term solar trials; supporting the EV charging station roll out; and partnering with Electric Village to talk to customers and help them understand more about their power bills.

For Tairāwhiti residents, the daily cost for both transmission and distribution is less than the cost of one coffee a day. From 1 April 2020 Eastland Network will adopt tariffs that more accurately reflect how consumers use power - while accommodating the increasing uptake of new technologies.

## EASTLAND GENERATION

In 2015, the decision was made to proceed with building a new geothermal plant in Kawerau from the ground up, in partnership with land owners Kawerau A8D Ahu Whenua Trust.

The Trust's kaupapa of development ensures that people operating on their whenua respect and look out for the land and the people working alongside them.

In early 2017, foundation works began. By the end of March 2018, construction of the plant was almost complete. Testing and commissioning was to be carried out once the surveying and modelling work required for consents was completed.

Te Ahi O Maui is the first geothermal power station to be built in New Zealand in four years, the first to be built under new health and safety legislation, and the first to submit a Safety Case. From September 2016 to 31 March 2018, over 250,000 man hours were worked on site, with not a single lost time injury.

Once operational, Te Ahi O Maui will generate enough clean energy to power around 25,000 homes. Most importantly, it will deliver solid financial returns to ECT, and Tairāwhiti, for more than three decades.

## EASTLAND PORT

Eastland Port is New Zealand's most efficient, and second largest, exporter of logs.

In the year to 31 March 2018, Eastland Port exceeded all forecasts and smashed all previous records. A total of 178 ships took away 3,002,369 tonnes of cargo. This included 2,981,749 tonnes of logs, 2,380 tonnes of fertiliser, 1,319 tonnes of fish, 1,959 tonnes of kiwifruit and 14,960 tonnes of squash.

The port is building long-lasting infrastructure that provides flexibility, scale and resilience. At the same time, the increased volumes through the port translate into greater returns to ECT, and ultimately for the whole community.

To prepare for an estimated five million tonnes of logs a year, the port is progressing with plans for the twin berth development, to create room for two 200m long ships so they can be loaded simultaneously.

They're significantly increasing on-site storage capacity with the development of the Wharfside Log Yard and the redevelopment of the wharf end of the Southern Log Yard. In the past 12 months they've also advanced plans for developing coastal shipping capacity.

## GISBORNE AIRPORT

With ECT's focus on tourism through Activate Tairāwhiti, and Air New Zealand's ongoing commitment to the region, passenger numbers at Gisborne Airport continue to grow.

There were over 20,000 take-offs and landings during the year to March 2018, up from 15,494 the year before. In the same 12 month period, there were over 170,000 passenger movements through the airport (up from 156,146 in 2017).

Gisborne Airport's long-awaited new terminal building will future-proof this vital regional asset and accommodate more passengers and planes.

It has the potential to be an iconic gateway to our region, one that showcases and celebrates the stories of Tairāwhiti, and links to the Tairāwhiti Navigations programme. It will also add significant value to the region's First Light brand and tourism offering.

Eastland Group, ECT, Gisborne District Council and tangata whenua are collaborating on this significant regional project.

## HEALTH, SAFETY, PEOPLE AND PERFORMANCE

As infrastructure operators, Eastland Group has stringent health and safety processes in place to protect employees, contractors, customers and the public.

Their drug testing programme has now been operating for four years, and they regularly review and update their health and safety practices.

With a continuing focus on reducing harm-related injuries, 10 were reported for the year, three more than the target, but there was just one lost-time

injury (three less than in 2017). Near miss reporting increased by 62%, reflecting their 'safety first' ethos.

Specialist training included 'Busy Brain Syndrome' sessions with more than 70 staff from across the business sectors.

As part of their focus on people and culture, and to continue maximising operational efficiencies, an in-depth companywide review of the organisational structure was completed in 2018.

## ENVIRONMENT

All sectors of Eastland Group take their environmental stewardship very seriously.

Eastland Port is leading the ports industry nationwide, by implementing innovative methods to treat stormwater. Rain gardens have been used to mimic natural processes in the Upper Log Yard, and now they're adopting municipal drinking water technology to treat stormwater in both the Upper and Wharfside Log Yards. This approach is the first of its kind on any port in New Zealand.

Te Ahi O Maui is part of Eastland Group's commitment to developing a portfolio of renewable energy generation. Once operational, it will generate around 25MW of clean, green energy.

With over 80% of New Zealand's electricity generated from renewable resources, the move towards electric vehicles will have a major, positive impact on the environment. Eastland Group's rollout of a regionwide electric vehicle fast charging network will open up tourism opportunities while promoting greater local uptake of EVs.

## COMMUNITY

Eastland Group continues to engage with the community more than ever before. This has ranged from holding workshops to having an interactive stand featuring all the business sectors at the A&P Show.

With Electric Village, they're talking to the public and sharing ideas about what the future of Tairāwhiti could look like - and how everyone might benefit from emerging technologies.

Eastland Port continues to liaise with a wide number of community groups and organisations on the twin berth and other development plans.

Eastland Network's Facebook page is now a highly responsive, essential communication tool during storms and other power outages.

As good corporate citizens, Eastland Group is environmentally aware and does business ethically

and responsibly. They are talking to ECT about putting tools in place to measure their 'social licence to operate'.

They also continue to sponsor events, programmes and individuals across the region, with a focus on youth, families and business. A few of the many highlights included bringing back Gisborne's famous riverside Christmas tree, Eastland Group Raceway, First Light Wings & Wheels, the Wairoa Destination Playground, Eastland Network Science and Technology Fair, Enviroschools, the Speaker Series with the Chamber of Commerce, the Lion Foundation Young Enterprise Scheme, and sponsoring a range of young water-based athletes.

In 2018, Eastland Group awarded a record number of tertiary engineering scholarships, and supported the Licence to Work programme to help students learn employability skills.



# Activate Tairāwhiti.

Arahia ana e Activate Tairāwhiti te whakawhanake i ngā mahi ohaoha ā-rohe: me te huakina i ngā pūngao moe o te rohe kia tipu ai te hua hei painga mo te hāpori katoa. Kei konei mātau kia āhei ai ia tamaiti i te Tairāwhiti he tirohanga ohaoha ki ngā wā o mua.

Activate Tairāwhiti leads local economic development: unlocking our region's potential to activate growth for the benefit of our whole community. We are here to ensure that every child in Tairāwhiti has an economic future.

Led by an Advisory Board, Activate Tairāwhiti delivers outcomes across three key work streams.

Activate's business growth team supports business development and profitability, delivering an extensive range of programmes and interventions across the business and employment spectrums.

Activate's commercial team is charged with seeking out, assessing and recommending regional growth opportunities in those areas that align with Tairāwhiti's strategic direction and that demonstrate the potential to deliver meaningful jobs and economic growth, with a focus on direct investment including equity investment options.

Activate's tourism team lives and breathes the attraction, accommodation, and entertaining of our manuhiri – championing the First Light brand, leveraging significant partnerships, and utilising consumer insight to lift the region's tourism performance.

While the organisation is still working to fully embed the recent amalgamation of the region's tourism function, Activate Tairāwhiti has achieved some important outcomes in this financial year, including our work at Prime Sawmill and Commerce Place and the unveiling of Tairāwhiti's first coworking space, Launch!

A strong and prosperous local economy benefits our entire community and creates a positive legacy for our rangitahi.

It provides employment opportunities through retaining and growing our existing businesses and attracting new businesses to the area.

It creates education, training, research, business and employment opportunities that increase the

desirability of the region as a place to live, work, invest, grow and enjoy.

It supports increased investment in our local infrastructure, health, social services, the environment, arts and culture and recreation.



Students take a break at The Mindlab.

Technology and digital access impacts every part of our lives. ECT funds are used to ensure that every child in Tairāwhiti has the opportunity to enhance their digital literacy and become a meaningful part of the next generation of makers, doers, inventors and creators.



## It's all about collaboration

Our emphasis is on a collaborative approach to deliver sound economic development actions. We will:

**GENERATE** jobs and grow GDP.

**BUILD** our region's competitive advantages.

**WORK** with key public and private sector partners to deliver projects that stimulate business growth and productivity.

**CREATE** a business environment that supports sustainable economic growth.

**HELP** develop a skilled and talented workforce.

**RETAIN** regional wealth for re-investment.

**ATTRACT** investment into the region.

**MONITOR** and benchmark our region's performance against other regions, to inform allocation of resources.

## Prime's Promise Being Realised.

Two years ago, ECT made a significant commitment to economic development and job creation by approving the \$7.4 million purchase of the Prime Sawmill with a view to developing a wood processing centre of excellence, that when fully operational, is expected to create as many as 120 jobs and inject \$7.7 million per annum in to the local economy.

Last year, WGL cemented its place on site creating 20 jobs. In this financial year, we welcomed Far East Sawmills to Prime and, in doing so created 40 new jobs on site.

Far East Sawmills, a subsidiary of Spectrum, is a fully integrated forest products business. The company owns the Tregoweth Sawmill at Te Kuiti, forests in Northland, a forestry harvest company and a transport fleet.

It is likely to invest a further \$9 million in the sawmill, initially upgrading ageing technology to improve efficiencies. It is the company's goal to run multiple shifts, eventually employing up to 100 staff.

The sale signals a new era for the Prime site. ECT retains ownership of the land (22 hectares) and can now move forward with its phased master plan, unlocking further jobs on the site and improving the value of the region's forestry stocks.

### THE PRIME WOOD PROCESSING CENTRE OF EXCELLENCE MASTER PLAN.

ECT has an eight-stage master plan for the wood processing centre of excellence. The sale of the sawmill plant to Far East Sawmills and ECT's earlier investment of \$4.7 million in WGL represent the completion of stages one and two. Between them they will create an estimated 100 of the 120 jobs ECT expected to generate on-site when it purchased the mothballed sawmill and 22.3-hectare site. The Trust is now focused on realising the remaining opportunities for the Prime Wood Processing Centre of Excellence.

Stage three is already under way and sees ECT seeking an environmentally-sustainable wood modification operation, which turns sawn pine lumber into high-value architectural products. Activate Tairāwhiti is in advanced discussions with a wood processor interested in establishing its business at Prime.

As well as the eventual expansion of WET Gisborne Ltd operations, there is also room for a particle board or medium-density fibreboard operation, and a combined heat and power plant to support the growth.

On the back of these plans, the milestone for jobs has moved, with a figure closer to 170 now likely.

There is no way we could have done this without the foresight of the community in establishing ECT with a mandate to focus on the region's economic growth.



Far East Sawmills Managing Director Wade Class and Mill Manager Tony Desmond at the newly reopened Prime sawmill.



Sonic Surf Craft's Matt and Kylie Sutton outside their new premises in Commerce Place.

## Commerce Place.

In 2013, ECT bought Commerce Place through its subsidiary EDFL. ECT bought the land, zoned light industrial, with a view to attracting new business to the region and supporting the expansion of existing local business.

In 2017, Sonic Surf Craft moved into an expanded unit at Commerce place and, in doing so, is one step closer to its goal of becoming a dominant force in surf craft manufacture.

Sonic Surf Craft has been manufacturing rescue and race boards for eight years, first from a small Gisborne shed, before moving to a workshop in Lytton Rd. In that time, they have developed a reputation as one of the leading manufacturers of surf lifesaving equipment.

Matt and Kylie Sutton have a massive vision for their company. They've worked hard to build the brand. They've identified opportunities for diversification and growth, and have an eye on a bigger share of the export market. They also understand the value of the Gisborne brand, and their biggest concern has been maintaining their manufacturing base here. Before working with ECT, a lack of options forced Sonic to consider supplementing

its operation with offshore manufacturing facilities, including those in China.

"We couldn't grow the way we wanted to and really felt like we were battling. But with ECT's support, we have a great Gisborne-based facility that will grow as we do, we can create local jobs, and continue to support a local industry that has given us so much," says Matt.

Gisborne has a proud history in the design and manufacture of surf craft and several successful watercraft businesses operating from our part of the world. Our region has a natural fit with the industry and it's an industry that's growing.

According to a recent Surfing NZ survey, one New Zealander in 27 participates in a surf related activity. While Surf Life Saving NZ statistics show 17,000 of us belong to a local surf life saving club. But it's the export potential that the local sector is and should be focused on.

On the global stage, the wider surfing industry is projected to reach \$9.5 billion by 2022, driven by growing interest in surfing as a lifestyle sport, technology innovations in high performance surf craft, and demand for hybrid and uniquely shaped boards. It's countries like the US and Australia that are creating the demand. While there's plenty of big players in the game, companies like Sonic have the potential to benefit – if we can create the right environment for growth.

While the arrangement between the two is a commercial one, ECT's in-house Project Manager worked closely with Sonic leading the consent and construction process, so that they could focus on their existing business operations.

We hope Sonic's shift to the site is the beginning of great things for Sonic and Commerce Place.





## Tairāwhiti's first coworking and entrepreneur space - Launch!

Launch! is not a shared office, it's work done different. Coworking is going off all over the globe and now Tairāwhiti Gisborne has joined the ranks. We can't wait to see what incredible things come out of the region's first dedicated coworking and entrepreneur space.

Launch! residents are entrepreneurs, people with ideas to burn, startups and remote workers who want to be in a collaborative skill sharing space.

Launch! officially opened May 2018 as part of Tairāwhiti Techweek '18 but its story starts in 2017, when The Eastland Community Trust and Ngati Porou Holding Company had the bold idea of a bringing a tech' hub to the region.

This evolved into a coworking and entrepreneur concept and the ECT board gave the green light for funding, via Activate Tairāwhiti in February 2018.

Next, a local focus group was formed to determine what the region really wanted out of a coworking space.

Fast forward to May, nestled in the inner harbour, the upstairs

of The Works Restaurant and Bar has been overhauled from the temporary Gisborne District Council offices, to something resembling a New York loft.

The interior exposed brick and wooden beams accentuated by the open plan desk setup, coffee machine, a staff table come bar leaner which doubles as a table tennis table, giant paper ream for residents to write their events and ideas, two private meeting rooms with video conferencing technology, printer-copier, fibre internet and smart TV complete with couches.

Launch! works on a desk rental system. There are eight permanent desks and 18 hot-desks. There are already 15 residents either permanent or hot-deskers.

Hot-desks can be rented for one to five days a week - prices are

the cheapest in Aotearoa with a single day costing just \$25. All levels of coworkers have use of printing, internet and of course coffee.

Residents have access to free 'lunch and learn' workshops and social events. The door is always open to the community, in fact curiosity is not only welcomed but encouraged.

It's an inexpensive avenue for support and relationship building, as well as a lively and dynamic atmosphere that encourages connection, and inspires productivity and creativity. Perfect if you need access to video conferencing facilities too, just book a half day and book a meeting room, all bookings can be made via the Launch! website.

You can find Launch! on Facebook and online at [www.launchcoworking.co.nz](http://www.launchcoworking.co.nz)



Ngati Porou Holding Company chairman Matanuku Mahuika addresses attendees at the opening of Launch!



## Up, Up and Away.

In October 2017, Eastland Community Trust announced a direct investment predicted to create new jobs and inject as much as \$9.15 million over three years into the local economy – a \$200,000 investment in the aviation education sector.

The investment saw Eagle Flight Training relocate its Ardmore operation to Gisborne. The operation consists of five aircraft, five instructors and 25 student pilots.

Attracting the flight schools was a joint initiative between ECT and Activate Tairāwhiti – the economic development agency securing the school's interest and the community trust following up with due diligence and (ultimately) funding.

The flight training school is a good fit for the strategic development of the region's economy. It is one of the key players in the New Zealand flight school landscape. Graduates are highly sought-after thanks to the school's reputation

for providing quality education and training, and maintaining a professional and cohesive management team respected by the international aviation industry.

The Trust expects Eagle Flight Training will have several positive impacts on Tairāwhiti.

An independent economic impact assessment revealed the school will likely contribute \$9.15 million to the local economy in 2018. But by 2022, when the flight school is operating at full capacity, that contribution is expected to grow to \$22 million per annum.

The bulk of that spend will be derived by the attending students who will spend anywhere between 52 and 75 weeks at the pilot training facility.

The foreign students that attend the school have a positive economic impact on our region as they require accommodation, ground transport, meals and are socially active in the community. It is our hope that, with a facility like this at our fingertips, there will also be opportunity for locals to access training.

The impact for the Airport has also been positive. Gisborne Airport usually has about 22,000 aircraft movements a year — landings or take-offs.

But, the sky over Gisborne has seen 600 more aircraft movements a month since pilot training company Eagle Flight began operations.

## Exploring the Job Creating Possibilities of our Natural Resources.

Hikurangi Enterprises, a charitable company based in Ruatoria, is placing local employment and environmental sustainability at the centre of everything it does, aiming to build economic development in the Tairāwhiti region.

Hikurangi Enterprises develops high value nutraceutical and pharmaceutical products from the bioactive extracts of plants – the good stuff that has beneficial properties for a range of health conditions. It's a new industry that presents employment opportunities based on the plentiful resources available on the Coast – great people, fertile land, and an abundance of kanuka and other plant species.

The concept was born from the need to address the high unemployment figures on the East Coast - creating jobs that would encourage whānau to stay in the

region and encourage those who have left to return to their East Coast roots.

Their process is fairly simple and what project manager, Manu Caddie, describes as a natural and sensible way for progressing opportunities on the Coast. Identify the opportunities, partner up with some great science and connect to associates who can commercialise global market prospects.

Hikurangi Enterprises Ltd (HEL) is a charitable company owned by Hikurangi Huataukina Trust. The Trust supports community-led

economic development in the communities between Waipiro Bay and Rangitukia. For them, economic development means more than raising household incomes and entrepreneurship, it also means families being able to live well off the land and sea.

Hikurangi Enterprises approached ECT as a local funder keen to support economic development.

The total cost of the Hikurangi Bioactives project is around \$400,000. ECT has supported a number of their projects.



# Tackling the Tourism Challenge.

Tourism as a key priority for the economic prosperity of Tairāwhiti Gisborne, both as a sector made up of a range of small to medium-sized businesses, and as a front-of-house brand that presents this region to the world.

At a national level, Tourism is a \$3.6 billion industry and New Zealand is perfectly positioned to cater for the growing global demand for cultural and indigenous, eco, and end-of-the earth tourism experiences. So too is Tairāwhiti.

As it stands, Tairāwhiti is a relatively immature tourism destination. Previously national growth outstripped that of our region. But there is massive potential for growth. To achieve that, Tourism must be adequately resourced. Infrastructure and

product development, regional marketing and all-of-community buy in are all critical pieces of the puzzle.

In 2017, Activate Tairāwhiti took on the Tourism challenge 100% committed to better leveraging the opportunities we know are out there. We're also dedicated to collaboration, understanding that working together is the only way we will realise tourism's potential to create jobs and provide a broad range of benefits for our community.



The challenge is Tairāwhiti has historically had the lowest annual visitor spend and the lowest level of investment compared with similar sized regions.

## OUR CURRENT STATUS



## EXISTING TEAP TARGETS TO 2023



## OUR PILLARS





Activate Tairāwhiti has been focused on two core outcomes:

- Strengthening the region's connection to the market.
- Working closely with local tourism operators to enable those collective improvements that will secure a greater share of New Zealand's tourism dollar.

#### REGIONAL MARKETING

The regional marketing campaign is showing early signs of success. The relationship we are building with Air New Zealand is critical in delivering both domestic and international visitors to the region. Our increasing visitor numbers show there's a genuine market for the products we have on offer and that we are beginning to position Tairāwhiti as the next 'must visit' destination.

The Discover publication targeted our domestic market and positioned the area as a vibrant, interesting and beautiful place to visit. Over 250,000 copies were distributed throughout the North Island in one of the most extensive campaigns we have ever embarked upon.

#### TRADE MARKETING

Activate Tairāwhiti attended four national tradeshows, promoting our region to influential domestic and international travel markets. At TRENZ (the country's biggest tradeshow) the team hosted 120 trade buyers – mostly from Australia, North America, the UK, Europe, China, Japan, South East Asia and South America - within three days. These buyers return to their countries and sell new regions and experiences to their clients, putting us on the map in front of millions of potential customers a year.

#### BUSINESS AND PRODUCT DEVELOPMENT

Our first regional tourism conference attracted 60 delegates, with a programme designed to develop a collective product range that will attract more visitors to stay longer and spend more. Support at the coalface will continue to be a critical component of our work.

#### THE YEAR AHEAD

A new vision and strategy will be developed in the coming year to discuss with the region.



## Ngā Tohanga Pūtea Distributions.

Ko te kaha mahitahi a te hāpori me te pūtea tuku a te Tarati hei kōkiri, tētahi tino marohinga o te rohe. Ma tēnei taonga hiranga e āhei ai mātau ki te tautoko i ngā wawata mahinga ohaoha, mahinga ā-iwi, mahinga ahurea hoki o te rohe. He mahinga ā-kapa hoki, ā, he mea kia tū whakahīhi ai tātau.

The collective power our community can exert through the Trust's distribution funds is one of our region's greatest strengths.

This significant taonga enables us to support the economic, social and cultural aspirations of our region. It's a team effort, and one we can all be proud of.

Our year in distributions can be characterised in one word – growth. Through the ECT distributions programme we supported 81 initiatives against an SOI target of 50, distributing \$6.5 million to a range of collaborative, innovative and impactful projects.

We are proud to have supported some pretty special projects, which respond to the unique needs of our region. They are run by people passionate about delivering meaningful outcomes for our beneficiaries.

A full list of our distributions is found on page 46.



Carvers Matt Randall and Scott Riki with Ronald Nepe Te Runanga o Turanganui a Kiwa, CEO discuss progress of the Hawaiki Turanga.

## 2018 TSB New Zealand Surf Life Saving Championships.

2,300 surf lifesaving athletes, officials and supporters from 47 clubs around the country descended on Midway Beach for the TSB New Zealand Surf Life-saving Championships, in March.

A grant of \$60,000 secured the event for Gisborne, building on the region's reputation as the premiere destination for surf-based events and providing a significant boost for the city's accommodation, transport, hospitality and retail sectors.

Surf Life Saving New Zealand's economic impact data demonstrates over \$1.62 million was spent in Tairāwhiti over the duration of the event. This figure included a \$900,000 spend by clubs, athletes and supporters in local restaurants and bars,

supermarkets, petrol stations and other local businesses. SLNZ, themselves, spent \$75,000 with local suppliers.

SLSNZ senior executive Matt Warren says the funding from Eastland Community Trust was hugely valuable in running the event and ensuring the organisation could keep participation costs to a reasonable level.

"Knowing ECT is in the area supporting us gives us the confidence to bring our large events to Gisborne on a regular basis."



## Making Tairāwhiti a More Attractive Place.

Project Ātaahua was formed last year through the Young Enterprise Scheme. In their first year, they came third at the Regional Dragons Den, runners up at the Regional Awards, and took out a national award - one out of 853 teams across the country to do so.

Project Ātaahua commissions local artists to create stunning and vibrant murals throughout the Tairāwhiti Gisborne CBD representing the theme of journey. To date they have commissioned five public works in a programme that showcases our region's dual heritage.

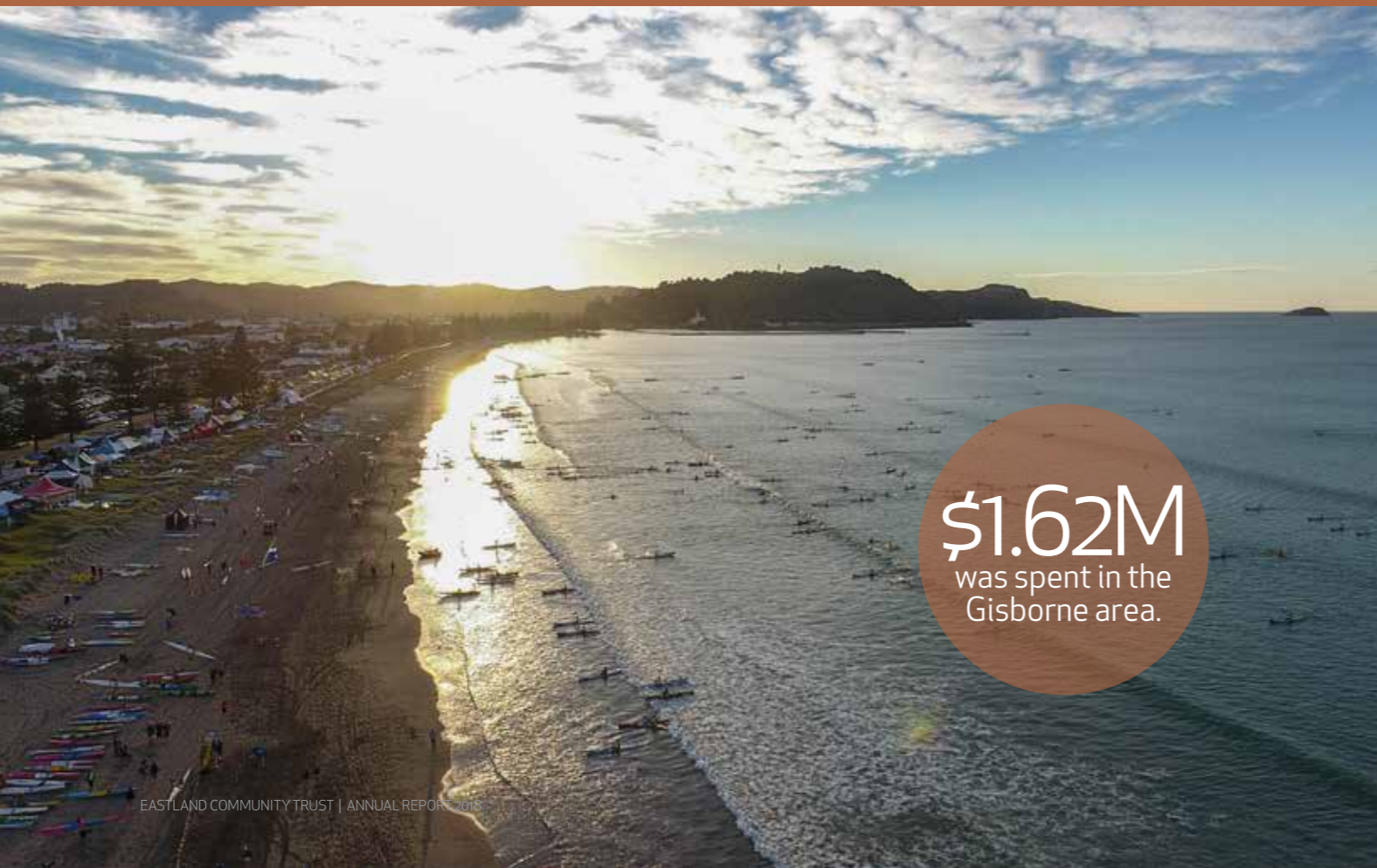
In this financial year, the team created two of the five murals. The first, a collaboration between Nick Tupara and Phil Berry, was launched at Te Hā in October last year.

The eye-catching mural in the Bright St car park, explores the history of arrivals to our region. The five waka forms in the mural represent voyaging traditions. These include Maui, who fished this land out of the ocean, the country's earliest immigrants, Lieutenant James Cook and the crew of the Endeavour, and all who have followed since. The bright colours selected for the whales were intended to be eye-catching and to reflect the various nationalities that live in this region.

This mural was closely followed by the installation of a Lina Marsh piece on the Business Applications wall, which features stunning native birds.

In many cultures birds are seen as kaitiaki or guardians - in this case the kaitiaki of seed dispersal - representing the many people who have journeyed to our shores and settled in our region. The Tui is the territorial pollinator. The Kotare (kingfisher), the watchful sentry. The Karearea (falcon), is said to foretell the weather. The three cheeky Piwakawaka (fantail), symbolise curiosity and adventure. The seeds these birds have dispersed have helped create a diverse bouquet of cultural flora in Te Tairāwhiti.

ECT is proud to support young entrepreneurs like the Ātaahua a team, who are putting in the work to help make Tairāwhiti a more attractive place while fostering their skills as young businesswomen, and helping to create a more inclusive region. We look forward to seeing the finished murals for many years to come.



**\$1.62M**  
was spent in the  
Gisborne area.

## Full Steam Ahead - in Servicing our Busy Visitor Season.

A grant of \$200,000 from Eastland Community Trust guaranteed Gisborne City Vintage Rail's ability to operate last season, and in to the future.

Gisborne City Vintage replaced 280 Peruvian sleepers over nine spans of rail bridge across the Waipaoa River.

There were major concerns that the Waipaoa River rail bridge would not pass its next inspection, which would mean the Gisborne City Vintage Rail would not be able to get the train as far as Muriwai. This would have been devastating and put at risk the tourism products the rail Trust had made, including a commitment to one of the hottest Air New Zealand Grab a Seat promotions this district had seen - Labour Weekend's Chardonnay Express - and six cruise ship excursions.

It is clear the WA165 has established itself as a critical component to the region's Tourism offering. In the previous season, the WA165 carried over 4,000 passengers catering for seven cruise ships, six private charters and 14 public excursions.

Cruise New Zealand sent Gisborne District Council a clear message that cruise ships may not stop in our city if the train doesn't operate. The early success of the Chardonnay Express further underpins visitor appetite for a rail experience.

It's clear that the Gisborne region benefits from their operation and will miss out on business and tourism opportunities if the venture is not sufficiently supported.



## DISTRIBUTIONS PAID OVER \$1,000

<b>Eastland Network Charitable Trust:</b>		Committed 2018 \$
Eastland Helicopter Rescue Trust	* Paid \$350,000	1,750,000
Unitech - The Mind Lab	*	1,300,000
War Memorial Theatre Trust (Lawson Field Theatre)		1,000,000
Akina Foundation	*	246,600
Gisborne City Vintage Railway Inc	*	200,000
Te Runanga o Turanganui a Kiwa (Hawaiki Turanga)	*	156,000
Inner Fit	*	100,000
Springboard Trust	*	100,000
Longbush Ecological Trust		97,650
Gisborne International Music Competition	* Paid \$30,000	90,000
Tairāwhiti Environment Centre Inc		70,000
Tairāwhiti Connex Charitable Trust	*	62,000
Huringa Pai Charitable Trust	* Paid \$14,200	55,760
Ka Pai Kaiti Inc		53,000
Rangiwaho Marae	*	34,800
Gisborne Crime Prevention Camera Trust	*	29,496
Gisborne MV Takitimu Charitable Trust	*	25,427
Swim for Life Tairāwhiti		20,000
Taki Rua Productions Society Incorporated	*	18,000
Weetbix TRYathlon Foundation		15,000
New Zealand Blue Light Ventures Inc	*	10,000
St John Gisborne Area Committee	*	10,000
Te Hauora o Turanganui a Kiwa (Turanga Health)	*	10,000
Tolaga Bay Inn Charitable Trust	*	10,000
Waipaoa Station Farm Cadet Training Trust	*	10,000
Gisborne Aviation Preservation Society	*	9,900
Tūranganui Schools Māori Cultural Festival	*	8,712
Motu Community Trust	*	8,000
Tolaga Bay Volunteer Fire Brigade	*	7,500
Life Education Trust	*	7,000
Gisborne Returned and Services Association Inc	*	13,000
Tairāwhiti Multicultural Council	*	4,000
Gisborne Toy Library	*	2,786
Kahutia Bowling Club	*	1,650
<b>Total</b>		<b>5,536,281</b>

The Trust Deed requires disclosure of distributions paid over \$1,000. These are the distributions approved during the year with those distributions paid during the year identified by way of an \*

**Eastland Community Trust Distributions:**

	Committed 2018 \$
Train Me Quality Services Ltd	200,000
Eagle Flight Training School	* 187,500
Gisborne Intermediate School	90,000
Surf Life Saving New Zealand	75,000
Surf Life Saving New Zealand	* 60,000
Gisborne Aero Club Inc	* 37,132
Corson Grain Ltd	* 30,000
Horticulture New Zealand	* 30,000
New Zealand Institute Of Biomedical Imaging	* 30,000
OBM Rugby Football Club Inc	30,000
Petfood NZ International Ltd	* 30,000
Pohewa Limited	* 30,000
Aotearoa Social Enterprise Trust	30,000
Gisborne Communities of Learning	* 25,000
Gisborne Mountain Bike Club	* 25,000
Express PR (Sunsplash Summer Festival)	20,000
Gisborne Girls' High School (Project Ātaahua)	* 20,000
Riposte Analytics Ltd	15,325
IoD East Coast Subcommittee	* 14,351
E Hoka Taku Manu Taupua (Māori education conferences)	* 10,000
Gisborne Boardriders Club	* 10,000
Poverty Bay A & P Assn	* 10,000
Poverty Bay Blues Incorporated	* 10,000
Rutene Road Kindergarten	* 10,000
Tairāwhiti Maori Netball Association	10,000
Taki Rua Productions Society Incorporated	* 10,000
Te Runanganui o Ngati Porou	* 10,000
Tikitiki School Board of Trustees	* 10,000
Tolaga Bay Area School	10,000
Tolaga Bay Bowling Club	* 10,000
Gisborne BMX Club Inc	* 8,228
P.B. Woolcrafters	* 8,000
Gisborne Basketball Association	* 7,000
Gizzy School Lunches	* 6,605
Gisborne Tairāwhiti Science & Technology Fair	* 6,311
Gisborne Rowing Club	* 6,000
Gisborne East Coast Area Floral Art Society of NZ	* 5,000
Poverty Bay Hockey Association	* 5,000
Shane Kingsbeer (East Coast Skate Jam)	* 5,000
Whanaufit 2017	5,000
Kanakanaia Security Camera	* 4,000
Ruatoria Gamers Club	* 4,000
Hikurangi Bioactives Limited Partnership	* 3,525
Tongan Methodist Youth Group	* 3,000
Mangapapa Playcentre	* 2,650
Giant Pumpkin Competition	2,500
Gisborne Civic Brass Band Inc	* 1,500
<b>Total</b>	<b>1,172,627</b>

**Total distributions approved****6,708,908**



Committed  
2018  
\$**Less Distributions returned or no longer required**

Tourism Eastland	(8,460)
Musical Theatre Gisborne	(10,000)
Wainui Lions Club	(220,000)
Gisborne Girls' High School	(1,200)
Eastland Swim	(2,843)
Eastland Network Charitable Trust	(5,000)

Total	<b>(247,503)</b>
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<b>Total distributions allocated</b>	<b>6,461,405</b>
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**Distributions paid****[Approved prior years paid current year]**

Eastland Group Ltd	* 300,000
Massey University	* 9,700
Black Fig	* 10,000
Gisborne District Council	* 168,050
Poverty Bay Hunt Incorporated	* 6,600
Hikurangi Huataukina Trust	* 6,000
Te Ha 1769 Sestercentennial Trust	* 100,000
Activate Tairāwhiti Regional Development Trust	* 302,000
Gisborne East Coast Area Floral Art Society of NZ	* 5,000
Tairāwhiti Voyaging Trust	* 245,000
TMS Sport Promotions Ltd	* 5,000
Matawai School	* 10,000
St John Ruatoria Area Committee	* 250,000
Whakarua Park Trust Board	* 400,000
Gisborne Volunteer Centre	* 10,000
Whangara Angus Stud	* 10,000
Ease Up Tairāwhiti	* 10,000
Surf Life Saving New Zealand	* 5,000

Total	<b>1,380,537</b>
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<b>* Total distributions paid</b>	<b>5,327,548</b>
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The Trust Deed requires disclosure of distributions paid over \$1,000. These are the distributions approved during the year with those distributions paid during the year identified by way of an \*

# NGĀ TAUĀKĪ PŪTEA

## SUMMARY FINANCIAL STATEMENTS



Paul Reynolds  
Chairman, ECT



Ailsa Cuthbert  
Trustee, ECT



## Independent Auditor's Report on the Summary Consolidated and Separate Financial Statements

### To the Trustees of Eastland Community Trust

<b>Opinion</b>	The summary financial statements of Eastland Community Trust (the 'Trust') and its subsidiaries (the 'Group'), which comprise the summary consolidated and separate Statement of Financial Position as at 31 March 2018, and the summary consolidated and separate Statement of Comprehensive Revenue and Expense, summary consolidated and separate Statement of Changes in Net Assets/Equity and Summary Statement of Cash Flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements of the Group for the year ended 31 March 2018.  In our opinion, the accompanying summary consolidated and separate financial statements, on pages 51 to 53, are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with PBE FRS 43: <i>Summary Financial Statements</i> issued by the New Zealand Accounting Standards Board.
<b>Summary consolidated and separate financial statements</b>	The summary consolidated and separate financial statements do not contain all the disclosures required by Public Benefit Entity Standards. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report.
<b>The audited consolidated and separate financial statements and our report thereon</b>	We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 29 June 2018.
<b>Board of Trustees' responsibilities for the summary consolidated and separate financial statements</b>	The Board of Trustees are responsible on behalf of the Group for the preparation of the summary consolidated and separate financial statements in accordance with PBE FRS 43: <i>Summary Financial Statements</i> .
<b>Auditor's responsibilities</b>	Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) ('ISA (NZ)') 810 (Revised): <i>Engagements to Report on Summary Financial Statements</i> .  Other than in our capacity as auditor and the provision of assurance services relating to the audit of regulatory disclosure statements, we have no relationship with or interests in the Trust or any of its subsidiaries. These services have not impaired our independence as auditor of the Trust and Group.
<b>Restriction on use</b>	This report is made solely to the Trustees, as a body, in accordance with Section 16 of the Trust Deed. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Deloitte Limited  
Wellington, New Zealand  
29 June 2018

## Summary Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2018

	Group Actual 2018 \$'000	Actual 2017 \$'000	Parent Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000	Budget 2017 \$'000
<b>Revenue</b>						
Operating revenue	87,953	78,257	11,980	12,023	11,512	9,760
Non-operating revenue	490	1,576	189	-	1,391	-
<b>Total revenue</b>	<b>88,443</b>	<b>79,833</b>	<b>12,169</b>	<b>12,023</b>	<b>12,903</b>	<b>9,760</b>
Operating, admin and personnel expenses	(39,570)	(38,925)	(1,982)	(1,890)	(1,485)	(1,550)
Depreciation and amortisation	(15,891)	(15,113)	(10)	-	(4)	-
Finance expenses	(5,144)	(5,684)	-	-	-	-
Non-operating expenditure	(1,561)	(1,115)	-	-	-	-
<b>Total expenditure</b>	<b>(62,166)</b>	<b>(60,837)</b>	<b>(1,992)</b>	<b>(1,890)</b>	<b>(1,489)</b>	<b>(1,550)</b>
<b>Surplus before joint ventures</b>	<b>26,277</b>	<b>18,996</b>	<b>10,177</b>	<b>10,133</b>	<b>11,414</b>	<b>8,210</b>
Share of surplus of joint venture and associates	(1,918)	(559)	-	-	-	-
<b>Surplus before income tax</b>	<b>24,359</b>	<b>18,437</b>	<b>10,177</b>	<b>10,133</b>	<b>11,414</b>	<b>8,210</b>
Income tax expense	(7,946)	(6,383)	(1,274)	-	(1,522)	-
<b>Surplus after tax</b>	<b>16,413</b>	<b>12,054</b>	<b>8,903</b>	<b>10,133</b>	<b>9,892</b>	<b>8,210</b>
<b>Other comprehensive revenue and expenses</b>						
Cashflow hedges	704	4,720	-	-	-	-
Revaluations	6,865	454	1,249	-	779	-
Tax on comprehensive income	(1,208)	(1,287)	-	-	-	-
<b>Total other comprehensive revenue and expenses</b>	<b>6,361</b>	<b>3,887</b>	<b>1,249</b>	<b>-</b>	<b>779</b>	<b>-</b>
<b>Total comprehensive revenue for the period</b>	<b>22,774</b>	<b>15,941</b>	<b>10,152</b>	<b>10,133</b>	<b>10,671</b>	<b>8,210</b>
<b>Attributable as:</b>						
<b>Surplus for the year</b>						
Equity holders of the parent	16,437	12,082	8,903	10,133	9,892	8,210
Non-controlling interest	(24)	(28)	-	-	-	-
	<b>16,413</b>	<b>12,054</b>	<b>8,903</b>	<b>10,133</b>	<b>9,892</b>	<b>8,210</b>
<b>Total comprehensive revenue:</b>						
Equity holders of the parent	22,798	15,969	10,152	10,133	10,671	8,210
Non-controlling interest	(24)	(28)	-	-	-	-
	<b>22,774</b>	<b>15,941</b>	<b>10,152</b>	<b>10,133</b>	<b>10,671</b>	<b>8,210</b>

## Summary Statement of Financial Position

As at 31 March 2018

	Group 2018 \$'000	2017 \$'000	Parent 2018 \$'000	2017 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	11,865	12,399	6,817	7,104
Other current assets	15,165	12,588	4,950	1,304
<b>Total current assets</b>	<b>27,030</b>	<b>24,987</b>	<b>11,767</b>	<b>8,408</b>
<b>Non-current assets</b>				
Property, plant & equipment	502,550	448,697	85	9
Other non-current assets	86,546	74,155	109,910	106,431
<b>Total non-current assets</b>	<b>589,096</b>	<b>522,852</b>	<b>109,995</b>	<b>106,440</b>
<b>Total assets</b>	<b>616,126</b>	<b>547,839</b>	<b>121,762</b>	<b>114,848</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Current liabilities	20,332	17,057	4,378	2,614
<b>Total current liabilities</b>	<b>20,332</b>	<b>17,057</b>	<b>4,378</b>	<b>2,614</b>
<b>Non-current liabilities</b>				
Loans and borrowings	210,000	166,000	-	-
Other non-current liabilities	59,237	56,522	-	-
<b>Total non-current liabilities</b>	<b>269,237</b>	<b>222,522</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>289,569</b>	<b>239,579</b>	<b>4,378</b>	<b>2,614</b>
<b>Net assets</b>	<b>326,557</b>	<b>308,260</b>	<b>117,384</b>	<b>112,234</b>
<b>EQUITY</b>				
Equity	326,126	307,805	117,384	112,234
Non-controlling interest	431	455	-	-
<b>Total equity</b>	<b>326,557</b>	<b>455</b>	<b>117,384</b>	<b>112,234</b>

## Summary Statement of Changes in Net Assets/Equity

For the year ending 31 March 2018

	Group 2018 \$'000	2017 \$'000	Parent 2018 \$'000	2017 \$'000
Balance at 1 April	308,260	295,287	112,234	104,849
Total comprehensive income	22,774	15,941	10,152	10,671
Transactions with owners	525	318	-	-
Distributions (net of tax)	(5,002)	(3,286)	(5,002)	(3,286)
<b>Total equity</b>	<b>326,557</b>	<b>308,260</b>	<b>117,384</b>	<b>112,234</b>

## Summary Statement of Cash Flows

For the year ending 31 March 2018

	Group 2018 \$'000	2017 \$'000	Parent 2018 \$'000	2017 \$'000
Net cash flow from (used in) operating activities	29,236	28,180	8,108	8,718
Net cash flow from (used in) investing activities	(67,988)	(72,686)	(4,310)	(4,613)
Net cash flow from (used in) financing activities	38,218	48,384	(4,085)	(2,557)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(534)</b>	<b>3,878</b>	<b>(287)</b>	<b>1,538</b>
Cash and cash equivalents at beginning of period	12,399	8,521	7,104	5,566
<b>Cash and cash equivalents at end of period</b>	<b>11,865</b>	<b>12,399</b>	<b>6,817</b>	<b>7,104</b>

## Notes to the Summary Financial Statements

For the year ending 31 March 2018

### 1. Reporting Entity

The Eastland Energy Community Trust ("the Trust") was established on the 7th of May 1993 pursuant to the Energy Companies (Eastland Energy Limited) Vesting Order 1993 upon the vesting in the Trust of the equity and debt securities issued by Eastland Energy Limited. The Trust changed its name to Eastland Community Trust on 6 December 2004.

The financial statements for the Trust are for Eastland Community Trust as established by Deed. The consolidated financial statements for the Group are for the economic entity comprising Eastland Community Trust and its subsidiaries.

The Group is involved in Electricity Distribution, Energy Generation, and Port sectors in New Zealand. The primary operations include electricity distribution and generation, the operation of Gisborne's port and airport, the ownership of strategically located investment properties and investment portfolios.

For the purposes of financial reporting, the Trust is a Public Benefit Entity (PBE) and as such the financial statements and Group financial statements have been prepared in accordance with Tier 1 Public Benefit Entity reporting standards.

### 2. Basis of Preparation

#### STATEMENT OF COMPLIANCE

The summary financial statements have been prepared in accordance with Public Benefit Entity Financial Reporting Standard 43: Summary Financial Statements and have been extracted from the full financial statements. The full financial statements and full Group financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Tier 1 PBE Standards, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

#### BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis modified as defined in the specific accounting policies in the full financial statements (principally fair valuation of investments and revaluation of certain property, plant and equipment).

#### FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency, and have been rounded to the nearest thousand unless otherwise stated.

#### SUMMARY FINANCIAL STATEMENTS

The summary is extracted from the full financial statements authorised for issue by the trustees on 29 June 2018. The full financial statements have been audited and an unmodified opinion has been given. This summary has also been examined by Deloitte Limited Wellington and a copy of the unmodified audit opinion on the summary financial statements is included in this report.

The summary financial statements cannot be expected to provide as complete an understanding as is provided by the full financial statements.

A copy of the full financial statements can be obtained from the ECT website [www.ect.org.nz](http://www.ect.org.nz) and is available from the office at 50 The Esplanade, Gisborne.



Boxer Charlotte Powdrell celebrates with friends after her bout at the Life Education Trust's Fight for Life Ed.



EASTLAND COMMUNITY TRUST