



Quarterly CEO Report

May 2024

Tātau



Tātau

Tātau Tātau and the theme of sharing is central
to our kaupapa and vision for the region of
Te Mana - Shared Pride, Te Ihi - Shared Prosperity
and Te Wehi - Shared Opportunity.

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Introduction

The following report presents the last quarter of the 2023 – 2024 Statement of Intent that was delivered to Gisborne District Council.

Risk status



Low/No risk

The project is on track to succeed.



Possible risk

The project has a problem but action is being taken to resolve this
OR

a problem has been identified but no action may be taken at this time and it is being carefully monitored.



High risk

The project requires immediate action.

Investing to deliver kaupapa

The Trust deed states its purpose is to preserve capital and provide for beneficiaries. A strong investment portfolio has been built with the aim to achieving deed purposes, in line with our vision and He Rangitapu He Tohu Ora.

PRIORITY PROJECTS	MEASURES	Risk
<p>Trust strategy refresh</p> <p>Refine Trust investment strategy to ensure Trust deed purposes for current and future beneficiaries are met and regional climate considerations and obligations are addressed.</p>	<p>In Progress</p> <p>Refreshed strategies completed and published.</p>	
<p>COMMENTARY</p> <p>Now that trustees have agreed on the strategic direction and focuses for the next five years, the investment strategy will be developed early FY2025. The overall Trust strategy is now available as part of the FY2025 Statement of Intent.</p>		
<p>Triennial Eastland Group review</p> <p>Ensure delivery of growth strategies and shareholder returns. Review includes:</p> <ul style="list-style-type: none">• operating performance• growth opportunities• partnerships, including tangata whenua and mana whenua• capital structure.	<p>In Progress</p> <p>Review completed and published in the Annual Report.</p>	
<p>COMMENTARY</p> <p>The draft Triennial Review is ready for Trustee Review, with the key findings to be incorporated into the annual report.</p>		

Preserving capital

The Trust is required to preserve value for the residual beneficiary, Gisborne District Council.


PRIORITY PROJECTS	MEASURES		Risk
Capital preservation review Peer review the capital and income allocation.	Delayed	Residual beneficiary engaged where appropriate.	
	30 June completed	Review and methodology completed by first quarter.	

COMMENTARY

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The review work is completed. This will be worked through with the residual beneficiary before agreeing the final methodology to apply going forward. This workstream will be advanced in FY2025.

Capital preservation

Preserve and grow capital over time.	Reviewed at year end	Trust capital preserved in line with inflation.	
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COMMENTARY

The Trust Deed requires trustees to preserve the capital of the Trust Fund having regard to inflation and profit and losses incurred from time to time. FY2023 highlights that the Trust Fund has been preserved to date and based on the value of the fund and prudent management by trustees, it is expected that this will remain the case for the current financial year.

Initiatives and facilities

The Trust enables the people of Tairāwhiti by supporting initiatives that will deliver outcomes and impact. We provide funding and capability support to deliver high-priority community facilities.

PRIORITY PROJECTS	MEASURES	Risk
Funding distributions		
Improve the application process to ensure it is more accessible and user-friendly.	\$12.33mm completed	Up to \$16 million in grant funding approved for community initiatives. ●
	\$1.45m uplifted	2023/24 multi-year funding uplifted. ●
Enable funding recipients to measure, evaluate and report on their project's progress and outcomes using He Rangitapu He Tohu Ora.	\$12.33m uplifted	All applications assessed using He Rangitapu He Tohu Ora. ●
COMMENTARY		
A significant portion of the \$16m targeted for distribution was for community initiatives. Many of these have been delayed over the last 12 months by the impacts of Cyclone Gabrielle. Funds committed over the last financial year towards the community facilities was \$4.5m and the balance was distributed towards initiatives which strongly aligned with He Rangitapu He Tohu Ora, Regional Wellbeing.		
Community facilities		
Support the remaining community facilities priority projects by enabling scoping and construction.	3/9	Three early win projects completed. ●
	6/9	A further six early-win projects underway. ●
In partnership with GDC and Sport Gisborne Tairāwhiti, pursue funding for the balance of major projects in the Sports Facilities Business Case.	\$Est \$500k*	External funding obtained. ●
Develop governance and ownership models to ensure facilities effectively meet community needs.	1/1	Governance groups established. ●
	1/1	Ownership and maintenance approach for each facility formalised. ●

COMMENTARY

The first three projects to be completed are the Tairāwhiti Skate Park development and the Pump Track and the Gisborne Boardriders roll out of Surf Containers in Hicks Bay, Waipiro Bay and Tokomaru Bay.

Initial scoping phases of the following projects have also commenced, delays caused by Covid, and the effects of Cyclone Gabrielle. These included the scoping phases and pre-investigation works of the storage facilities for Mareikura Waka Ama and Horouta Waka Hoe, the Regional School Pools and the Victoria Sport and Recreation Hub.


Total funds committed by the Trust as of 31 March 2024 is \$9.0m

The Tokomaru Bay United Sports Club Rangatahi zone initiative is at the initial engagement phase.

*External funding has often been led by the project entity. We are aware of some projects where other funders have contributed in varied quantum's including Lottery Community Facilities and Eastern and Central Community Trust towards the Mareikura Waka ama storage facilities and ECCT towards the Victoria Domain Hub project.




Regional economic leadership

We provide economic leadership for the region through long-term planning, advocacy and representation of Tairāwhiti nationally.

PRIORITY PROJECTS	MEASURES		Risk
Leadership groups, strategy and planning Participate and engage with regional and national leadership groups to deliver a collaborative approach to economic development. Participation in: Tairāwhiti land use review, TEAP Steering Group and CARE Regional Skills Leadership Group.	Ongoing	Trust actions completed.	
	Complete	Just transition economic pathways included in Tairāwhiti land use review recommendations.	

COMMENTARY

Decarbonising our economy

Support the region's transition to a circular, low-emission economy.	In progress	Regional Energy Transition Acceleration Plan completed in partnership with EECA.	
	On hold	Regional just transition and emission reduction roadmap completed in partnership with GDC.	
	9/10	10 businesses supported to develop emission reduction plans.	

COMMENTARY

The Regional Energy Transition Accelerator programme is near completion and will be marked by the public release of the final consolidated report. The final report has now been made available to Trust Tairāwhiti but remains embargoed. The Emissions Reduction Roadmap remains on hold indefinitely. Nine businesses have now either completed or are progressing through the programme. A survey of from those who have completed the programme has reported very positively.

Economic insights

Use economic analysis and insights to report on trends that enable regional planning and investment attraction.

4/5
published

Quarterly and annual regional economic performance reports published.



COMMENTARY

The first three quarters reports have been published with the final quarters data due mid-May. The annual regional economic profile remains available on the Trusts website additionally.

Advocacy

Advocate to central Government and industry groups on economic development issues to ensure Tairāwhiti is resourced and supported appropriately.

4/4

Quarterly reporting to board.



COMMENTARY

The economic development team has been active with advocacy over the last quarter, particularly on a range of existing Kānoa investments and prospective Regional Investment Fund opportunities.

Diversifying the economy





In partnership with key stakeholders, we will support and invest in opportunities to diversify the Tairāwhiti economy and build resilience.

PRIORITY PROJECTS	MEASURES	Risk
Economic development investment Invest in economic development opportunities through direct funding or support with staff resource and expertise.	4/4	Quarterly investment pipeline report. 
	11	Number of investment cases presented to trustees. 

COMMENTARY

Nine investigation, research, and feasibility (IRF) proposals representing five sectors comprising of construction, STEM, digital technology, horticulture and manufacturing have been presented. These IRF's amount to \$180,000. Two direct investments totalling \$3.9m have been presented.

Regional digital technology strategy

Support the strategic development of the digital and technology sector.	Complete	Strategy published. 
	Complete	Leadership group established. 
	Complete	Year one action plan developed with leadership group. 
	Not started	One-year review completed. 

COMMENTARY

The digital and tech strategy is complete along with year-one action plan. The Manutukutuku leadership continue to work towards delivery of the action plan.

Economic development | Industry, business and employers

Matai campus

Support Matai campus development to broaden regional economy into science, medicine and technology.

Ongoing

Site development progressed.



Complete

Feasibility case for campus developed.



COMMENTARY

Matai stage one is completed, marked by their recent building opening. The campus development framework is complete. The feasibility assessment has been completed. Ongoing support is being provided to the campus narrative, ownership structure and future development stages.

Enhance the value of our primary industries

Conclude the Trust's capital improvement programme in local wood processing.

**\$8m
invested**

\$10 million invested in capital projects at Kiwi Lumber and Wood Engineering Technology.



**60,000t
processed**

90,000+ tonnes of logs processed at Prime site.



**96
jobs**

100 jobs at Prime site.



Complete

Business case prepared for housing frame and truss plant.



Develop commercial opportunities for wood waste.

Complete

Investment case completed.



Support manuka honey investment.

Complete

Business plan achieved.



COMMENTARY

The \$2m drystore for WGL has been delayed with design works. A consent application is expected in the June quarter. Logs processed remain below target, but the capital investment programme is nearing completion and we are observing a strong lift in production. Jobs are nearing 100% of target but recruitment has been hampered by delays to the WET G1.2 factory commissioning. The completed frame and truss business case is available by request.

City centre revitalisation

Identify opportunities and initiatives to improve our central city.

In progress

Refreshed city centre spatial plan(s) published.



Complete

Initial investment case(s) pursued.









COMMENTARY

The City Centre Revitalisation project is undergoing a reset in partnership with Rongowhakaata and GDC.

Business innovation and growth

We provide tools and resources to help Tairāwhiti businesses and industry to thrive, including delivery of our joint programme obligations with government.

PRIORITY PROJECTS	MEASURES		Risk
Regional Business Partner Programme Invest in economic development opportunities through direct funding or support with staff resource and expertise.	141/120 businesses supported	120 businesses supported.	
	\$155,874 invested	\$180,000 external capability funding invested.	
	10/10 events	10 business support events delivered.	
COMMENTARY It was a challenging year for business with the impacts of Cyclone Gabrielle and a weakening economy creating a challenging environment. While we engaged with a higher number of businesses, those that were able to invest in capability building and access funding was lower than anticipated. The primary areas that businesses focused on developing was the resetting of strategic plans, leadership development, core business planning and increasing financial capabilities. The Trust supported a range of workshops and events with a focus on increasing productivity through innovation and digital transformation, new product development and developing the capability of small contractors to secure contracts and tenders.			
Māori business programme Support whānau and hapū businesses through connections to our Māori business agencies and partners.	In-progress	Number of Māori businesses connected to agencies and partners (including RBP).	
	\$30,437	Amount of funding secured.	
	19.7% of total businesses	Percentage of Māori businesses securing RBP funding increased.	

COMMENTARY
Trust Tairāwhiti is working on establishing the Whāriki Maori business program in Tairāwhiti.

Economic development | Industry, business and employers

Workforce development

Improve regional job opportunities and workplace wellbeing and connect jobseekers with industry and employers.

**4/4
delivered**

Delivery of four vocational events for students and jobseekers supported.



**50/50
placements**

50+ jobseekers placements through Mayors Taskforce for Jobs programme supported.



**Stage one
complete**

Pilot wellbeing initiative in Tairāwhiti workplaces completed.



In progress

Trust actions from Regional Workforce Development Plan completed.



Trust Tairāwhiti has supported drafting a new terms of reference for the CARE forum, a member body overseeing regional workforce development. CARE will play an active part in the new regional economic development programme.

Digital business support platform

Enhance access to digital platform and integrate with Regional Business Partner service.

50%

Online platform resources increased.



50%

Engagement with platform increased.








COMMENTARY

Resource platform is live on the new website. Additional functionality is being developed

Destination management

As the Regional Tourism Organisation, we develop Tairāwhiti as a tourist destination by enhancing the visitor experience, including attractions, supporting infrastructure and services.

PRIORITY PROJECTS	MEASURES		Risk
Destination leadership Establish optimal governance and management structures for tourism. Secure sustainable funding for projects outlined in the Destination Management Plan and use the latest data and research to inform decision-making and priorities	Complete	Advisory group established.	
	Complete	Year one action plan developed with regional partners.	
	Complete	One-year review complete.	
	\$0 funding	Additional funding secured.	
	4/4	Quarterly data and insights published.	

COMMENTARY

Tairāwhiti Destination Advisory group was established with a term of reference. Year one action plan was published and will be reviewed in December 2024. Trust Tairāwhiti supported the Nati Growth funding bid for a new isite development.

Experience development Undertake a product audit of what Tairāwhiti has to offer (built, natural, heritage and cultural assets), including accommodation, activities and hospitality. Support tourism businesses to improve productivity, profitability, innovation and growth. Lead the transition towards regenerative tourism practices that contribute to community and environmental wellbeing.	Delayed	Audit complete, with recommendations for product extensions and development opportunities.	
	Complete	Tourism resource hub online.	
	Complete	Professional development opportunities for local operators.	
	Complete	Meet obligations of the Tourism Sustainability Commitment.	

COMMENTARY

Economic development | Regional tourism promotion

Product audit delayed to FY 24/25 due to the aftereffects of cyclone Gabrielle there were challenges for the industry and the decision was made to delay this to allow the sector to resettle into the new normal. Resource hub accessed through the Trust website. Professional development opportunities were delivered to local operators with supported by industry partnerships.

Visitor accommodation

Collaborate with regional stakeholders to increase the supply of visitor accommodation options.

Complete

New accommodation investment case completed.



COMMENTARY

An investment case for a prominent commercial accommodation opportunity has been completed but did not proceed due to commercial factors.

Cycle and walking trails

Support partners who are developing and maintaining recreational trails.

**0km
completed**

Number of kilometres of trails consented and built.



COMMENTARY

No new trails consented and/or built due to cyclone Gabirelle.

Visitor-attracting events

Support and attract events that align with the Trust's Events Strategy.

0%

20 per cent increase in visitors from Trust supported events.



COMMENTARY

The Tairāwhiti Regional Event Fund supported seven events since it was established, spanning sporting competitions, community gatherings, and festivals. We made a system change to the regional events portal meaning we don't have a comparative baseline for our funding but will have going forward.

Regional promotion



Our promotional activity targets key markets, encouraging regional dispersal and showcasing the range of experiences the Tairāwhiti region offers.

PRIORITY PROJECTS	MEASURES		Risk
<div></div>			
Marketing and trade			
Develop compelling marketing campaigns that showcase the region, inspiring visitors to experience more and stay longer.	Complete	Regional consumer strategy completed.	<div></div>
	Complete	Trade marketing strategy completed.	<div></div>
	Complete	Regional Summer 2023/24 marketing campaign completed.	<div></div>
Support the development of trade-ready products and enable new and existing businesses to promote their products at trade events.	Complete	A full season of trade events attended.	<div></div>
Build relationships and provide ongoing destination training with travel sellers in key offshore markets.			

COMMENTARY

Our 'Come See Why' campaign, launched in mid-October 2023, saw a 202% increase in website traffic. Planning for the 2024 edition is underway. Our 'always on' campaign remains active & continues to boost Tairāwhiti's presence, with consistent growth in social media and website engagement. Looking ahead to 2024 from a consumer standpoint, partnerships are a key focus, working with likeminded brands to showcase our regional offering. The first half of 2024 focuses on trade events which showcase the region's offerings to travel professionals, aiming to integrate Tairāwhiti into international itineraries.

Cruise ships

Coordinate cruise ship arrivals, connecting passengers to visitor experiences throughout the region.	Complete	2022/23 cruise season review completed.	
	Complete	Recommendations for 2023/24 cruise season implemented.	

COMMENTARY

It was a positive season, the of berthing smaller ships and the long-standing relationships and processes managing challenges. The things to work on were communication, infrastructure, and staffing.

- 4 cancellations
- 7 Berthed
- 14 Tendered
- 9,358 passengers (11,015 previous season)
- 3,971 individual passenger excursions.

isite

Provide information on experiences for visitors and locals to enjoy, encourage sustainable travel and motivate visitors to stay longer and spend more.

Ongoing

Visitors are highly satisfied with their isite experience (reviews and surveys).



27 %
Year on year

10 per cent increase in bookings through the isite.



COMMENTARY

This quarter has had its share of challenges but also has been filled with numerous highs for our isite team.

Staffing has been challenging with the team stretched thin to cover gaps. This has meant on some of the smaller passenger Cruise Ship days (vessels with under 500 passengers) we haven't been able to have staff at the port whilst keeping the isite open.

After looking through visitor numbers for this same period in prior years, we've found that Sundays are our quietest day of the week and have ultimately decided to close so we can have adequate cover for the rest of the week.




However, the isite has seen some strong results with visitor numbers for this quarter up 8% (this even with the Sunday closures), mini golf has kept on par with last year and bookings are up by 23%.

It feels as if we're right on the cusp of great things here at the isite and our entire team cannot wait to smash the rest of the year!

	2023	2024
Visitor Numbers	14,558	15,810
Reservation	\$43,274	\$55,026
Mini Golf	\$17,074	\$16,824

Wellbeing and impact

A component of our wellbeing framework He Rangitapu He Tohu Ora is measuring the impact of Trust investments in the community and economy. This is backed by quality wellbeing data to further inform decision-making.

PRIORITY PROJECTS	MEASURES		Risk
Wellbeing survey Collect and publish a robust and consistent annual set of regional wellbeing data.	Complete	Annual survey completed.	
	Complete	Survey data and insights published online.	
	5.8k site visits	Community uptake of survey data and insights recorded.	
	20min 38s Average visit duration		

COMMENTARY

High uptake of regional wellbeing data, including specific requests from Gisborne District Council, Te Whatu Ora, Police NZ, MSD, Turanga Health, Rau Tipu Rau Ora & Presbyterian Support East Coast.

Outcome and impact reporting

Report on the outcomes and impacts of community distributions, direct investments and programme delivery.	/5	Impact report completed for all funding and direct investment recipients.	
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COMMENTARY

Direct investments and program delivery have not implemented impact reporting into process. Currently several community distributions have been testing a draft impact report.

Climate Leaders Coalition commitment

Increase our internal monitoring of activities and report on our greenhouse gas emissions.

In Progress

Emissions target of under 21% from the 2019 baseline maintained.



In Progress

Annual GHG emissions report produced.



COMMENTARY

The Trust has signed up to a new GHG emissions tracking system which will carry out emissions calculations and provide an emissions report at the end of the financial year. This will also allow for an independent verification of GHG inventory in 2025.

All GHS emissions inventory has now been provided to our consultants who are assessing the information as they finalise the annual emissions report.

Trust Tairāwhiti

Financial reports

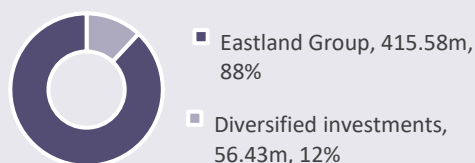
Summary

Financial position

As at 31 March 2024

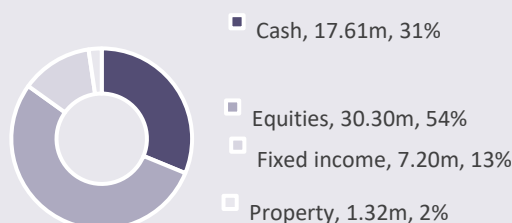
	Mar 2024 YTD Act. \$000	Mar 2023 YTD Act. \$000
Cash and cash equivalents	6,884	85,290
Receivables	82	321
Other receivables	1,904	96
Total Current Assets	8,871	85,707
Investment portfolio	445,051	427,722
Impact Investment	34,837	29,973
Property plant & equipment	552	657
Total Non-current Assets	480,441	458,352
Total Assets	489,311	544,059
Payable and accruals	12,967	5,767
Other payables	684	896
Total Current Liabilities	13,651	6,663
Total Liabilities	13,651	6,663
Net Assets/Equity	475,660	537,396

Current investment profile



The Eastland Group investment is made up of investments in Eastland Port and electricity generation assets.

Diversified investments are held by Craigs Investment Partners and overseen by Trustees.



Note: diversified portfolio will be rebalanced post strategy refresh.

Commentary

The investment portfolio consists of Eastland Group and Craigs Investment Portfolio and is revalued.

Impact investments provide benefit to enhance wellbeing of beneficiaries under He Rangitapu, He Tohu Ora. These investments are in the Woodcluster at the Prime site and property at Commerce Place. They are carried at the net asset value.

The payables relate mainly to distributions that have been approved by Trustees and are waiting on conditions to be met before making payment. They include distributions towards facilities projects and multi-year distributions.

Trust Tairāwhiti

Financial reports

Summary

Financial performance

For the period ending 31 March 2024

	Mar YTD Act. \$000	Bud YTD Bud. \$000		Variance \$000	SOI Budget \$000	Remaining Budget \$000
Income						
Investment Income	18,739	14,031	↑	4,707	14,031	(4,707)
Other Income	820	820		-	820	-
	19,393	14,851		4,542	14,851	(4,542)
Operating costs						
Admin and operating	700	935	↓	(235)	935	235
Personnel	2,369	2,514	↓	(145)	2,514	145
Governance	480	435	↑	45	435	(45)
	3,549	3,884		(335)	3,884	335
Operating surplus	15,844	10,968		4,877	10,968	(4,877)
Non-operating						
Strategic initiatives	487	780	↓	(293)	780	293
Other non-operating income	(115)	-	↑	(115)	-	115
Distributions	52,273	16,340	↑	35,933	16,340	(35,933)
Depreciation	164	47	↑	117	47	(117)
	52,810	17,167		35,643	17,167	(35,643)
Net surplus	(36,966)	(6,200)		(30,766)	(6,200)	30,766

Commentary

Investment income is ahead of budget. The total variance is made up of increased performance on the investment portfolio and interest on capital notes reissued to Eastland Group. The investment management fee is lower than expected as Craigs do not charge to manage the term deposits

Admin and operating costs are down on budget which reflects the communications and engagement work-streams being delivered in house, cost savings in subscriptions, travel and computer costs.

Additional budget was approved in September for increased personnel related costs and to cover the recruitment process and appointment of a new CEO. Costs include a portion transferred from Trust Tairawhiti Limited for the acting CE.

Governance costs include insurance premiums that have increased considerably on the previous year.

Additional budget was approved in September for Eastland Group capital structure costs within the strategic initiatives. Due to the timing of this project some of the costs have been delayed and will be incurred in FY25.

Distributions were ahead of budget as trustees approved a \$40 million distribution to Eastland Network Charitable Trust (ENCT) from the special dividend received for the Network sale. This trust is the charitable entity associated with Trust Tairawhiti and the distribution ensures that beneficiaries of Trust Tairawhiti will continue to benefit through ENCT delivering its purposes.

Trust Tairāwhiti Limited

Financial report

Summary

Financial performance

For the period ending 31 March 2024

	Mar	Bud		SOI	Remaining
	YTD Act.	YTD Bud.	Variance	Budget	Budget
	\$000	\$000	\$000	\$000	\$000
Income					
ED Services	1,568	1,333	↑	1,333	(235)
Other Income	441	440		440	(1)
	2,009	1,773	236	1,773	(236)
Operating costs					
Admin and operating	2,183	2,117	↑	2,117	(66)
Personnel	1,504	1,847	↓	1,847	343
Governance	-	254	↓	254	254
	3,687	4,218	(531)	4,218	531
Operating surplus	(1,678)	(2,445)	767	(2,445)	(767)
Non-operating					
Strategic initiatives	648	1,015	↓	1,015	367
Other non-operating income	(13,802)	(13,802)	-	(13,802)	(0)
Distributions	13,802	13,802	-	13,802	0
Depreciation	84	91	(7)	91	7
	733	1,106	(374)	1,106	373
Net surplus	(2,410)	(3,551)	1,141	(3,551)	(1,141)

Commentary

Operating income is up on budget with additional funds received for redeploying staff to other areas post cyclone Gabrielle.

Admin and operating costs are higher than budget due to timing of costs from the previous financial year that came through in this year.

Personnel costs behind budget as a result of unfilled the vacant roles.

Governance costs are down as a full year was budgeted for the independent investment committee.

Strategic initiatives are down on budget. Some elements of these work streams have been delivered internally.