



Quarterly CEO Report

November 2023

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 trust has been busy over the last quarter with a big programme of wellbeing and recovery related grants, good progress on our regional investments, and the launch of the region's marketing promotion "Come See Why" to attract visitors to our region. A reviewed strategic plan has been signed off by the board with the statement of intent being developed for the 2024 financial year.

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 can be developed. The strategy is expected to be made available prior to 31 March 2024.</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 capital structure review is ongoing and will continue to advance over the next few months. Once this is complete, it will be documented into a Triennial Review and reported within the FY2024 financial statements.</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.	Ongoing	Residual beneficiary engaged where appropriate.	
	30 June completed	Review and methodology completed by first quarter.	

COMMENTARY

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

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.	\$6.979m completed	Up to \$16 million in grant funding approved for community initiatives. ●
	\$200,000 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.	\$1,588,823 uplifted	All applications assessed using He Rangitapu He Tohu Ora. ●
COMMENTARY		
There has been a notable increase in the number of requests for funding support. So far, there has been 87 requests for funding as of 31 October 2023 (excluding the 59 Gabrielle recovery applications). The annual number of requests has averaged 71 in the last nine years.		
Community facilities		
Support the remaining community facilities priority projects by enabling scoping and construction.	5/6	Six early-win projects completed. ●
	5/6	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.	\$0m	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

Work continues to finalize scoping and consenting on the five projects underway. \$360k of funding has been released for preliminary construction work at Victoria for the resurfacing of the netball courts.

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.	In progress	Trust actions completed.	
	Complete	Just transition economic pathways included in Tairāwhiti land use review recommendations.	
Participation in: Tairāwhiti land use review, TEAP Steering Group and CARE Regional Skills Leadership Group.			

COMMENTARY

Work on the TEAP refresh document has commenced which will incorporate the economic elements of the regional recovery plan and Just Transition planning.

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.	
	6/10	10 businesses supported to develop emission reduction plans.	

COMMENTARY

A Regional Energy Transition Acceleration workshop was held in May. Workstreams are progressing well, with draft findings from EECA imminent. The Emissions Reduction Roadmap is on hold as a result of the cyclone and recovery planning. Six businesses are currently funded and working with MyImprint to produce emission reduction plans.

Economic insights

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

2/5
published

Quarterly and annual regional economic performance reports published.



COMMENTARY

The first two quarters reports have been published.

Advocacy

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

2/4

Quarterly reporting to board.








COMMENTARY

The first two quarters reports have been published

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.	2/4	Quarterly investment pipeline report. 
	9	Number of investment cases presented to trustees. 
COMMENTARY Seven investigation, research, and feasibility (IRF) proposals representing five sectors including: construction, STEM, digital technology, horticulture and manufacturing have been submitted. These IRFs amount to \$170k of investment.		
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, the Manutukutuku leadership group is now working on a launch event.		

Economic development | Industry, business and employers

Matai campus

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

In progress

Site development progressed.



Complete

Feasibility case for campus developed.



COMMENTARY

Matai stage one is under development. The campus development concept plans are complete. The feasibility assessment has now been received in draft. Ongoing support is being provided surrounding 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.



**35,000 t
processed**

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



**80
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.

In progress

Business plan achieved.



COMMENTARY

Capital investment progress at Kiwi Lumber and Wood Engineering Technology continues to progress well and the site, with significant new buildings and plant, is an excellent showpiece for what can be achieved with the right focus and concerted effort.

An investment case has been completed for a white pellet manufacturing plant that would consume significant volumes of slash.

A business case has just been completed for a frame and truss plant.

Manuka honey extraction plant plan has been completed and the facility is on track for completion and processing to commence for the 23/24 season.

City centre revitalisation

Identify opportunities and initiatives to improve our central city.

In progress

Refreshed city centre spatial plan(s) published.



In progress

Initial investment case(s) pursued.



COMMENTARY

Mana whenua are being consulted on the approach for the city centre revitalisation project. An investment case is currently underway.

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.

90/120
businesses
supported

120 businesses supported.



\$102.3k
invested

\$180,000 external capability funding invested.



5/10
events

10 business support events delivered.



COMMENTARY

Delivery of the Regional Business Programme is tracking above targets.

Māori business programme

Support whānau and hapū businesses through connections to our Māori business agencies and partners.

Not currently
measured

Number of Māori businesses connected to agencies and partners (including RBP).



\$18,018

Amount of funding secured.



20%
of total
businesses

Percentage of Māori businesses securing RBP funding increased.



COMMENTARY

Trust Tairāwhiti has partnered with Te Runanga O Turanganui A Kiwa to deliver a Māori Business programme for Te Tairāwhiti. We are collectively working to understand how we can support this programme delivery more broadly. We are exploring how to integrate our systems to capture referrals.

Workforce development

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

**3/4
published**

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.



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.	
	In progress	Year one action plan developed with regional partners.	
	Incomplete	One-year review complete.	
	\$0 funding	Additional funding secured.	
	3/4	Quarterly data and insights published.	



COMMENTARY

The Destination Management Plan v2.0 completed post cyclone Gabrielle. The plan will be broken into two parts. Part two, the action plan, will be agreed to by the Destination Advisory Group (DAG), delivered and reviewed annually.

The Destination Advisory Group (DAG) are set to meet November 2023.

Additional funding is yet to be secured to support the regional tourism organisation operations and cyclone response.

Experience development

Undertake a product audit of what Tairāwhiti has to offer (built, natural, heritage and cultural assets), including accommodation, activities and hospitality.	Complete	Audit complete, with recommendations for product extensions and development opportunities.	
Support tourism businesses to improve productivity, profitability, innovation and growth. Lead the transition towards	Published	Tourism resource hub online.	

Economic development | Regional tourism promotion

regenerative tourism practices that contribute to community and environmental wellbeing.

**4
completed**

Professional development opportunities for local operators.



Ongoing

Meet obligations of the Tourism Sustainability Commitment.



COMMENTARY

A Digital Best Practice workshop delivered with 15 learners in attendance. This was facilitated by Maverick Digital in region.

Visitor accommodation

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

In Progress

New accommodation investment case completed.



COMMENTARY

The accommodation investment case is currently underway.

Cycle and walking trails

Support partners who are developing and maintaining recreational trails.

**0km
completed**

Number of kilometres of trails consented and built.



COMMENTARY

Feasibility completed for Arai Matawai Recreation Park.
Feasibility underway for Manutahi Trust.

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 Regional Event Fund is live and accessible via Trust Tairāwhiti website.

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

COMMENTARY

Our new regional campaign 'Come See Why' launched 18 October. It is live across a range of mediums with a domestic market focus. Continued promotion is taking place over the coming months to keep the region top of mind to consumers. We are now planning for the 2024 Trade Season and on-going campaign executions in late Jan to drive visitation in Feb, March, April 2024.

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

Cruise season preparations are on track. The Cruise Association NZ CEO Jacqui Lloyd was in Tairāwhiti 12 - 13 October. The itinerary included stakeholder hui, community engagement, product famils and an interview with The Gisborne Herald.

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).



30%
Year on year

10 per cent increase in bookings through the isite.



COMMENTARY

The isite team leader and visitor information officer attended the isite annual conference held in Hawkes Bay. The team are preparing for the cruise season and increased foot traffic through the isite in the high season.

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.

In Progress

Annual survey completed.



In Progress

Survey data and insights published online.



2.3k
site visits

Community uptake of survey data and insights recorded.



23 mins
Average visit
duration

COMMENTARY

The 2023 Tairāwhiti Wellbeing Survey went live on 25 October in English and Te Reo, with 123 surveys completed as at 31/10/2023, and two completed in te reo only.

The 2023 dashboard 2023 dashboards have been published on our website, which gives our communities access to use the data for their own needs. Of the 2.3k visitors, over 1.1k have revisited the portal.

Outcome and impact reporting

Report on the outcomes and impacts of community distributions, direct investments and programme delivery.

5/5

Impact report completed for all funding and direct investment recipients.



COMMENTARY

All reports are currently up to date.

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 with 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, as required by the Climate Leaders Coalition.

We are working on the climate change risks and opportunities assessment to make available to the public, also as part of our signatory requirements.

Trust Tairāwhiti

Financial reports

Summary

Financial position

As at 30 September 2023

	Sep 2023 YTD Act. \$000	Mar 2023 YTD Act. \$000
Cash and cash equivalents	7,213	85,290
Receivables	157	321
Other receivables	929	96
Total Current Assets	8,299	85,707
Investment portfolio	519,294	427,722
Impact Investment	31,813	29,973
Property plant & equipment	575	657
Total Non-current Assets	551,682	458,352
Total Assets	559,981	544,059
Payable and accruals	9,957	5,767
Other payables	46	896
Total Current Liabilities	10,002	6,663
Total Liabilities	10,002	6,663
Net Assets/Equity	549,979	537,396

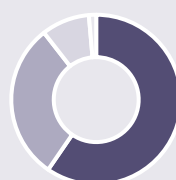
Current investment profile



- Eastland Group, 428.69m, 83%
- Diversified investments, 90.60m, 17%

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.



- Cash, 53.97m, 60%
- Equities, 27.08m, 30%
- Fixed income, 8.30m, 9%
- Property, 1.25m, 1%

Note: diversified portfolio will be rebalanced post strategy refresh.

Commentary

Cash and equivalents was high at the end of September as Eastland Group paid the six monthly dividend and capital note interest.

Other receivables relate mainly to accrued interest.

The investment portfolio is the revalued position of investments made into Eastland Group and Craigs Investment Portfolio.

Impact investments are made to provide for beneficiaries and are expected to enhance wellbeing under He Rangitapu, He Tohu Ora. These investments are carried at the net assets of the Woodcluster Centre of Excellence and Commerce Place assets.

Payables and accruals relate to distributions payable, of which \$8.2m is payable to Eastland Network Charitable Trust. This is expected to be paid in the upcoming months.

Trust Tairāwhiti

Financial reports

Summary

Financial performance

For the period ending 30 September 2023

	Sep YTD Act. \$000	Bud YTD Bud. \$000		Variance \$000	SOI Budget \$000	Remaining Budget \$000
Income						
Investment Income	9,187	7,675	↑	1,512	14,309	5,122
Investment management	(25)	(70)	↑	45	(278)	(254)
Realised gains / loss	6	-		6	-	(6)
Other Income	410	410		-	820	410
	9,579	8,016		1,563	14,851	5,273
Operating costs						
Personnel	1,283	1,369	↓	(87)	2,514	1,231
Admin and operating	337	381	↓	(44)	935	598
Governance	257	238		19	435	178
	1,876	1,987		(111)	3,884	2,007
Operating surplus	7,702	6,028		1,674	10,968	3,266
Non-operating						
Strategic initiatives	188	193		(5)	780	592
Other non-operating income	(90)	-	↑	(90)	-	90
Distributions	5,977	5,198	↑	779	16,340	10,364
Depreciation	70	41	↑	29	47	(23)
	6,145	5,432		713	17,167	11,022
Net surplus	1,557	596		961	(6,200)	(7,757)

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 (these are high while the SIPO is being worked through).

Admin and operating costs are slightly down on budget which reflects the communication and engagement key workstreams delivered inhouse.

Additional budget was approved in September for increased personnel related costs. These are now tracking behind the revised budget but will catch up as the process for the CEO appointment advances and costs are incurred.

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. These costs are now in line with budget.

Trust Tairāwhiti Limited

Financial report

Summary

Financial performance

For the period ending 30 September 2023

	Sep YTD Act. \$000	Bud YTD Bud. \$000		Variance \$000	SOI Budget \$000	Remaining Budget \$000
Income						
ED Services	858	679	↑	179	1,333	475
Other Income	441	440		1	440	(1)
	1,299	1,119		181	1,773	474
Operating costs						
Admin and operating	1,010	1,021		(11)	2,117	1,108
Personnel	810	876	↓	(66)	1,847	1,036
Governance	-	85	↓	(85)	254	254
	1,820	1,981		(162)	4,218	2,399
Operating surplus	(520)	(863)		342	(2,445)	(1,925)
Non-operating						
Strategic initiatives	460	540	↓	(80)	1,015	555
Other non-operating income	(13,802)	(13,802)		-	(13,802)	(0)
Distributions	13,802	13,802		-	13,802	0
Depreciation	42	44		(2)	91	49
	502	584		(82)	1,106	604
Net surplus	(1,022)	(1,446)		424	(3,551)	(2,529)

Commentary

Operating income is up on budget with additional funds received for redeploying staff to other areas post cyclone. Other income reflects revenue received to administer the cyclone response.

iSite has seen an increase in retail revenue with the increase volume of people at the skatepark

Admin, operating costs are in line with budget.

Personnel costs are currently behind budget. There are currently three vacant roles in the economic development team.

Governance costs are down as a full year was budgeted for the independent investment committee. This will continue to be behind budget as the form and function of this committee will evolve through the strategy refresh.

Strategic initiatives are down on budget but the current workstreams will catch this up.