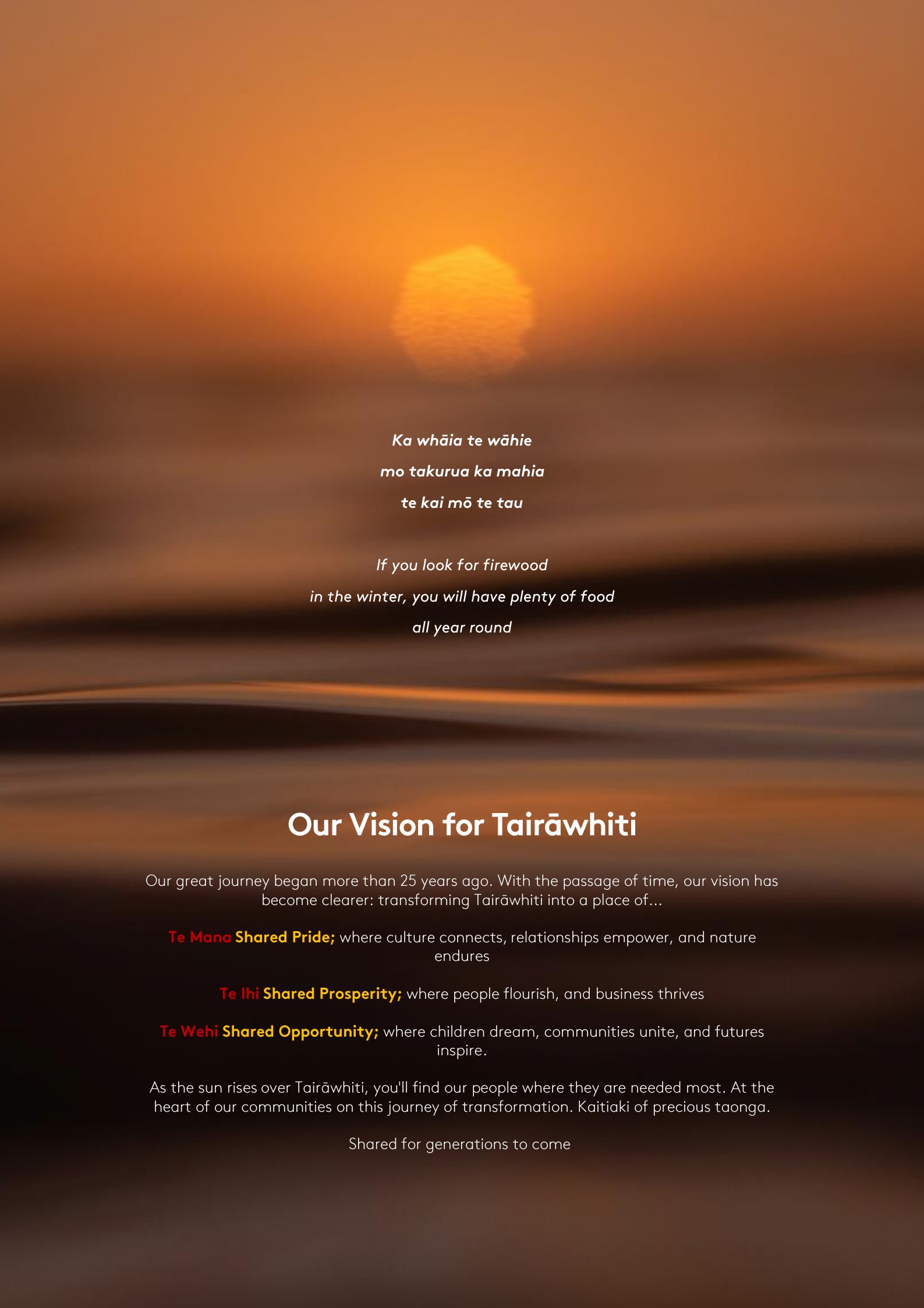


# Tauāki Whakamaunga Atu Statement of Intent

(This document is revised to reflect the initial impact of Covid-19 on Tairāwhiti and the priorities of the Trust)

July 2020



*Ka whāia te wāhie  
mo takurua ka mahia  
te kai mō te tau*

*If you look for firewood  
in the winter, you will have plenty of food  
all year round*

## Our Vision for Tairāwhiti

Our great journey began more than 25 years ago. With the passage of time, our vision has become clearer: transforming Tairāwhiti into a place of...

**Te Mana Shared Pride;** where culture connects, relationships empower, and nature endures

**Te Ihi Shared Prosperity;** where people flourish, and business thrives

**Te Wehi Shared Opportunity;** where children dream, communities unite, and futures inspire.

As the sun rises over Tairāwhiti, you'll find our people where they are needed most. At the heart of our communities on this journey of transformation. Kaitiaki of precious taonga.

Shared for generations to come

## Statement of Intent for 2020-2021

Trust Tairāwhiti is pleased to present its revised Statement of Intent for 2020-2021.

The foundation of the Statement of Intent reflects the purpose of the Trust Deed to:

- **preserve the value of the capital of the Trust fund**
- **provide for the beneficiaries**

Over the next five years, Trust Tairāwhiti will carry out the Trust's purpose by working with regional partners to invest in regional wellbeing, commensurate with the financial performance of Trust investments.

He Tohu Ora Regional Wellbeing Framework (He Tohu Ora) will underpin all activity of the Trust using three mechanisms - distributions, investment, and operations.

### **Distributions**

Enabling others to focus their efforts toward regional wellbeing through partnerships and funding distributions.

### **Investment**

Directing our capital investment opportunities and partnerships, including with Eastland Group Ltd investments, toward making a meaningful difference to regional wellbeing.

### **Operations**

Direct the Trust's operational investment in economic, tourism, and community development toward regional wellbeing. While these key drivers have made good progress in recent years with the Trust's support, further commitment is now required to strengthen economic and community resilience and maximise regional opportunities. The Trust will do this through its own funds and by advocating for additional external investment.

To achieve these outcomes, we are committed to developing meaningful and authentic relationships with key regional partners - Iwi (Ngati Porou, Te Aitanga a Mahāki, Rongowhakaata, Ngāi Tāmanuhiri, Gisborne District Council, industry and business, and communities.

Covid-19 and the ongoing economic impact will continue to challenge us all. The Trust's role in Rau Tipu Rau Ora, the Tairāwhiti recovery plan, and Tairāwhiti Economic Action Plan will remain high in our priorities. The Trust must continue to collaborate with other regional leaders to achieve the best possible outcomes for our communities.

# He Tohu Ora Regional Wellbeing

He Tohu Ora focuses on enhancing the wellbeing of all people, whānau, communities, and businesses of Te Tairāwhiti.

In 2018 Trustees wanted to understand how they could measure the impact and outcomes of the decisions they made, including the funding the Trust distributed into the region. They wanted to understand the impact as it related to wellbeing. Trustees recognised that authentic involvement with all sectors and communities of the region was critical to determine region-led outcomes and frameworks to measure those outcomes.

A literature review was undertaken, and findings were published in the report, Tū Ora ai Tātou - Living well together.

Tū Ora ai Tātou gave the Trust a baseline understanding of various wellbeing frameworks and a starting point to talk to people, whānau, communities, iwi, and businesses across Tairāwhiti about the things that matter most to them. Over nine months Trust Tairāwhiti facilitated comprehensive regional engagement with 1,200 people through focus groups, one-on-one interviews, presentations, and by attending community events.

The Trust is now in the final stages of designing the first iteration of He Tohu Ora. This involves linking the preliminary research, with the analysis of the regional engagement feedback and designing the outcomes and measures framework.

He Tohu Ora will underpin all activities of the Trust. It will inform and make transparent all decisions made throughout the organisation as well as to measure the impact of those decisions over time. The framework is not static but will be tested, improved, and enhanced as we begin to put it into action.

*He Tohu Ora Regional Wellbeing Framework will be launched at the Trust AGM, 30 July 2020. This document should be read alongside the framework from that point to assist with context.*

## He Tohu Ora Regional Wellbeing Framework

What we will do	What this will achieve
Finalise, test, evaluate, and refine our He Tohu Ora Regional Wellbeing Framework.	An effective Tairāwhiti-centric wellbeing framework that is relevant to our communities and businesses. The framework will include wellbeing outcome areas and impact measurements.
All Trust distribution, investment, and resourcing decisions are made within the He Tohu Ora framework.	Distribution, investment and resourcing decisions contribute to regional wellbeing outcomes.
Communicate to beneficiaries and other stakeholders that the Trust Tairāwhiti funding strategy is aligned with He Tohu Ora to achieve wellbeing outcomes.	Beneficiaries and other stakeholders understand that the Trust Tairāwhiti funding strategy is aligned to He Tohu Ora.

## Preserving the Capital of the Trust Fund

The following high-level work plans align with He Tohu Ora and the Trust Deed.

**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 of this deed, or any other losses sustained by the trustees.**

### Eastland Group

What we will do	What this will achieve
<ul style="list-style-type: none"> <li>Discharge shareholder obligations to the company and work with the company on specific projects.</li> <li>We are undertaking a triennial review resulting in greater alignment between Eastland Group Strategies, the Trust Deed, and our He Tohu Ora framework.</li> </ul>	<ul style="list-style-type: none"> <li>Preservation of Trust capital, having regard to inflation.</li> <li>Eastland Group is an active leader in regional infrastructure opportunities.</li> <li>Electricity and heat energy investments are made by Eastland Group as required to support wood processing.</li> <li>Work with Eastland Group to ensure the impact of Covid-19 is minimised in its business.</li> <li>Eastland Group deliver regional investments and developments that align with He Tohu Ora.</li> </ul>
Improve the availability of Trust liquid assets	<ul style="list-style-type: none"> <li>Ensure even-handedness between capital beneficiaries and income beneficiaries.</li> </ul>

### Investments

What we will do	What this will achieve
Develop and implement revised investment strategies that incorporate He Tohu Ora Regional wellbeing framework.	<ul style="list-style-type: none"> <li>Appropriate, risk-adjusted return on investment measures set for all investments.</li> <li>Investment return measures are aligned with He Tohu Ora outcomes.</li> <li>Specific investment policies reference and align to He Tohu Ora.</li> </ul>

## Risk Management

What we will do	What this will achieve
<ul style="list-style-type: none"> <li>Review risk management across all Trust assets regularly.</li> <li>Understand and respond to the issues/challenges faced by the region as a result of Covid-19.</li> </ul>	<ul style="list-style-type: none"> <li>Trustees and management have current information regarding risks across all Trust assets to make informed decisions.</li> <li>The Trust contributes to the regional recovery plan in response to Covid-19</li> <li>Issues/challenges faced as a result of Covid-19 have informed the organisation's risk profile.</li> </ul>

## Climate Leadership

What we will do	What this will achieve
<p>The Trust will focus on risks associated with climate change through actions committed to as members of the Climate Leaders Coalition. This will include:</p> <ul style="list-style-type: none"> <li>an emissions profile for the Trust (including Eastland Group)</li> <li>working with GDC to prepare a regional emissions reduction plan.</li> </ul>	<p>The emissions profile provides a clear pathway for reducing emissions. The Trust will have:</p> <ul style="list-style-type: none"> <li>Determined its emissions profile.</li> <li>Set science based GHG emissions reduction targets and identified the changes needed to meet the targets.</li> <li>Investment policies and funds are reviewed to align with climate change targets.</li> </ul> <p>Through the regional emissions reduction plan, the Trust will:</p> <ul style="list-style-type: none"> <li>Consider opportunities to support our communities to reduce their emissions</li> <li>Engage in community conversations regarding the impact of climate change on the region.</li> </ul>

## Regional Infrastructure and Operations – Best-for-Region Approach

### What we will do

Work with key regional partners to develop best for Tairāwhiti infrastructure solutions that:

- unlocks regional capital.
- Ensure key regional assets and operations, both existing and new, can be developed and built.

### What this will achieve

- The region gets the most effective and efficient delivery of key assets and operations.
- Regional collaboration delivers legal and capital structures to fund priority infrastructure and facilities.

## Gisborne District Council

### What we will do

- Update and execute funding and delivery of Memorandum of Understanding for economic development and tourism activity.
- The Trust will carry out those obligations defined by our Trust Deed as they relate to Council.
  - Notifying Council of all Trustees who have given notice of retirement, who are due to retire by rotation (including those seeking reappointment) or who are disqualified from acting as Trustees.
  - Delivering the Statement of Intent and Budget estimates.

### What this will achieve

- Deliver on our Trust Deed obligations.
- The Trust better understands our role as funding partners across community facilities and other regional infrastructure where appropriate.
- Economic Development, City Centre Vibrancy, and Tourism operations are aligned and best for Tairāwhiti.
- Contracts are updated and renewed in the financial year.

## Providing for the Beneficiaries

The following high-level work plans align with this purpose, extracted from the Trust Deed.

To provide for the beneficiaries in such manner as the Trustees shall from time to time decide including supporting business, community and other initiatives which are likely to encourage or sustain economic growth within the district.

## Economic Outcomes

### Economic Development

What we will do	What this will achieve
<b>Tairāwhiti Economic Action Plan</b>	
<ul style="list-style-type: none"> <li>Provide programme management support for the Tairāwhiti Economic Action Plan (TEAP).</li> </ul>	<ul style="list-style-type: none"> <li>The region's economic aspirations are clear, and our progress towards achieving actions and outcomes is transparent.</li> </ul>
<b>Wood Processing</b>	
<ul style="list-style-type: none"> <li>Grow and promote resilient and diverse wood processing capabilities in the region.</li> </ul>	<ul style="list-style-type: none"> <li>Tairāwhiti wood processing aspirations are agreed upon and supported by regional leaders, and the benefits are clear to our communities.</li> <li>The forestry sector continues to diversify from the current reliance on log exports to China.</li> <li>Significant new employment outcomes are created for our people in wood processing (growing jobs at the Prime site from 60 to 100+)</li> <li>A Tairāwhiti 'wood first policy' is driving greater use of locally processed wood in local construction, including in the housing strategy and community facilities implementation.</li> <li>An additional production line for Wood Engineering Technology being built, creating circa 25 new jobs.</li> <li>Creating jobs through new value-added businesses established on the Prime site using processed Tairāwhiti pinus radiata.</li> </ul>



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## Tech

- Work with existing and potential tech businesses to enhance the region's digital ecosystem.
- A strategy for Tairāwhiti tech aspirations has been agreed upon and is guiding decision making.
- Emerging tech ventures have produced viable business cases and are transparent about where they can access regional and government investment.

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## Innovation

- Work with food and beverage businesses, iwi, and regional leadership to develop a Tairāwhiti Food Innovation Strategy.
- The opportunities for value-added food and beverage production in Tairāwhiti have been identified, including:
  - Areas for supporting start-up businesses
  - Opportunities for businesses to collaborate on product development
  - Expertise and advice needed to support innovation and new product development.

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## Economic Insights and Engagement

- Prepare and publish regular regional economic data insights reports and dashboards
- Regional leaders and the business community have access to meaningful economic activity data and analysis to inform decision-making.
- Business and community sector engagement and surveying, enhanced during the Covid-19 lockdown, will continue to connect regional funding and provide support to areas of need and opportunity.

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## Employment

- Work with partners to better resource and implement the C.A.R.E. (Commitment Action Reciprocity Employment) workforce development plan.
- Local employers are well supported in filling their existing jobs and have a clear plan for future labour requirements.
- Deliver the Licence to Work Youth Employability Programme.
- Our local talent is supported to access sustainable employment.
- Over 100 students complete the Licence to Work programme with employability and work readiness skills each year.

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## Business Growth and Resilience

- Continue to grow our "shop local" retail campaign with active support and onboarding of businesses and consumers
  - Tairāwhiti Retail spend percentage growth outperforms comparative NZ regional retail sector
  - Continue to provide businesses access to knowledge, expertise and resources
  - Over 150 businesses in Tairāwhiti have accessed business development services.
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<p>available through the government Regional Business Partner (RBP) programme supported by NZTE and Callaghan Innovation.</p> <ul style="list-style-type: none"> <li>Continue to provide access to funding to support local business case development and execution.</li> <li>Continue to build our relationships and partnerships with Crown Research Institutes.</li> <li>Develop and enable a calendar of small business and start-up focused events and development opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Over 18 businesses have been matched with mentors, accessed business growth consultations, business training, and funding opportunities.</li> <li>Over 16 businesses have accessed Callaghan Innovation services.</li> <li>Ground-breaking ideas and business focused initiatives are supported to test viability, feasibility, and impact.</li> <li>Our business community is benefiting from the scientific research carried out by the CRIs.</li> <li>Increased attendance at events demonstrates businesses value the development opportunities provided by workshops and events and see potential for increased profitability and job opportunities.</li> </ul>
<p><b>Direct Investment Opportunities</b></p> <ul style="list-style-type: none"> <li>Enable business opportunities and employment by unlocking new development at Commerce Place.</li> <li>Continue to actively seek and be alert to new direct investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Up to three local businesses are supported to grow and at least at ten new jobs are created as part of Commerce Place developments for light industrial businesses.</li> <li>The Trust have enabled strategic projects and businesses that have the potential to make a meaningful impact on He Tohu Ora Regional Wellbeing.</li> </ul>
<p><b>Regional tourism marketing campaigns</b></p> <ul style="list-style-type: none"> <li>Focusing on high-value domestic visitors from "drive" and "fly" areas and focusing on unique Tairāwhiti storytelling.</li> <li>Joint-venture campaign activity with major national partners like Tourism New Zealand to extend our reach.</li> </ul>	<ul style="list-style-type: none"> <li>Visitor Spend performance (as a %) for the financial year performs above the national average, driving growth in business and employment opportunities.</li> <li>Air New Zealand frequency and seat numbers grow from zero base returning to peak season multiple daily departures.</li> </ul>
<p><b>Tourism industry development</b></p> <ul style="list-style-type: none"> <li>In partnership with Iwi, prepare a Tairāwhiti Tourism Strategy that responds to the challenges presented by Covid-19.</li> <li>Deliver the Gisborne i-SITE services.</li> </ul>	<ul style="list-style-type: none"> <li>Our regional tourism strategy aligns with Iwi tourism plans and aspirations.</li> <li>Our communities feel well engaged and informed about the future direction of tourism in Tairāwhiti.</li> </ul>

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#### Tourism experiences

- Retain and create quality tourism products and experiences.
  - Clearly understand the number of jobs linked to tourism and hospitality.
  - High level of i-Site customer service (measured by net promoter score) demonstrated a high level of visitor satisfaction.
  - Visitor products and experiences with Covid-19 challenges are supported. New experiences are developed if demand allows, creating employment opportunities.
  - Sustainable local employment pathways are understood and developed in tourism.
  - All tourism experiences live the TIA sustainability commitment, setting the platform for tourism to be a sustainable industry in Tairāwhiti.
  - Hospitality sector businesses, with Covid-19 challenges, are supported.
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## Community Outcomes

### Supporting Significant Wellbeing Projects

What we will do	What this will achieve
<p>Support our community and voluntary sector through the distribution of up to \$5 million to community groups and initiatives supporting He Tohu Ora outcomes and impact.</p> <p>Provide funding and resourcing to assist regional community facilities delivery.</p>	<ul style="list-style-type: none"> <li>▪ People, whanau, and communities thrive in Te Tairāwhiti. Our community's voices are integral to decisions that impact their lives.</li> <li>▪ A community facilities masterplan and implementation plan along with priority funding feasibility work has been completed with implementation underway.</li> <li>▪ The community facilities implementation plan identifies; clustering options, operational governance and management options, wellbeing outcomes, delivery model options, and lifecycle assessments.</li> </ul>
<p>Partner and collaborate with groups and agencies to work together and fast-track He Tohu Ora Regional Wellbeing outcomes.</p>	<ul style="list-style-type: none"> <li>▪ Identify and accelerate specific projects to address critical needs in the region.</li> <li>▪ Identify and accelerate specific housing projects to address critical housing need in the region, including undersupply of affordable, social and emergency housing as well as triggering private sector investment.</li> </ul>

## Budgets

The budgets presented below were agreed with Trustees in February 2020, which was pre Covid-19. Trustees will prudently manage these and may reprioritise focus to respond to the evolving Covid-19 implications.

### Trust Tairāwhiti

	<b>2021 Budget \$000</b>
<b>Revenue</b>	
Eastland Group interest and Dividends	10,000
Investment portfolio income	1,170
<b>Total revenue</b>	<b>11,170</b>
<b>Operating costs</b>	
Personnel	1,742
Administration	632
Marketing, Media, Communications, and Events Held	300
Governance costs	358
<b>Operating Costs</b>	<b>3,032</b>
<b>Operating Investment</b>	<b>8,138</b>
<b>Non-operating</b>	
Realised gains/(losses) on investments	-
Depreciation	(132)
Strategic and Economic Development Initiatives	(700)
<b>Net surplus before other inter-entity transactions</b>	<b>7,306</b>

The following is the investment the Trust will make this year to support economic activity. The budgets are separated below to show functional reporting and/or specific activity aligned to contracts held or key sectors. These budgets sit within the existing subsidiary legal entity Activate Tairāwhiti Limited, a 100%-owned limited liability company of Trust Tairāwhiti. During the year this entity will be renamed to Trust Tairāwhiti Ltd to reflect consistency with the Trust and its wellbeing work.

## Economic Development

	<b>2021 Budget \$000</b>
Revenue	667
Direct Expenses	20
<b>Gross Profit</b>	<b>647</b>
Personnel Expenses	1,010
Administration Expenses	164
Marketing, Media, Communications and Events Held	110
Governance costs	175
<b>Operating Costs</b>	<b>1,459</b>
<b>Operating Investment</b>	<b>(812)</b>
<b>Non-operating</b>	
Depreciation	33
Strategic and Economic Development Initiatives	500
<b>Net Investment before inter-entity transactions</b>	<b>(1,345)</b>

## Tourism

	<b>2021 Budget \$000</b>
Revenue - Other	870
Less Direct Expenses	307
<b>Gross Profit</b>	<b>563</b>
Personnel Expenses	1,003
Administration Expenses	144
Destination Marketing	630
Destination Management	82
Destination Development	105
City Centre Vibrancy events	80
Marketing, Media, Communications and Events Held	22
<b>Operating Costs</b>	<b>2,066</b>
<b>Operating Investment</b>	<b>(1,503)</b>
<b>Non-operating</b>	
Depreciation	59
Strategic and Economic Development Initiatives	330
<b>Net Investment before tax</b>	<b>(1,892)</b>

## What do the budgets mean?

The budgets above exclude Eastland Group Ltd operations and balance sheet. These will be incorporated from the 2021/22 statement of intent onwards once timeframes are aligned. The budget shows that the Trust expects to earn \$11.2 million from Eastland Group and other investment income. The Trust will spend this on operating the Trust and strategic initiatives, leaving \$7.3 million available for the benefit of beneficiaries, including economic development.

This is added to the current fund, that has built up over the life to date of the Trust, that is available for the benefit of beneficiaries. This fund can be used for the benefit of beneficiaries through to the termination date of the Trust in 2073. Although this is available to benefit income beneficiaries, the trust does not have all this in cash or cash equivalents.

<b>Forecast trust fund available to benefit income beneficiaries to 2073</b>	<b>\$000</b>
Forecast 2020 amount available for Income Beneficiaries	128,118
Add net Trust surplus	7,306
	<b>135,424</b>

The Trust remains committed to delivering economic development outcomes for the region and plans to invest into economic development initiatives and tourism development. These investments aim to provide employment opportunities for beneficiaries of the Trust.

<b>Forecast trust fund available to benefit income beneficiaries to 2073</b>	<b>\$000</b>
2021 amount available for Income Beneficiaries	135,424
less investment into regional economic development financial year 2021	(1,345)
less investment into developing regional tourism financial year 2021	(1,892)
<b>Amount expected to be available prior to distributions</b>	<b>132,187</b>

Trustees constantly assess the balancing of income beneficiary distributions now and into the future, with capital preservation, to ensure they are even-handed in executing their duties as trustees.

Trustees prudently manage funds and distributions to balance the need of current and future beneficiaries while maintaining reserves to allow them to respond in times of need in our communities.



Tātau



Tātau