

Chief Executive Open Report

Submitted by: Gavin Murphy, CEO

Purpose: This paper updates trustees on progress towards delivery of Trust priorities as outlined in Tākina te Kawa – our Statement of Intent 2022-23.

Recommendation: Trustees **note** the report as received.

Future Generations

We will play a leading role in ensuring that future generations benefit from the assets of the Trust and from a more resilient region.

Trust capital and ownership of Eastland Group

Eastland Group capital structure review

Joint work continues on the capital structure review of Eastland Group.

Trust financial performance

	Apr YTD Actual \$000	Apr YTD Budget \$000	Var \$000	Mar YTD SOI Budget \$000
Income				
EGL Interest & Dividend	99	99	-	10,000
Investment Income	115	61 	54	740
Other Income	208	208	0	2,500
Other Investment Income	-	-	-	-
Total income	422	368	54	13,240
Costs				
Admin and operating	102	117	15	1,670
Communications	6	25	19	320
Personnel	160	189 	29	2,443
Trustee	40	34	(6)	436
Total costs	308	365	57	4,869
Operating surplus	114	3 	111	8,371
Realised/Unrealised gains/(loss)	10	-	10	-
Depreciation	(11)	(10)	(1)	(114)
Distributions enabling others	(52)	- 	(52)	-
Surplus before other subsidiary transactions	61	(7)	68	8,257

 Ahead of income or behind in expenditure by \$20k or more

 Behind in income or ahead in expenditure by \$20k or more

- Investment income is ahead of budget and too early to determine if this is just timing of income or from improved portfolio performance.
- Other income relates to the on charge to Trust Tairāwhiti Limited for operating costs.
- Administration costs include strategic initiative costs.
- Personnel costs are behind budget due to vacant roles and timing of recruitment.

Trust financial position

	Apr YTD Actual \$000	Mar 2022 \$000
Assets		
Current assets		
Cash & Equivalents	9,674	10,399
Receivables	109	138
Other receivables	728	401
Current assets	10,511	10,938
Non-current assets		
Inter Group	98,506	96,687
Plant and vehicles	641	639
Other investments	41,921	42,178
Non-current assets	141,068	139,504
Total assets	151,579	150,442
Current liabilities		
Account & Sundry Payables	(6,199)	(6,543)
Payroll payables	(108)	(101)
Tax payable	641	2,098
Current liabilities	(5,666)	(4,546)
Net assets	145,913	145,896
Equity		
Capital	20,000	20,000
Revaluations	12,908	13,166
Retained earnings	113,005	112,730
Total equity	145,913	145,896

Climate Change Leadership

The Trust is working to improve sustainability in all our operations. We are also partnering with regional leaders to support Tairāwhiti to develop a low emission economy in an equitable and just way.

The final data of the Trust and Company's emissions profile for FY22, aligned to our Climate Leaders Coalition commitments (21% reduction in CO₂te by FY 2026), is nearly complete and will be published as part of our annual reporting and commitment to public disclosure. This data will also be used to set specific Trust and Company actions for the new 2022-23 year.

The Climate Leaders Coalition is reviewing its Charter and once agreed, we will re-commit and use this alongside the data to establish our 2022-23 action plans.

A scoping proposal to support the joint 'Just Transition Plan' with GDC has been received and reviewed. The GDC and Trust lead managers will meet to approve it and begin this part of the work plan.

Enable Community Initiatives

Communications on community funding

Applications approved at the May 2022 meeting

- i. Approved a distribution of income to Eastland Network Charitable Trust of \$2,000 for Perinatal Anxiety and Depression Aotearoa towards delivery of seminar for Tairāwhiti providers and voluntary groups; and
- ii. Approved a distribution of income to Mangapapa Kindergarten \$9,900 towards the kaitiakitanga kaupapa that supports the completion of health and safety to meet early childhood licencing requirements.

Economic Development

We work with Tairāwhiti businesses and industry to support an innovative, inclusive, and circular economy with opportunities for well-paid jobs.

This report captures the quarterly economic overview and is the focus of economic development reporting this month.



Economic activity is starting to run out of energy as the impacts of Omicron, supply chain disruption, inflation and interest rates start to lag on the economy. Tairāwhiti has fared better than the rest of NZ with strong commodity prices reinforcing the strength of our primary economy which often sees Tairāwhiti reacting more slowly to economic contractions.

Traffic flows in Tairāwhiti, when compared to the rest of NZ, are reflective of a reduced level of lockdown impact in 2021 so our traffic flow increases, when comparing 2022 against 2021, haven't been as marked as the rest of NZ.

Consumer spending grew 4.6 percent in the year to March, a slower rate of growth than the rest of NZ. Given inflation is running at 6.9 percent, it suggests spending is coming off previous highs which might signal more difficult times ahead for businesses reliant on consumer spending. Tourism spending also suffered from the disruption of Omicron to domestic travel plans through February/March along with the uneven effects of lockdowns on the comparative year-on-year data.



The job market and employment continued their growth trajectory this quarter. NZ employment is in a growth phase and Tairāwhiti continues to outpace our peers with a 2.9 percent year-on-year increase to employment, and jobseeker support recipients dropping a significant 11.1 percent which is leading the country. Unemployment continues to drop in line and is closing the gap to the rest of NZ at 3.9 percent.



Tourism expenditure is up, however the spend increase is lower than the rest of the country. It is expected that with the borders open that an increase in expenditure in this region will occur, with 21 cruise ships are booked for this summer season.



The most positive news from the March quarter has been the response to our housing crisis with building activity riding at all-time highs. The arrival of social housing builders such as Iconiq and Peter Dow have supplemented our incumbent building capacity. The recent announcement of the Builtsmart offsite manufacturing facility for Toitu Tairāwhiti Housing will see this data accelerate even further in the back half of 2022 however offset by the significant challenges around the supply of building materials.

Economic development financial performance

	Apr YTD Actual \$000	Apr YTD Recst Bud \$000	Var \$000	Mar YTD SOI Budget \$000
Income				
Contract and trading revenue	112	107	5	1,323
Direct costs	(18)	(29)	11	(342)
Gross profit	94	78	16	981
Costs				
Administration	255	257	2	3,403
Regional marketing, development and events	64	60	(4)	621
Personnel	112	138	26	1,690
Independent Investment Committee	4	15	11	175
Total costs *	435	470	35	5,889
Operating surplus	(341)	(392)	51	(4,908)
Unrealised gains/(loss)	-	-	-	-
Depreciation	(8)	(7)	1	(81)
Surplus before other subsidiary transactions	(349)	(399)	52	(4,989)

 Ahead of income or behind in expenditure by \$20k or more.

 Behind in income or ahead in expenditure by \$20k or more.

Commentary

Income is in line with expectations.

Direct costs relate to iSITE retail costs and on-behalf tickets purchases.

Administration costs include strategic initiative costs.

Regional marketing, development and events relate mainly to tourism activity.

Personnel costs are behind budget due to vacant roles and timing of recruitment.

Independent Investment Committee fees have been allowed for the full year a proposal on the appropriate structure and re-establishment alongside the strategic investment review will be provided at next months meeting.

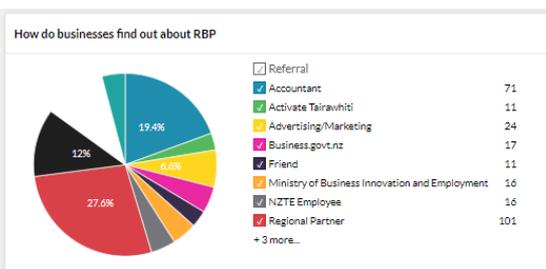
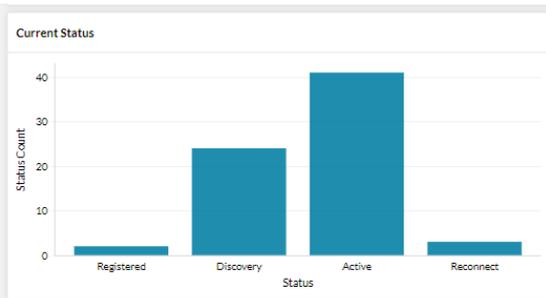
Business services and training

The annual RBP funding allocation of \$200,000 for business capability building has now been distributed to businesses. The team have been successful in securing a

further \$20,000 for Tairāwhiti businesses and the majority is now forward committed for distribution by end of June. Support will continue to be provided to businesses through other channels.

Businesses Registered	Identify as Maori Business	Current Businesses Engaged	Number of businesses trained	Total Workforce
578	154	70	122	3001

RBP - Geographical location based on postal code



Notes:

Engagements over the past month have been largely focused on innovation. Groundwork done throughout the year has started to pay off and there has been a flurry of activity including new applications for Callaghan Innovation grants and services, and MPI Sustainable Food and Fibre Futures.

The delivery of business and innovation support continues to track well for the period 1 July 2021 (programme annual commencement) to date.

- Growth advisors have engaged with 222 businesses of which 27% self-identify as Māori businesses. This includes those who have completed a full customer journey (needs analysis, action plan, and follow up) and those currently active. Note this doesn't capture the volume of consecutive / reoccurring customer engagements which are included in the dashboard above.
- 84 businesses have/are receiving capability funding totalling \$200,701.15

The current data sets are limited due to the current technology; we are currently working towards a new platform which will allow better data reporting, for example includes the number of engagements by business types, length of engagement etc.

- Of the 578 (575 last month) registered, 154 (153) self-identify as Māori 26.6% (27) (we know this to be under-reporting). This does not include repeat engagements with registered businesses; only the unique new registrations and business that identify as being māori, and that meet the specific criteria to be counted by the trust.
- Current businesses engaged is the number of businesses we are actively working with to develop capability.
- Total workforce count of employees is reliant on businesses populating their system profile with number of staff. We continue to work with customers to improve the accuracy of this field for our reporting and to provide us better insights.
- Capability development topics are the names of services customers are being booked on. This highlights prevalent business needs and trends.
- How business find out about RBP. Note that 'accountant' represents service providers, and 'Regional Partner' represents TT growth advisor referrals.

Business insights, events and collaborations

The Supply Chain Management workshop due to be facilitated by Productivity People was scheduled within May but has now been postponed due to low uptake. A clear sentiment was evident in responses received from businesses who gave their apologies that they are having to dedicate their reduced workforce to 'keeping the lights on' and are 'all hands on deck' trying to get back to optimum levels of operating. Both inability to employ new staff and staff away sick were frequently noted. With the year (or two) that has been, businesses appear to be retreating internally, planning and prioritising their valuable resources, and focusing on getting the mahi done.

The Supply Chain Workshop facilitated by Productivity People has been postponed. A new date is to be agreed inline with a 'rethink' of our approach to events for next 12 months given the sentiment observed recently.

The business growth team are working up plans for a six-part workshop series in partnership with the Sustainable Business Network. A meeting was held with the Chamber of Commerce to review and align climate action initiatives and this continues to progress. We have also attended two Tairāwhiti Emissions Reductions Group meetings where planned activity has been presented and discussed.

Upcoming Events

- Supply Chain Workshop with Productivity People – new date TBC
- Climate Action Support Programme for SME's – currently being planned with Sustainable Business Network to begin in June / July.

Regional workforce development

Employment Projects

Mayoral Taskforce for Jobs (MTFJ)

Workforce advisors are continuing to work with Manaaki Taiohi to place work ready NEETs into employment. To date, the workforce advisors have received nine work ready referrals with five securing full-time employment. One NEET is currently out of region completing training with confirmed employment back in Tairāwhiti on completion. The workforce advisors have secured a two-week paid work trial within the building industry for a young man which will turn into full time permanent employment. No new referrals have been received for the month of May from Manaaki Taiohi.

Workforce Development Plan Implementation

Workforce advisors have continued to meet with the Regional Workforce Development Plan priority sectors (Horticulture, Forestry, Civil Construction, Tourism, Transport & Logistics).

Meetings have been held with industry leads from these sectors to follow up on the approved key actions from CARE and identify any further workforce development challenges.

Trust Tairāwhiti and the Regional Skills Leadership Group have been working together to combine the CARE RSLG work programme.

Build the Whare – Career Event

The Build the Whare secondary school vocational pathway event is confirmed for 18th August and planning is well underway. This is a collaborative event being organised and run by Trust Tairāwhiti and EIT.

Great Employer Project

Many employers across the region have difficulties attracting and retaining the right talent. The Great Employer Project is a pilot where the workforce advisors have reached out to five good employers across a range of sectors to help develop this programme. To date all employers have confirmed their willingness and commitment to workshop this pilot going forward. The first workshop will run on Tuesday 31st May.

Sector enhancement – digital and technology

Digital Technology Strategy Engagement

The first workshop, facilitated by the Kerry Topp Collective is scheduled for 2 June. Considerable effort is being directed at ensuring we have a diverse and appropriate audience contributing.

Techweek 2022

Techweek 2022 was held via a livestream event on 20 May and provided quality content and technical delivery. It also offers appropriate whakaaro as we enter into strategy engagement.

A highlight reel is available [HERE](#) and full six hour broadcast is available [HERE](#). The full stream has been chapterised, so viewers are able to skip to relevant content easily.

The focus is now on generating conversion off the back of the broadcast. At the time of writing there were 412 views of the broadcast and over 60 hours of footage streamed.

NZ Tech were impressed with the quality and content and we are in the process of having it uploaded to the Stuff: Play platform.

A full report on engagement will be made available in the next Board cycle.

NZ Tech Story

NZ Tech, NZTE and NZ Story facilitated a 'We See Tomorrow First' workshop at the Rose Room on 26 May. The workshop provided development to businesses using the toolkit available on the website.

Engagement from the community wasn't quite what we had expected, with a turnout rate of less than half of those who had registered. Weather and COVID were contributing factors.

The whakawhānaunga benefit of the workshop was particularly powerful, connecting individuals with the various agencies.

Feedback received from facilitators below:

Regional Tourism

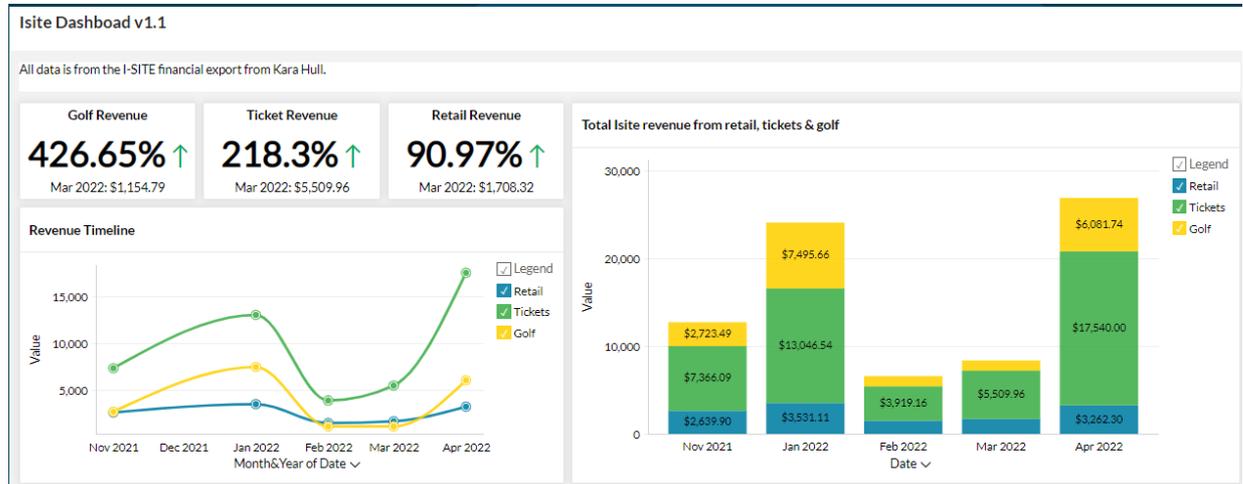
Trust Tairāwhiti Tourism worked in partnership with both Qualmark and Tourism New Zealand to bring two workshops to region.

Workshop one, Digital Capability, was delivered by Maverick Digital in partnership with Qualmark. The essence of the workshop was digital best practice covering website optimisation, content marketing, SEO, social media and more. Following the workshop Maverick Digital are working one-on-one with operators to create digital strategy, teaching the specifics to take ownership of their digital success. Six operators attended this workshop.

Workshop two, Sustainable Pricing & Packaging Programme, was delivered by Tourism Recreation Conservation (TRC) in partnership with Qualmark and Tourism New Zealand. The workshop covered key learnings such as what sustainable pricing looks like, what packages might work to strengthen the destination's DNA and opportunity to create more compelling reasons to visit Tairāwhiti. Work is being conducted by Tourism Partnership & investment Lead and TRC to debrief and create follow up to the workshop that fits the needs of the operators. Six operators attended this workshop.

The Chardonnay Affair was held Friday 27 to Sunday 29 May. Chardonnay in the Vines had 100 attendees and 130 on Saturday at Bushmere Estate. Approximately 200 people travelled from out of region to attend one or more of these events. The Chardonnay Express on Sunday attracted around 100 attendees.

i-SITE



As you can see the revenue from the i-SITE has increased in April with people starting to move around and participate in activities now that the borders are open.

Operationalising He Rangitapu He Tohu Ora

We support people and communities of Tairāwhiti to understand and apply He Rangitapu He Tohu Ora.

Data governance and management

We had a successful trip to Wellington spending three days in the Department of Statistics IDI (Integrated Data Infrastructure) data lab alongside Kōtātā Insights.

Through a collection of time series NZ General Social Survey data, the headline indicator information for He Rangitapu He Tohu Ora is up to date.

Once the data tables are analysed, we will release a current indicator set across the framework.

Tairāwhiti Wellbeing Survey

The regional wellbeing is complete and ready to go live. The survey communications campaign development is underway.

Community capability

Completed a workshop with a small group of our fund recipients discussing the impact report testing. Worked through the end-to-end process and the intent of the report going directly to people in our communities who are accessing the services, programmes or projects that the Trust funds.

Some groups are proactively engaging to find out about the impact of their programmes and we are able to incorporate our questions into their existing tools.

Further work on the automation of the report as part of the grant or investment agreement, as well as the communications to support this is underway.