

Chief Executive Open Report

Submitted by: Gavin Murphy, CEO

Purpose This paper updates trustees on progress towards delivery of Trust priorities as outlined in [Tākinga te Kawa – our Statement of Intent 2021-22](#).

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

Dashboard

Delivering the trust purpose through to 31 March 2021

Preserved Capital



Current financial year to 31 August 2021

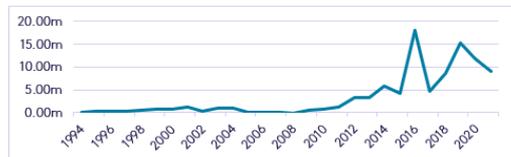
Targeted preservation of capital

To preserve capital in line with the Trust deed, capital needs to grow by



Providing for beneficiaries

Annually



Cumulative



Providing for beneficiaries

Community initiatives



31 organisations supported to date

\$1.23 million of distributions approved to date



	Act.	Bud.
Revenue from external services	1,028	891
Economic development costs	(2,079)	(2,188)
Net invested in operations	(1,051)	(1,297)



\$0.67 million directly invested to date

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

Capital ownership review

The AGM and annual report informed beneficiaries that the Trust and Eastland Group are in the early stages of reviewing Eastland Group's capital structure. Beneficiaries will be engaged once this has advanced.

Trust financial performance

Trustees approved the SOI budget, which is shown in total in the last column. This has been recast since the organisation review and is shown in total next to the SOI budget. Actual results have been compared to the recast budget and the commentary following talks to the key highlights.

	Aug YTD Actual \$000	Aug YTD Recst Bud \$000	Var \$000	Mar YTD re-cast Budget \$000	Mar YTD SOI Budget \$000
Income					
EGL Interest & Dividend	503	503	-	10,000	10,000
Investment Income	511	313 	198	750	750
Other Income	375	375	-	900	900
Other Investment Income	(3)	-	(3)	-	-
Total income	1,386	1,191	195	11,650	11,650
Costs					
Administration *	427	465 	38	1,313	1,514
Communications	97	157 	60	284	365
Personnel	707	1,241 	534	2,888	1,958
Trustee	166	197 	31	432	432
Total costs	1,397	2,060	663	4,917	4,269
Operating surplus	(11)	(869)	858	6,733	7,381
Unrealised gains/(loss)	126	- 	126	-	-
Depreciation	(55)	(55)	-	(127)	(150)
Surplus before other subsidiary transactions	60	(924)	984	6,606	7,231
* The key strategic initiatives included in the above are:					
TT Wellbeing Survey	59	65	6	80	80
Eastland Group Strategic Ownership	-	40 	40	230	230
Tairawhiti Inc	-	17	17	41	240
Climate Leaders Coalition	-	-	-	35	34
Tax and investment reviews	-	-	-	29	29
General Strategic initiatives	16	48 	32	115	29
Total key strategic costs	75	170	95	530	642

 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 well ahead of budget because of better performance and a higher base portfolio balance. The portfolio is higher than budget because we haven't transferred funds back to BNZ yet. The transfer of funds is a timing issue which will result in better income returns for the year.

- Other income relates to the on charge to Trust Tairāwhiti Limited for operating costs.
- Administration costs include strategic initiative costs.
- Communication costs are tracking behind budget due to timing and expected to correct once engagement begins.
- Personnel costs are significantly behind budget. The budget allowed for all roles being filled from 1 April and because of the timing of the review and recruitment process, some of the roles remain unfilled. Management will perform a six-month reforecast in November to determine the likely year end costs.

Trust Financial Position

	Aug YTD Actual \$000	Mar 2021 \$000
Assets		
Current assets		
Cash & Equivalents	5,004	10,132
Receivables	121	203
Other receivables	1,742	480
Current assets	6,867	10,815
Non-current assets		
Inter Group	90,244	87,172
Plant and vehicles	672	693
Other investments	49,619	47,143
Non-current assets	140,535	135,008
Total assets	147,402	145,823
Current liabilities		
Account & Sundry Payables	(6,651)	(7,863)
Payroll payables	(113)	(87)
Tax payable	645	1,276
Current liabilities	(6,119)	(6,674)
Net assets	141,283	139,149
Equity		
Capital	20,000	20,000
Revaluations	17,489	15,029
Distributions	(1,068)	(1,520)
Retained earnings	104,862	105,640
Total equity	141,283	139,149

Climate change leadership

The Trust has committed several climate leadership success factors for 2021/2022.

- In partnership with Eastland Group, we are on track to reduce its GHG emissions by 21 per cent by 2025. Note that Eastland Generation has a separate net zero target.
- Trustees and staff can explain why we are climate change leaders and how our work is contributing to a circular, low carbon and climate resilient Tairāwhiti.
- The balance of TT managed funds represents best practice against Environmental Social & Governance (ESG) investing criteria – we have divested from fossil fuels and moved to climate positive investment.
- Tairāwhiti businesses and communities are supported to reduce emissions and build climate resilience.
- The region's move to a low emissions and circular economy is supported in an equitable/just way.

Meeting our greenhouse emissions targets

This target is linked to our Climate Leaders Coalition commitment, jointly undertaken with Eastland Group. The Trust is expecting the 2020/21 emissions profiling results from Eastland Group in October. This data will be made publicly available and inform how both organisations take action to meet the joint target of reducing emission by 21 per cent by 2025. The Trust continues to migrate its vehicle fleet in line with its electric vehicle first policy.

Trustees and staff training and awareness raising

Staff will participate in the Sustainable Business Network (SBN) climate action workshops (referred to in more detail below) to develop Trust's operational responses to climate change and to build awareness. As broader organisation development plans are developed this kaupapa will be part of the programme and incorporate staff and governance training.

Moving to climate positive investment

Craig's have reviewed the investment portfolio with some initial climate positive steps made in relation to holdings. The Audit and Risk Committee asked management to undertake a full review and bring recommended changes to the statement of investment policy along with holding changes to the November or December Trust meeting.

Supporting businesses and communities to reduce emissions and build resilience

Business climate sentiment survey - The Trust funded the Gisborne Chamber of Commerce (GCC) to survey of 100 Tairāwhiti businesses about their views on climate change. The survey are now being analysed.

Climate action toolbox workshop - The Trust is also partnering with the SBN to host and promote a workshop for Tairāwhiti businesses on how to use the recently developed Climate Action Toolbox for small businesses. This [toolbox is available on the Business.govt.nz](#) website and is supported by NZTE, Waka Kotahi and EECA. The workshop will be free with funding from the British High Commission and will likely be held in late

October. The workshop is planned as a key component in the programme of support for Tairāwhiti businesses to take climate action. The event is supported locally by GCC and the business-led climate action group, Tairāwhiti ER. Trust staff will also participate in the workshop and generate a climate action plan for the organisation.

Supporting the regional shift to a low emissions and circular economy

Tairāwhiti Just Transition Plan - Trust and Gisborne District Council are scoping the delivery of TEAP Action 9.1: 'Develop a Tairāwhiti Just Transition Plan which sets out the roadmap for transitioning to a zero emissions economy'. A scoping report with delivery timeframes will be presented to the November board meeting.

Go Circular 2025 launch - On 22 September, the SBN released its Go Circular 2025 programme. Promoted locally by the Trust, the Go Circular programme provides practical tools and resources to help Kiwi businesses thrive in a local carbon circular economy. A circular economy is based on the following principles:

- designing out waste and pollution
- keeping products and materials in use
- regenerating natural systems.

Staff are exploring how the SBN Go Circular programme can support the Trust's circular economy priority in its strategic plan.

The draft National Emissions Reduction Plan will be released for consultation in October. A summary of the draft plan will be presented to the November board meeting.

Regional infrastructure

Community facilities

The Tairāwhiti Adventure Trust started the skatepark redevelopment project when Gisborne moved to Covid Alert Level 2. Conversations have been had with Whakarua Park Trust Board and Gisborne Netball Centre.

Economic Development

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

Insights and regional collaboration

The business growth team provided essential communications to businesses throughout Alert Level 3 and 4, with a focus on government and industry support available to businesses.

The team also worked on the Trust's online survey to capture the impacts of lockdown on local business owners and operators. The survey was open from 20 August to 7 September and asked the same questions as our April 2020 lockdown survey so the impacts could be compared. The results indicated businesses felt more comfortable in this lockdown than the last, revenue and short-term cashflow were greatest impacts and the most requested area of support was digital enablement. About 71 per cent of respondents had accessed the wage subsidy and or the resurgence payment. The full survey findings are available [here](#).

Our response:

- We're in the early stages of digitising our business support. The platform will serve as a central location for information, digital tools and resources. Businesses will self-navigate to services and programmes relevant to their needs.
- We're increasing the promotion of Digital Boost and supporting businesses through capability funding for digital enablement, marketing, and financial management.
- We're adapting events and initiatives to address the key themes and preferred delivery formats highlighted in the survey.

The team has also been working with the Wellbeing and Impact team to start regular and accurate impact reporting.

Economic development financial performance

Financial performance

	Aug YTD Actual \$000	Aug YTD Recst Bud \$000	Var \$000	Mar YTD re-cast Budget \$000	Mar YTD SOI Budget \$000
Income					
Contract and trading revenue	1,020	891	129	2,417	2,069
Direct costs	(146)	(143)	(3)	(342)	(342)
Gross profit	874	748	126	2,075	1,727
Costs					
Administration	891	784	(107)	1,954	1,719
Regional marketing, development and events	270	372	102	1,054	1,348
Personnel	678	771	93	2,004	2,311
Independent Investment Committee	43	73	30	175	175
Total costs	1,882	2,000	118	5,187	5,553
Operating surplus	(1,008)	(1,252)	244	(3,112)	(3,826)

Unrealised gains/(loss)	-	-	-	-	-
Depreciation	(51)	(45)	6	(104)	(90)
Surplus before other subsidiary transactions	(1,059)	(1,297)	250	(3,216)	(3,916)

Commentary

Income is ahead of budget due to the additional contract revenue to deliver Te Ara Tipuna cycleway project. This is also reflected in higher costs.

Direct costs relate to iSITE retail costs and on-behalf tickets purchases. Administration costs include strategic initiatives and are tracking above budget mainly due to the Te Ara Tipuna project.

Regional marketing, development and events are tracking slightly behind budget.

Personnel costs are behind budget. The budget allowed for all roles being filled from 1 April and because of the timing of the review and recruitment process some of the roles remain unfilled. As previously noted, management will perform a six-month reforecast.

Independent Investment Committee is behind budget as not all the positions have been filled.

Tairāwhiti Economic Action Plan (TEAP) programme management

The BDO report on the implications of permanent carbon farming in Tairāwhiti has proved to be a catalyst for considerable discussion amongst the stakeholder consultation group that provided feedback on the draft report. Our focus is now on continuing the regional discussion and gaining consensus on workstreams to support decision-making on permanent carbon farming in Tairāwhiti. The release of the BDO report coincided with a national interest and debate on the implications of permanent carbon farming nationwide.

The TEAP Operations Group met in early August. The agenda included a presentation from Kirsten Corson on the eMaaS (eMobility as a Service) Sustainability Mobility for all New Zealanders social enterprise proposal to government (attached). With the conditional support of Eastland Group and Trust Tairāwhiti, the proposal includes Tairāwhiti as a pilot region. The TEAP Operations Group agreed to offer its regional support for the proposal. A decision timeframe has not been provided by central government however a response is expected imminently. The proposal aligns with the TEAP commitment to support Tairāwhiti becoming a decarbonised and more circular economy.

Kerry Topp and Jared Johnstone gave a presentation on the development of a Digital and Technology Strategy for Tairāwhiti. This strategy proposal was endorsed along with the request that the TEAP Operation Group be provided regular updates as the strategy is developed.

A second TEAP Operations meeting was held at the end of August, focusing on:

- the need for more members representing business, with TEAP co-chairs tasked with contacting a small number of potential new members
- providing input into the 'Taste of Tairāwhiti v2' regional investment plan for central government. This plan is being prepared by Habilis Consultants and will be signed off by the RTRO governance group before being pitched to Ministers later in the year.

Regional workforce development

Workforce Development Plan

The 104 actions of the Workforce Development Plan have been consolidated and grouped into projects. The projects are:

- Great Employer, Employee and Workplace Culture Project
- Social and environmental procurement
- School engagement
- Tertiary and training
- Sector intelligence and increasing industry profile
- Pastoral care and employment programmes
- Recruitment campaigns

Sector and industry representatives have been engaged and tasks are being assigned and prioritised. Trust Tairāwhiti is leading the Great Employer, Employee and Workplace Culture Project

Great Employer/Employee and Workplace Culture Project

This project is aimed at building employer capability. This will be achieved by showcasing good employer practice to create great workplaces which will in turn enables them to access and retain local talent.

Licence to Work (LTW)

Alert Level 2 has seen students return this week and facilitators have started delivery of the programme.

Game of Life 2022

Planning for the next Game of Life 2022 is well underway, with around 800 students on board for next year. Tenders will open soon for the Ministry of Education's new programme to fund student and industry events across NZ. This is based on the Game of Life model which has received acclaim in Wellington.

Sector enhancement – wood processing

CEO Closed Report.

Sector enhancement – digital and technology

Engagement on the regional digital strategy, being led by the Trust, was temporarily on hold due to lockdown and Covid Alert Levels. We plan to begin engagement from 14 October, subject to alert levels for Auckland and Tairāwhiti. A decision will be made by 30 September and management will update the board.

Sector enhancement – food and beverage

No public update this month.

Small to medium business services and training

The business growth team welcomed Midge Te Kani into her new role as Manager Regional Business Growth.

Nine Callaghan Innovation student experience grants were approved. Businesses receive the equivalent of 400 hours of living wage to employ a student to work on their research and development projects over the student's summer break.

Two Business Mentor matches were made in the past month and more than 65 business were engaged with through the RBP programme. Some received targeted services through capability funding, Callaghan Innovation, Business Mentors and other referrals or connections.

The team experienced some increased business enquiries over lockdown, however much less in comparison to 2020 – largely due to the government not using the RBP to deliver Covid-19 specific support this year.

Planned events include:

- Strengths Based Management, a 5-part workshop series starting in October
- Lean Workshop on 21 October
- Business Mentors – Mentor Networking with BM CEO on 8 December

Regional promotion

The Gisborne i-SITE opened for face-to-face customer enquiry from Level 2. In line with the TT Pandemic Plan, new measures were introduced to ensure compliance and safety for staff and customers.

Visitation has been slow. The team leader is investing time in staff-training for the upcoming peak season.

Planning for the summer 2021-2022 shoulder season marketing campaign continues and is being updated to ensure adaptability for any Covid-19 resurgence.

Activity will begin in October and through to 26 April 2022, when the shoulder season concludes. The bulk of campaign media spend will fall in the mid-January to March period.

Regional tourism systems and partnerships

Destination Management Planning (DMP)

Engagement for the DMP began on 20 September with one-on-one meetings with key partners in preparation for wider-scale engagements in the new year.

Engagement included visiting key locations along SH35 with specialist support from TRC along with an online survey to capture feedback from participants that were unable to attend.

Community Initiatives

We enable the people of Tairāwhiti by supporting initiatives that will deliver impact and outcome.

Funding applications

See paper provided (agenda item 3.4.e)

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 continue to work through business processes internally to systematise data capture and visibility across the organisation.

Tairāwhiti Wellbeing Survey

Our recent lockdown and subsequent move down alert levels has changed the potential dates for the survey to go live and the nature of engagement and communications.

We are mindful the delay means we are approaching end of year events leading into Christmas. We are mapping out an extended timeline to see whether it is feasible to roll out the live survey early next year. At this stage, we think early in the new year will mitigate any end of year clashes and will allow us more time to consider our testing results and feedback.

Community capability

There is a growing desire from community groups and businesses to understand how to view impact and steps to enhance how they describe impact. There are also many ways to gather evidence for the positive outcomes they are trying to influence. The Trust is first working with recipient groups who have told us through their application what their outcomes and ultimate impact is. As part of this they have also told us how their outcomes align to He Rangitapu He Tohu Ora. We are working through what data they already capture to support their outcome statements and what gaps in data they might have. We are then working through how they can connect the data they are capturing for their outcomes to inform how we understand our impacts as a Trust.

For under \$10,000 investments, we are close to finalising an impact report made up of six questions that will be provided to all recipients during the grant agreement stage. These questions will allow groups to describe their outcomes and capture measures that connect to the positive changes people experience by the services, programmes or projects they do. These questions will also include the use of photos, video and moving image.

For our bigger investments we will use the same baseline questions as the under \$10,000 but will expand on these depending on the nature of the programme/project, the budget and surrounding factors that are important to understand i.e. infrastructure projects like community facilities will consider the environmental impacts of their projects.

Appendix 1. Media Summary

CE Open – Trust Tairāwhiti media mentions
21 August 2021 - 21 September 2021

[Shorter lockdown a relief - The Gisborne Herald](#)

From Gisborne Herald

Published 12:16 20/09/2021

LOCKDOWN IMPACTS: According to a survey conducted by *Trust Tairawhiti*, the greatest impact areas on businesses for this latest lockdown are revenue and income, short-term cashflow and the ability for staff to perform their roles.

[Economy in growth mode prior to lockdown - The Gisborne Herald](#)

From Gisborne Herald

Published 12:07 20/09/2021

Provisional estimates supplied by Infometrics to regional economic development agency *Trust Tairawhiti* showed the Tairawhiti economy continued its growth in the three months to June 2021, with quarterly economic activity rising 12.1 percent per annum from the lockdown-affected June 2020 quarter.

[Cycleway logics - The Gisborne Herald](#)

From Gisborne Herald

Published 12:40 18/09/2021

Gisborne District Council has been building the Waikanae to Waipaoa Cycle Trail on behalf of *Trust Tairawhiti* since the project was funded in 2018. ... "(We have) let *Trust Tairawhiti* know that that's all we're able to do and the rest sits with them.

[New directors welcomed to Eastland Group board - The Gisborne Herald](#)

From Gisborne Herald

Published 16:47 15/09/2021

Company shareholder *Trust Tairawhiti* appointed Hamish Bell and Debbie Birch to the board of the Gisborne-based infrastructure, logistics and energy company.

[Recloaking The Whenua event reaches big audience - The Gisborne Herald](#)

From Gisborne Herald

Published 14:14 13/09/2021

She said the event was a result of some findings in the report commissioned by *Trust Tairāwhiti*, that compares the environmental, social and financial impacts of carbon farming in the region.

[CARE group facing workforce challenge - The Gisborne Herald](#)

From Gisborne Herald

Published 14:14 13/09/2021

CARE was up and running in 2019 so we are pleased CARE has been recognised when the government policy caught up," Tairāwhiti CARE co-chair and *Trust Tairāwhiti* chief executive Gavin Murphy said.

[Lockdown resilience - The Gisborne Herald](#)

From Gisborne Herald

Published 15:18 10/09/2021

Businesses here are less concerned about last month's lockdown compared to that of last year, a *Trust Tairāwhiti* business survey shows.

[Back in business - The Gisborne Herald](#)

From Gisborne Herald

Published 14:09 02/09/2021

Trust Tairāwhiti was very helpful, especially the business staff there who gave us information to access support as fast as possible." ... Regional economic development agency *Trust Tairāwhiti* has been working closely with affected outlets.

[A poet and she didn't know it - The Gisborne Herald](#)

From Gisborne Herald

Published 14:09 02/09/2021

Amy and Sam won family passes for minigolf at Gisborne's i-Site, courtesy of *Trust Tairāwhiti*,

[Jabbing and jammin - The Gisborne Herald](#)

From Gisborne Herald

Published 17:55 01/09/2021

Set up by Turanga Health in partnership with Hauora Tairāwhiti, Te Runanga o Turanganui-a-Kiwa, Toitu Tairāwhiti and *Trust Tairāwhiti*, the drive-through is located at Harry Barker Reserve.

[Goes back to appointments - The Gisborne Herald](#)

From Gisborne Herald

Published 15:02 01/09/2021

If the councillors have previously generally appointed business/corporate types to *Trust Tairāwhiti*, then it's more likely that those trustees in turn appoint like-minded directors to the board of EGL, directors who are perfectly comfortable with the remuneration awarded to the CEO.

[On the road again - The Gisborne Herald](#)

From Gisborne Herald

Published 13:41 28/08/2021

Trust Tairāwhiti strongly supported this request as the regional economic development agency and as part of our role in the regional RTRO leadership structure," said *Trust Tairāwhiti* chief executive Gavin Murphy.

[Trust survey on effects of lockdown - The Gisborne Herald](#)

From Gisborne Herald

Published 13:08 27/08/2021

Trust Tairāwhiti has launched an online survey to capture the impact this current lockdown is having on local business owners and operators.

[Updates on some council projects - The Gisborne Herald](#)

From Gisborne Herald

Published 13:08 27/08/2021

The activities report prepared for councillors before their meeting today says plans are well advanced for the "early-win" projects in the Community Facilities Strategy that *Trust Tairāwhiti* recently backed with a \$15 million grant.