



## **STATEMENT OF INTENT**

**2021/22**      **2022/23**      **2023/24**



Venture Timaru is the Economic and Tourism Agency for the Timaru District whose vision is"

*"Attract, grow, and retain people and businesses that contribute to a thriving Timaru District economy"*

We submit this draft 2021/22 pending completion of an updated and refreshed Economic Development Strategy and a new Destination Management Plan both of which are currently underway and scheduled for completion by May/June 2021. This project which includes extensive district wide stakeholder engagement will not only help inform our final 2021/22 Statement of Intent for adoption by Council by 30 June 2021, but also our priorities and work plans for the next 6-8 years. It is intended both the Economic Development Strategy and the Destination Management Plan will be "living documents" which will be subject to review and updating on a regular basis going forward.

This Statement of Intent includes:

- A brief overview of the local economy and current issues
- A request for the establishment of a new Events Support Grant
- Anticipated 2021/22 Objectives and associated areas for action
- Key Monitoring, Performance and Success Indicators
- Required financial and governance information and funding request.

The Timaru District is widely regarded to have been "buffered" from the immediate impacts of the COVID-19 global pandemic when compared to many other parts of New Zealand, and in many cases this assessment is well founded.

Our substantially diverse industry sector base has seen >65% of our workforce deemed essential versus a national average of 40%. Our backbone industries in the primary, food processing and manufacturing, transport & logistics and trades sectors, as our largest employers are also seen as the industries that will lead our recovery through the covid pandemic. Within the Mid and South Canterbury area we are estimated to produce enough food and beverage for >40m people per an num.

Notwithstanding, there are however a few challenges facing us presently which are likely to intensify in the immediate future. These include:

**Workforce Attraction** – the ability of our widely diverse local business and industry to attract and retain the skilled workforce was challenge even before COVID-19 – with this intensifying further in recent times. Important to note that whilst anticipated our non-metropolitan "safe haven" location may have been attractive to new workers in some cases this has been an obstacle as business has reported some parties see the move away from existing friend and family networks as being "isolating" should there be another COVID-19 event.

**Housing** – our numerous and ongoing interactions with business and industry in supporting them to attract and retain their workforce, has highlighted the need for our district to at any given time have a variety of housing and rental stock available that is attractive to new workers and their families. It is noted that we fall short of our near neighbours in Mid Canterbury and Selwyn Districts in providing new affordable house and land packages in the \$500 - \$850K price range. It is important we collectively address this by being bold and innovative in both our decision making and private/public collaborations.

**Logistics** – as an import/export country the effects of global supply chain disruptions are becoming very evident locally. Increased global freight costs, delays, intermittent shipping schedules, port disruptions etc... have been contributing to significant challenges to us not only sourcing our consumer goods and supplies needed by industries, but also the volume of containers we need to get our product out to the wider world.

This is a significant issue which we consider will continue to ebb and flow over months to come, with some estimates that we will not get back to even near pre COVID 19 global logistics for at least 12-18 months. Locally our discussions with Primeport and key industry and logistics players have highlighted a prioritised need and opportunity to progress the establishment of a coastal shipping network. This would not only bring much needed surety of service/accessibility to our importers and exporters but would also provide substantial opportunity to grow trade through our local port and reduce overall emissions.

As detailed within this Statement of Intent the above issues will be prioritised workstreams for Venture Timaru in the year ahead.

#### **Events Support Grant**

As detailed, we are not seeking an increase in either our Economic or Tourism Operational Grants beyond that provided in the 2020/21 year. We are however seeking a new **Events Support Grant of \$230,000**, the proposed background and criteria for which to be tabled and agreed separately with Council.

In summary events play an integral part in our Destination Management and Visitor Attraction activities. It is critically important to be able to activate and enhance our events sector offerings including for example those associated with the proposed new Theatre Royal and Heritage Facility and the redeveloped Aorangi Park. This ensures these significant investments and other community facilities are fully leveraged, bringing economic returns to the district.



Attract, grow, and retain people and businesses that contribute to a thriving Timaru District economy												
Vision	Objectives of the CCO	Maintain & attract a skilled workforce	Encourage new opportunities and facilitate business growth	Attract & assist new businesses to the District.	Make the case for investment in key infrastructure that support a thriving district economy	Facilitate destination management and event development						
Nature & Scope of Activities		<ul style="list-style-type: none"><li>- Support talent attraction through delivery of an extensive and ongoing workforce attraction initiative</li><li>- Support youth transitions and employment through delivery of My Next Move</li><li>- Engage with the Interim Regional Skills Leadership Group to ensure needs to Timaru District's learners and businesses are considered.</li><li>- Support education and employment outcomes through the delivery of the Regional Apprenticeship Initiative</li><li>- Progress the Districts Aged Friendly Strategy project in partnership with Council and SCDHB.</li></ul>	<ul style="list-style-type: none"><li>- Identify and promote new opportunities for sustainable and inclusive economic development within Timaru District.</li><li>- Facilitate industry and sector engagement through facilitating Business Connection Groups</li><li>- Connect businesses to new opportunities and help businesses navigate their way through council and government processes</li><li>- Engage with Central Govt's Industry Transformation Agenda ensuring business are aware of and are responding to opportunities</li></ul>	<ul style="list-style-type: none"><li>- Promote Timaru District as a central location for key industries and sectors.</li><li>- Facilitate the provision of industrial land and promote Timaru as a logistics and distribution hub for the South Island.</li><li>- Encourage a business friendly and responsive Council.</li><li>- Act as the voice of industry to Council and Central Government</li></ul>	<ul style="list-style-type: none"><li>- Identify the need for growth enabling infrastructure and ensure the economic benefits for planned infrastructure investment are delivered.</li><li>- Encourage a master planned approach to the development of new &amp; existing infrastructure, including a strategic approach to the future development of Caroline Bay and neighbouring CBD areas.</li><li>- Explore opportunities for new waste management and sustainable energy infrastructure including opportunities for the development of a circular economy for the Timaru District</li></ul>	<ul style="list-style-type: none"><li>- Implement a new district-wide destination management approach with due consideration of environmental impacts and sustainability.</li><li>- Develop an authentic and integrated destination identity for Timaru District.</li><li>- Grow and attract events to the district and promote the case for investment in new destination infrastructure e.g., 4 star hotel.</li><li>- Collaborate with surrounding districts to define the wider, and more cohesive South Canterbury offer and sustainably grow visitor numbers and spending across the district.</li></ul>						
		<ul style="list-style-type: none"><li>- Partner with TDC and TDHL to support a thriving District economy.</li><li>- Assist TDC to deliver the economic and lifestyle benefits of the City Hub development</li><li>- Support TDC Long Term Plan and Growth Management Strategy objectives.</li><li>- Encourage and support TDC and community aspirations for adaptation, resilience, and sustainability</li><li>- Maintain and leverage strategic partnerships with iwi, government, and private sector to support above outcomes</li></ul>	Development of an authentic and integrated place narrative and identity for the Timaru District									
		Enable and promote Timaru as a Central South Island distribution and logistics hub										
		Strategic Projects										

## Non-Financial Performance Targets and other measures

The below Monitoring, Performance and Success Indicators align to aforementioned objectives and the nature of our scope and activities in the year ahead. They are also aligned to longer term priorities and opportunities identified within our Economic Development Strategy and Destination Management Plan.

The Monitoring Indicators are largely beyond our control as they are influenced by the wider economy. That said by monitoring our progress within these indicators, we maintain a health check on the performance of our local economy v national economy, which in turn highlights areas we need to focus on.

Monitoring Indicators (non-financial)	There are a number of key indicators that, although not directly influenced by the work of Venture Timaru, are important to monitor, report, and proactively take action on, as appropriate, in the event of any deteriorating trends			
	GDP Contribution Timaru District v NZ	Unemployment Rate Timaru District v NZ	Housing Affordability Timaru v like areas	Consumer & Visitor Spend trends v same period last year
Performance Indicators	Value of Venture Timaru interactions with local businesses Net promotor score evidencing year on year improvement	Value of Venture Timaru work to shareholder Net promotor score evidencing year on year improvement	Value of Venture Timaru work to wider stakeholders e.g., central government contract providers. Net promotor score evidencing year on year improvement	Ease of doing business in the Timaru District. Year on year improvement
Success Indicators	Successes will be captured and reported within Venture Timaru quarterly and annual reports to Timaru District Council			



In developing and enhancing Venture Timaru's (VT) strategies consultation and reference has been made to Timaru District Councils (TDC) long term plan, growth management strategy and revised vision, values, and community wellbeing outcomes.

### **New Zealand Government Economic Plan for a productive, sustainable, and inclusive economy.**

New Zealanders value a strong economy that provides decent jobs, higher incomes, and opportunities for current and future generations. Equally, we understand that the health and wellbeing of our people, the protection and enhancement of our environment, and the strength of our communities allow us to achieve our potential.

To deliver on these national values, our economy must be productive, sustainable, and inclusive. It requires us to tackle the long-term challenges the New Zealand economy is facing.

The Government's Economic Plan identifies eight key shifts and policy action the economy needs to transition to more productive, sustainable, and inclusive growth. It is an integral part of delivering wellbeing for all New Zealanders.

The shifts we are tackling will not take place overnight, and the Government cannot do this on its own. It is essential the Government partner with business, workers, communities, and iwi to ensure people and businesses can adapt to new working environments and respond confidently.

New Zealand has a unique opportunity to build on our strengths and use these to lead the world on standing up to the economic challenges of the next 30 years, turning issues like climate change and the technological revolution into economic opportunities.

### **Boards approach to Governance**

**The Board of Venture Timaru Limited trading as Venture Timaru (VT)** seeks to govern the organisation in a way that is both aligned to central and local government plans and objectives and achieves the objectives stated and communicates with the Council in a timely and effective manner. Given the nature of the activities and the accepted role of similar organisations throughout the country, the performance is not measured in strictly commercial terms such as profit, share value or rates of return.

#### **1. PERFORMANCE AND OTHER MEASUREMENTS**

Performance shall be assessed against key Monitoring, Performance and Success Indicators via the Supply of a quarterly (and annual) report to the Timaru District Council including financial position. Other Performance measures include:

Financial - VT will prudently manage all financial matters, operating within its means predicated by the level of income and reserves received and held. Measured by financial performance v budget and adherence to all financial and reserves policies.

Good Employer - VT is committed and obligated to being a better than good employer of existing and future staff. Our well established policies and procedures clearly evidence the importance we place on the health, wellbeing, and ongoing development of our staff. Measured against staff retention rate, development opportunities and annual performance evaluations.

#### **2. GOVERNANCE STATEMENT:**

Venture Timaru Limited was incorporated and adopted a constitution on 23rd June 2010. Venture Timaru Limited Board Charter was adopted on 7th November 2016.

### **Structure, Function and Obligations of the Board**

#### **a. The Role of the Board:**

- Ensuring VT meets its objectives as defined in this Statement of Intent.
- Ensuring VT complies with all its lawful obligations.
- Ensuring the Council is kept well informed on all relevant issues and that there are no "surprises" on matters likely to cause community or political concern.
- Making any decisions as to policy that is not the preserve of the Chief Executive and day-to-day administration.
- Employing the Chief Executive (including entering into a performance management agreement, reviewing performance, and setting remuneration).



- Ensuring sound financial management of VT.
- b. Composition of the Board:
  - The Council, after consultation with the Board, will be responsible for appointing Directors to the Board.

### **Guidance and Resources Provided to Board Members**

- a. Resources available to Board members to carry out their duties:  
Sound financial management and systems that provide reports to the Board as follows:
  - Statement of financial performance for the preceding month and year to date.
  - Chief Executive's monthly and quarterly reports addressing issues related to VT's performance against objectives (financial and non-financial).
- b. The Board will ensure that relevant training opportunities are made available.
- c. Code of Conduct:
  - All Board members will be required to comply with the New Zealand Institute of Directors' "Code of Practice for Directors".
  - All Board members will apply their best endeavours to ensure VT achieves its objectives defined within this Statement of Intent.
  - All Board members will ensure VT complies with the requirements of its constitution and this Statement of Intent.

### **Significant Policies in Place for Accountability**

- a. The Board shall ensure VT complies with the reporting requirements outlined in Section 3 and 7 of this document.
- b. Risk Management Policies:
  - The Board shall ensure that appropriate insurance is maintained on all insurable risks of VT, and in particular public liability insurance.
  - The Board shall ensure that VT has systems in place to achieve compliance with the Health and Safety at Work Act 2015 and subsequent amendments.
- c. Remuneration:
  - The Council will set total remuneration for the Board.
- d. Reserves Policy (SOI)
  - The Reserves Policy ensures the board has funds set aside for risk mitigation.
  - The Primary Objectives underlying the Reserves Policies for are:
    - To ensure that VT is operated in a prudent manner
    - To recognise that many streams of work and expenditure items are committed to and incurred for longer periods than the annual funding approved by the Timaru District Council (TDC) with multiyear projects.
    - To ensure that money is available, as required, to meet the needs of VT and its key stakeholders.
    - To recognise that VT generates income over and above the funding from the TDC and also spends the majority of that income on related economic development activities for the benefit of the district with a breakeven or close to breakeven annual budget
    - Reserves to be held are set at 3-4 months' trading / cash flow to be on hand
- e. Ratio of Accumulated Funds to Total Assets
  - This ratio shows the proportion of total assets financed by equity
  - The Board will ensure that the ratio of Equity to Total Assets remains above 60%
  - For the purpose of this ratio, equity is as per the financial statements of VT
  - Total assets are defined as the total of current and non-current assets

## **3. ACCOUNTING POLICIES**

### **Summary of Significant Accounting Policies**

- a. Reporting Entity
  - Venture Timaru Limited ('VT') is a company incorporated and domiciled in New Zealand





- VT is a CCO (as defined under section 6 of the Local Government Act 2002) based in Timaru and is a subsidiary 100% owned by the Timaru District Council.
- The financial statements of VT are for the year end 30 June. The financial statements are authorised for issue by the directors.

b. Statement of Compliance

- The financial statements are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).
- The financial statements are prepared in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) – PBE SF-A(PS).
- All transactions are reported using the accrual basis of accounting.
- The financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest dollar. The functional currency of VT is New Zealand dollars.

c. Revenue

- Revenue is measured at the fair value of the consideration received.
  - Contributions received from the Timaru District Council are VT's primary source of funding.
  - Contributions are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the contribution are not met. No such obligation is attached to the council contributions received.
- d. Interest revenue is recognised in the Statement of Financial Performance as it accrues, using the effective interest method.
- e. Income tax is accounted for using the taxes payable method. The income tax expense charged to the Statement of Financial Performance is the estimated tax payable in the current year, adjusted for any differences between the estimated and actual tax payable in prior years.
- f. Goods and Services Tax (GST): The financial statements have been prepared with income and expenditure items exclusive of GST. In the Statement of Financial Position, Accounts Receivable and Accounts Payable are both inclusive of GST. All other assets are shown exclusive of GST.
- g. Cash and Cash Equivalents includes cash on hand, deposits held at call with banks, other short – term highly liquid investment with original maturities of three months or less, and bank overdrafts
- h. Accounts Receivable are valued at their estimated net realisable value. Bad debts are written off during the period in which they are identified.
- i. Creditors and other payables are measured at the fair value of the consideration paid.
- j. Fixed Assets are recorded at cost less accumulated depreciation. VT has three classes of Fixed Assets, Computer Equipment, Furniture and Fittings & Office Equipment.
- k. Depreciation is calculated to allocate the cost or valuation of assets over their estimated useful lives, at the following rates:

Computer Equipment	DV	50%
Fittings & Office Equipment	DV	20-67%
Furniture and Fittings	DV	10-25%

- l. Leases: VT leases certain office equipment, office space and a motor vehicle.

#### 4. DIVIDEND POLICY

VT is a non-profit organisation that does not generate income or dividend for the Timaru District Council.

#### 5. INFORMATION TO BE PROVIDED

The following information will be made available to the Council by VT:

- a. By **1 March**, each year a DRAFT BUDGET for the following financial year together with a request for any changes requested to the Council's financial contribution to VT's activities.
- b. By **1 March**, each year a draft STATEMENT OF INTENT, then consider any Council comments on it and deliver a final Statement of Intent by **30 June**.
- c. QUARTERLY REPORTS (September, December, March & June) covering an abbreviated Statement of Financial Performance and Statement of Financial Position, performance indicators, commentary on activities, and other such information as the Directors consider necessary to enable an informed assessment of VT's performance during the period in question. Due dates as prescribed by section 66 of the Local Government Act 2002





- d. Within three months after the end of the financial year (i.e., **by 30 September**), VT shall deliver to the Council an ANNUAL REPORT which fulfils the requirements of Section 67 of the Local Government Act 2002, and audited financial statements in respect of the financial year, containing the following information as a minimum:
- A Directors' Report including a summary of the financial results and a comparison of performance in relation to the objectives.
  - A Statement of Financial Performance disclosing revenue and expenditure and comparative figures from previous annual reports.
  - A Statement of Financial Position at the end of the year.
  - An Auditor's Report on the above statements and the measure of performance in relation to objectives.
  - The Chairman's Annual Report shall be made available for inspection at Council offices.
  - Any other matters that the Council and VT agree shall be disclosed as appropriate.

## 6. PROCEDURE TO BE FOLLOWED WITH PURCHASE OF SHARES IN OTHER COMPANY OR ORGANISATION

The procedure to be followed before subscription for, or purchase of, or other acquisition of shares in any Company or organisation, shall be by resolution of the Directors, excepting that any significant diversification or addition to existing activities will be referred to the Council for approval.

## 7. COMPENSATION FROM LOCAL AUTHORITIES

VT is not requesting an increase in funding of Development and Visitor Operational Grants for the 2021/22 year.

However, we are as detailed earlier in these advises seeking the establishment of a new Event Support Grant to enhance the support of existing and new medium to large events that bring vibrancy along with social and economic benefits to the district.

Noting that Operational Grants and proposed Event Support Grant for 2022/23 and beyond are subject to annual application.

Proposed funding levels are aligned to VT maintaining the high-quality economic development and visitor service levels and the skills needed within the organisation to deliver the variety of services and projects.

2020/21 Approved		2021/22	2022/23	2023/24
\$ 640,000	DEVELOPMENT OPERATIONAL GRANT	\$ 640,000	\$ 678,000	\$ 692,000
\$ 350,000	VISITOR OPERATIONAL GRANT	\$ 350,000	\$ 357,000	\$ 364,000
	EVENTS SUPPORT GRANT (New)	\$ 230,000	\$ 235,000	\$ 240,000
<b>\$ 990,000</b>	<b>TOTAL FUNDS</b>	<b>\$ 1,220,000</b>	<b>\$ 1,270,000</b>	<b>\$ 1,296,000</b>

## 8. BOARD'S ESTIMATE VT VALUE

The Directors estimate that the balance of funds in the Annual Report will represent the value of VT. The Directors will advise the shareholders on an annual basis if they believe the value to differ materially from this state.

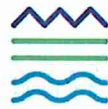
Approved by VT on 9th June 2021

Approved by the Council on

25/6/21

.....  
for Venture Timaru Ltd - Mark Rogers Chairman

.....  
for Timaru District Council



FINANCIAL FORECASTS			
	2021/22	2022/23	2023/24
<b>INCOME STATEMENT</b>			
Regional Development Grant TDC	\$ 640,000	\$ 678,000	\$ 692,000
Regional Visitor Grant TDC	\$ 350,000	\$ 357,000	\$ 364,000
Regional Events Support Grant TDC	\$ 230,000	\$ 235,000	\$ 240,000
MyNextMove MSD Contract Youth Initiative	\$ 145,000	\$ 145,000	\$ 145,000
Provincial Development Unit Grant - Capability & Capacity	\$ 25,000	\$ -	\$ -
Provincial Development Unit Grant - SC Transport & Logistics Panel	\$ 150,000	\$ -	\$ -
Provincial Development Unit Grant - Regional Apprenticeship Initiative	\$ 1,250,000	\$ 1,250,000	\$ 1,000,000
Other income			
<b>Total Income</b>	<b>\$ 2,790,000</b>	<b>\$ 2,665,000</b>	<b>\$ 2,441,000</b>
Human Resources	\$ 343,101	\$ 349,963	\$ 356,962
Expenses	\$ 321,349	\$ 327,775	\$ 334,330
Regional Visitor Expense	\$ 350,000	\$ 357,000	\$ 364,000
Events Support	\$ 230,000	\$ 235,000	\$ 240,000
MyNextMove MSD Contract Youth Initiative	\$ 145,000	\$ 145,000	\$ 145,000
Provincial Development Unit Grant - SC Transport & Logistics Panel	\$ 150,000	\$ -	\$ -
Provincial Development Unit Grant - Regional Apprenticeship Initiative	\$ 1,250,000	\$ 1,250,000	\$ 1,000,000
<b>Total Expenses</b>	<b>\$ 2,789,450</b>	<b>\$ 2,664,738</b>	<b>\$ 2,440,292</b>
<b>Operating Profit (Loss)</b>	<b>\$ 550</b>	<b>\$ 262</b>	<b>\$ 708</b>
<b>BALANCE SHEET</b>			
<b>EQUITY</b>	<b>\$ 240,000</b>	<b>\$ 241,000</b>	<b>\$ 243,000</b>
Current Assets	\$ 280,000	\$ 290,000	\$ 300,000
Non Current Assets	\$ 64,000	\$ 54,000	\$ 44,000
<b>TOTAL ASSETS</b>	<b>\$ 344,000</b>	<b>\$ 344,000</b>	<b>\$ 344,000</b>
Current Liabilities	\$ 104,000	\$ 103,000	\$ 101,000
<b>TOTAL LIABILITIES</b>	<b>\$ 104,000</b>	<b>\$ 103,000</b>	<b>\$ 101,000</b>
<b>NET ASSETS</b>	<b>\$ 240,000</b>	<b>\$ 241,000</b>	<b>\$ 243,000</b>