

# STATEMENT OF INTENT

2023/24

2024/25







2025/26

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

## “A Thriving District”

This 2023/24 Statement of Intent is aligned to Venture Timaru’s Economic Development Strategy and Destination Management Plan, both of which were developed and implemented across 2022/23 year.

This 2023/24 Statement of Intent includes:

-  Vision
-  Strategic Priorities
-  Objectives and aligned Nature & Scope of Activities
-  Key Monitoring, Performance and Success Indicators
-  Financial and governance information
-  Funding Request and Budget.

| Vision                       | A Thriving Timaru District  |  |   |  |   |  |
|------------------------------|---|--|---|--|---|--|
| Strategic Priorities         | <b>“Timaru District - Towards 2050”</b><br>Develop the 2050 plan.   |  | <b>Diversity of Housing Stock</b><br>Actively promote & facilitate investment in type-diverse housing developments  |  | <b>People Attraction</b><br>Further amplify efforts to attract the people we need to grow and provide vibrancy to our district  |  |
| Objectives of the CCO        | <b>Assist business to Attract, Maintain &amp; Develop a skilled workforce</b>   | <b>Encourage new opportunities and facilitate business growth</b>  | <b>Attract &amp; assist new businesses to the District.</b>   | <b>Promote &amp; Facilitate investment in key infrastructure that support a thriving district economy</b>  | <b>Facilitate destination management and event development</b>  | <b>Adopt a collaborative partnership approach to delivery and impact</b>   |
| Nature & Scope of Activities | <ul style="list-style-type: none"> <li>- Support talent attraction through delivery of expansive and ongoing targeted workforce attraction campaigns</li> <li>- Support youth transitions and employment through delivery of My Next Move and support/collaborate with other youth providers in the district.</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 and aligned opportunities.</li> <li>- Finalise and implement a District Aged Friendly Workforce strategy aligned to the Districts Aged Friendly Strategy in partnership with Council, Whatu Ora Sth Canterbury.</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 the District as a central location for key industries and sectors.</li> <li>- Facilitate the availability of shovel ready 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>- Continue to develop 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 the new district destination management plan with consideration of environmental impacts and sustainability.</li> <li>- Promote 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 and Central South Island offering and sustainably grow visitor numbers and spending across the district.</li> <li>- Cement a cruise ship offering in partnership with local stakeholders that is of value and benefit to businesses and our wider community.</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 all outcomes</li> </ul> |

### 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.

|   |  |  |  |   |
|---|--|--|--|---|
| <b>Monitoring Indicators</b><br>(non-financial) | <b>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</b> |  |  |   |
|   | <b>GDP Contribution</b><br>Timaru District v NZ  | <b>Unemployment Rate</b><br>Timaru District v NZ   | <b>Housing Affordability</b><br>Timaru v like areas  | <b>Consumer &amp; Visitor Spend</b><br>trends v same period last year                 |
|   |  |  |  |   |
| <b>Performance Indicators</b>                   | <b>Value of Venture Timaru interactions with local businesses</b><br><br>Net promotor score evidencing year on year improvement  | <b>Value of Venture Timaru work to shareholder</b><br><br>Net promotor score evidencing year on year improvement | <b>Value of Venture Timaru work to wider stakeholders e.g., central government contract providers.</b><br><br>Net promotor score evidencing year on year improvement | <b>Ease of doing business in the Timaru District.</b><br><br>Year on year improvement |
|   |  |  |  |   |
| <b>Success Indicators</b>                       | <b>Successes will be captured and reported within Venture Timaru quarterly and annual reports to Timaru District Council</b>   |  |  |   |

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

We value a strong economy that provides a diverse range of employment opportunities resulting in meaningful work, higher income earning potential, which are attractive to current and future generations in our district. Equally, there is an understanding 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. All of this is part of our focus on developing a collective 2050 vision for the Timaru District.

To deliver on these values and achieve our vision, we must address the challenges that have hold us back:

- our low rate of productivity and capital intensity,
- our infrastructure deficit,
- our ongoing skills shortages,
- our over-reliance on commodity exports,
- and the persistent inequality that limits the ability of many of our people to contribute to building a more prosperous future where they can live the lives they value.

We will only achieve this by working together, by strengthening our culture of partnership between business, workers, Māori, local communities, and Government, and by building on our brand for quality, integrity, and honesty. To lay the groundwork for achieving our vision, we will work with all stakeholders in our district to:

- Encourage the unleashing of business potential
- Strengthen Domestic and International Connections
- Support Māori and Pacific Aspirations
- Strengthening Venture Timaru

## **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, 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 whereby at least one board member is a Timaru District Councillor.

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

- a. Resources available to Board members to perform 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 & tourism activities for the benefit of the district with a breakeven or close to breakeven annual budget
    - Reserves to be held are therefore set at minimum of 3 months trading cashflow to be on hand. Calculated as  $\frac{1}{4}$  of the total of annual operational funding received direct from Timaru District Council
- 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

- 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.
- 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 PBE SF-A(PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector).
  - 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.
- Revenue
  - Revenue is measured at the fair value of the consideration received.
  - Contributions received from the Timaru District Council and various Central Government Agencies 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.
- Interest revenue is recognised in the Statement of Financial Performance as it accrues, using the effective interest method.
- 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.
- 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.
- 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
- Accounts Receivable are valued at their estimated net realisable value. Bad debts are written off during the period in which they are identified.
- Creditors and other payables are measured at the fair value of the consideration paid.
- Fixed Assets are recorded at cost less accumulated depreciation. VT has three classes of Fixed Assets, Computer Equipment, Furniture and Fittings & Office Equipment.
- Depreciation is calculated to allocate the cost or valuation of assets over their estimated useful lives, at the following rates:
 

|                              |    |        |
|------------------------------|----|--------|
| Computer Equipment           | DV | 50%    |
| Office Fit out and Equipment | DV | 10-50% |
| Furniture and Fittings       | DV | 10-25% |
- 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 seeking a 7.1% (v NZ CPI 7.2% year to 31.12.22) increase in total funding for the 2023/24 year, noting that all funding for 2024/25 and beyond is subject to annual application.

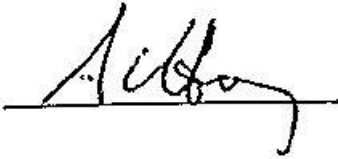
Proposed funding levels are aligned to VT maintaining the high-quality economic development and visitor service levels and the skills needed within the organisation to deliver the variety of services and projects.

|           | 2022/23          |                               | 2023/24             | 2024/25             | 2025/26             |
|-----------|------------------|-------------------------------|---------------------|---------------------|---------------------|
|           | Approved         |                               |                     |                     |                     |
| \$        | 672,000          | DEVELOPMENT OPERATIONAL GRANT | \$ 720,000          | \$ 720,000          | \$ 720,000          |
| \$        | 367,500          | VISITOR OPERATIONAL GRANT     | \$ 395,000          | \$ 395,000          | \$ 395,000          |
| \$        | 230,000          | EVENTS SUPPORT GRANT          | \$ 245,000          | \$ 245,000          | \$ 245,000          |
| <b>\$</b> | <b>1,269,500</b> | <b>TOTAL FUNDS</b>            | <b>\$ 1,360,000</b> | <b>\$ 1,360,000</b> | <b>\$ 1,360,000</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



*for Venture Timaru Ltd – Tony Howey Chairman*

Approved by the Council on



*for Timaru District Council*





| FINANCIAL FORECASTS          |   |                            |
|------------------------------|---|----------------------------|
| Reforecast<br>Budget 2022/23 |   | DRAFT<br>BUDGET<br>2023/24 |
|                              | <b>INCOME STATEMENT</b>   |                            |
| \$ 672,000                   | Regional Development Grant - TDC                                | \$ 720,000                 |
| \$ 367,500                   | Regional Visitor Grant - TDC                                    | \$ 395,000                 |
| \$ 230,000                   | Regional Events Support Grant - TDC                             | \$ 245,000                 |
| \$ 145,000                   | MyNextMove Youth Initiative - MSD                               | \$ 145,000                 |
| \$ 1,500,000                 | Regional Apprenticeship Initiative - Kanoa                      | \$ 700,000                 |
| \$ 65,000                    | Regional Events Fund - MBIE                                     | \$ 15,000                  |
| \$ 23,000                    | STAPP #1 - MBIE   | \$ -                       |
| \$ 415,000                   | TSRR #2 - MBIE  | \$ -                       |
| \$ 152,000                   | Transport & Logistics/Simulator - Kanoa                         | \$ -                       |
| \$ 47,300                    | Other income  | \$ 48,750                  |
| <b>\$ 3,616,800</b>          | <b>Total Income</b>   | <b>\$ 2,268,750</b>        |
| \$ 282,991                   | Development Human Resource Expense                              | \$ 311,200                 |
| \$ 333,920                   | Development Expense   | \$ 367,300                 |
| \$ 367,500                   | Visitor Expense   | \$ 395,000                 |
| \$ 230,000                   | Events Support Grants   | \$ 245,000                 |
| \$ 145,000                   | MyNextMove Youth Initiative Expense                             | \$ 145,000                 |
| \$ 1,500,000                 | Regional Apprenticeship Initiative Expense                      | \$ 700,000                 |
| \$ 65,000                    | Regional Events Fund - MBIE                                     | \$ 15,000                  |
| \$ 23,000                    | STAPP #1 - MBIE   | \$ -                       |
| \$ 415,000                   | TSRR #2 - MBIE  | \$ -                       |
| \$ 152,000                   | Transport & Logistics/Simulator - Kanoa                         | \$ -                       |
| \$ 101,665                   | Special Projects - business support, cruise, pop 75,000 by 2050 | \$ 100,000                 |
| <b>\$ 3,616,076</b>          | <b>Total Expenses</b>   | <b>\$ 2,278,500</b>        |
| <b>\$ 724</b>                | <b>Operating Profit (Loss)</b>                                  | <b>-\$ 9,750</b>           |