



MEETING — AGENDA —

Ngā Take

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Western Bay of Plenty
District Council



Tauranga City

TAURANGA CITY COUNCIL
WESTERN BAY OF PLENTY DISTRICT COUNCIL

JOINT GOVERNANCE COMMITTEE

Komiti Whakahaere Ngātahi

JG10
Wednesday, 7 August 2019
Council Chambers
Barkes Corner, Tauranga
3.15pm

Notice of Meeting No JG10

Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee

Wednesday, 7 August 2019
Council Chambers
Barkes Corner
3.15pm

Western Bay of Plenty District Council

His Worship the Mayor
Councillors:

G Webber (Chairperson)
M Williams

Tauranga City Council

His Worship the Mayor
Councillors:

G Brownless (Deputy Chairperson)
K Clout

Media
Staff

Miriam Taris

Chief Executive Officer

Western Bay of Plenty District Council – Administering Authority



Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee

Role and Scope

Cooperation:

- Review and monitor agreements between the two Councils and recommend to the respective Councils any changes to agreements, as appropriate.
- Monitor issues affecting both the Tauranga City Council and the Western Bay of Plenty District Council and make recommendations to the respective Councils where required.

Joint Initiatives:

- Receive reports and make decisions on civil defence matters as recommended through the Civil Defence Emergency Management Group.
- Facilitate and monitor any other joint initiatives as agreed to by the Councils.
- Establish protocols and arrangements for joint funding applications to funding bodies for recommendation back to the respective Councils.
- Establish principles and appropriate processes for the consideration and determination of joint service delivery opportunities for recommendation to the respective Councils.
- Establish appropriate process for the consideration and determination of joint cost sharing arrangements for recommendation to the respective Councils.

Joint Projects, Plans, Policies and Strategies:

- Develop and amend joint policies, plans and strategies (as delegated by the respective Councils and subject to funding approval) for recommendation to the respective Councils.
- For joint projects (as delegated by the respective Councils and subject to funding approval) develop implementation plans for recommendation to the respective Councils.
- Oversee the development of strategies relating to sub-regional parks and sub-regional community facilities for the enhancement of the social and cultural well-being of the Western Bay of Plenty communities, for recommendation to the respective Councils.
- Monitor the on-going effectiveness of implemented joint projects, plans, strategies and policies.
- Make decisions and monitor sub-regional park development in regard to the Huharua Harbour Park and the TECT All Terrain Park, and any other sub-regional facility established by the Councils, subject to provision in the respective Councils' LTPs and budgets.

Joint Contracts:

Priority One

- To approve the contractual arrangements for a three year term within the approved budgets of the two Councils ensuring the contract is in accordance with s17A(5) of the Local Government Act 2002.
- Monitor the performance against the approved contract.

Tourism Bay of Plenty

- Consider the Statement of Intent in accordance with Schedule 8 of the Local Government Act 2002.
- Monitor the performance against the Statement of Intent.

Any other joint contracts

- Monitor performance against approved contracts.

General Delegations:

- The Committee may make recommendations to the respective Councils and/or any standing committees regarding matters outside its delegated authority, as it deems appropriate.
- The Committee has the power to co-opt relevant tangata whenua and other advisors when considering matters relating to the Huharua and TECT All Terrain Sub Regional Parks, and any other subregional projects, as required.
- The Committee has the power to work with other agencies, community groups and local authorities in development of joint policies, strategies initiatives and sub-regional projects.

Agenda for Meeting No. JG10

Pages

**Present
In Attendance
Apologies**

Declarations of Interest

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

Public Excluded Items

The Council may by resolution require any item of business contained in the public excluded section of the agenda to be dealt with while the public are present.

Public Forum

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Committee for up to three minutes on items that fall within the delegations of the Committee provided the matters are not subject to legal proceedings, and are not already subject to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the service request system, while those requiring further investigation will be referred to the Chief Executive.

JG10.1

Minutes from the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee No.JG9 dated 12 June 2019

8-10

A copy of the minutes is attached.

Recommendation

THAT the minutes from the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee No. JG9 as circulated in the agenda and held on 12 June 2019 be confirmed as a true and correct record.

JG10.2 **Tourism Bay of Plenty's Final Statement of Intent 2019-2020 to 2021-2022, Enduring Statement of Expectations and CCO Working Group Terms of Reference** 11-47

Attached is a report from the Acting General Manager Community Services (Tauranga City Council) and the Acting Group Manager People and Customer Services (Western Bay of Plenty District Council) dated 7 August 2019.

JG10.3 **Priority One Annual Report 2018/2019** 48-54

Attached is a report from the Strategic Advisor (Tauranga City Council) and the Community Manager (Western Bay of Plenty District Council) dated 1 August 2019.

Local Government Official Information and Meetings Act

Exclusion of the Public

Schedule 2a

Resolved: /

THAT the public be excluded from the following part of this meeting namely:

- *Minutes of TCC/WBOPDC Joint Governance Committee meeting No. JG9 held on 12 June 2019 (In Confidence)*
- *Appointment of Acting Chair to Tourism Bay of Plenty.*

The general subject to each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>Minutes of the TCC/WBOPDC Joint Governance Committee meeting No. JG9 held on 12 June 2019 (In Confidence)</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>For reasons previously stated in the minutes.</i>

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>Appointment of Acting Chair to Tourism Bay of Plenty</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>To protect the privacy of natural persons, including that of deceased natural persons.</i>

Western Bay of Plenty District Council

Minutes of Meeting No. JG9 of the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee held on 12 June 2019 in the Council Chambers, Barkes Corner, Tauranga commencing at 3.15pm

Present

Western Bay of Plenty District Council

Mayor Garry Webber and Councillor Mike Williams

Tauranga City Council

Mayor Greg Brownless and Councillor Kelvin Clout

In Attendance

Western Bay of Plenty District Council

Gary Allis (Deputy Chief Executive), Jan Pedersen (Group Manager People and Customer Services), David Pearce (Community Manager), Ruth Woodward (Communications Advisor) and Michelle Parnell (Governance Advisor)

Tauranga City Council

Robyn Garrett (Team Leader Governance)

JG9.1

Minutes from the Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee No. JG8 held on 10 April 2019

The Committee considered minutes from the meeting JG8 of the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee dated 10 April 2019 as circulated with the agenda.

Resolved: Mayor Brownless / Councillor Williams

THAT the minutes from Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee JG8 held on 10 April 2019 as

circulated with the agenda be confirmed as a true and correct record.

JG9.2 **Decision Report from Western Bay of Plenty District Council**

The Committee considered a report from the Senior Governance Advisor dated 13 May 2019 as circulated with the agenda.

Resolved: Councillor Clout / Mayor Webber

THAT the report of the Senior Governance Advisor dated 13 May 2019 titled Decision Report from the Western Bay of Plenty District Council on Joint Governance Recommendations in regards to:

- *Waiari Mauri Monitoring Model Proposal*
- *Tauranga Western Bay Safer Communities Tactical Group Decision to Remain an International Safe Community*
- *Sub-Regional Parks Relationship Agreement*
- *TECT All Terrain Park Capital Works Programme*
- *Appointment of Board Members to Tourism Bay of Plenty*

be received.

JG9.3 **Verbal Update on the Urban Form and Transport Initiative (UFTI)**

Mayor Webber presented a verbal report regarding the Urban Form and Transport Initiative (UFTI). He noted it was important for both Councils to work together on the Forum, and that the forum would be used to deliver a clear and concise message to Central Government about the urban design and transport needs of the sub-region.

The following points were discussed:

- Funding for the region would need to be specifically earmarked.
- Members of the Urban Form and Transport Initiative were seeking clarification regarding proposed government held events or announcements in four weeks.

Resolved: Mayor Webber / Councillor Clout

THAT the Mayor's verbal report on the Urban Form and Transport Initiative (UFTI) be received.

Local Government Official Information and Meetings Act

Exclusion of the Public

Schedule 2a

Resolved: Councillors Williams / Clout

THAT the public be excluded from the following part of this meeting namely:

- *Minutes of meeting No. JG8 of the Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee held on 10 April 2019 (In Confidence)*

The general subject to each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>Minutes of meeting no. JG8 of the Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee held on 10 April 2019 (In Confidence)</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>For reasons previously stated in the minutes.</i>



TAURANGA CITY COUNCIL/WESTERN BAY OF PLENTY DISTRICT COUNCIL JOINT GOVERNANCE COMMITTEE

7 August 2019

Tourism Bay of Plenty's Final Statement of Intent 2019-2020 to 2021-2022, Enduring Statement of Expectations and CCO Working Group Terms of Reference

Purpose

The purpose of this report is to provide the Joint Governance Committee with Tourism Bay of Plenty's final Statement of Intent 2019-2020 to 2021-2022 (**Attachment A**), in order to assist the Committee with its delegated role to consider the Statement of Intent delivered in accordance with Schedule 8 of the Local Government Act 2002.

The purpose of this report is also to provide the Joint Governance Committee with a revised Enduring Statement of Expectations for Tourism Bay of Plenty (**Attachment B**) and a formalised Terms of Reference for the CCO Working Group (**Attachment C**).

These governance documents enable an effective relationship between TBOP and Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC), ("the Councils") as shareholders. They provide an opportunity to set expectations, as well as the medium to long-term strategic direction for their council-controlled organisations (CCOs).

It is noted that all of the above documents have been delegated to the Joint Governance Committee for approval on behalf of the Councils.

Executive Summary

Final Statement of Intent 2019-2020 to 2021-2022

In accordance with the Local Government Act 2002 ("the Act"), as a council-controlled organisation (CCO), Tourism Bay of Plenty (TBOP) is required to provide a final statement of intent (SOI) to both Councils before 30 June for adoption for the following three years, commencing 1 July.

In accordance with the Act, both Councils have had an opportunity to provide feedback to TBOP on the draft SOI provided on 1 March, which the TBOP Board has considered and incorporated into their final SOI (**Attachment A**). It is noted that all of the above steps in regard to the Council responses have been delegated to the Joint Governance Committee on behalf of the Councils.



JOINT GOVERNANCE COMMITTEE

7 August 2019

Enduring Statement of Expectations

The original Enduring Statement of Expectations (ESE), developed and approved by the Joint Governance Committee on 9 December 2015 (DC 369), has been revised and updated in a collaborative process between the CCO working group, the TBOP Board and Executive.

The revised ESE (**Attachment B**) is a lead document and is intended to complement the Letter of Expectation, which outlines the specific annual expectations of TBOP, and is reflected in their Statement of Intent (SOI).

CCO Working Group Terms of Reference

Through a collaborative process between the CCO Working Group and the TBOP Board and Executive, a Terms of Reference has now been formalised for this group (**Attachment C**), which, once approved by the Joint Governance Committee on behalf of the Councils, will carry over into the next triennium.

Recommendation/s

THAT the TCC/WBOPDC Joint Governance Committee:

- (a) Receives the report titled Tourism Bay of Plenty's Final Statement of Intent 2019-2020 to 2021-2022, Enduring Statement of Expectations and CCO Working Group Terms of Reference.***
- (b) Receives and approves Tourism Bay of Plenty's final Statement of Intent 2019-2020 to 2021-2022 (Attachment A).***
- (c) Receives and approves the revised Enduring Statement of Expectations for Tourism Bay of Plenty (Attachment B).***
- (d) Receives and approves the CCO Working Group Terms of Reference (Attachment C).***

AND:

- (e) THAT Tourism Bay of Plenty's Final Statement of Intent 2019-2020 to 2021-2022, Enduring Statement of Expectations and CCO Working Group Terms of Reference relate to issues that are considered to be of low significance in terms of both Tauranga City and Western Bay of Plenty District Councils' Significance and Engagement Policies.***

Anne Blakeway
General Manager (Acting): Community Services
Tauranga City Council

Marion Dowd
Acting Group Manager: People and Customer Service,
Western Bay of Plenty District Council



Background

Final Statement of Intent 2019-2020 to 2021-2022

The Councils as shareholders have an opportunity to comment on the draft Statement of Intent (SOI) before it is finalised by the council-controlled organisation (CCO). Shareholder comments were provided to the CCO by 1 May 2019, in accordance with the Local Government Act 2002 (LGA).

The CCO working group met with the board members and executive staff of Tourism Bay of Plenty (TBOP) to review the final SOI, approved by TBOP's Board. It was noted that TBOP have updated the Activity and Performance Framework, now titled the *Benchmarking, Monitoring and Evaluation Framework* (pp 11-13), to align with their *Te Hā Tāpoi Plan*. Compensation from Local Authority (section 10) has also been updated to align with Councils' financial forecast.

The CCO Working Group was satisfied with the changes made and TBOP's final SOI is provided as **Attachment A**.

Enduring Statement of Expectations

The Enduring Statement of Expectations (ESE) was first developed for TBOP in 2015. It outlines the shareholder's enduring expectations of the TBOP board in relation to matters that are unlikely to change from year to year, such as the purpose of TBOP, the role of the Board and governance principles. It is designed to help the Board operate efficiently in its role and to clarify its responsibilities.

The role of the Councils as shareholders is to set expectations, as well as the medium to long-term strategic direction for its CCOs. It was timely to review and update the ESE to enable a more streamlined governance process, while providing TBOP with clarity and further guidance from the Councils.

In a collaborative process, the CCO Working Group worked with the Board and executive staff of Tourism Bay of Plenty (TBOP) to review a revised draft of the ESE put together by staff from both Councils. All feedback was incorporated into the final revised version of the ESE provided as **Attachment B**.

CCO Working Group Terms of Reference

A CCO Working Group, with representation from both Councils and the TBOP Chair and CEO, was set up in 2015. The original objective of the group was to develop a governance framework, which clearly outlined the Councils' expectations of the TBOP board over the long term.

The group has continued to meet quarterly and has been effective in building a strong relationship between TBOP and the Councils, which goes beyond the formal statutory requirements.

Through a collaborative process between the CCO Working Group, the TBOP Board and Executive, a Terms of Reference has now been formalised for this group and is provided as **Attachment C**.



Options

- Receive and approve the final SOI.
- Receive and approve the revised Enduring Statement of Expectations.
- Receive the revised Enduring Statement of Expectations and do not approve.
- Receive and approve the CCO Working Group Terms of Reference.
- Receive the CCO Working Group Terms of Reference and do not approve.

Consideration

Strategic Context

The SOI and ESE are two of the CCO's key governance and planning documents. Engaging with the CCOs throughout the development of the annual SOIs and the ESE, and through the regular CCO Working Group meetings, are all ways in which the Councils can influence the CCOs.

The SOI meets the statutory requirements as outlined in schedule 8, section 9 of the LGA.

Community

The reports have no implications for the community.

Significance and Engagement

Under the Significance & Engagement Policies for Western Bay of Plenty District Council and Tauranga City Council, this is of low significance as it is a statutory requirement for CCOs to deliver to the shareholders the final Statement of Intent, therefore the effect on ratepayers is low.

The Enduring Statement of Expectation and CCO Working Group Terms of Reference are also considered to be of low significance as they are consistent with adopted policy and established best practice.

There are no implications for the community from the SOI, the ESE, or the CCO working group Terms of Reference, therefore no community engagement is required or planned. The Board of TBOP will be advised of the outcome of this meeting.

Implementation

- A copy of this report and the resolutions will be provided to the CCO following the meeting.
- Following approval by the Joint Governance Committee, the revised ESE will be used in conjunction with the annual Letter of Expectation in the development of TBOP's SOI, helping them understand what the Councils would like them to focus on for the year/s ahead.



JOINT GOVERNANCE COMMITTEE

7 August 2019

-
- Following approval by the Joint Governance Committee, the CCO working group Terms of Reference will be effective immediately and will carry over into the next triennium. Membership will need to be confirmed following the local government elections in October.

Attachments

No.	Title
A	Tourism Bay of Plenty's Final Statement of Intent 2019-2020 to 2021-2022
B	Tourism Bay of Plenty's Enduring Statement of Expectations
C	CCO Working Group Terms of Reference



STATEMENT OF INTENT

TOURISM BAY OF PLENTY

2019-2020 to 2021-2022



1. OUR REGIONAL BRAND STORY

Ours is a place of positive energy; a rich coastal paradise blessed with raw potential.

Where cultures embrace and the natural generosity of our people is as abundant as our fertile land and open seas.

A place of discovery – our ingenuity, determination and bold thinking connect us to the world.

A landing place. A launch pad.

The Coastal Bay of Plenty – a place for you.

Ko mātou waahi he ngākau pai, he takutai
haumako rawa, he waahi pito mata.

He waahi awhina o ngā ahurea tuakiri kātoa. Ko
te wairua māhorahora o te tangata he orite ki te
paritanga huangā pai o te whenua.

He waahi huranga – Ko tā mātou
pūmanawatanga, te motuhaketanga me te
whakaaro muramura e honohono ana mātou ki
te Ao.

He tauranga mai, he tauranga atu.



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2. PURPOSE OF STATEMENT OF INTENT

In accordance with section 64 (1) of the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Western Bay of Plenty Tourism and Visitors Trust (TBOP) for the next three years. This SOI sets out TBOP's strategic framework, activities and performance measures, as the basis of organisational accountability.

TBOP acknowledges the Enduring Statement of Expectations (ESE) and Letter of Expectation (LOE) from Mayor Brownless and Mayor Webber. These clearly articulate the focus areas for TBOP that will contribute to advancing the Western Bay of Plenty's economic prosperity.

3. ABOUT TOURISM BAY OF PLENTY

TBOP is incorporated under the Charitable Trusts Act (1957) and is a not-for-profit entity established to promote and manage the Western Bay of Plenty sub-region (WBOP) as a visitor and tourist destination. TBOP is a Council Controlled Organisation (CCO) and accountable to Tauranga City Council (TCC), Western Bay of Plenty District Council (WBOPDC) and by a separate Memorandum of Understanding (MOU) with Whakatāne District Council (WDC).

This collective region is known as Te Moananui ā Toi | the Coastal Bay of Plenty.

3.1 Purpose of Tourism Bay of Plenty

TBOP's role is to support the Councils' vision to support community wellbeing in order to provide a higher standard of living for all. Councils have encouraged TBOP to consider how we contribute to the community outcomes for Tauranga and the wider coastal region. These community outcomes are to ensure Tauranga and the wider region:

- Is well planned, with a variety of successful and thriving compact centres.
- Is inclusive, safe, resilient and healthy.
- Has predictable travel times and transport choice.
- Protects and enhances the natural environment.
- Attracts businesses, people and visitors.



3.2 Principle Objective

TBOP takes the leading role in sustainable growth of Te Moananui ā Toi | the Coastal Bay of Plenty visitor economy and management of the destination. TBOP's vision is to "share our love of Te Moananui ā Toi | the Coastal Bay of Plenty with the world" and our mission is "growing a sustainable visitor economy for the benefit of our community." The LOE reflects specific expectations across three of the community outcomes:

1. Protects and enhances the natural environment.
2. Attracts businesses, people and visitors.
3. Is well planned with a variety of successful and thriving compact centres.

These outcomes will be supported through a commitment to the community, to:

- Plan for and provide affordable, fit for purpose services.
- Enhance the quality of life for current and future residents.
- Work in partnership with the community and engage in meaningful consultation.
- Provide leadership to the communities that we represent.
- Manage the balance between social, economic, cultural and environmental wellbeing of the community.

3.3 Role of Tourism Bay of Plenty

TBOP has identified four strategic priorities that will collectively grow demand for the destination whilst enhancing the visitor experience and increasing investment and supply. These priorities are based on a platform of stakeholder engagement and partnership, and sound governance principles. These strategic priorities will be executed under Te Moananui ā Toi | the Coastal Bay of Plenty Regional Brand Story which defines the unique and compelling attributes of our region. The four strategic priorities are:

1. Target the right visitors at the right time with the right messages.
2. Connect with residents.
3. Enhance the visitor experience.
4. Grow capability and increase supply.

The diagram overleaf reflects our growing role as Destination Managers – to *lead, advocate* and *coordinate* the visitor economy, while considering environmental, social and cultural interests. We also need to ensure we preserve the region's unique identity and that our visitor-related development is coordinated with residents' interests.



LEAD

Lead sustainable growth of the tourism sector, to the benefit of the local community.

ADVOCATE

Manage, develop and plan growth, taking into account environmental, social and cultural interests.

COORDINATE

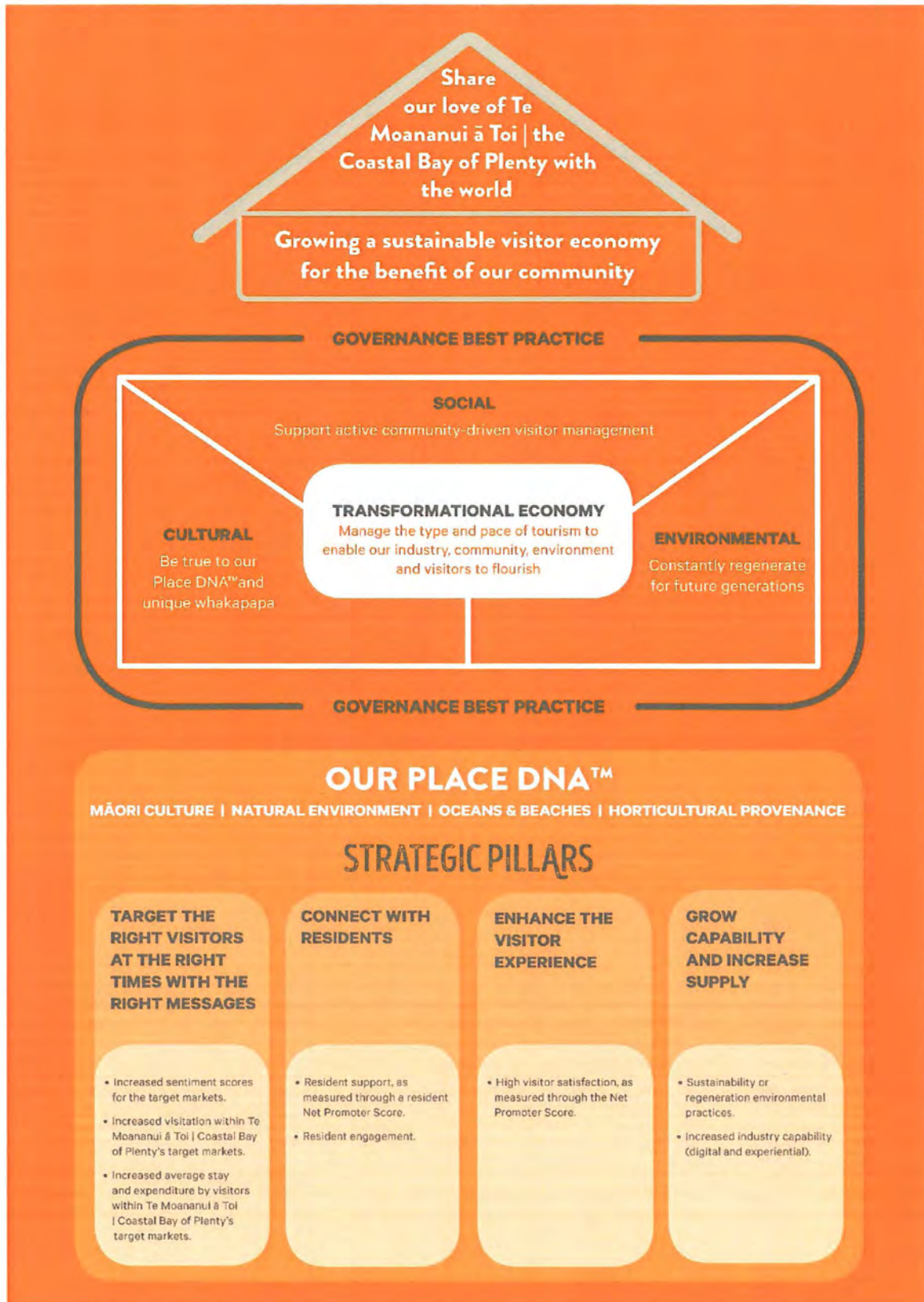
Work alongside public and private organisations as advocates and coordinators to make the region a more compelling and attractive visitor destination.

3.4 Destination Management

“Is the strategic and sustainable management of visitor-related development, coordinated with resident interests, to preserve a region’s unique identity. We will bring stakeholders together and work collaboratively to transform the region’s set of attractions, activities and services into a cohesive and compelling travel experience.”



3.5 Tourism Bay of Plenty's Strategic Framework





4. GOVERNANCE

TBOP is a CCO of the Tauranga City and Western Bay of Plenty District Councils. TBOP Board and Management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards.

The TBOP Board of Trustees is appointed by the Councils to govern and direct TBOP's activities. The Board is accountable to the Councils for the financial and non-financial performance of TBOP. The Board works collaboratively with the Councils to ensure a "no surprises" relationship.

4.1 The Role of the Board of Tourism Bay of Plenty

The Board of Trustees is responsible for the direction of TBOP. This responsibility includes:

- Develop and oversee the implementation of TBOP's Visitor Economy Strategy 2018-2028 (VES).
- Advocacy and stakeholder management.
- Approving annual plans, budgets and the SOI.
- Enterprise Risk and Health and Safety systems, policies and controls.
- Monitoring financial performance and achievement of the strategic initiatives and SOI objectives.
- Appointment and monitoring of the performance and remuneration of the CEO.
- Integrity of management information systems and policies.
- Assessment of business opportunities and business risks.
- Staff engagement and organisational culture.
- Compliance with relevant law.
- Reporting to the Councils.

The Trustees operate under the TBOP Code of Conduct and the Tauranga City Council Code of Conduct for Directors Appointed by Council to Council Organisations.

The Trustees delegate the day-to-day operation of TBOP to the Chief Executive Officer (CEO) of TBOP who reports regularly to the Board.

4.2 Tourism Bay of Plenty Trustees

As of 30 June 2019, the TBOP Board comprises the following trustees:

- Desmond Hammond (Chairperson)
- Will Wilson (Deputy Chair)
- Gwendoline Keel



- Laurissa Cooney
- Peter Moran
- Jason Hill

4.3 Reporting to Councils

4.3.1 Communication Protocol

The Chairperson, Board members and officers of TBOP will adhere to the following communication protocols with the Councils, in addition to the formal reporting requirements:

- A bilateral “no-surprises” approach.
- Consultation with the Councils prior to external release of significant changes and/or developments.
- Early notification and collaboration on the management of risks and issues.
- Appraise the performance of the TBOP Board of Trustees at a minimum of every 18 months.

4.3.2 Statement of Intent

The draft SOI for the ensuing financial year will be provided by TBOP to the Councils by 1 March each year. The final SOI, incorporating any feedback from the Councils, will be provided by 30 June each year.

The draft SOI provides a three-year view which is consistent with the ESE and identifies:

- Indicative rolling three-year forecast of performance and position, separately identifying any significant intended expenditure.
- Any likely requests for increased levels of funding from Council.
- Key action or initiatives to deliver on the objectives of TBOP.
- Upcoming challenges, risks and opportunities for TBOP.

4.3.3 Reporting

TBOP has adopted 30 June as its balance date.



4.3.3.1 Six Month Report

By 28 February, the Trustees shall deliver to the Councils an unaudited report containing the following information in respect of the six months under review:

- Statement of Financial Performance disclosing revenue and expenditure and comparative prior period and budget figures.
- Statement of Financial Position.
- Progress towards Non-Financial Performance Targets.
- A commentary on the financial and non-financial results for the first six months and a forecast for these results for the full year.

4.3.3.2 Annual Report

By 31 August, the Trustees shall deliver to the Councils a draft Annual Report, and by 30 September a final version of the Annual Report, including audited financial statements, in respect of that financial year, containing the following information:

- Chairman's and CEO's reports.
- Audited financial statements for that financial year including Statement of Financial Performance and Statement of Financial Position and Changes in Equity.
- Notes to the financial statements including accounting policies.
- Service Delivery Report summarising TBOP's performance against the SOI goals and objectives.
- Independent Auditor's report on the financial statements and non-financial performance measures.

5. BENCHMARKING, MONITORING & EVALUATION

KRA 1: Protects and Enhances the Natural Environment

The visitor economy enhances the quality of life, by providing an enhanced visitor experience and increased amenity for visitors and residents alike.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)	
ALL	Implement a Destination Management strategy ensuring the balance of economic growth with the social, cultural and environmental well-being of the community.	Visitor spend growth.	MBIE Regional Tourism Estimates.	\$1,063 (to April 2019).	\$1,108m (to June 2020).	\$1,157m (to June 2021).	\$1,207m (to June 2022).	
		Implementation of VES 2018-2028.	TBOP Six Month and Annual Reports.	Year 1 of VES 2018-2028 completed.	Implement Year 2 of VES 2018-2028.	Implement Year 3 of VES 2018-2028.	Implement Year 4 of VES 2018-2028.	
		Implementation of Te Hā Tāpoi The Love of Tourism Plan.	TBOP Six Month and Annual Reports.	Completed Te Hā Tāpoi The Love of Tourism Plan identifying next steps.	Commence year 1 implementation.	Continue with year 2 implementation.	Continue with year 3 implementation.	
		Support investigation of alternative funding mechanisms.	Report from investigation.	No current data.	Support investigation of alternative funding mechanisms.	Support investigation/implementation of alternative funding mechanisms.	Support investigation/implementation of alternative funding mechanisms.	
		Develop methods for monitoring the impact of tourism on our place and people.	Results from implementation of methods.	Identification of gaps in currently available data.	Implement developed methods for monitoring the impact of tourism on our place and people and assess outcomes to determine remaining gaps in information.	Implement developed methods for monitoring the impact of tourism on our place and people and assess outcomes to determine remaining gaps in information.	Implement developed methods for monitoring the impact of tourism on our place and people and assess outcomes to determine remaining gaps in information.	
Connect with residents	Measure and maintain community social license with measurement of resident satisfaction and likelihood to recommend the area to others to visit (Net Promoter Score).	TCC Residents' Survey scores.	TCC Residents' Survey: 1. Tauranga is a quality destination for visitors and businesses. 2. The tourism sector has a positive impact on the community. 3. Likelihood to recommend Tauranga as a holiday destination to friends and family.	1. Score of 77% (2018). 2. Score of 72% (2018). 3. Score of +40 (2018).	1. Target score: 77%. 2. Target score: 72%. 3. Target score: +40.	1. Target score: 78%. 2. Target score: 73%. 3. Target score: +41.	1. Target score: 79%. 2. Target score: 74%. 3. Target score: +42.	
		Western Bay and Whakatāne residents' satisfaction (measures to be confirmed).	Councils' resident satisfaction surveys.	No current data.	Measures to be confirmed.	Measures to be confirmed.	Measures to be confirmed.	
		Implement PR and communications initiatives.	Outcomes of research with residents.	No current data.	Continue to implement PR and communications initiatives.	Continue to implement PR and communications initiatives.	Continue to implement PR and communications initiatives.	
		Further develop the Connect with Residents programme.	Programme implementation and outcomes.	No current data.	Review, refine and continue to implement the Connect with Residents programme.	Review, refine and continue to implement the Connect with Residents programme.	Review, refine and continue to implement the Connect with Residents programme.	
Enhance the visitor experience	Measure visitor satisfaction and likelihood to recommend the region to others and use feedback to inform activities to enhance the visitor experience.	Maintained or improved visitor satisfaction levels over time.	Destination Think! Tourism Sentiment Index.	Tourism Index Score: +55 YE June 2018	Target Tourism Index Score: +55 or above.	Target Tourism Index Score: +56 or above.	Target Tourism Index Score: +56 or above.	
		Implement Visitor Experience Plan.	TBOP Six Month and Annual Reports.	No current data.	Commence Phase 1 implementation.	Continue with Phase 2 implementation.	Continue with Phase 3 implementation.	
		Implement Visitor Information Services customer survey.	To be determined.	No current data.	Determine best approach and implement.	Continue to implement methods and/or track performance.	Continue to implement methods and/or track performance.	
		Provide fit-for-purpose Visitor Information Services.	Visitor Information Services customer survey (when implemented) and TBOP Six Month and Annual Reports	No current data.	Provide fit-for-purpose Visitor Information Services.	Provide fit-for-purpose Visitor Information Services.	Provide fit-for-purpose Visitor Information Services.	
Grow capability and increase supply	Continue to improve visitor information services with development of a Mount Maunganui presence, an alternative Tauranga location, and using digital and unmanned services.	Funding for Te Tomokanga.	Funding avenues.	Te Tomokanga PGF funding application submitted December 2018.	Detailed design approved for build.	Commence build of Te Tomokanga.	Operate from Te Tomokanga.	
		Relocate the Tauranga i-Site.	To be determined.	No current data.	Tauranga site secured.	Operate from Tauranga i-Site.	Operate from Tauranga i-Site.	
		Assess need for other touchpoints.	To be determined.	No current data.	Identification of need for other visitor information services touchpoints.	Commence design and set up for other touchpoints.	Review and refine as necessary.	
		Connect the destination experience with the region's Place DNA™ and niche markets.	Implementation of Te Hā Tāpoi The Love of Tourism Plan.	TBOP Six Month and Annual Reports.	Completed Te Hā Tāpoi The Love of Tourism Plan identifying next steps.	Commence year 1 implementation.	Continue with year 2 implementation.	Continue with year 3 implementation.
Grow capability and increase supply	Identify and promote tourism experiences and products which support the Coastal Bay of Plenty's DNA™.	Implement Te Hā Tāpoi The Love of Tourism Plan.	TBOP Six Month and Annual Reports.	Completed Te Hā Tāpoi The Love of Tourism Plan identifying next steps.	Commence year 1 implementation.	Continue with year 2 implementation.	Continue with year 3 implementation.	
		Collaborate with Māori to identify and promote tourism experiences that feature Māori culture and assist in the product development of Indigenous cultural experiences, via an MOC with Iwi.	Hapū and Iwi relationships developed and a Memorandum of Commitment (MOC) with Iwi established.	Feedback from Hapū and Iwi.	Building relationships with Iwi.	MOC with Iwi upheld.	MOC with Iwi upheld.	MOC with Iwi upheld.
		New product development or enhancement of existing product/s.	New or enhanced product/s.	1 new product development.	1 new product development or enhancement of existing product.	1 new product development or enhancement of existing product.	1 new product development or enhancement of existing product.	
		Establish and maintain working groups for niche development to align experiences with target audiences.	Development of niche working groups (NWG) throughout Te Moananui ā Toi the Coastal Bay of Plenty.	Niche working group outcomes.	No current data.	3 NWG meetings.	3 NWG meetings.	3 NWG meetings.
Grow capability and increase supply	Develop 'Tourism with purpose' initiatives.	New or enhanced 'Tourism with purpose' initiatives.	No current data.	Identify and support opportunities for new 'Tourism with purpose' initiatives.	Identify and support opportunities for new 'Tourism with purpose' initiatives.	Identify and support opportunities for new 'Tourism with purpose' initiatives.	Identify and support opportunities for new 'Tourism with purpose' initiatives.	
		Support implementation of and promote the TIA Tourism Sustainability Commitment within industry.	List of operators who have signed TIA Tourism Sustainability Commitment.	A total of 25 operators have signed TIA Tourism Sustainability Commitment as of September 2018.	Industry support the TIA Tourism Sustainability Commitment.	Industry support the TIA Tourism Sustainability Commitment.	Industry support the TIA Tourism Sustainability Commitment.	
		Increase awareness of Tiaki Promise among visitors.	To be determined.	No current data.	Explore and implement opportunities to increase awareness of Tiaki Promise.	Review and refine strategies.	Review and refine strategies.	
		Explore potential options for understanding/measuring environmental regeneration and implement any suitable options.	To be determined.	No current data.	Explore potential options for understanding/measuring environmental regeneration.	Implement suitable options or measures (if any).	Continue to implement suitable options or measures (if any).	



KRA 2: Attracts Businesses, People and Visitors

- Grow the tourism industry and increase visitor spend in Te Moananui ā Toi | the Coastal Bay of Plenty.
- Attract visitors and new investment and create employment opportunities, contributing to a higher standard of living for all.
- Support the development of tourism in Te Moananui ā Toi | the Coastal Bay of Plenty and enable investment.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)	
ALL	Domestic market: Increasing domestic visitor spend.	Increase domestic visitor spend by an average of 3.7% per annum.	MBIE Monthly Regional Tourism Estimates for domestic visitors.	\$834m (to April 2019).	Increase by 3.7% per annum.	Increase by 3.7% per annum.	Increase by 3.7% per annum.	
	International market: Increasing international visitor spend.	Increase international visitor spend by an average of 5.3% per annum.	MBIE Monthly Regional Tourism Estimates for international visitors.	\$230m (to April 2019).	Increase by 5.3% per annum.	Increase by 5.3% per annum.	Increase by 5.3% per annum.	
	Cruise market: Increase the cruise sector visitor spend.	Increase cruise spend by 3.4% per annum.	MBIE Tourism Satellite Account.	\$66m (to June 2018).	Increase cruise spend by 3.4% per annum.	Increase cruise spend by 3.4% per annum.	Increase cruise spend by 3.4% per annum.	
Target the right visitors at the right time with the right messages	Develop methods to understand current visitation patterns and profiles.	Identifying or developing methods to understand current visitation patterns and profiles.	Identifying or developing methods to understand current visitation patterns and profiles.	No current data.	Identify or develop methods to understand and track visitation patterns and profiles.	Review and refine methods and monitor.	Review and refine methods and monitor.	
		Understand optimum visitor levels.	Creation of calendar of visitation patterns.	No current data.	Create calendar of visitation patterns.	Keep calendar of visitor patterns up to date.	Keep calendar of visitor patterns up to date.	
		Identifying or developing methods to understand optimum visitor levels.	Identifying or developing methods to understand optimum visitor levels.	No current data.	Identify or develop methods to understand optimum visitor levels.	Review and refine methods and track.	Review and refine methods and track.	
		Utilise passionography to redefine marketing plans and activities.	Activation of campaigns using niche market propositions.	No current data.	Utilise passionography to redefine marketing plans and activities.	Continue implementation of marketing strategies.	Continue implementation of marketing strategies.	
		Collaborate with strategic partners to drive visitation during off-peak seasons.	Develop regional brand stories and story themes based on our Place DNA™, and identify storytellers and influencers to help share those stories.	Activation of campaigns using story themes.	No current data.	Undertake Brand Storybook research, develop story theme, and identify storytellers and influencers.	Continue implementation of story theme strategies.	Continue implementation of story theme strategies.
	Develop a new website with online visitor sales & services capability.	Assess the trade model to best align to target markets.	Changes to trade model and feedback from trade partners.	New website developed.	No current data.	Develop new website with online visitor sales & services capability.	Review and refine website as needed.	Review and refine website as needed.
		Support of Major Events Strategy and other initiatives during shoulder seasons.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.
		Implement VES 2018-2028 and Te Hā Tāpoi The Love of Tourism Plan to grow the visitor economy and enable public and private investment decisions.	Implementation of VES 2018-2028 and Te Hā Tāpoi The Love of Tourism Plan Participation in BOC RGS Implementation Committee.	TBOP Six Month and Annual Reports.	Completed Te Hā Tāpoi The Love of Tourism Plan identifying next steps.	Implement year 2 of VES and year 1 of Te Hā Tāpoi The Love of Tourism Plan.	Continue with next year of implementation.	Continue with next year of implementation.
		Work with council staff to advocate for enablement of tourism product opportunities and to ensure public buildings and spaces are designed and planned through a destination management lens.	Tourism opportunities identified.	To be determined.	No current data.	Identify opportunities and connect with applicable council staff members.	Continue to work with council staff.	Continue to work with council staff.
		Advocate for and facilitate opportunities for investment in tourism that will increase the number of new tourism experiences.	Gaps and opportunities identified.	Track progress of opportunities identified and actioned.	No current data.	Identify opportunities and connect with applicable council staff members.	Continue to work with council staff.	Continue to work with council staff.
Grow capability and increase supply	Assist existing, new and potential tourism operators with mentoring and support to develop capability and sustainability.	Growth in number of export ready operators.	Track number of export ready operators	At least 15 export ready operators in the region (January 2019).	2 new export ready operators.	2 new export ready operators.	2 new export ready operators.	
		Tourism operators supported to maintain Qualmark status.	Qualmark.	58 Qualmark operators (January 2019).	Host 1 Qualmark workshop for operators.	Host 1 Qualmark workshop for operators.	Host 1 Qualmark workshop for operators.	
	Tourism operators supported to develop capability.	Number of tourism operators being assisted with mentoring and support.	No current data.	Organise 3 x industry capability building workshops.	Organise 3 x industry capability building workshops.	Organise 3 x industry capability building workshops.		
	Identify and support the development of infrastructure to manage visitor growth, via mapping the region's natural and built assets to identify infrastructure and experience gaps and opportunities.	Map regional infrastructure and experiences to identify gaps.	Identified infrastructure needs and experience gaps (if any) and support of development.	No current data.	Map of regional infrastructure and experiences developed, and gaps identified.	Keep map current and advocate for development where needed.	Keep map current and advocate for development where needed.	

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KRA 3: Is Well Planned, with a Variety of Successful and Thriving Compact Centres

Collaborate with residents, councils, and other agencies.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Insights and leadership	Provide leadership for tourism and support sustainable economic growth with effective leadership and implementation of the VES 2018-2028 and Te Hā Tāpoi The Love of Tourism Plan.	Implementation of VES 2018-2028. Form and engage a Leadership Advisory Group. Implementation of Te Hā Tāpoi The Love of Tourism Plan.	TBOP Six Month and Annual Reports. To be determined. TBOP Six Month and Annual Reports.	Year 1 of VES 2018-2028 completed. No current data. Completed Te Hā Tāpoi The Love of Tourism Plan identifying next steps.	Implementation of Year 2 of VES2018-2028. Continue to engage with leaders as needed.	Implementation of Year 3 of VES 2018-2028. Continue to engage with leaders as needed.	Implementation of Year 4 of VES 2018-2028. Continue to engage with leaders as needed.
	TBOP will provide research insights to forecast the visitor economy and provide demand management of infrastructure and city services.	Tourism forecasts and other capacity measures. Councils' feedback.	Tourism forecasts and other capacity measures. To be determined.	2018-2028 forecasts. No current data.	Updated forecasts and development of measures. Participation in annual planning with Councils.	Continued implementation of research and insights projects. Participation in annual planning with Councils.	Continued implementation of research and insights projects. Participation in annual planning with Councils.
	Share insights with tourism stakeholders to help with their decision making.	Sharing of useful insights with tourism stakeholders.	Industry Engagement Survey.	No current data.	Continue to share useful insights.	Continue to share useful insights.	Continue to share useful insights.
Collaboration and partnership	Develop and maintain partnerships with other organisations and stakeholders (including but not limited to Iwi, EDAs and neighbouring RTOs) to identify and leverage opportunities.	Implement Stakeholder Engagement and Communications Plan.	Councils' feedback – TBOP Six Month and Annual Reports.	Stakeholder Engagement and Communications Plan completed.	Year 1 implementation of plan.	Year 2 implementation of plan.	Year 3 implementation of plan.
		Work with the Industry Advisory Group (IAG) to understand current landscape, capacity, gaps and opportunities.	Industry Engagement Survey.	No current data.	2 x meetings of IAG per year.	2 x meetings of IAG per year.	2 x meetings of IAG per year.
		Provide opportunity for industry stakeholders to build networks.	Track progress of opportunities identified and actioned.	No current data.	Actions taken to progress any identified opportunities (if applicable).	Actions taken to progress any identified opportunities (if applicable).	Actions taken to progress any identified opportunities (if applicable).
		Manage P&L to budget.	Hosting of events.	No current data.	3 x networking events per year.	3 x networking events per year.	3 x networking events per year.
Governance best practice	Prudent management of TBOP including risk and financial control, and compliance to regulatory and Code of Conduct frameworks.	Code of Conduct compliance.	Auditors' Report.	Auditor's Report 2018-19: Achieved. TBOP Six Month and Annual Reports: Achieved.	Manage P&L to budget.	Manage P&L to budget.	Manage P&L to budget.
		Compliance and regulatory obligations met.	TBOP Six Month and Annual Reports.	TBOP Six Month and Annual Reports: Achieved.	Code of Conduct compliance.	Code of Conduct compliance.	Code of Conduct compliance.
		Enterprise Risk Management Policy adherence.	Councils' feedback.	TBOP Six Month and Annual Reports: Achieved.	Compliance and regulatory obligations met.	Compliance and regulatory obligations met.	Compliance and regulatory obligations met.
Governance best practice	Maintain good working relationships with Council staff and elected members, observing the 'no surprises' principle.	Board confirmation.	Board confirmation.	TBOP Six Month and Annual Reports: Achieved.	Enterprise Risk Management Policy adherence.	Enterprise Risk Management Policy adherence.	Enterprise Risk Management Policy adherence.
		Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	Councils' feedback.	TBOP Six Month and Annual Reports: Achieved.	No surprises principle maintained.	No surprises principle maintained.	No surprises principle maintained.
Governance best practice	Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	TBOP Six Month and Annual Reports.	TBOP Six Month and Annual Reports.	TBOP Six Month and Annual Reports: Achieved.	Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.



6. FINANCIAL PERFORMANCE TARGETS AND MEASURES

- Gross revenue is consistent with the agreed budget.
- Expenditure is managed within the agreed budget.
- Working capital ratio of no less than 1 (excluding current portion of term debt).
- Equity to assets ratio is reported on (equity divided by total assets).
- No debt is to be raised to finance operating expenses.

7. ACCOUNTING POLICIES

Financial statements will be prepared in accordance with Tier 2 Public Benefit Entity Accounting Standards. The accounting policies that have been adopted are detailed in the company's Annual Report.

7.1 Asset Management

TBOP will prepare and implement Asset Management Plans for all assets where relevant.

7.2 Ratio of Consolidated Funds

If the Trust is wound up everything reverts to the Councils (to be held in trust for similar purposes). TBOP intends to keep the equity ratio equal to or above 0.5:1.0. The ratio is calculated as: equity divided by total assets.

7.3 Estimate of Commercial Value

The TBOP Board estimate that the commercial value of the shareholders' investment in TBOP is represented by the net assets of TBOP. This value is calculated from total assets less liabilities.

7.4 Transactions Between Related Parties

Transactions between the Councils and TBOP will be conducted on a wholly commercial basis.

7.5 Distribution to Shareholders

TBOP is not expected to make profits; any surplus funds remaining from the annual operations of TBOP shall be carried forward to the ensuing year to continue to meet the primary objectives of TBOP.



8. FUNDING PRINCIPLES

The parties recognise the following funding principles as being critical to the arrangement:

- Sustained private sector funding (both in cash and in kind) is a tangible and critical demonstration, both to the tourism business sector and to the ratepayer, of the fact that the role, contribution and partnership of TBOP is valued.
- The private/public sector co-funding model demonstrates to the community and to local government the existence of a partnership which can achieve sound economic outcomes.
- The private/public sector co-funding model is essential to maximise the potential for leveraging local government funding in the Western Bay of Plenty sub-region.

9. SIGNIFICANT DECISIONS

TBOP will not undertake any activity of a nature or scope not provided for in this SOI without prior approval of the Councils. Specifically, prior approval would be required for TBOP to:

- Form any subsidiary entity.
- Purchase shares in any other entity.
- Dispose of any significant assets e.g. land or buildings.
- Purchase any significant assets e.g. land or buildings.

10. COMPENSATION FROM LOCAL AUTHORITY

TCC and WBOPDC intends to purchase services from TBOP over the long term and agrees to the level of funding on a rolling three-year basis aligned to the three-year Business Plan of TBOP.

The Councils acknowledge TBOP's growing role in Destination Management and so have granted additional funding through TCC's 2018 Long Term Plan (LTP).

The services for the next three years are currently forecast, as per the table below.

Funder	2019-2020	2020-2021	2021-2022
TCC*	\$2,213,962	\$2,281,677	\$2,359,995
WBOPDC	\$212,988	\$216,396	\$219,858
Total	\$2,426,950	\$2,498,073	\$2,579,853

*TCC's figures include funding for Visitor Information Centres.

The payments will be made quarterly in advance on receipt of a GST invoice, with payments one and two each being 30% of the annual sum, and payments three and four each being 20% of the annual sum.



WESTERN BAY OF PLENTY TOURISM & VISITORS TRUST

BUDGET	2019/20	2020/21	2021/22
Revenue			
Funding - Tauranga City Council	2,213,962	2,281,677	2,359,995
Funding - Western BOP District Council	212,988	216,396	219,858
Funding - Whakatane District Council	84,000	84,000	84,000
Retail Sales	130,000	130,000	160,000
Other Revenue (includes industry contributions)	626,000	570,420	632,420
Total Revenue	3,266,950	3,282,493	3,456,273
Less Expenditure			
Cost of Sales	68,600	82,000	100,000
Operating & Marketing	2,348,379	2,341,374	2,567,124
Administration & Overheads	756,077	727,978	744,549
Depreciation & Amortisation	93,894	131,141	44,600
Total Expenditure	3,266,950	3,282,493	3,456,273
Surplus/(Deficit)	0	0	0

11. TERMINATION

If any party wishes to terminate this three-year rolling arrangement due to non-performance or other substantive reason within the control of either of the parties:

- The party may give written notice to the other party specifying the issue and if possible requiring remedy within twenty-eight (28) days, and/or
- Mediation is set to investigate any remedy of the issue, and/or
- If the issue is unable to be remedied to the party's satisfaction, the party must give written notice of intention to terminate this arrangement from a date being not less than one year commencing the forthcoming 1 July. (That is, the party must have at least one full financial year notice commencing on 1 July and ending on 30 June).



12. SIGNED BY:

A handwritten signature in black ink, appearing to be "C. O. L.", written above a horizontal line.

Chairperson
Tourism Bay of Plenty

A handwritten signature in blue ink, appearing to be "K. L. Jones", written above a horizontal line.

Chief Executive Officer
Tourism Bay of Plenty



13. GLOSSARY OF TERMS

BOC	Bay of Connections
CCO	Council Controlled Organisation
CEO	Chief Executive Officer
CPI	Consumer Price Index
ECNI	eXplore Central North Island
ESE	Enduring Statement of Expectations
GDP	Gross Domestic Product
GST	Goods and Services Tax
IAG	Industry Advisory Group
KRA	Key Result Area
LOE	Letter of Expectation
LTP	Long Term Plan
MBIE	Ministry of Business, Innovation and Employment
MOU	Memorandum of Understanding
NPLH	No Place Like Home campaign
NPS	Net Promoter Score
P&L	Profit and loss
Qualmark	New Zealand tourism's official mark of quality
RAG	Resident Advisory Group
RGs	Regional Growth Study
SOI	Statement of Intent
TBOP	Tourism Bay of Plenty
TCC	Tauranga City Council
TIA	Tourism Industry Aotearoa
TNZ	Tourism New Zealand
TSA	Tourism Satellite Account
VES	Tourism Bay of Plenty's Visitor Economy Strategy 2018-2028
VIC	Visitor Information Centre
WBOP	Western Bay of Plenty sub-region
WBOPDC	Western Bay of Plenty District Council
WDC	Whakatāne District Council

WESTERN BAY OF PLENTY TOURISM & VISITORS TRUST
CONSOLIDATED BUDGET
FOR YEAR ENDED 30 JUNE 2020

		Jun-20 Budget		Jun-19 Forecast	Variance		Jun-19 Budget	Variance		Jun-18 Actual	Variance	
RETAIL												
Retail sales	100%	130,000	100%	126,611	3,389		100%	137,500	-7,500	100%	123,091	6,909
Retail Cost of sales	53%	68,600	65%	81,761	-13,161		61%	83,700	-15,100	59%	72,861	-4,261
Retail Profit	47%	61,400	35%	44,850	16,550		39%	53,800	7,600	41%	50,230	11,170
REVENUE												
Funding - Whakatāne District Council	3%	84,000	3%	84,000	0		3%	84,000	0	3%	84,000	0
Finance Revenue	0%	7,750	0%	10,162	-2,412		0%	9,120	-1,370	0%	9,676	-1,926
Cruise Income	9%	278,000	9%	280,315	-2,315		10%	301,980	-23,980	11%	254,194	23,806
Mount iSite Income	0%	2,100	0%	3,697	-1,597		1%	16,000	-13,900	1%	34,470	-32,370
Tauranga iSite Income	4%	139,900	5%	141,397	-1,497		5%	143,200	-3,300	6%	132,273	7,627
Tourism BOP Income	6%	198,250	3%	83,766	114,484		6%	174,500	23,750	7%	158,791	39,459
Total other revenue	22%	710,000	20%	603,337	106,663		23%	728,800	-18,800	28%	673,404	36,596
Funding - Tauranga City Council	69%	2,213,963	71%	2,121,179	92,784		68%	2,121,179	92,784	62%	1,482,900	731,063
Funding - Western Bay of Plenty District Council	7%	212,988	7%	209,634	3,354		7%	209,634	3,354	8%	195,000	17,988
Total revenue	100%	3,198,351	100%	2,979,000	219,351		100%	3,113,413	84,938	100%	2,401,534	796,816
EXPENDITURE												
Finance Costs	0%	749	0%	1,414	-665		0%	1,414	-665	0%	2,081	-1,333
Operating & Marketing Costs												
Cruise Expenses	3%	97,755	3%	81,838	15,917		3%	86,060	11,695	4%	97,049	705
Mount iSite Expenses	0%	264	0%	6,028	-5,764		0%	10,948	-10,684	1%	19,499	-19,235
Tauranga iSite Exp	6%	190,240	7%	198,799	-8,559		7%	205,033	-14,793	8%	199,149	-8,909
Target Right Visitor Right Time Costs	12%	389,000	13%	389,223	-223		15%	456,240	-67,240	20%	469,874	-80,874
Connect with Residents Costs	2%	52,000	2%	56,232	-4,232		2%	48,500	3,500	2%	37,326	14,674
Enhance Visitor Experience Research Costs	0%	10,000	0%	0	10,000		0%	0	10,000	0%	0	10,000
Grow Capability & Increase Supply Costs	10%	306,360	11%	320,830	-14,470		6%	200,000	106,360	3%	81,803	224,557
Administration	10%	334,298	9%	282,873	51,425		9%	294,781	39,517	9%	226,509	107,789
Total Operating & Marketing Costs	43%	1,380,665	45%	1,337,237	43,428		42%	1,302,976	77,689	47%	1,133,291	247,375
Employee benefit expenses (Salary Costs plus ACC)												
Cruise Employee Expenses	6%	187,000	7%	210,828	-23,828		7%	215,700	-28,700	7%	169,458	17,542
Mount iSite Employee Expenses	0%	8,300	0%	8,281	19		0%	13,692	-5,392	1%	30,064	-21,764
Tauranga iSite Employee Exp	12%	376,960	12%	350,696	26,264		12%	371,350	5,610	14%	343,619	33,341
Target Right Visitor Right Time Employee Costs	7%	235,200	1%	20,616	214,584		0%	0	235,200	0%	4,713	230,487
Connect with Residents Employee Costs	9%	279,000	9%	275,079	3,921		8%	264,000	15,000	5%	126,871	152,129
Enhance Visitor Experience Marketing Employee Costs	0%	0	2%	63,262	-63,262		5%	147,000	-147,000	0%	0	0
Grow Capability & Increase Supply Employee Costs	7%	216,400	2%	44,769	171,631		1%	45,000	171,400	4%	97,293	119,107
Partnership Marketing Employee Expenses	0%		4%	133,582	-133,582		5%	167,000	-167,000	5%	126,261	-126,261
Research Projects Employee Expenses	0%		2%	62,872	-62,872		4%	130,000	-130,000	0%	0	0
Administration Employee Expenses	11%	341,700	12%	356,428	-14,728		11%	333,440	8,260	11%	273,726	67,974
Total Employee benefit expenses	51%	1,644,560	51%	1,526,413	118,147		54%	1,687,182	-42,622	49%	1,172,006	472,554
Trustee Fees	2%	79,331	2%	58,281	21,050		2%	69,375	9,956	2%	57,031	22,300
Depreciation and loss on sale of assets	3%	93,794	2%	52,105	41,689		2%	53,880	39,914	3%	65,359	28,435
Total expenditure	100%	3,198,350	100%	2,974,036	224,314		100%	3,113,413	84,937	101%	2,427,686	770,664
SURPLUS/(DEFICIT) before Tax	0%	0	0%	4,964	-4,964		0%	0	0	-1%	-26,152	26,152

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Enduring Statement of Expectations for Tourism Bay of Plenty (TBOP)

1. Introduction

This document applies to the Western Bay of Plenty Tourism and Visitors Trust, better known as Tourism Bay of Plenty (TBOP), as a council-controlled organisation (CCO) of Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC).

This document is designed to help the TBOP Board operate efficiently in its role and to clarify its responsibilities. It outlines the shareholder's enduring expectations of the TBOP board in relation to matters which are unlikely to change from year to year, such as the role and purpose of the board, governance and funding principles.

This lead document is intended to complement the Letter of Expectation (LOE) which outlines the specific annual expectations of TBOP, reflected in the Statement of Intent (SOI).

This document should be read in accordance with the Western Bay of Plenty Tourism and Visitors Trust Deed. Where there is any conflict between the two documents, the trustees will act in accordance with their Trust Deed.

It should be read with due consideration to all relevant TCC and WBOPDC Policies and Plans, as well as all relevant legislation and amendments, including:

- [Local Government Act 2002](#) (LGA), including [section 4](#) referring to the Treaty of Waitangi
- [Charitable Trust Act \(1957\)](#)
- [Trustee Act \(1956\)](#)
- [Health and Safety at Work Act \(2015\)](#)
- [Resource Management Act \(1991\)](#) and all relevant amendments

This document will be updated periodically as processes, policies and shareholder's expectations change. It is available on the websites of Tauranga City Council and Western Bay of Plenty District Council.

2. Interpretation

Throughout this document, the term 'the councils' is intended to mean the governance body of TCC and WBOPDC. Management and staff are specifically referenced where intended.

In the case of any doubt regarding the interpretation of any aspect of this document, TBOP should consult with TCC's CCO Manager or WBOPDC's Community Manager in the first instance.

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3. Purpose

3.1. TBOP as a CCO

TBOP was established as an independent trust on 8 April 2002. Following consultation with the community on 1 July 2006, TBOP was established as a joint CCO entity, as per [Section 6\(1\) of the Local Government Act 2002](#) (LGA), with Tauranga City Council and Western Bay of Plenty District Council as 100% shareholders.

As a CCO, TBOP is required to operate in a financially prudent manner. TBOP's purpose as a whole is to provide a service to the community on behalf of Council rather than to operate a business for profit (which would make it a council-controlled trading organisation (CCTO)).

3.2. Purpose of TBOP

TBOP's purpose, as described in its Trust Deed, is to promote the economic welfare and development of the Western Bay of Plenty Region and its citizens through the destination marketing, management and any other activity which impacts on that region as a visitor and tourist destination. TBOP is also responsible for providing visitor information services in the region.

TBOP takes the leading role in sustainable growth of the Coastal Bay of Plenty visitor economy and management of the destination for the benefit of our community. TBOP's growing role as a Destination Management Organisation (DMO) is to lead, advocate and coordinate a cohesive, collaborative and balanced approach to managing a destination. This is a partnership approach and requires engagement with the community and the support of the councils to enhance the visitor experience.

3.3 Strategic setting

The Councils are committed to enhancing community wellbeing and increasing the quality of life for residents of the coastal Bay of Plenty, in order to provide a higher standard of living for all.

TBOP's strategic direction shall be set with due consideration to Council's aspirations and strategic drivers, which are that the region:

- Is well planned, with a variety of successful and thriving compact centres
- Is inclusive, safe, resilient and healthy
- Has predictable travel times and transport choice
- Protects and enhances the natural environment
- Attracts businesses, people and visitors.

4. Principles of the Enduring Statement of Expectations

4.1. Expected outputs from TBOP

The councils' operating grants to TBOP help deliver destination marketing, management and any other activity which impacts on the economic welfare and development of the region as a visitor and tourist destination. TBOP is also responsible for providing visitor information services in the region.

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Four strategic priorities will collectively grow demand for the destination, whilst enhancing the visitor experience, increasing investment and supply, and increasing the quality of life for residents. *See Table 1.*

Table 1: TBOP's strategic priorities

Visitor outputs	Community outputs
Right visitors, right time, right messages.	Connect with residents and increase civic pride
Enhance the visitor experience	Grow capability and increase supply.

In addition to these strategic priorities, the councils have more specific expectations of TBOP in relation to community outcomes, which are detailed in TBOP's annual Letter of Expectations.

The councils will provide opportunities for TBOP to actively contribute their expertise and knowledge of the tourism industry and economic development in planning for population and urban growth led by the councils. The councils commit to ensuring that any opportunities for shared support services are available to TBOP.

5. Relationship with the councils

5.1 No surprises approach

TBOP must be mindful that the councils are accountable to a wider audience and that the affairs of TBOP, positive and negative, can impact on both councils. It is expected that the councils and TBOP will keep each other advised of any issues that may generate public interest - this is referred to as the 'no surprises' approach. A failure to keep each other informed on significant issues at appropriate times will be viewed as a governance failure.

The councils expect TBOP to:

- Present a unified front on issues that affect both the councils and TBOP. Where TBOP and the councils have divergent opinions on an issue, the expectation is that all parties will work together to find common ground before the issue enters the public arena.
- Be aware that the councils have interests that are wider than those of TBOP.
- Be cognisant of wider councils' policy issues as part of their decision-making.
- Be aware of the potential implications of TBOP-specific issues on the councils and/or its balance sheet.
- Be cognisant of demand for accountability and transparency placed on Councillors from residents and ratepayers of Tauranga and the Western Bay of Plenty.
- Ensure that the councils are informed in a timely manner of any issue that may generate significant public interest, as it unfolds or preferably, in advance of any such public communication.

Likewise, the councils commit to ensuring that issues relating to TBOP are communicated with TBOP staff and governance (as appropriate) in a timely manner and before issues enter the public arena.

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5.2. Specific principles of good governance

The following principles, which incorporate the Institute of Directors' [Four Pillars of Governance Best Practice](#), are required for a strong governance relationship between the councils and TBOP:

- i. **Leadership** – The councils are responsible for setting the strategic direction for the sub-region, and clearly and proactively communicating how TBOP is expected to give effect and contribute to these strategic aspirations via the Letter of Expectation and other mechanisms. While the board must take ownership of TBOP's strategic direction, the board will remain cognisant of the councils' expectations and obligations.
- ii. **Effective governance culture** – The board adds value by acting as a team with a high performance culture, committed to engaged, quality governance of the entity. It supports open debate, diversity, thoughtful challenge and constructive dissent. Trustees lead through high standards of ethical behaviour, commitment, candour, and integrity. This culture is characterised by effective relationships between trustees and with management, councils and stakeholders.
- iii. **Community focus** – TBOP trustees must ensure they behave in a manner that is consistent with having a community focus and require the same from their executives. This requires them to be cognisant that TBOP is largely funded through public money, and that seeking the best outcome for the region will always be considered in decision making.
- iv. **Empowerment** – TBOP trustees must be empowered to fulfil their statutory, constitutional, LOE and SOI responsibilities. If they are unnecessarily constrained, they cannot fulfil their obligations and are unable to 'add value'.
- v. **Effective compliance** – The board adds value by ensuring the entity is, and remains, solvent. TBOP trustees must be aware of their duty to comply with legislative obligations, including but not limited to the Trustee Act (1956), Charitable Trust Act (1957), the Local Government Act (2002), the Health & Safety at Work Act (2015) and the Resource Management Act (1991) and all relevant amendments.
- vi. **Accountability** – TBOP trustees are accountable for meeting the objectives of its shareholders (the councils) as specified in the SOI, being a good employer, and exhibiting a sense of social and environmental responsibility. A value-adding board holds management to account through informed, astute, effective and independent oversight of performance and compliance matters. It does not do the job of management but ensures purpose and strategy are understood by management and implemented.
- vii. **Transparency** – Transparency requires a high level of visibility to ensure that funding has been used for intended public-good outcomes. The board's decision making must recognise and reflect that the councils are held to account by the public for their use of ratepayer funding and for their stewardship of Council owned assets.
- viii. **Trust** – Productive relationships also require a culture of cooperation and trust. The 'no surprises' approach is a critical part of this, and ensures that TBOP and the councils keep each other informed before matters are in the public arena.

5.3. Reporting and communication obligations

Communication with the councils means more than regular reporting. It means two-way dialogue and a commitment to considering the councils' strategic priorities and objectives. It also means responding promptly and appropriately on issues raised by the councils.

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Councils' expectations around regular reporting include:

- Quarterly governance meetings between the TBOP Board and Councils through the CCO working group, to assess progress against agreed outcomes as per the Statement of Intent.
- Six monthly informal Governance to Governance meetings between the TBOP Board and elected members to maintain good governance relationships.
- Quarterly meetings between the Mayor and Chair of the Board.
- Regular meetings with operational management/staff at least quarterly, preferably monthly.
- Other meetings as required to meet financial and non-financial reporting obligations under the Local Government Act, the Financial Markets Conduct Act 2013 and any other relevant legislation or regulation.
- Other meetings as required to ensure the 'no surprises' approach is effective.

6. Roles and responsibilities

6.1 Role of the councils

The role of the councils is to set expectations and monitor the performance of TBOP as a joint CCO under the relevant legislation. Performance is monitored against the SOI and Long Term Plan (LTP) measures and targets.

However, the councils have further obligations to ensure the prudent and transparent use of public money. These obligations can require a level of scrutiny beyond a relatively high-level SOI and retrospective performance monitoring.

In practice, the responsibilities of the councils include:

- Appointing and removing TBOP trustees (including chair and deputy chair).
- Determining remuneration for TBOP trustees.
- Developing the short-term annual priorities through the LOE.
- Consulting with the board on TBOP's medium to long term strategic direction.
- Commenting on the content of draft SOIs to ensure both Councils' expectations are reflected.
- Approving the final SOI.
- Receiving half-yearly and annual reports.
- Monitoring Board performance and taking remedial steps when necessary.
- Developing and communicating the Councils' strategies and plans.
- Consulting with the TBOP Board as issues arise.
- Ensuring collaborative and transparent working relationships with TBOP.
- Ensuring the prudent use of public money.
- Setting policy relating to TBOP governance, in line with the Trust Deed and the legislative requirements of a CCO.
- Ensuring TBOP does not make decisions that could have significant adverse implications for future funding from the councils.

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6.2. Role of the TBOP board

Under the LGA (2002), the role of a director on the board of a CCO (and in this case a trustee) is to assist the organisation to meet its objectives and any other requirements in its SOI.

The principal objectives of a CCO are also specified in the Act. These are to achieve the objectives of its shareholders (and in this case its councils) as specified in the SOI, to be a good employer, and to exhibit a sense of social and environmental responsibility.

TBOP is a not for profit entity and is registered as a Charitable Trust. Trustees undertake their governance responsibilities as a service to the community and because of their passion and interest to encourage involvement, appreciation and enjoyment of tourism related activities.

In practice, the TBOP Board's responsibilities include:

- Ensuring the SOI reflects expectations and obligations of the councils.
- Providing the councils with a draft SOI by 1 March and the final SOI by 30 June each year.
- Providing a half-yearly report to the councils within two months of the end of the first half of the financial year.
- Providing an audited Annual Report to the councils within three months of the end of the financial year.
- Ensuring the Annual Report is made available to the public on the TBOP website, with a hard copy available to any member of the public upon request.
- Acting in accordance with the TBOP Trust Deed.
- Complying with the obligations of the Trustee Act (1956) and Charitable Trusts Act (1957), including acting with honesty, good faith and in the best interests of the Trust, and exercising care, diligence and skill.
- Managing risk and keeping the councils informed of significant risks and the approach to managing them.
- Providing robust business cases to the councils including, where appropriate, rigorous independent analysis and expert advice, where additional funding is being sought.
- Ensuring the councils are provided with all necessary information in a timely manner to ensure the councils' planning processes can be completed.
- Oversight of TBOP's operations.
- Appointment, evaluation and, if necessary, termination of its CEO.
- Ensuring TBOP acts as a good employer.
- Ensuring TBOP exhibits a sense of social and environmental responsibility.
- Ensuring compliance with all legislative requirements, including the Local Government Act (2002), the Health & Safety at Work Act (2015) and the Resource Management Act (1991) and all relevant amendments.
- Ensuring trustees' expenditure reflects the prudent and transparent management of public funds.

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7. Decision-making guidelines

Clear allocation of responsibility for decision-making was one of the motivations for creating the original Enduring Statement of Expectations and continues to be important.

Table 2 provides some high level guidance. Decisions in the top part of the table are clearly made by the councils, although TBOP input or advice may be appropriate. Decisions in the bottom part of the table are clearly the board's decisions although the 'no surprises' approach applies as these can affect the councils' policy, or have political implications for the councils.

Responsibility for decisions in the middle shaded area could sit with either party or need to be considered on a case by case basis. Good communication and a culture of trust should minimise issues arising with these types of decisions. As the councils adopt various plans and strategies, it should consider the implications of these for TBOP.

Table 2: Decision Making Guidelines

Type of Decision	The councils or TBOP Board
Determining TBOP's contribution to strategic outcomes for the sub region.	The councils decide - board provides advice and input
Appointment and removal of trustees to the board (including Chair and Deputy Chair).	
Level of operational funding provided to TBOP.	
Major transactions/decisions by TBOP requiring shareholder approval (triggered by Council's Significance & Engagement Policy – see point 8 for more detail).	
More than minor reductions in levels of service.	
TBOP undertaking significant new initiatives (as per the Significance and Engagement policy for either council, see Appendix B and C).	Board initiates. The councils approve if additional funding is required from the councils, or if the matter is inconsistent with either council's policies or strategies. Board decides if funding and/or approval not required by either council.
Minor ¹ reductions to Levels of Service and increases to Levels of Service	Board ratifies, however Board must give Council at least one month notice of LOS change prior to public awareness of the LOS change.
Organisational strategy (giving effect to the councils' strategy).	Board decides as long as not inconsistent with policies or strategies from either council.
Development and implementation of Risk Management strategy.	Board decides, as long as not inconsistent with policies or strategies from either council, and unless it relates to funding provided by TCC or WBOPDC.
Operational and business decisions consistent with Council policy.	Board/management decides but should keep the councils informed under 'no surprises' approach.

¹ In this context 'minor' means short term and affecting a small number of the public.

Finally, the TBOP SOI should contain a set of criteria to guide the Board as to the types of decisions that may require shareholder approval. These criteria are to be based on the both councils' Significance & Engagement Policies and the guidance contained in this document.

The intent of this alignment is to ensure that decisions considered 'significant' by the councils,

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potentially requiring public consultation, cannot be made by a CCO with a lesser degree of rigour. However, these criteria more properly define decisions requiring shareholder engagement, not necessarily shareholder approval. Both councils' *Significance & Engagement Policies* are attached as Appendices B and C.

8. Funding and financing expectations

CCOs are accountable to the councils for the financial governance of their operation in accordance with legislative requirements, SOIs, the broader governance and monitoring requirements outlined in this document, and the specific principles detailed below.

8.1. General funding principles

There are five high level funding principles:

1. As a general principle, TCC and WBOPDC will provide ongoing funding to TBOP as a contribution towards operational expenses.
2. The role of the councils is to hold TBOP accountable for the use of funds provided by TCC/WBOPDC, ideally consistent with the councils' strategy.
3. TBOP is encouraged to seek funding opportunities from the private sector and central government in order to maximise the best outcomes for the organisation and the region.
4. The TBOP Board must be empowered with sufficient flexibility to determine the best use and allocation of funding to meet required levels of service to the community and visitors.
5. TBOP is expected to meet the approved annual budget.

8.2. Approach to Funding

TBOP receives an operating grant from both councils for the purpose of marketing and managing the destination. The operating grant is set through the Long Term Plan (LTP) process, with the contribution from each council updated annually in line with the consumer price index (CPI) when TBOP creates its budgets for the coming year.

Council funding for additional operating grant and ad hoc new capital projects is to be assessed on a case by case basis through the Long Term Plan (LTP) or the Annual Plan (AP) process.

8.3. Borrowing

In accordance with the Trust Deed, the TBOP Board is able to borrow money on any terms as it considers appropriate. TBOP will notify the councils before undertaking any external borrowing arrangements.

8.4. Annual Financial Reports

Annual financial reports need to meet the applicable New Zealand accounting standards and must contain an auditor's report in accordance with the LGA and the Public Audit Act 2001.

8.5. Treatment of surpluses

Any net surpluses should be disclosed through the six monthly and Annual Reports.

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8.6 Partnering solutions / Joint ventures

TBOP should only seek partnering solutions that allow it to retain substantive control over its assets and intellectual property, and which have the principal purpose of furthering the objectives of both TBOP and the councils. In general, the councils will not support partnering solutions or joint ventures that result in TBOP's assets and capabilities being transferred or diluted.

This concern about dilution of control also extends to financial and budgetary controls and taxation issues that might arise as a result of a joint venture. The councils expect that any joint ventures entered into by TBOP would be subject to at least the same level of financial budgeting and monitoring control as that which applies to TBOP and would require the approval of both councils.

Joint Ventures and Partnering Solutions that do not involve either the dilution of assets or the commitment of the councils do not require Council approval, although it is expected that TBOP inform the councils under the 'no surprises' policy.

9. External relationship expectations

9.1. Branding expectations

The councils expect TBOP to actively seek opportunities to utilise the TCC and WBOPDC logos and seek to promote them as the main contributors to operating costs. Where appropriate, TCC will adopt TBOP branding and use the approved logo/s in accordance with TBOP brand parameters.

9.2. Submissions to external agencies

The councils are frequently called upon to make written submissions in response to discussion papers, proposals for legislative change or policy reviews released by external agencies. Council staff are expected to include TBOP staff in submission development where that submission deals with a matter of relevance to TBOP. This will ensure that where it is appropriate TBOP will have a role in developing Council submissions.

TBOP must discuss with the councils any public submission they intend to make. The councils can then determine whether the submission relates to an issue that it has an interest in, and if necessary, a joint submission can then be developed. Such discussions should be with the relevant staff from either council.

TBOP should inform the councils of particular activities they will be undertaking that will require engagement with central Government.

9.3. Submissions to TCC or WBOPDC

The councils encourage TBOP to work with staff to raise issues through the Long Term Plan or Annual Plan budgeting processes prior to the internal submissions process. It is important that the councils understand any additional budgeting requirements as early as possible, so these can be considered through the proper processes and consulted on with the community.

This section does not preclude TBOP from making an external submission through these or any other processes.

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10. Board governance

10.1. Provision of official information

TBOP is subject to parts 1 to 6 of the Local Government Official Information and Meetings Act 1987. In handling requests made under this Act, TBOP is expected to respect the underlying principles, and comply fully with the Act in terms of making information available to the public within the stated deadlines unless there is good reason for withholding information.

10.2. Councils' Policies

In accordance with the Trust Deed, TBOP is required to give effect to TCC's Appointment of Directors to Council Organisations Policy (Appendix A).

TBOP must also take into consideration the Significance and Engagement policy for both councils (Appendix B and C).

10.3. Board membership

The following matters are outlined in Tauranga City Council's Appointment of Directors to Council Organisations Policy (May 2018), attached as Appendix A:

- The role of CCO board members
- Skills, knowledge and experience required of board members
- Eligible candidates
- Disclosure of interests
- Appointment process
- Remuneration
- Code of conduct.

10.4. Board induction process

TBOP will provide a board induction process for new trustees, which will incorporate a Council-led component.

10.5. Board professional development training

TBOP will provide its trustees with an appropriate level of professional development training. The training should incorporate governance for new trustees without this experience and refresher courses for more experienced trustees.

10.6. Board performance reviews

Board performance reviews will be undertaken every two years, alternating between a board-led review and a Council-led review.

Board-led reviews are to be undertaken by an independent consultant, with results reported to the councils and must include at a minimum:

- Individual trustee performance

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- Performance of the chair and deputy chair
- Review of board policies and procedures
- Board effectiveness and dynamics.

Council-led reviews to include:

- An assessment of board composition and skills
- Board effectiveness and responsiveness to shareholder expectations
- Any specific issues that have been identified by the board or the councils
- Individual trustee performance if necessary to inform appointments.

This approach does not constrain either council or the board from undertaking additional reviews outside of the proposed scope or timing.

10.7. Board succession planning

TBOP will be responsible for ensuring the Trust has a succession plan in place at all times. This will include identifying key competencies and potential leaders, identifying any gaps and taking steps to fill those gaps through recruitment or upskilling trustees.

11. Appendices

- A. TCC Policy – [Appointment of Directors to Council Organisations](#)
- B. TCC Policy – [Significance and Engagement Policy](#)
- C. WBOPDC Policy – [Significance and Engagement Policy](#)



CCO Working Group

Terms of Reference

Membership	
CHAIRPERSON	Cr Max Mason (TCC)
MEMBERS	Cr Larry Baldock (TCC) Cr Kelvin Clout (TCC) Cr Terry Molloy (TCC) CCO Chair (or his/her nominee) CCO Chief Executive (or his/her nominee) Manager: CCO Relationships & Governance (TCC) General Manager: Community Services (TCC)
FOR TOURISM BAY OF PLENTY ONLY	Cr Mike Williams (WBOPDC) Community Manager (WBOPDC)
QUORUM	<u>Half</u> of the members physically present, with at least <u>one</u> member being a representative of the council-controlled organisation (CCO).
MEETING FREQUENCY	Quarterly, or as required for Statement of Intent and other relevant legislative requirements.

Role

- To ensure the effective and efficient governance of council-controlled organisations (CCOs).
- To ensure that the CCOs are delivering on agreed outcomes, as per their Statement of Intent (SOI).
- To ensure that there is alignment and synergy with the strategies of each organisation.
- To prioritise and plan key initiatives that involve both TCC and its CCOs (and WBOPDC in the case of Tourism BOP), that will have a significant impact on the future of Tauranga (and the BOP region).
- To act as a conduit for communication between the CCO board and elected members, enabling good strategic planning and problem solving in line with Council's current thinking and generally maintain the 'no surprises' policy.
- For the avoidance of doubt, the role of the CCO Working Group does not include involvement in day-to-day operational issues between the CCO staff and Council staff.

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Scope

- To have input into the overarching governance principles of CCOs through the development of the Enduring Statement of Expectation.
- Consider the CCOs' Statements of Intent in accordance with Schedule 8 of the Local Government Act 2002.
- Monitor the CCOs' performance against the Statement of Intent.
- To have input into strategic direction of CCOs through the development of the annual Letter of Expectation.
- To have input into the appointment of CCO board members through representation on the Appointment Panel, according to Council's [Appointment of Directors to Council Organisations Policy](#).
- Act as a forum for discussion of CCO board related issues, including board remuneration.
- Advise the Councils on matters of CCO governance and provide objective advice and recommendations for its consideration.

Procedural Matters

- CCOWG will meet at TCC offices on a quarterly basis. TCC will provide members of the CCOWG with notice of the meeting at least one month prior to the meeting. Ad hoc or more frequent meetings can be called by the CCOWG when required and appropriate.
- The CCOWG members will be provided with sufficient information on each agenda item by TCC and the CCO support staff to enable robust consideration and recommendations. A meeting agenda pack will be provided at least one week prior.
- The Chairperson is responsible for running the meeting and composing and gaining approval for the CCOWG recommendation/s.
- TCC staff will assist with the minute taking and required actions in consultation with the CCOWG members. Minutes will be shared with the CCOWG members and all elected members within seven days of the meeting.
- It is the responsibility of the CCO working group Chair to raise awareness of any significant issues with his/her colleagues.

Power to Act

- To make all decisions necessary to fulfil the role and scope of the CCO Working Group, subject to the limitations imposed.
- For the avoidance of doubt, the Councils cannot delegate the adoption of the respective Enduring Statements of Expectation, the annual Letters of Expectation or Final Statements of Intent to the CCO Working Group (CCOWG). Similarly, the Councils cannot delegate the adoption of the CCO six monthly and Annual Reports.

Power to Recommend

- To the Councils and/or any standing committee as it deems appropriate.

Managing Potential Conflicts of Interest

- Where a member of the CCOWG has a private or other interest in any potential item or project being considered that may create a perceived conflict of interest, the potential conflict will be declared and the CCOWG member will step aside from any involvement in CCOWG discussion and recommendation on that item or project.



**TAURANGA CITY COUNCIL/WESTERN BAY OF PLENTY
DISTRICT COUNCIL
JOINT GOVERNANCE COMMITTEE**

1 August 2019

PRIORITY ONE ANNUAL REPORT 2018/2019

Purpose

1. The purpose of this report is to provide the Joint Governance Committee with Priority One's Annual Report for the year ended 30 June 2019 (**Attachment A**) in order to assist the Committee with its delegated role to monitor the performance of Priority One against the approved contract. Representatives of Priority One will be in attendance to speak to the report.

Recommendation

THAT the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee receive the Priority One Annual Report 2018/2019.

Ross Hudson
**Strategic Advisor
Tauranga City Council**

David Pearce
**Community Manager
Western Bay of Plenty District
Council**

Attachments

No.	Title
A	Priority One Annual Report 2018/2019



Priority One
Tauranga
Moana

Annual Report

Joint Governance
Committee of Councils

2018/19



Chief Executive's Overview

The Western Bay of Plenty sub-region's economy has remained in good shape over the 2018/19 year. Our GDP growth has been above the New Zealand average for the last 23 consecutive quarters (4.1% as at December 2018) and is spread across multiple sectors; unemployment is at an all-time low at 3.5% (March 2019 quarter); and we are continuing to grow businesses and new jobs. Pleasingly, all major sectors appear to be growing at similar levels within the economy – with horticulture, manufacturing and construction particularly strong.

Business confidence also remains high in Western Bay, despite a drop in other areas of New Zealand. A business survey we undertook at the end of last year found 84% of respondents were confident about the future of their own business, 86% were confident about the future of the local economy and 71% expected to grow over the next year – reflecting our strong investment and hiring intent.

While all of these factors are positive and place us in an enviable position relative to other major cities, we should recognise that we still have challenges for the years ahead. Our high level of population and economic growth has caused strains on our transport and housing systems, we are short on talent now and will be into the future, and we have relatively low earnings compared to the rest of the country. It is crucial that we address these factors to ensure that our economy delivers to its community in the longer term.

Priority One's goal is to create a prosperous and sustainable economy for the Western Bay community. We will primarily do this by encouraging the creation and attraction of high value jobs and ensuring that members of our own community are in the best position to take those jobs.

Our actions and achievements over the past year have taken us well along the path towards this goal, with particular focus on attracting R&D investment, strengthening our educational offerings, stimulating entrepreneurship and innovation and finding new ways to tackle some of the issues around the provision of key infrastructure - alongside our core role of supporting and enabling businesses in the area.

In particular, we highlight three areas that we expect will make a huge difference in the future:

- The University of Waikato's Tauranga campus will provide learning opportunities, research aligned to our competitive advantages and an ability to retain youth in the region, alongside increasing vibrancy in the city centre by bringing more people into the area who stay longer.

- PlantTech research institute was officially launched in May 2019, providing a unique model in New Zealand that will deliver research to the horticulture industry, high value plant-based value chains and beyond, primarily focusing on artificial intelligence and machine learning. This allows us to build higher value industries alongside our primary production sector.
- The University of Waikato's 'Entrepreneurial University' programme focusing on research into marine and freshwater algae, based at the Coastal Marine Field Station, will boost research and commercial opportunities in marine biotechnologies, nutraceuticals and bioremediation systems.

From 2019, we have taken a broader view of the economy. While GDP has never been our sole focus, expect us to concentrate more on high value jobs and education over the next few years. We believe that this is the best way the economy can contribute to the longer-term prosperity of our region.

Provision of talent and skills is an important area for this economy. Despite strong population growth, we remain short on talent. We also need to ensure that we raise the overall skill level of talent and prepare ourselves well for the demographic and technological change expected in future. Understanding the labour market and working with the education sector is critical in this regard.

We are also committed to ensuring that the business community contributes to sustainability of the region and its ability to cope with growth. In the short-term, actions will be focused on transport, where the business community can encourage modal shift and support the UFTI programme.

While the business community can make some gains in this area, we also should note that the levers of housing supply and transport planning are firmly in the hands of our local authorities – so strong action on these fronts is expected and has our full support.

Priority One is well placed to enable future prosperity for this region. The support of Tauranga City Council and Western Bay District Council is integral in these efforts and much appreciated.



Nigel Tutt
Chief Executive
PRIORITY ONE

Highlights

FOSTERING INNOVATION

PlantTech Research Institute: Lifting our ability to add value to jobs, products and business by increasing R&D capacity aligned with our primary production base is a key area of focus for Priority One. PlantTech research institute is a partnership between eight commercial organisations, the University of Waikato and Priority One that focuses on the application of technology and innovation in horticulture and other high worth plant-based value chains. Alongside the industry contribution, PlantTech is supported by an \$8.4 million investment from central government. During the reporting period PlantTech was officially launched by Minister Megan Woods, a research director was appointed to work alongside the CEO and two specialist research roles were filled, enabling the research programme to be developed and implementation to commence.

Groundswell Festival of Innovation: This year Priority One led the delivery of the second Groundswell Festival of Innovation, featuring more than 43 events facilitated across the sub-region over seven days. Groundswell reinforces a culture of innovation that is fundamental to our future and showcases the people and businesses that are leading the way.

Over 4000 people took part in Groundswell this year, with key events including Māori tech entrepreneurs inspiring rangatahi about a future in digital technology, business leaders having their thinking challenged at the Rhubarb Innovation Summit, the transformation of a city centre laneway, putting the spotlight on social innovation and cleantech, the Design the City Experiment, the Entrepreneurial Universities' International Case Competition, and the Young Innovator Awards.

Plans are underway for the 2019 festival, which will focus on the 'why' of innovation and take place over two weeks from 26 August until 9 September.

Techweek'19: Techweek is a national event created by NZTech, a technology industry association, to build enthusiasm around new technologies being developed in New Zealand. It aims to foster our rapidly growing technology and innovation sectors by providing a national ecosystem and a week-long opportunity for people to connect and cross-pollinate to amplify our unique and inspiring innovation stories to the world. This year Priority One delivered the local programme for TechWeek'19, which took place from 20-26 May. Eight events took place across the sub-region, including the Future of Work, Tech

for Good and the official launch of the PlantTech research institute.

Young Innovator Awards: YiA supports a culture of innovation in secondary and intermediate schools and helps prepare the future workforce with the skills local employers need to compete in a rapidly changing environment. A record breaking 550 students took part in the 2018 awards, which were delivered in a partnership between Priority One's Instep programme, Woods Agency and Bluelab. YiA included a competition to develop an innovative product or service, participation in workshops that demonstrate innovative thinking and opportunities for students to undertake internships in areas such as product design, customer research and marketing in local businesses.

Supporting Capital Networks: The ongoing growth of the region's innovation ecosystem is dependent on the ability of early stage companies or those seeking to take advantage of high growth opportunities to access equity funding and expertise. The Western Bay of Plenty has developed strong capital network infrastructure which makes the sub-region attractive to growth businesses. Priority One is a strategic funding partner of Enterprise Angels and is a shareholder in the WNT Ventures technology incubator. During the reporting period EA launched a new fund for impact investors who want to make a difference as well as earn a return. In addition, WNT Ventures' second investment fund is well underway, with five new companies joining up since 2018.

New Innovation Studio: A new space is being developed in Tauranga's city centre that will provide real world opportunities for building innovation skills and experience by tackling some of the challenges facing the Bay of Plenty region. *Studio i* is a partnership between University of Waikato and Priority One which will create opportunities for businesses that want their staff to gain experience in new innovation approaches such as design thinking or agile project management, as well as to hone their team leadership and inter-personal skills, test new tools or gain exposure to fresh thinking.

Studio i will also engage with tertiary providers to deliver a key resource that can be incorporated into programmes of study where students can complete their course requirements and gain experience in work-integrated and project-based learning. Connections will also be made with businesses that can host their own student project.

ATTRACTING TALENT & INVESTMENT

Western Bay of Plenty International Strategy: This strategy aims to take a coordinated sub-regional approach to leveraging our international relationships in the areas of tourism, trade, education and investment. Outcomes from the strategy include expanding our pool of 'smart capital' by attracting students, investors and entrepreneurs; supporting our sister city relationships; and ensuring the Western Bay sub-region is welcoming to newcomers. Priority One partners with Immigration NZ, the sub-region's local authorities and other stakeholders to actively engage, both on- and off-shore, to identify opportunities.

Priority One is currently working with a number of investor migrants from the USA and Europe on an individual basis. A USA market strategy was developed with Immigration NZ to focus on specific geographic areas to target skills in agri-tech, automation and venture capital, with a solid pipeline of skills through the investor migration pathway established. Activities included hosting a webinar with over 40 potential migrant investors and undertaking a market visit to Los Angeles and San Francisco in partnership with NZTE, Immigration NZ and MFAT, where over 50 potential migrants engaged in two workshops. A visit was also made to Waterloo in Toronto, which is highly successful at producing work-ready talent and attracting new business.

Labour Market Strategy: Priority One partnered with the Ministry for Business, Innovation and Employment to lead development of a regional labour market strategy to ensure we are well positioned to develop, retain and attract the people and skills needed to ensure sustainable business and community outcomes.

During the reporting period Deloitte was appointed to undertake research and industry/stakeholder workshops to better understand the future of the labour market and identify priority areas. Following the completion of this work, Priority One has been invited by the government to participate in the development of a regional investment portfolio for employment and hub development which would support implementation of labour market strategies.

In addition, Market Economics undertook occupations modelling for the Western Bay sub-region based on the SmartGrowth forecast that 40,000 new jobs would be created over the next 30 years. This has provided an opportunity to break the skill demand down by both sector and occupation, thereby enabling targeting of skills attraction activity.

Wish You Were Working Here: This is Priority One's broad-brush talent attraction campaign, which has a strong social media presence. Over the last two years there has been a significant lift in the number of enquiries from Kiwi

expats, skilled migrants and those living elsewhere in New Zealand wanting to work in the Bay. During the reporting period we engaged with 484 new job seekers and were responsible for supporting 39 of them into jobs. There was a significant increase in interest from South African candidates, with their skills being a good match in a number of tech and engineering companies. We are currently working with nearly 900 active job seekers.

City Centre Strategy: Tauranga City Council contracts Priority One to deliver a range of economic outcomes to support activity and the attraction of new business to the city centre. During the reporting period the construction of the University of Waikato campus was completed and Our Place Tauranga received confirmation of their licence to occupy, both initiatives contributing significantly to increasing vibrancy in the CBD. Priority One worked closely with Little Big Events to bring Our Place to fruition, including providing direct financial support and gathering sponsorship and support from the business community. We also work to attract new businesses into the city centre, including supporting the redevelopment of key sites and, along with City Centre Action Group partners, supporting implementation of Tauranga City Council's development response plan to help mitigate the impact of the construction projects currently underway.

Stadium Assessment: Priority One partnered with the sub-region's local authorities and Sports NZ to commission a pre-feasibility study to assess whether the Western Bay sub-region needs a multi-purpose stadium facility. The draft report from PWC indicates that a large stadium is not viable, however a smaller boutique stadium has potential. The focus was not just on sport, but also a stadium as an events space, and no specific location was sought through the study. The final report will be available in early August.

Business Attraction: Creating an environment that attracts new business and retains those we already have is at the heart of what Priority One does. A targeted approach is taken to business attraction to ensure new businesses support our key sectors and complement those companies already working here. Over 200 new business units established themselves in the Western Bay of Plenty sub-region in 2018 and nearly 4000 new jobs were created.

Tauranga Best Hub for Importers: Priority One supported a piece of work by Middleton Consulting Group that compared Ports of Auckland and Port of Tauranga as hubs for the distribution of goods throughout New Zealand. It found that Tauranga offered around 5% cost savings over Auckland for getting most goods (eg furniture, electronics, apparel) to the rest of New Zealand. For vehicle imports, there was a benefit to using Auckland for areas north of the



Bombay Hills and Tauranga for the rest of the North Island. The study included costs for sea freight, port, warehousing, cross docking and road freight.

Education Tauranga: Priority One works closely with Education Tauranga to grow the value of international students to Tauranga and the Western Bay. The local international education sector has already exceeded the economic value targets it set itself by 35% in the last three years. Currently about 3000 international students bring over \$103 million into the Tauranga economy and support 1,167 jobs. During the reporting period Priority One supported Education Tauranga on one international delegation to meet with education agents and attend international student fairs to talk about the opportunities available in the sub-region.

FOCUSING ON EDUCATION

University of Waikato Campus: Initiatives that have the potential to be game changes for the economy sometimes take years to come to fruition – as is the case of the new University of Waikato campus in Tauranga. Priority One has worked closely with Tauranga City Council, Bay of Plenty Regional Council, TECT, the Bay of Plenty Tertiary Partnership and SmartGrowth to establish this unique tertiary precinct, so we were delighted to see it open for students in early 2019. Priority One continues to work alongside the University of Waikato engage with the business community on tertiary delivery and programmes of study that will be unique to the region.

Rangitahi Ora focuses on empowering Māori youth and unlocking their potential under He Mauri Ohoho - the region's Māori economic development strategy. In February, over 150 rangatahi from 21 secondary schools across the wider Bay of Plenty came together for a two day Māori youth leadership summit for secondary school student leaders. Through facilitated workshops on innovation and critical thinking and inspirational speakers, the rangatahi explored what leadership means, considered career pathways that foster leadership skills and found out about opportunities to be innovative and enterprising for the long term benefit of the Bay of Plenty community. Work is currently underway to encourage more Māori youth into STEAM (science, technology engineering, arts and mathematics) subjects.

Instep: This programme connects secondary school students with the business community across a range of initiatives to ensure our young people are motivated, innovative and have the right attitude and skills for work.

Key initiatives undertaken during this reporting period include:

- **Instep Young Leaders:** This initiative allows a platform for student leaders to have a voice on the future economic and social development in the region and provides opportunities for them to take part in projects and activities, including engagement with our local authorities, that explore leadership, collaboration and innovation.
- **Meeting Skill Needs for the Future:** Instep hosted internationally renowned educationalist, Dr Tony Wagner, to the Bay of Plenty during October, where he took part in eight events over three days. Globally recognised for innovative teaching practices, Dr Wagner's focus was on how to teach students the creative problem-solving skills that businesses increasingly need. He spoke with principals, tertiary providers, business leaders and Māori educators, emphasising the importance of failing at things to encourage innovation and finding ways to reward collaboration in the classroom.
- **Project Based Learning:** This is a pilot project to develop a strategy to support learning environments in secondary schools where students develop a range of skills by solving real-world problems and connecting with the community. The focus will be on encouraging authenticity in solving real challenges, enquiry, content knowledge, collaboration, employability skills, delivering presentations and reflection, as well as creating community partnerships.
- **Canvas Careers Showcase:** Delivered in partnership with Tauranga Rotary, Canvas provides a one-stop-shop to showcase businesses from industry sectors where we have a competitive advantage, as well as tertiary providers who can outline the pathways to different careers. This year over 3600 people visited the expo over two days, where the freight logistics sector provided a unique opportunity to engage with owners and operators of large trucks and heavy duty machinery.

ENABLING BUSINESS SUCCESS

Business Retention and Connections: Priority One works across several platforms to facilitate general economic development and individual business improvements amongst the local business community. This includes identification and introduction of investors, supporting business growth and development, facilitating business relocations or upscaling, linkages to technological advancements and innovation, networking and connectivity assistance, supporting talent attraction, identification of domestic and international market channels and facilitating government processes. Some specific cases include:

- Supporting Good Buzz kombucha manufacturer to source local spring water, facilitate a front of jersey

sponsorship deal with BOP Rugby Union, establish links to export markets in Japan and China, connect with a local bottling plant, promote the products at Priority One events and connect to local and national companies for distribution.

- Liaison between Trevelyan's kiwifruit facility and Tauranga City Council in relation to a potential land acquisition at No 1 Rd which would enable the expansion of operations and a commercially sound outcome for the council.
- Providing Page Macrae Engineering with links to an overseas investor migrant with unique products that support business expansion and market penetration as well as the identification of innovative products and talent to support business development.
- Project managed a visit to Australia with Ngai Te Rangī iwi to assess potential modular housing options to provide cost effective and environmentally sustainable housing typologies. During the trip an opportunity was taken to meet with a Western Australian waste energy company to gather solutions for sustainable waste management through re-purposing industrial waste and conversion of household waste to biofuels and gases.
- Identification of business development and investment attraction opportunities for Stop A Drone, Clarence Bistro & Hotel and Pure Bottling.
- Partnered with selected city centre businesses to undertake a successful trial of the Parkable app, which maximises the use of leased parking spaces where public parking is at a premium.

Championing for Infrastructure Support: Priority One is playing an active role in ensuring the provision of the required infrastructure to support our sustainable economic growth. This includes advocating for support from central government for support for such a high growth area, backing the UFTI long term investment plan and engaging

actively with local business lead change by adopting multi-modal approaches to transport and develop innovative ways for us to move around more efficiently. We have also been involved in the Future Development Strategy Work and advocating for more intensive living typologies through the Tauranga Urban Strategy.

Digital Enablement Plan: Priority One is leading this tranche of work, jointly funded by Tauranga City Council and Western Bay of Plenty District Council. During the reporting period the steering group confirmed implementation goals and created a new strategy direction. The focus is currently on addressing the digital divide and adopting a smart region /digital city strategy with an aligned approach to infrastructure investment

Tahu Weekend for Māori Entrepreneurs: A group of budding entrepreneurs gathered at a weekend workshop designed to create a space for whānau to ignite their ideas and learn about the process of building a business. Based around a newly created kaupapa Māori framework that embodies a Māori approach and ideology applied to business, Tahu Weekend took a range of ideas through a rigorous process that resulted in the validation of five new businesses.

Tahu Weekend was sponsored by University of Waikato and Tauranga Māori Business Association, with support from Priority One and He Mauri Ohohoho – the Bay's Māori economic development strategy. It was supported by mentors with skills in finance, communications, social media, advertising and strategic planning, as well as those who shared knowledge from their own entrepreneurial experiences.