

Mā tō tātou takiwā
For our District

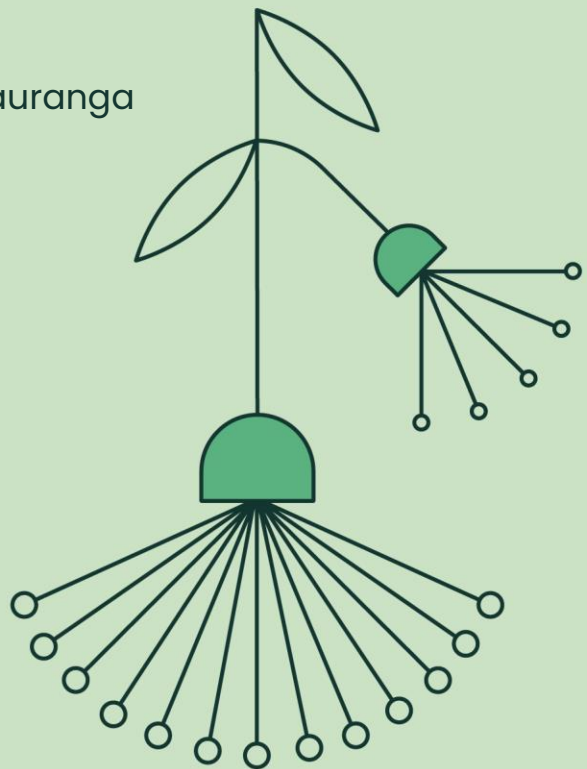
Community Committee

Kōmiti ā Hāpori

CM23-3

Thursday, 23 November 2023, 1.30pm

Council Chambers, 1484 Cameron Road, Tauranga



Community Committee

Membership:

Chairperson	Cr Margaret Murray-Benge
Deputy Chairperson	Cr Grant Dally
Members	Cr Tracey Coxhead Cr Richard Crawford Mayor James Denyer Cr Murray Grainger Cr Anne Henry Cr Rodney Joyce Deputy Mayor John Scrimgeour Cr Allan Sole Cr Don Thwaites Cr Andy Wichers John Clements (Chair - Katikati Community Board) Laura Rae (Chair - Maketu Community Board) Peter Presland (Chair - Ōmokoroa Community Board) Kassie Ellis (Chair - Te Puke Community Board) Ross Goudie (Chair - Waihi Beach Community)
Quorum	Nine (9)
Frequency	Quarterly

Role:

Subject to compliance with Council strategies, policies, plans and legislation:

- To maintain an overview of Council's community-led outcomes delivery, with a focus on the social, economic, cultural and environmental work programmes, as set out in the Long-Term Plan.
- To maintain an overview of Council's local housing systems plan delivery, and make recommendations to Council and its Committees on appropriate actions to address priority matters.
- To maintain an overview of local climate change plans and make recommendations to Council and its Committees on appropriate actions to address priority matters.
- To receive reports from Convenors of Community Forums and make recommendations to Council and its Committees on appropriate actions to address priority matters arising from Community Forums.

- To administer specific funds of Council that contribute to improving community wellbeing.

Scope:

Social Wellbeing

- Monitor progress on Council's community safety programme.
- Monitor (annually) local service delivery contracts relating to social wellbeing.
- Receive updates on the Community Events Fund allocations.
- Receive updates on the progress of local housing system plans.
- Receive updates on community emergency response planning and community resilience work.
- Consider and decide applications to the Community Matching Fund.
- Consider and decide applications to the Facilities in the Community Fund.

Environmental Wellbeing

- Receive updates on the Natural Environment and Sustainable Living Programme.
- Receive updates on the progress of local climate change plans.
- Monitor (annually) local service delivery contracts relating to environmental wellbeing.
- Consider and decide applications to the Community Matching Fund – ecological component.

Cultural Wellbeing

- Receive updates on the Creative Communities Scheme funding allocations.
- Receive updates on the cultural events supported by Council.
- Monitor progress on the Welcoming Communities programme and prioritise actions and activities.

Economic Wellbeing

- Receive updates (annually) from Priority One and Tourism Bay of Plenty.
- Monitor (annually) local service delivery contracts relating to economic wellbeing.

Delegations:

To receive the priority matters arising from Community Forums and make recommendations to Council and its Committees.

Power to recommend:

To Council and/or any Committee as it deems appropriate.

Power to sub-delegate:

The Committee may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body subject to the restrictions on its delegations and provided that any sub-delegation includes a statement of purpose and specification of task.

Notice is hereby given that a Meeting of Community Committee will be held in the Council Chambers, 1484 Cameron Road, Tauranga on:
Thursday, 23 November 2023 at 1.30pm

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1 KARAKIA

Whakatau mai te wairua
Whakawātea mai te hinengaro
Whakarite mai te tinana
Kia ea ai ngā mahi

Āe

Settle the spirit
Clear the mind
Prepare the body
To achieve what needs to be
achieved.
Yes

2 PRESENT**3 IN ATTENDANCE****4 APOLOGIES****5 CONSIDERATION OF LATE ITEMS****6 DECLARATIONS OF INTEREST****7 PUBLIC EXCLUDED ITEMS****8 PUBLIC FORUM**

9 REPORTS

9.1 PRIORITY ONE ANNUAL REPORT 2022/23

File Number: A5770274

Author: Jodie Rickard, Community and Strategic Relationships Manager

Authoriser: Rachael Davie, Deputy CEO/General Manager Strategy and Community

EXECUTIVE SUMMARY

The purpose of this report is to present Priority One's Annual Report for the year ended 30 June 2023. Nigel Tutt, Priority One Chief Executive Officer, will be in attendance to present the report.

RECOMMENDATION

That the Community and Strategic Relationship Manager's report dated 23 November 2023, titled 'Priority One Annual Report 2022/23', be received.

BACKGROUND

Priority One holds a joint service delivery contract with Western Bay of Plenty District Council (WBOPDC) and Tauranga City Council (TCC). The Annual Report for the year ended 30 June 2023 sets out highlights and achievements against the KPIs in the joint service delivery contract.

The Annual Report is attached as **Attachment 1** to this report.

ECONOMIC OUTCOMES

There are four key economic development outcomes Priority One is targeting:

1. Shift the industry sector mix in the Western Bay of Plenty Sub-Region to become more knowledge intensive, creating higher value jobs. This outcome is to be achieved through:
 - Targeted growth and the attraction of knowledge intensive industries;
 - The development of the innovation ecosystem via agglomeration and related specialities;
 - The growth/attraction of talent; and
 - The growth of capital networks.

2. Encourage industry scale and success in the Western Bay of Plenty Sub-Region through the understanding of key industries and economic corridors and labour markets, leading to:
 - Fit for purpose spatial planning;
 - The provision of land, infrastructure and talent; and
 - Investment for the economy to grow.
3. Leveraging the education system for targeted skills via:
 - The understanding and targeting of future skill/workforce requirements in the Western Bay of Plenty Sub-Region; and
 - The development of work pathways and enablement of education systems to provide work ready talent in the Western Bay of Plenty Sub-Region.
 - Improve Māori education and workforce outcomes in the Western Bay of Plenty-Sub-region through encouraging relevant skills, pathways to employment and the success of Māori businesses/innovation.

HIGHLIGHTS

A snapshot of Priority One's programme delivery in the 2022-23 year is set out below.



NEXT STEPS

In early 2023 staff will be working alongside Priority One and TCC to agree outcome targets and measurables for the next three years (from 1 July 2024).

ATTACHMENTS

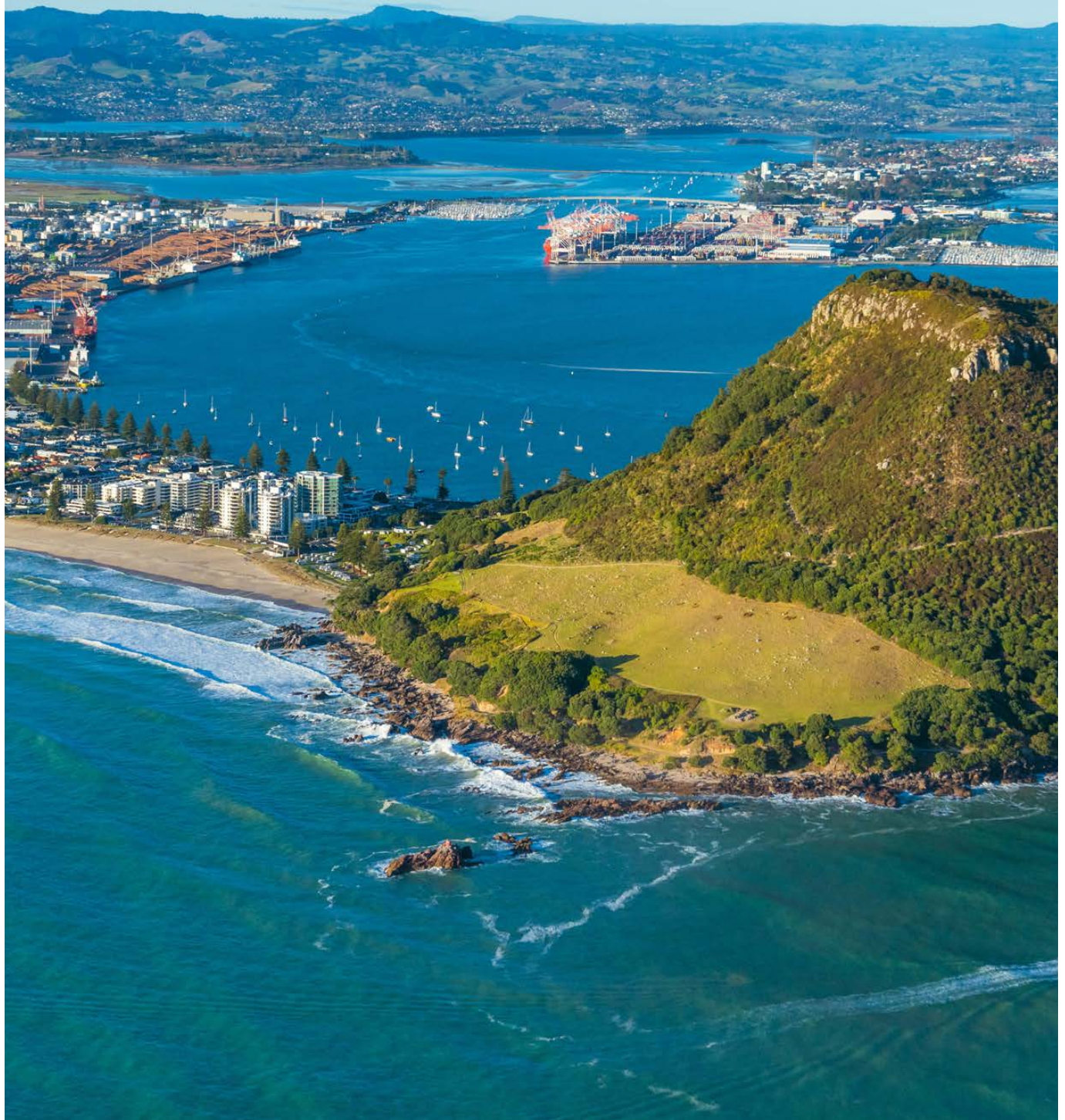
1. **Priority One Annual Report Year Ended 30 June 2023**  



Priority One
Tauranga
Moana

**PRIORITY ONE
WESTERN BAY OF PLENTY
INCORPORATED**

Annual Report 2022/23
Te Pūrongo ā-Tau



TE PAI ME TE WHAI RAWA O TAURANGA MOANA KI TE AO

The prosperity and splendour
of Tauranga Moana to the world

Enabling business success

Championing
business success.

Fostering innovation

Creating an ecosystem
where new ideas
can flourish.

WHAT WE DO

Creating a
prosperous and
sustainable
region

Attracting talent and investment

Enticing the
best people and
businesses to
our region.

Focusing on education

Developing the skills
and talent to drive us
forward. Strengthening
opportunities for
Māori success.

Priority One is supported by businesses
and the following strategic partners:



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*Ngā ngahuru ohaoha o Te Tai Hauāuru
o te Moana o Toi*

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CHAIR REPORT

Tā te tiamana pūrongo



Simon Clarke Chair

As I reflect on the past 12 months and my 12-year tenure at Priority One, I am filled with a sense of pride around our progress and am optimistic for our city's future.

Priority One has had a strong year despite our region facing several headwinds. The impacts of high inflation led to increased conservatism across our membership and a downturn in the property and construction sector. Our Western Bay of Plenty economy also felt the effects of the second consecutive poor kiwifruit season. Undoubtedly, it has been challenging for some members and parts of our economy. However, I firmly believe the worst is behind us, and Priority One has a good base and capability to support our members as we rebound into better times.

Our city's growth over the last decade has been transformative, and the progress towards becoming a grown-up, outwardly focused city is palpable. In recent years, Tauranga Moana has been under the stewardship of government-appointed Commissioners. Their tenure has been marked by clarity, stability, sound evidence-based decision making, and forward-thinking governance. The city has benefited immensely from the ability of the Commissioners to meticulously plan, make some tough decisions, engage positively with iwi, central government and our communities

and focus their attention on investing in key infrastructure and civic amenity challenges. They have done a great job moving Tauranga Moana forward and enabling long-term, sustainable economic prosperity. This continues to be critical.

I take immense pride in the momentum that Priority One has built to deliver and enrich the wellbeing of our communities. Our highly-skilled team, strengthened membership base, and strategic partnerships are a testament to the commitment to the region's sustainable economic growth.

The Priority One team continues to do a great job of ensuring future opportunities for our young people and creating talent pipelines for the region's businesses. Simultaneously, they are drawing attention to the urgent need for significant investment in our city's infrastructure and community amenities. This is crucial to address the deficit and position us for the future. They also support the Māori economy, including the strong relationships with iwi and support of Toi Kai Rawa – the region's Māori economic development organisation.

The programmes the Priority One team have run over the past year, which include a comprehensive range of sustainability and talent programmes, also aim to deliver on making Tauranga Moana a more liveable city. The ongoing work through the CBD Blueprint is a shining example of the synergies in our city between the private sector, and local and central government. It provides a vision for future city precincts (cultural & historical, justice, sports & events, civic, retail & commercial, and knowledge) and showcases more than \$1.5b in large strategic investment in the city centre, including Tauranga City Council's investment into the civic heart – Te Manawataki o Te Papa.

Well done to Nigel and the Priority One team for another year full of delivery success and continued effort to ensure the prosperity and splendour of the region is shared by those who live here.

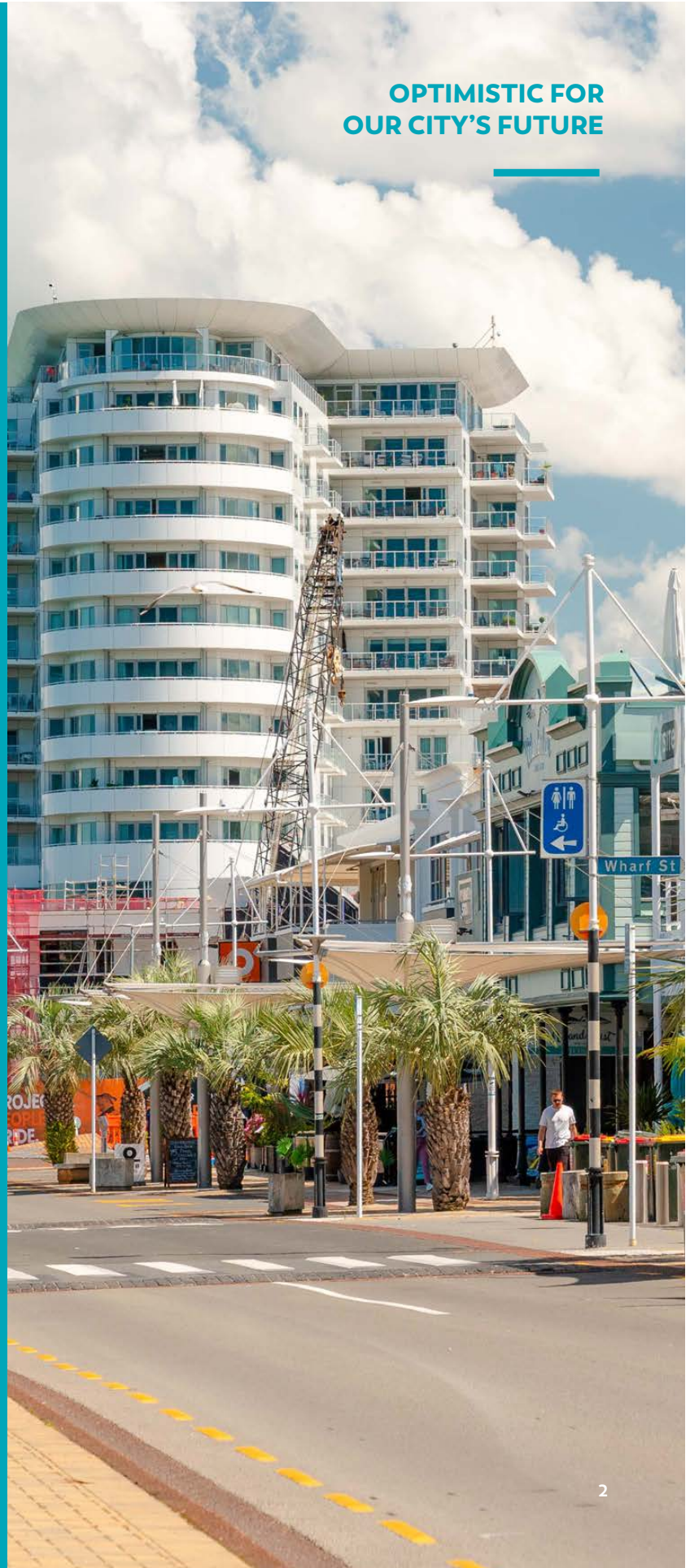
Thanks to all my fellow board members for their voluntary contribution to the governance of Priority One. You are all deeply committed and our community thanks you for your service. I would also like to acknowledge former young professional board

OPTIMISTIC FOR OUR CITY'S FUTURE

members Christina Finlayson and Laura Murphy, whose terms finished during the reporting period and who made substantial contributions to the organisation. In their place, Rikki-Lee Joyce and Jessica Bevin have come on as our two new young directors during the year.

I would also like to acknowledge our strategic partner corporate members Ballance Agri-Nutrients, Craigs Investment Partners, Element IMF, Mercury, Port of Tauranga, University of Waikato, Zespri, Tauranga City Council and Western Bay of Plenty District Council, and thank TECT for their continued support.

Finally, as I conclude my tenure as Chair and a board member of Priority One, I encourage everyone to stay focused on maintaining the progress we have all recently made together. The legacy of the last few years' good governance, strategic planning, and investment in our future must be preserved and continued. A grown-up Tauranga Moana and its current and future communities deserve nothing less.



OUR ECONOMIC RESILIENCE IS EVIDENCED BY OUR STRONG EMPLOYMENT MARKET AND ECONOMIC GROWTH

CEO REPORT

Tā te tumuaki pūrongo



Nigel Tutt Chief Executive

The 2022/23 year has seen the Western Bay of Plenty sub-region face some difficult economic challenges; however, our economic resilience is evidenced by our strong employment market and economic growth that surpasses the rest of Aotearoa New Zealand. We remain confident in our region's potential and the strength of our community.

Despite economic headwinds, challenges to some traditionally strong sectors, and lower business confidence, our goal to improve living standards by raising incomes remains on target. In the past year, we have seen growth in high value jobs, led by the professional services sector. While incomes in the Western Bay remain below the national average, we are pleased that the gap is closing.

The 2022/23 financial year provided a number of highlights, as listed below.

The formation and launch of the Western Bay of Plenty Infrastructure Forum was in response to a worsening infrastructure situation in our region and acknowledgement of the need for the business community to be more involved. The Forum comprises local businesses and organisations, with Priority One as a founding member. Sustained population growth has led to an acute infrastructure deficit in our region, with investment in transport corridors critical to the ability to improve housing supply. We must also ensure that we protect our supply chains through the Port of Tauranga. The Forum was launched in April 2023 alongside a 10-point Infrastructure Action Plan.

Priority One's core role is to grow the value of our economy and, in doing so, help raise income levels and address labour supply issues within the sub-region. During the year, we launched our Talent Action Plan, a comprehensive

strategy to deliver a sustainable supply of talent to local businesses. Through our Instep programme, we've engaged with over 3,500 students, equipping them with the tools they need to join the workforce. Our Future of Work portfolio has empowered local businesses with the tools necessary to support youth in the workplace and prepare for a future where readily accessible talent will be increasingly constrained. It is pleasing to see that in 2022, the sub-region witnessed a 3.7 per cent uptick in job placements and a 6.8 per cent increase in mean annual earnings.

Our skills and employment hub, Ara Rau – Pathways to Work, has seen remarkable progress, successfully guiding 132 people, categorised as NEETs (not in employment, education or training), into jobs or training during the year. It was a pleasure to host Prime Minister Chris Hipkins in February when he announced an extension to Ara Rau's funding arrangements with the government. There's a growing need for these services within our community, and we extend our thanks to the myriad of local businesses we collaborate with. Their commitment to offering entry-level job opportunities and pastoral care ensures enduring employment success.

This year marked the resumption of our international talent and investment attraction activities with investor migrants in North America and Asia. Additionally, we proudly represented Tauranga Moana at the international

education fairs in Korea, showcasing our city as a prime destination for international students. Central to the success of these initiatives is collaboration with local companies, investment funds and education providers.

We also launched our environmental sustainability strategy during the year, holding events and initiating several high-impact projects spanning transportation, energy, waste, and land, focusing on decarbonisation and circular economy. Alongside partners, the team delivered a decarbonisation programme, supporting local businesses to craft and implement their own internal sustainability strategies and a project to collaboratively enable construction businesses to divert waste from their projects across the region.

Lastly, I want to thank the board for their unwavering support towards Priority One's purpose and goals. We bid farewell to our Chair and long-serving board member, Simon Clarke. Simon has served on the board for 12 years and stepped up as our first Independent Chair two years ago. His advocacy for strong governance for Tauranga Moana, alongside his vision of balancing a sustainable future with more traditional economic outcomes, has been instrumental in developing the strong Priority One we have today. On behalf of Priority One, I extend our heartfelt thanks to Simon for his invaluable contribution to Priority One and our region's future wellbeing.



5 Priority One Annual Report 2022/23

WESTERN BAY OF PLENTY METRICS 2022

*Ngā ngahuru ohaoha o Te Tai Hauāuru
o te Moana o Toi*



Unemployment

3.1%

vs NZ 3.4%
(3.9% in 2021)



Māori unemployment

6.8%

vs NZ 7.0%
(6.1% in 2021)



Rental affordability

26.4%

**mean weekly rent /
mean household income**

vs NZ 22.0%
(26.3% in 2021)

Source: Infometrics (as at October 2023)

**Housing affordability****10.9x**

mean household income

vs NZ 9.0x
(9.7x in 2021)**Population****218,000**vs NZ 5,124,100
(214,600 in 2021)**Mean annual income****\$63,960**vs NZ \$69,585
(\$59,908 in 2021)**Filled jobs****108,146**vs NZ 2,693,301
(104,256 in 2021)**Māori mean
annual income****\$56,808**vs NZ \$62,534
(\$53,672 in 2021)**Emissions****74%**of the Western Bay of Plenty region's
emissions are from transportation***75%**
of CO₂e

Private vehicles

25%
of CO₂eHeavy & medium
commercial vehicles

*As reported by Bay of Plenty Regional Council Tauranga
Community Carbon Footprint report, October 2022.



2022/23 ACHIEVEMENTS

Ngā paetae

**Driving a prosperous
and sustainable economy
underpinned by talent,
education, innovation
and business success**

WE FOCUS ON INVESTING IN LOCAL TALENT AND CONNECTING LOCAL BUSINESSES WITH THE PEOPLE THEY NEED

Talent

Priority One's regional talent strategy supports Tauranga Moana to build its reputation for skilled talent and talent development. We focus on investing in local talent and connecting local businesses with the people they need to be able to grow sustainably. The Western Bay of Plenty sub-region has huge potential as a talent magnet, but it's also critical that we support everyone already in our role to develop their skills to get a quality job and earn a decent income.



Ara Rau – Pathways to Work supports some of the most vulnerable members of our community, especially rangatahi not in employment, education or training (NEETs). We must help get these young people into good jobs, and it's heartening that our Ara Rau team have seen substantial success over the past 12 months, including securing \$1m worth of new funding from the Ministry of Social Development in 2022/23. This funding has enabled Ara Rau to increase its service offering and grow to a team of three. Demand for Ara Rau's services during the 2022/23 period has increased significantly – by both businesses needing and being open to training entry-level employees and rangatahi needing support into mahi. During the reporting period, Ara Rau supported 132 people into jobs and training across 27 businesses in the Western Bay of Plenty sub-region.

www.ararau.co.nz



Collaborative talent planning.

Priority One delivered a Professional Services and Technology Sector Talent Plan, bringing together 34 local tech and professional services businesses to develop a set of agreed actions supporting industry skill needs. As a result, several new talent initiatives were delivered, including:

1. Work Life Tauranga – a regional talent attraction tool.
2. Business Beyond Usual – an employer upskilling series of educational events to help prepare local businesses for the future of work.
3. Growing Tauranga Moana's reputation as a tertiary destination of choice.

Work also included planning a Horticulture Sector Talent Plan to be delivered in 2023/24.



Work Life Tauranga is a talent attraction tool redeveloped and launched to support the needs of a growing job market and projections of 40,000 more local jobs by 2050. Work Life Tauranga, previously known as Wish You Were Working Here, was co-designed with local employers and is a data-driven, integrated online platform aligned to targeted skills personas and local employer needs. The site's analytics will help support targeted regional talent attraction campaigns and provide insight to help guide Priority One's regional talent strategy.

www.worklifetauranga.co.nz

2022/23 ACHIEVEMENTS

Ngā paetae

Business Beyond Usual is an event series initiated by Priority One and delivered in partnership with Datacom that supports local businesses to explore, discover and prepare for a 'Future of Work' that will look very different to today. The first event, held in May 2023, shared key insights from six talented businesspeople on the influence of Artificial Intelligence to an audience of over 100 people.



University City Strategy. Priority One, Tauranga City Council and the University of Waikato entered into a collaborative partnership to grow the city's reputation as a tertiary study destination leading to good local employment outcomes. During the year, the University of Waikato established a fourth year offering for Mechatronics and Civil Engineering at the Tauranga campus; the Tauranga Moana Futures program was initiated, providing local students with scholarships, study awards and work experience opportunities during their university study in Tauranga Moana; and 46 university students from around the country participated in the Summer Open Lab which helps to connect students working in local firms during the summer break, whilst also providing industry-led professional development. Progress was also made in planning for student accommodation requirements.

Talent and investment attraction programmes were revitalised in 2022/23 following previous COVID-19 border restrictions. Priority One and partners, including WNT Ventures, Enterprise Angels, Malcolm Pacific, Virtuo and New Zealand Trade and Enterprise, delivered six offshore investor migrant events in the United States of America and Singapore.



20 years of fostering partnerships between schools and businesses through the Instep programme.

Throughout 2022/23, Instep engaged 3,835 students from the sub-region's 11 secondary schools in activities to showcase local career pathways and connect rangatahi to work opportunities. Instep Young Leaders' Forum saw 34 students from around the region interact with local businesses to explore essential leadership skills such as collaboration, networking, and communication. Instep also organised the annual Canvas Careers Expo in partnership with the Rotary Club of Tauranga. The two-day event attracted approximately 2,200 people to explore career and education options.



International Education resumed in 2022/23 following COVID-19 disruptions. In September 2022, for the first time since 2019, Priority One, Education Tauranga and 23 primary and secondary school leaders from the Western Bay of Plenty sub-region travelled to Japan and South Korea to showcase the region's education opportunities to prospective international students.



A COLLABORATIVE PARTNERSHIP TO GROW THE CITY'S REPUTATION AS A TERTIARY STUDY DESTINATION



Innovation

Fostering our innovation eco-system and shifting the sub-region's industry sector mix to be more knowledge-intensive will help create higher-value jobs.

Tauranga Moana Futures, which is part of our University City Strategy, was facilitated by Priority One in collaboration with Tauranga City Council and the University of Waikato. The programme delivered a range of activities to engage tertiary talent to fulfil the needs of business and the region while growing local innovation capability. Based on problem-solving, innovative philosophies, and working on projects that deliver on the needs of our growing city and region, in early 2023, the first scholarship and two impact labs were delivered.



The **Young Innovator Awards programme (yia!)** in 2022 supported the development of innovation capability and creativity amongst local intermediate and secondary school students. The 2022 yia! programme, sponsored by a number of innovative businesses, saw over 700 students participate, enabling connections with over 26 of the region's most innovative businesses.

Design & Innovation Meetups help connect local innovators, designers and those interested in design thinking throughout the sub-region. Priority One hosted three events, flexible working, robotics and hybrid project management, to an audience of 50 people each session.

City Centre

Tauranga Moana's city centre is undergoing a significant transformation and will help position the sub-region as the ideal place to live, work and study.

The transformation of the city centre, detailed in **Priority One's CBD Blueprint**, was shared with local businesses and community members through a series of informative walking tours, bringing the \$1.5b of investment to life and helping promote the vision of Tauranga Moana's city centre as the civic, commercial and cultural capital of the Bay of Plenty.





2022/23 ACHIEVEMENTS

Ngā paetae

Sustainability

A strong stance on environmental sustainability is crucial for the future resilience of the sub-region's economy.

Priority One's Environmental Sustainability Strategy was redefined in 2022/23, focusing on decarbonisation and the circular economy, with projects across land, energy, transport, and waste. Priority One delivered eleven workshops and events supporting local businesses and attracting 454 attendees to build capability and learn about financing sustainability initiatives, decarbonisation, transport alternatives, electrifying transport fleets, sustainability brand storytelling, circular economy and Green Star building standards. Priority One also implemented our own sustainability framework, measuring our environmental footprint and developing a plan to reduce our impact.

Decarbonisation Programmes delivered by Priority One, in partnership with Tadpole, enabled 32 local businesses to start their sustainability journeys. The decarbonisation programme worked with businesses to understand their current sustainability status and to provide the tools to enable them to begin measuring their internal footprints and implementing strategies to lessen their impact.

Construction Sector Sustainability Workshops were hosted throughout the year, bringing together 24 construction businesses to collaborate on solving environmental issues. In a city that continues to grow and develop, these workshops proved a useful vehicle to allow information and knowledge sharing and to form a collaborative project in waste diversion and circular economy. Priority One has linked with local government to ensure circular economy and waste infrastructure solution projects are informed by business.



PROJECTS ACROSS LAND, ENERGY, TRANSPORT, AND WASTE

Māori Economic Development

Working with Iwi/Māori partners, our focus is on improving education and employment outcomes for Māori to help address the earnings gap between Māori and non-Māori.

The Amotai Social Procurement event was held in March 2023 and brought Māori and Pasifika businesses in the Bay of Plenty together to connect with government sector contract opportunities and business support. Sponsored by Priority One, the event attracted 110 'supplier' businesses, ranging from owner-operators to medium-sized businesses, while providing an opportunity for whakawhanaungatanga (the process of building relationships), and kotahitanga (unity), and was also attended by key 'buyers'. The event provided an excellent platform for exploring innovative ways of collaborating to achieve greater social impact and facilitated a shift away from traditional and outdated procurement methods. Instead, fostering a deeper understanding of the meaningful contributions social procurement can have on the local business community of Tauranga Moana.

A Māori and Pasifika Aviation Career Expo was co-hosted by Pacific Growth and Priority One in March 2023. The event connected more than 200 Māori and Pasifika high school students from throughout the Western Bay of Plenty sub-region with aviation industry professionals and businesses, providing hands-on experiences such as drone operation and rescue drills with Fire and Emergency New Zealand.

Mana Wāhine Day was the first of its kind for the region, bringing together 236 young wāhine from secondary schools across Tauranga Moana for career inspiration from influential wāhine Māori. Priority One collaborated with Kanoa – Regional Economic Development & Investment Unit (an initiative within the Ministry of Business, Innovation and Employment) and the Ministry of Education, to host an event at Tauranga Girls' College. The event aimed to empower rangatahi Māori to pursue their aspirations by embracing their inner strength and resilience.



Priority One's strategic partnership with **Toi Kai Rawa** (the Bay of Plenty's regional Māori economic development agency), supported them to deliver STEAM (science, technology, engineering, arts and mathematics) activities into Western Bay of Plenty primary schools, as well as enabling the growth of their Toi Ki Tua Māori Internship Programme within local primary industries.



Infrastructure

Priority One is committed to helping address the sub-region's substantial infrastructure deficit brought about by its rapid population growth over the last two decades.



The **Western Bay of Plenty Infrastructure Forum** was launched in April 2023 by Priority One and partners. The Forum, which includes representatives from 10 organisations, is designed to address critical infrastructure challenges in the sub-region, including housing and transport, and has outlined a 10-point Action Plan.

A **Tauranga Community Stadium preliminary business case** was delivered by Priority One and partners and presented for consideration by Tauranga City Council. The boutique, multi-use stadium exemplifies the community and social infrastructure required to support a growing population. Tauranga City Council's Long-Term Plan for public consultation now includes a staged implementation plan.

Mount Maunganui Industrial Blueprint research was undertaken by Priority One to understand the current environmental position of Mount Maunganui businesses in preparation for launching the Mount Maunganui Industrial Blueprint in late 2023. Two pieces of independent research were undertaken; the first reviewed the environmental outlook of businesses in the industrial zone, including efforts to mitigate environmental impacts. The second gained a view from residents of their perception of the Mount Maunganui Industrial Area. An outline of findings and insights from the research will be made public in late 2023.



Image credit: Love Kiwis

13 Priority One Annual Report 2021/22

WORTHY MENTIONS ACROSS THE REGION

Ngā kōrero whaitake

**Celebrating
contributions to our
region's success**

The University of Waikato

Achieving the largest increase in research rankings of any New Zealand university in the latest 2024 QS World University Rankings, the University was ranked in the top 250 universities in the world, helping put Tauranga Moana on the map as a growing university city. The University was recognised as having had significant success in broadening its offerings, research and student places, and gaining research funding in areas important to the region, including marine environments, HortTech and climate mitigation.



Rangioru Business Park

The region's newest business park, centrally located in Paengaroa, began development and will provide 148 hectares of high-quality, modern and connected industrial space. The Park's prime position leverages the demand for quality industrial space as part of the 'Golden Triangle' and Central North Island links with Whakatāne, Rotorua and Taupō, with possible road, rail and sea connections. 2022/23 saw earthworks begin on the site, plus preparation for the future interchange, located 6km east of the Pāpāmoa East Interchange on the Tauranga Eastern Link Toll Road. Rangioru Business Park is majority-owned by Quayside Properties Limited (40 per cent), a wholly owned subsidiary of Quayside Holdings Limited.

Katikati Innovative Horticulture Centre

GrowHub opened in May 2023 by the Katikati Innovative Horticulture Trust. The building, funded by local industry and erected on Katikati College land under an agreement with the Ministry of Education, acts as a centre of horticultural educational excellence catering for school-aged students, rangatahi, NEETs and the community. It brings together education, skills and training providers, offering pathways into horticulture under one umbrella and supporting the horticulture sector to grow the skills it needs for a sustainable future.



**PRIORITY ONE BOARD
AS AT 30 JUNE 2023***Te Poari*

Simon Clarke (Chair)
INDEPENDENT CHAIR



**Te Horipo Karaitiana
(Deputy Chair)**
TOI KAI RAWA BOARD
REPRESENTATIVE



Wayne Beilby
TE RANGAPU MANA WHENUA
O TAURANGA MOANA
REPRESENTATIVE



Jessica Bevin
HEAD OF STRATEGY AND
IMPACT, MERCURY ENERGY



Marty Grenfell
CHIEF EXECUTIVE,
TAURANGA CITY COUNCIL



John Holyoake
CHIEF EXECUTIVE,
WESTERN BAY OF PLENTY
DISTRICT COUNCIL



Richard Hopkins
CHIEF FINANCIAL
OFFICER, ZESPRI



Rikki-Lee Joyce
MANAGER, INTEGRATED
OPERATIONS AND INSIGHTS,
MINISTRY OF EDUCATION



Dan Kneebone
PROPERTY & INFRASTRUCTURE
MANAGER, PORT OF TAURANGA



Scott McKenzie
CHIEF EXECUTIVE,
PMG FUNDS



Fiona McTavish
CHIEF EXECUTIVE,
BAY OF PLENTY
REGIONAL COUNCIL



Jon Murie
INVESTMENT ADVISOR,
CRAIGS INVESTMENT
PARTNERS



Kevin Palmer
PROFESSIONAL DIRECTOR
AND STRATEGIC ADVISOR,
MANAWA ENERGY LIMITED



Steven Saunders
CHIEF EXECUTIVE & FOUNDER,
ROBOTICS PLUS



Peter Tinholt
PARTNER,
ORIENS CAPITAL

**PRIORITY ONE TEAM
AS AT 30 JUNE 2023***Te Tima*

Nigel Tutt
CHIEF EXECUTIVE



Greg Simmonds
GENERAL MANAGER –
WORKFORCE AND
POLICY



Mel Conrad
GENERAL MANAGER –
COMMUNICATIONS
AND ENGAGEMENT



Colin Baskin
GENERAL MANAGER –
BUSINESS
PARTNERSHIPS



Gail Elliott
OFFICE MANAGER



Jill Beedie
PROJECT COORDINATOR



Shane Stuart
INNOVATION MANAGER



Marissa Nikora
PROJECT MANAGER –
SUSTAINABILITY LEAD



Meg Davis
PROJECT MANAGER –
FUTURE OF WORK
AND YIA!



Vee de Koster
INSTEP MANAGER



Darlene Sayers
VOCATIONAL
COORDINATOR



Melissa Gillingham
EDUCATION TAURANGA –
REGIONAL RELATIONSHIP
MANAGER



Dean Prendergast
COMMUNICATIONS EXECUTIVE
AND INTERNATIONAL
RELATIONS



Melissa Mae
MARKETING AND
COMMUNICATIONS
EXECUTIVE



Mary Stewart
ARA RAU – OPERATIONS
MANAGER



Michelle Clarke
ARA RAU - EMPLOYMENT
MENTOR



Jock Nicholson
ARA RAU - EMPLOYMENT
MENTOR

FINANCIAL STATEMENTS

Ngā tauākī pūtea

for the year ended
30 June 2023



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**Priority One Western Bay of Plenty Incorporated**

Financial statements for the year ended 30 June 2023

Directory

as at 30 June 2023

Purpose	Priority One Western Bay of Plenty Incorporated ('the Society') is incorporated under the Incorporated Societies Act 1908. Its purpose is to develop the economy of the Western Bay of Plenty region by building a vibrant economy that retains and attracts talented, skilled and creative people and the businesses that need them.
Chair	Simon Clarke
Deputy Chair	Te Horipo Karaitiana (re-appointed 12 December 2022)
Executive Board	<p>As at 30 June 2023:</p> <p>Marty Grenfell Scott McKenzie Fiona McTavish Steven Saunders Kevin Palmer Peter Tinholt Dan Kneebone Richard Hopkins Wayne Beilby Jon Murie John Holyoake Jessica Bevin Rikki-Lee Joyce</p> <p>Resigned/retired during the year ended 30 June 2023:</p> <p>Christina Finlayson Laura Murphy</p>
Auditors	Baker Tilly Staples Rodway Audit Limited Level 1, 247 Cameron Road Tauranga 3110
Bankers	ANZ SBS
Business Address	Ground Floor, 29 Grey Street Tauranga 3110
Registered Office	Holland Beckett Lawyers The Hub on Cameron 525 Cameron Road Tauranga 3110

PRIORITY ONE STATEMENT OF SERVICE PERFORMANCE

Te pai me te whai rawa o Tauranga Moana ki te ao

The prosperity and splendour of Tauranga Moana to the world

This statement of service performance presents the performance of Priority One Western Bay of Plenty Incorporated against the Priority One economic strategy and Kaupapa deliverables.

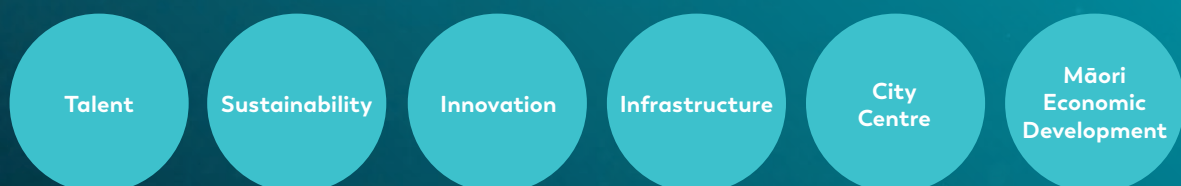
OUR OBJECTIVE

Priority One has a clear purpose to drive an economy underpinned by talent, education, innovation and business success in order to deliver a prosperous and sustainable region. We deliver value to our members through this business model which forms the base of strategic work plans across the key pillars of Talent, Innovation, Māori Economic Development, City Centre Rejuvenation, Sustainability and Infrastructure.

OUR BUSINESS MODEL



OUR PROJECT PILLARS



WE DELIVERED 2022/23

259

Priority One members¹

276 in 2021/22

88

Events²

15 in 2021/22

1,984

Business people engaged in Priority One events²

550 in 2021/22

3,835

Students engaged in Priority One youth programmes²

Not recorded in 2021/22

3

Economic reports released³

3 in 2021/22

132

People engaged through Ara Rau – Pathways to Work⁴

66 in 2021/22

14

Engagements related to investment attraction⁵

N/A in 2021/22

32

Businesses through Priority One's decarbonisation programmes⁶

New in 2021/22

1. Priority One is an independent business membership organisation working with organisations of all sizes and across all sectors in the rohe. Measurement of total membership is as at 30 June 2023 and provides an indicator of the breadth of our reach across the economy as a membership funded organisation. This is measured by tracking new and re-signed members.
2. Measurement of engagement through Priority One's business events and youth programmes provides an understanding of the organisation's ability to support stakeholders to learn, develop connections, and have access to the tools that help deliver on our economic strategy. The measurement tracks attendees via an internal process. The 2022 year was impacted by COVID restrictions. The lifting of restrictions contributed to the increase in events, engagements and other activities able to be undertaken in 2023. Engagement figures include Priority One staff members that attended to facilitate and participate in events, which is considered relevant as engagements are a two-way process.
3. Priority One delivers quarterly economic reports to stakeholders. These reports capture local economic data and insights providing stakeholders with information that helps inform them on the current and future state of the region's economy. This is measured by the number of economic reports produced.
4. Ara Rau - Pathways to Work, is Priority One's skills and employment hub. It is focussed on supporting local people not in employment, education or training (NEETs) into sustainable employment or training. Ara Rau helps connect the local labour supply and demand pipeline by working with employers and job seekers to develop relationships for long-term success. We track the number of individuals we engaged with to assist into jobs and training which contributes to the region's supply of work ready talent. This is measured through quarterly reporting to the Ministry of Social Development. The 2022 year was impacted by COVID restrictions. The lifting of restrictions contributed to the increase in events, engagements and other activities able to be undertaken in 2023.
5. Priority One delivers investor migrant attraction engagement opportunities to help create a high value, knowledge-intensive local economy. We also support investment attraction initiatives that help grow the region's entrepreneurial eco-system. We do this via offshore investment attraction activities and our strategic partnership with Enterprise Angels. This is measured by the number of investment attraction events hosted and supported via an internal process. The 2022 year was impacted by COVID restrictions. The lifting of restrictions contributed to the increase in events, engagements and other activities able to be undertaken in 2023.
6. Priority One delivers an environmental sustainability strategy that supports the region's transition to a low carbon, circular economy that protects and enhances Tauranga Moana's reputation as a great place to live, learn, work and play. The decarbonisation programme enables local businesses to develop their own environmental sustainability plan. This is measured by the number of businesses through the programme via an internal process.

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Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Membership Fees	4	733,503	470,623
Funding Revenue	4	3,258,646	2,856,437
Interest Received		30,725	3,605
Dividend income		1,000	41,867
Other Income		6,230	5,698
Total Revenue		4,030,104	3,378,229
Operating and Project Expenses		1,985,779	1,566,439
Employee Benefits Expense	5	1,411,703	1,209,779
Administration Expenses	6	492,978	488,709
Total Expenses		3,890,460	3,264,927
Net Surplus/(Deficit)		139,644	113,301
Other Comprehensive Revenue and Expense for the Year			
Gain/(loss) in fair value movement of investment in WNT Ventures	9	129,594	(24,439)
		129,594	(24,439)
Total comprehensive revenue and expense		269,238	88,862

The accompanying notes form part of these financial statements

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Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Statement of Changes in Net Assets

For the year ended 30 June 2023

	Investment fair value reserve	Accumulated Funds	Total Equity
Balance at 1 July 2021	298,843	723,557	1,022,400
Total Comprehensive Revenue and Expense			
Surplus/(Deficit) for the year	-	113,301	113,301
Other Comprehensive Revenue	(24,439)	-	(24,439)
Total Comprehensive Revenue and Expense	(24,439)	113,301	88,862
Balance at 30 June 2022	274,404	836,858	1,111,262
Total Comprehensive Revenue and Expense			
Surplus/(Deficit) for the year	-	139,644	139,644
Other Comprehensive Revenue	129,594	-	129,594
Total Comprehensive Revenue and Expense	129,594	139,644	269,238
Balance at 30 June 2023	403,998	976,502	1,380,500

The accompanying notes form part of these financial statements

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Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and Cash Equivalents	7	1,207,647	772,004
Short term deposits	7	72,426	70,856
Trade and Other Receivables	8	709,096	501,794
		1,989,168	1,344,654
Non-current Assets			
Investments	9	477,382	347,788
Property, Plant and Equipment	10	43,864	54,907
		521,246	402,694
Total Assets		2,510,414	1,747,349
Current Liabilities			
Accounts Payable	11	554,406	229,843
Employee Entitlements	12	64,110	51,367
Deferred Revenue		511,398	354,876
		1,129,914	636,086
Total Liabilities		1,129,914	636,086
Net Assets		1,380,500	1,111,262
Equity		1,380,500	1,111,262

Director
24 October 2023

Chief Executive
24 October 2023

The accompanying notes form part of these financial statements

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Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Membership receipts		792,548	374,890
Funding received		3,206,169	2,577,900
Interest		29,804	3,376
Dividends		1,000	41,867
Other operating receipts		6,230	5,698
		4,035,750	3,003,729
<i>Cash was applied to:</i>			
Employee and Supplier Payments		(3,590,690)	(3,270,411)
		(3,590,690)	(3,270,411)
Net cash flow - operating activities		445,060	(266,682)
Cash flows from investing activities			
<i>Cash was applied to:</i>			
Purchase of investments		-	(32,500)
Purchase of short term deposits		(1,570)	(651)
Purchase of property, plant and equipment		(7,848)	(12,541)
		(9,418)	(45,692)
Net cash flow - investing activities		(9,418)	(45,692)
Net cash flow for the year from all activities		435,643	(312,374)
Cash at beginning of year		772,004	1,084,378
Cash at end of year		1,207,647	772,004
<i>Represented by:</i>			
Cash on hand and at bank	7	1,207,647	772,004

The accompanying notes form part of these financial statements

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**Priority One Western Bay of Plenty Incorporated**

Financial statements for the year ended 30 June 2023

Notes to the Financial Statements

For the year ended 30 June 2023

1 Reporting Entity

Priority One Western Bay of Plenty Inc. ('the Society') is incorporated under the Incorporated Society's Act 1908. Its mission is to develop the economy of the Western Bay of Plenty region. It was incorporated on 20th April 2001.

The Society is considered a public benefit entity for the purposes of financial reporting in accordance with External Reporting Standard A1 *Application of the Accounting Standards Framework*.

Its purpose is to develop the economy of the Western Bay of Plenty region by building a vibrant economy that retains and attracts talented, skilled and creative people and the businesses that need them.

2 Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities. The entity has elected to report in accordance with the Tier 2 standards, taking advantage of all disclosure concessions as it is not publicly accountable and has expenses less than \$30 million.

These financial statements were authorised for issue by the Executive Board on 24 October 2023.

(b) Measurement Basis

The financial statements have been prepared on the basis of historical cost, apart from investments which are carried at fair value.

(c) Functional Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar (\$).

(d) Goods and Services Tax

All balances are presented net of goods and services tax (GST), except for receivables and payables which are presented inclusive of GST.

(e) Income tax

Priority One is exempt from income tax under CW 40(1) of the Income Tax Act 2007.

3 Changes in accounting policies

Prior year comparatives have been amended to match current year presentation. PBE IPSAS 41 *Financial Instruments* became effective in the current period and has resulted in changes to the accounting policies for financial assets and financial liabilities. None of the changes were significant and the value of assets and liabilities were not changed as a result of the policy changes.



Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Notes to the Financial Statements

For the year ended 30 June 2023

4 Revenue

Membership Fees	2023	2022
<i>Exchange Revenue</i>	\$	\$
Membership Fees	733,503	470,623
	733,503	470,623
 Funding Revenue	 2023	 2022
<i>Non Exchange Revenue</i>	\$	\$
Local Authority Funding	1,965,586	1,178,412
Government Funding	439,774	486,832
INSTEP Funding	213,500	141,525
Project Funding	639,786	1,049,668
	3,258,646	2,856,437

Policies

Membership fees are recognised when invoiced, which is on the date of the member's joining anniversary. Membership fees in-kind are recognised at the end of the year in which the corresponding expenditure has been incurred.

Local Authority Funding - Funding income is recognised as income when it becomes receivable, at the fair value of the amount receivable, unless the Society is required to repay the funding income if requirements are not met. A liability is recognised to the extent that such milestones in the contract are unfulfilled at the end of the reporting period.

Government Funding - Funding income is recognised as income when it becomes receivable, at the fair value of the amount receivable, unless the Society is required to repay the funding income if requirements are not met. A liability is recognised to the extent that such milestones in the contract are unfulfilled at the end of the reporting period.

Grants - Grant income is only able to be deferred when there is a use or return obligation and the conditions have not yet been met. Included within INSTEP funding and project funding are grants which are recognised initially as deferred income (at the fair value of the consideration received) and then recognised as income when there is reasonable assurance that they will be received and that Priority One will comply with the conditions associated with the grant.



Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Notes to the Financial Statements

For the year ended 30 June 2023

5 Employee Benefits

	2023 \$	2022 \$
Wages and Salaries	1,343,062	1,136,495
Other employee benefits	68,641	73,284
	1,411,703	1,209,779

6 Administration Expenses

	2023 \$	2022 \$
<i>Included within Administration expenses are the following:</i>		
Audit Fees	18,000	15,000
Depreciation	16,111	21,388
Rent & Car park lease payments	155,046	133,963

7 Cash and Cash Equivalents

	2023 \$	2022 \$
Cash and Bank Balances	1,207,647	772,004
	1,207,647	772,004

Policies

Cash and cash equivalents are cash balances that are short term in nature (with an original maturity of three months or less) for the purposes of the Statement of Cash Flows, and are classified as a financial asset measured at amortised cost.

Short Term Deposits have maturities between 90 days and 1 year and are shown as current assets, and are not included as cash and cash equivalents.

8 Trade and Other Receivables

	2023 \$	2022 \$
Accounts Receivable (Exchange transactions)	613,126	463,164
Accrued interest	1,459	538
GST Refund	48,299	-
Prepayments	46,212	38,092
	709,096	501,794

Accounts receivable are shown net of allowances for bad and doubtful debts of \$nil (2022: \$nil).

Policy

Accounts receivable are initially measured at fair value, then adjusted for any expected credit loss. Accounts receivable are classified as a financial asset measured at amortised cost.



Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Notes to the Financial Statements

For the year ended 30 June 2023

9 Investments

	2023 \$	2022 \$
WNT Ventures Limited Partnership	477,382	347,788
	477,382	347,788

Priority One has entered into an agreement to invest up to \$350,000 over a period of one to five years in WNT Ventures Limited Partnership.

At balance date a share of 10% is held in WNT Ventures Limited Partnership (2022: 10%).

The fair value for WNT Ventures Limited Partnership is based on 10% of the net assets per unaudited financial statements prepared by WNT Ventures Limited Partnership, previously adjusted for calls not yet made. The final call was made in the 2022 financial year.

Previously management has based their assessment of the fair value of the investment in the WNT Ventures Limited Partnership at balance date on information provided in audited financial statements of WNT Ventures Limited Partnership. In 2020, WNT Ventures Limited Partnership changed their reporting basis and no longer include fair value assessments in their audited financial statements. As with 2022, the estimate of fair value has been based on unaudited WNT Management estimates.

WNT Ventures Limited Partnership is considered a related party. Refer Note 14.

Policy

The investment in WNT Ventures Limited Partnership is classified as an equity instrument, with initial recognition made at fair value less transaction costs. The investment is not held for trading purposes and Priority One has made an irrevocable decision to present subsequent changes in fair value in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

Key sources of estimation uncertainty

Key sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include venture capital in start ups and fair value based on WNT Venture Limited Partnership's assessment of future expectations.



Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Notes to the Financial Statements

For the year ended 30 June 2023

10 Property, Plant and Equipment

	Computer and Office Equipment	Leasehold Improvements	Total
Cost			
Balance at 1 July 2021	138,282	135,084	273,366
Additions	12,534	-	12,534
Disposals	(16,690)	(54,595)	(71,285)
Balance at 30 June 2022	134,126	80,489	214,615
Balance at 1 July 2022	134,126	80,489	214,615
Additions	5,059	-	5,059
Disposals	-	-	-
Balance at 30 June 2023	139,185	80,489	219,674
Depreciation			
Balance at 1 July 2021	(101,208)	(97,031)	(198,239)
Depreciation	(18,427)	(2,961)	(21,388)
Disposals	15,471	44,457	59,928
Balance at 30 June 2022	(104,164)	(55,535)	(159,699)
Balance at 1 July 2022	(104,164)	(55,535)	(159,699)
Depreciation	(13,154)	(2,958)	(16,111)
Balance at 30 June 2023	(117,318)	(58,493)	(175,811)
Carrying Amounts			
Balance at 30 June 2021	49,014	26,104	75,128
Balance at 30 June 2022	29,962	24,954	54,916
Balance at 30 June 2023	21,867	21,996	43,864

Policies*Measurement*

All property plant and equipment are stated at cost less accumulated depreciation.

Depreciation

Depreciation is allocated over the estimated useful life of the asset. The following methods are used in the calculation of depreciation:

Leasehold Improvements
Computer & Office Equipment

Straight line over remaining expected lease term
1.5-12 years Straight Line



Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Notes to the Financial Statements

For the year ended 30 June 2023

11 Accounts Payable		2023 \$	2022 \$
Accounts Payable		487,792	188,980
Related Party Payable	13	35,312	7,100
GST payable		-	22,764
Accrued expenses		31,302	10,999
		554,406	229,843

Policy

Accounts payable are recognised at cost when the Society becomes obliged to make future payments resulting from the purchases of goods and services. Accounts payable are classed as an 'amortised cost financial liability'.

12 Employee Entitlements		2023 \$	2022 \$
Short Term			
Accrued Wages, Salaries and Holiday Pay		64,110	51,367
		64,110	51,367

Policy

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

13 Provisions		2023 \$	2022 \$
Opening balance 1 July		-	32,500
Provisions made during the year		-	-
Provisions used during the year		-	(32,500)
Unused provisions reversed during the period		-	-
Closing balance 30 June		-	-
		2023 \$	2022 \$
Current		-	-
Non-current		-	-
		-	-

Capital Call

Priority One had an agreement to commit \$350,000 to WNT Ventures Limited Partnership over 5 years as part of a capital call agreement. The contributions were made when requested by the Limited Partnership dependant on business needs. The final capital call was made during the 2022 financial year.

Policy

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Notes to the Financial Statements

For the year ended 30 June 2023

14 Related Party Transactions

(i) Key Management & Governance Personnel Remuneration

Priority One classifies its key management personnel in to the following categories:

- Directors
- Executives

Priority One had 17 directors during the year ended 30 June 2023 (2022: 18). Other than the Independent Chair, the directors did not receive any remuneration for their services.

The annual Independent Chair fee is determined by the Board and is currently set at \$30,000 (plus GST) per annum. Simon Clarke's term as Independent Chair was extended by the Board through to the 2023 AGM and was paid Chair fees of \$30,000 (plus GST) in the financial year. All other Board members provided their services for free.

Executives are employees and are on standard employment contracts. Priority One had five Officers in this category during the year ended 30 June 2023 (2022: four). Remuneration of these Officers and the Independent Chair during the period amounted to \$717,697 (2022: \$613,173).

(ii) Transactions with other related parties

Priority One transacts with other related parties in the normal course of their business. Such entities include those related by virtue of common governance and management personnel.

During the year, Priority One made the following purchases from related parties and at year end, the following balances remained owing:

	Purchases 2023 \$	Payable 2023 \$	Purchases 2022 \$	Payable 2022 \$
Toi Kai Rawa (Operating and Project Expenses)	70,000	-	71,400	-
Bay Venues Limited	46,047	32,437	15,061	4,225
Matua Governance Limited	30,161	2,875	30,000	2,875
	146,208	35,312	116,461	7,100

WNT Ventures Management Limited is considered a related party due to Steven Saunders (Director) also being a director of WNT Ventures Management Limited. Other than the investment of capital and receipt of distributions, there have been no transactions during the year (Refer Note 8).

Toi Kai Rawa is considered a related party due to Priority One Director, Te Horipo Karaitiana also being on the board of Toi Kai Rawa.

Bay Venues Limited is considered a related party due to Priority One Chair, Simon Clarke also being the Chair of Bay Venues Limited (appointed July 2021).

Matua Governance Limited is considered a related party due to Priority One Chair, Simon Clarke also being the Director of Matua Governance Limited.



Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2023

Notes to the Financial Statements

For the year ended 30 June 2023

15 Commitments

An operating lease exists for ground floor of the property at 29 Grey Street Tauranga, with the current lease term expiring on 30 June 2023. Priority One is currently in the process of extending this lease for a further two years and subsequent to balance date signed an agreement to extend the lease to 1 July 2025 on updated lease conditions.

A number of operating leases are also held for office equipment and motor vehicles with periods up to three years.

Immaterial finance leases have been accounted for as operating leases and included in lease commitments disclosure.

Operating Lease Commitments	2023	2022
	\$	\$
No later than one year	38,846	164,221
More than one year	57,369	17,433
	96,215	181,654

16 Contingent Liabilities

There were no contingent liabilities as at 30 June 2023 (2022: nil).

17 Subsequent events

There are no subsequent events to disclose.

Baker Tilly Staples Rodway Audit Limited
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New Zealand

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W: www.bakertillysr.nz



INDEPENDENT AUDITOR'S REPORT

To the Members of Priority One Western Bay of Plenty

Report on the Audit of the General Purpose Financial Report

Qualified Opinion

We have audited the general purpose financial report of Priority One Western Bay of Plenty ('the Society') which comprises the financial statements on pages 6 to 17, and the service performance information on pages 4 to 5. The complete set of the financial statements comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report the accompanying general purpose financial report presents fairly, in all material respects, the financial position of the Society as at 30 June 2023, and the financial performance and cash flows for the year then ended, and the service performance for the year ended 30 June 2023 in accordance with the service performance criteria of the Society in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

Our report is made solely to the Members of the Society. Our audit work has been undertaken so that we might state to the Members of the Society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Society as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Qualified Opinion

As described in Note 9 to the financial statements, the Society bases their assessment of the fair value of the investment in the WNT Ventures Limited Partnership ('WNT') at balance date on unaudited WNT Management estimates. Accordingly, there is insufficient appropriate audit evidence available to enable us to form an opinion on whether the carrying value of investment in WNT amounting to \$477,382 and the consequent impact on Other Comprehensive Income is materially correct.

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)') and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard ('NZ AS') 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the General Purpose Financial Report* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence*

Baker Tilly Staples Rodway Audit Limited, incorporating the audit practices of Christchurch, Hawkes Bay, Taranaki, Tauranga, Waikato and Wellington.

Baker Tilly Staples Rodway Audit Limited is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Priority One Western Bay of Plenty.

Other Information

The Executive Board is responsible for the other information. The other information comprises the information included in the Society's annual report for the year ended 30 June 2023 (but does not include the general purpose financial report and our auditor's report thereon).

Our opinion on the general purpose financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the general purpose financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board for the General Purpose Financial Report

Those Charged with Governance are responsible on behalf of the Society for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as Those Charged with Governance determine is necessary to enable the preparation of the general purpose financial report that is free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report, Those Charged with Governance are responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Those Charged with Governance either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,



they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

Matters Relating to the Electronic Presentation of the Audited General Purpose Financial Report

This audit report relates to the general purpose financial report of Priority One Western Bay of Plenty for the year ended 30 June 2023 included on Priority One Western Bay of Plenty's website. The Executive Board of Priority One Western Bay of Plenty is responsible for the maintenance and integrity of Priority One Western Bay of Plenty's website. We have not been engaged to report on the integrity of Priority One Western Bay of Plenty's website. We accept no responsibility for any changes that may have occurred to the general purpose financial report since it was initially presented on the website.

The audit report refers only to the financial statements and the statement of service performance named above (together the general purpose financial report). It does not provide an opinion on any other information which may have been hyper linked to or from the general purpose financial report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited general purpose financial report and related audit report dated 25 October 2023 to confirm the information included in the audited general purpose financial report presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Tauranga, New Zealand

26 October 2023



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9.2 ENABLING HOUSING – PROGRESS REPORT Q2 2023

File Number: A5799765

Author: Simone Cuers, Strategic Housing Programme Lead

Authoriser: Jodie Rickard, Community and Strategic Relationships Manager

EXECUTIVE SUMMARY

1. Council established Enabling Housing as one of five strategic priorities and a key focus of the 2024–2034 Long Term Plan and other work we do. Enabling Housing being a strategic priority means we can strengthen our focus on achieving better housing outcomes in the District now and into the future.
2. Western Bay of Plenty District Council (WBOPDC) has led a strategic focus on housing for some time, with a consistent vision and plan. There are achievements to be celebrated, details are provided in **Attachment 1** to this Progress Report. The achievements demonstrate the value of a sustained focus on housing; housing projects can have a long lead time to delivery.
3. Housing is a complex system and the acceleration in housing prices both nationally and within the District has seen the housing crisis deepen. There is not a 'quick fix' to the housing situation. Commitment to a housing vision, such as WBOPDC is leading, is the best way forward, the best way to achieve housing that meets a community's needs.
4. This progress report is provided to demonstrate the range of achievements council has made towards achieving our housing vision.

RECOMMENDATION

That the Strategic Housing Programme Lead's report dated 23 November 2023, titled 'Enabling Housing – Progress Report Q2 2023' be received.

BACKGROUND

5. When Council established *Enabling Housing* as one of five strategic priorities and a key focus of the 2024–2034 Long Term Plan, the following goals and roles were determined for council. What we want to achieve:
 - (i) Housing that is affordable, accessible, habitable with security of tenure, and appropriate to our life stages and differing needs.
 - (ii) What we see our role being

Leader

Enabler

Provider

6. Similarly, in June 2022 WBOPDC Policy Committee confirmed Council's role as the lead agency for facilitating local housing strategies and action plans to deliver on local housing outcomes to improve community wellbeing. This includes using its resources to:
 - (a) leverage housing outcomes and co-investment that meet identified gaps in the housing continuum.
 - (b) advocate for central government investment into housing delivered by other organisations to meet identified housing needs and gaps in supply.
 - (c) invest to achieve housing outcomes for those most in need.
7. Further back in 2018 we set out the *Western Bay of Plenty District Council Housing Action Plan* which described the actions Council can take, where we have an influence on improving the housing situation. The Plan outlined the strategies and how we need to work together with other stakeholders involved in housing delivery to achieve the vision.
8. The 2018 Housing Action Plan's Vision is: "All Western Bay residents are well housed. This means residents have access to homes that are affordable, accessible, habitable, and with security of tenure".
9. Attachment 1 illustrates the outcomes council has achieved towards achieving our housing vision. There is much more work to be done in this complex space, but there is value in pausing and noting the achievements in provision of:
 - (i) affordable rental housing
 - (ii) affordable home ownership
 - (iii) social and community housing
 - (iv) elder housing
 - (v) improving habitability of existing homes into warm, dry, and healthy homes
 - (vi) enabling housing construction via infrastructure provision and zoning of land for residential purposes
 - (vii) establishing collaborative local housing networks who develop and implement data driven housing systems plans.

NEXT STEPS

10. The current Housing Action Plan is over 5 years old. Now that Council has adopted Enabling Housing as a strategic priority, staff are beginning a review of the Housing

Action Plan to incorporate the place-based approach (local housing systems plans and local housing networks) and priorities for the next 3 years.

11. Regular updates on local housing systems plans will be made to the Community Committee.

ATTACHMENTS

1. **Western Bay of Plenty District Council – Housing Progress Report Q2 2023** 

Progress on our housing

Five years ago, Western Bay of Plenty Council committed to the vision of 'All Western Bay residents are well housed'. Here are examples of work council has done towards achieving the vision.

Market housing

Private developments on new subdivisions are underway across the District, in both planning and delivery stages; they are projected to bring approximately 2123* homes to market over coming years. Prole Road, Ōmokoroa is being prepared for significant housing, town centre and school development. There are 804 homes either resource consented, being processed for consent or at pre consent application discussion stage. The first two housing developments, resource consented June and July this year will deliver 410 homes.

➤ Dunlop Road, Te Puke subdivision is selling Stage 1 now with 380 residential sections planned in the project.

➤ Mural Drive, Katikati is mostly built, the last stage, Stage 3 is selling now. There are 74 sites in total in the project.

➤ At Browns Drive, Waihi Beach, construction of Stage 1 is Underway, 96 two- and three-bedroom homes are planned for the development.

New or upgraded council infrastructure is key to enable housing development. Infrastructure projects required in Ōmokoroa Stage 3 development include transportation (\$168 million) and three-waters (\$42 million) over the next 10 years. For Te Puke's population to grow beyond 13 000, e.g., to 16 000, projects such as upgrading the wastewater treatment plant (\$60 million) are required.

* 2123 homes was calculated using resource consent data on 27.10.23. This includes all resource consented developments, those being processed, and those in pre lodgement discussion. This number is a guide only.



Dunlop Road



Mural Drive



Browns Drive



Mayor James Denyer and Pirirakau hapū kaumatua Peter Borell turn the first sod on the Prole Road project. Also pictured are Higgins construction crew, Western Bay councillors, staff and project consultants.



Shared home ownership Ōmokoroa



Kaimai Views Ōmokoroa

Affordable home ownership

Shared home ownership – Housing Foundation is bringing their first housing development in the Bay of Plenty to Ōmokoroa. They will be offering family friendly designs and their commitment to affordability in the 100-lot development and are taking registrations of interest now.

Shared home ownership provides a unique opportunity for working New Zealand households who are finding it difficult to buy a secure, warm, dry home. Through the shared ownership programme, Housing Foundation works closely with families to assist them into home ownership.

Affordable Housing Partnership – Kaimai Views is an Affordable Housing Partnership between Classic Group and Council, aimed at giving more Kiwis a chance to get their foot on the property ladder.

Council sold land to Classic Group with the agreement fifty percent of homes, (121 homes), be sold below the median house price. An example of pricing: the median house price for the Western Bay of Plenty as of April 19 was \$655,000, and the third stage of homes released sold for \$500,000 and under.

In addition, 27 KiwiBuild homes were built in Stages 3 and 4. All house and land packages are now sold, the last 2 homes will be complete early 2024.

More warm, dry and healthy homes

Council has been supporting the healthy housing program, 20 Degrees, since 2020. The program helps low-income households achieve a home temperature of 20 Degrees on a winter's night. Making homes warmer and drier reduces the risk of health problems associated with poor housing conditions.

The program aims to operate within communities who have severe housing needs and carries out home assessments, identifying and addressing the issues; e.g., structural concerns, repairs or behavioural change around moisture management, ventilation, and heating. They also provide workshops and DIY lessons that build the skills needed to keep homes healthy.

The program is funded through a collaborative partnership, including WBOPDC, TECT, Bay Trust, Rotorua Trust, Te Whatu Ora, and Toi Te Ora Public Health. It has been operating for three years and has exceeded the planned number of outcomes.



Recent healthy homes workshop in Maketu

Public and community housing

In May this year social housing provider Accessible Properties Limited was granted resource consent for their 13-unit social housing development in 21 Seddon Street, Te Puke.

Council reduced the development costs of not-for-profit housing in 2022, (reduction of financial contributions or FINCO's for the development of community housing and Papakāinga), providing savings of \$160,419 for this housing provider's project.

Evergreen House – an elder housing, affordable rental development in Te Puke – also accessed a significant financial contribution reduction when Resource Consent was granted August this year. The project has 5 one-bedroom units and 1 principal dwelling development in George Street, Te Puke, adjacent to Te Puke Baptist church, who is the developer.



21 Seddon Street Te Puke



George Street Te Puke

Medium density housing

The new housing density rules were introduced to Te Puke and Ōmokoroa to enable growth and create a wider range of housing options.

Plan Change 92 introduces new Medium Density Residential Standards (MDRS) for all the existing residential areas of Ōmokoroa and Te Puke. In addition, new residential areas are being added to those towns. The standards will enable more housing to be built by removing some resource consent requirements. Provided the standards are met, the development will be a 'permitted activity', which means resource consent isn't required.

Our District does not have enough affordable housing, smaller houses for single people or couples, or houses where multi-generations can live. The MDRS makes it easier to subdivide, build a secondary dwelling, or redevelop a site into townhouses. This means more housing can be provided to meet the needs of local people.

Affordable rental housing – Council Elder Housing redevelopment in Katikati

The move to support our elder community by retaining and redeveloping our elder housing was backed by the community (88% in support) through the Long-Term Plan 2021-31.

We're acting on this support increasing the number of units on the Heron Crescent site in Katikati; from 11 to 26 units. Council will build 26 modern rental homes, a mix of one- and two-bedroom units that also cater for those with mobility issues – at no cost to rate payers. A \$5.8 million injection from the Ministry of Housing and Urban Development's Affordable Housing Fund coupled with \$4.6 million Council set aside from its Better Off Funding, means Council will more than double its elder housing stock in Katikati.

The redevelopment provides 15 additional units for older people to rent and replaces the 11 existing 40-year-old units. The design and build project is currently open for tender.



Heron Crescent in Katikati

Local housing networks: collaborative solutions

Every community has its unique population, housing needs, challenges and opportunities. We're taking place-based approach to tackling our communities' housing challenges. Of particular interest is meeting identified gaps in housing and achieving housing outcomes for those most in need.

Collaboration is key to addressing complex housing issues. We're working with iwi, businesses, social housing providers, social and health service providers, community groups, and central government to implement evidence based local housing plans to improve housing outcomes in Te Puke and Katikati.

The Te Puke Housing Systems Plan was published late 2022 which sets out nine strategies to address housing gaps. The Housing Network is supporting the delivery of housing strategies for Te Puke.

Katikati Housing Network started in June this year and the Housing Systems Plan is being developed.



10 INFORMATION FOR RECEIPT