



Priority One
Tauranga
Moana

**PRIORITY ONE
WESTERN BAY OF PLENTY
INCORPORATED**

Annual Report 2023/24
Te Pūrongo ā-Tau



OUR VISION

TAURANGA MOANA 2050

Tauranga Moana will be a vibrant, green-led region, with a thriving economy and natural geographical resources that provide residents with a healthy, balanced lifestyle. Knowledge-led, export businesses will thrive, leading to opportunities for all. The region will attract and retain top talent through an unbeatable lifestyle, collaborative leadership and meaningful partnerships, including with mana whenua.

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

The prosperity and splendour of Tauranga Moana to the world

OUR PURPOSE

Creating an innovative, higher value and more productive economy

Through support of innovative businesses and people and by positioning for a future economy.

Skills and education pathways

Enabling a higher skilled workforce and better employment outcomes for our community, leaving no-one behind.

Creating a prosperous and sustainable region

Smart business, talent and investment attraction

Encouraging growth and attraction of those that improve the quality of our economy.

Creating the conditions for business success

Through long term planning, championing business success and enacting Tauranga Moana's 'DNA'.

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



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o te Moana o Toi*

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CHAIR REPORT

Tā te tiamana pūrongo



A handwritten signature in white ink on a teal background, reading "M. Muller".

Todd Muller Chair

I believe it is the very time when businesses are under pressure, cashflow is tight and focus is narrowed to today's challenges that a long established, respected and strategic organisation like Priority One is critical in facilitating tomorrow's opportunities.

Priority One takes a strategic approach to ensure the fundamentals for economic, cultural and social success are in place for the 250,000 people who are going to live in the Western Bay in five years' time. Our projects are varied but deliberate: focusing on infrastructure, sustainability, innovation, talent and Māori economic development, which are all essential to the long-term success of the area.

During the year the Board refreshed our economic development strategy, integrating the 'DNA' we think we require to have a successful region in 2050. While we take a broad approach to economic development, success is

ultimately measured by an increasing level of incomes across our community, enhanced sustainability efforts by local businesses and our local infrastructure deficit finally addressed.

One of the key highlights for me is the working relationship Priority One has with local government. We have great partners in our local councils, and I would like to welcome Tauranga City Council's new Mayor and Councillors to their important roles at a vital time for our region. I also want to acknowledge the Commissioners' significant contribution to Tauranga's progress. They provided clear direction and left us with an impressive list of accomplishments.



PRIORITY ONE TAKES A STRATEGIC APPROACH TO ENSURE THE FUNDAMENTALS FOR ECONOMIC, CULTURAL AND SOCIAL SUCCESS ARE IN PLACE

Priority One enjoys a constructive relationship with central government and much of this groundwork has paved the way for the prospect of a Regional Deal, in partnership with our local councils. Tauranga is becoming a major national hub, due to the scale of our population, the size of our businesses, the Port of Tauranga and the sectors based here. The Government sees Western Bay of Plenty as an important part of New Zealand's growth strategy, so a working partnership is critical in building a region that can underpin the economic success of the nation.

The next year or two is a critical time for us – it is a turning point where we may finally get the partnership with the Government

that will enable us to become the regional powerhouse New Zealand needs. Along with this partnership will come an obligation for us all to do things differently and embrace change – this is the responsibility of being in a region that is quickly becoming vital to the country's wider economic interests.

We are lucky to have the talent of Nigel and his fantastic team, along with strong board members with diverse views, who volunteer their time because they are committed to seeing the region flourish. The Board realises Priority One's future-facing vision and advocacy is crucial right now. I wish to acknowledge retiring director Peter Tinholt for his seven years of insight and

collaboration around the board table. Peter has always been focused on connecting people, capital and opportunity and we, along with the wider region, are grateful for his efforts.

Thank you to our member organisations for their support and belief in our vision, especially our Platinum Partners: Ballance Agri-Nutrients, Craigs Investment Partners, Element IMF, Mercury, Port of Tauranga, University of Waikato, Zespri, Tauranga City Council, Western Bay of Plenty District Council, and also to TECT, for their continued backing.

CEO REPORT

Tā te tumuaki pūrongo



Nigel Tutt Chief Executive

The 2023/24 financial year has presented difficult times for both the national and local economies. Tight monetary policy has had the inevitable effect of slowing the economy. While this has successfully quashed inflation, it has also dampened the good parts of the economy. The Western Bay of Plenty has fared better than the rest of New Zealand, maintaining growth, albeit at modest levels.

We can attribute our relatively good performance to the diverse nature of the economy, some great export sectors such as kiwifruit, and good activity in commercial construction.

During this time of economic difficulty, Priority One has been laser focused on activities that matter to our economy and community. We have balanced our long-term goals around building incomes and sustainable growth, with actions that are needed right now, around infrastructure, talent and the environment.

An example of our region defying wider economic conditions is Tauranga's city centre. The many towering cranes are a clear sign of the level of investment and confidence in the city, underlining Tauranga's momentum. We are excited to see many of the developments outlined in our 2022 CBD Blueprint coming to life. We were able to present progress via our CBD Blueprint Rooftop Event Series. These were co-hosted with members – each offering a different perspective of the

cityscape's evolution. Staging the DayBreak Festival of Innovation in the city was another chance to showcase its businesses and progress.

Working directly with our members is of great importance to us, and it is pleasing that we engaged 3,748 people through Priority One events in 2023/24 – a massive 88 percent leap from the previous period.

We have maintained strong activity in our workforce area, from engagement with students via our Instep Programme, yia! (Young Innovator Awards) and our skills and employment hub, Ara Rau – Pathways to Work. Working with some of the most vulnerable in our community, Ara Rau has successfully engaged with 82 youth and supported 54 into either work or training, and is firmly on track to exceed its targets.

We have a vision for Tauranga to be Aotearoa's most sustainable city, and our work continues to accelerate through high-impact projects across many sectors.

Our programmes have engaged with 140 businesses, including the Shift Hub, a city pop-up that highlighted environmentally friendly commuting options. A series of workshops around waste within the construction and demolition sector has resulted in the formation of the industry-led Circular Construction Collective, which will now seek out cross-business solutions.

Our region's energy demands are expected to increase significantly as businesses grow, decarbonisation activity accelerates and our population increases. Investment in energy infrastructure must be aligned to this growth. We've led engagement with businesses on our future energy needs and opportunities, and we are now poised to launch our Regional Energy Strategy in late 2024.

Strong population and economic growth coupled with a lack of investment has led to a substantial infrastructure deficit in our region. Priority One, in partnership with local councils, has worked to grow

WE HAVE A VISION FOR TAURANGA TO BE AOTEAROA'S MOST SUSTAINABLE CITY

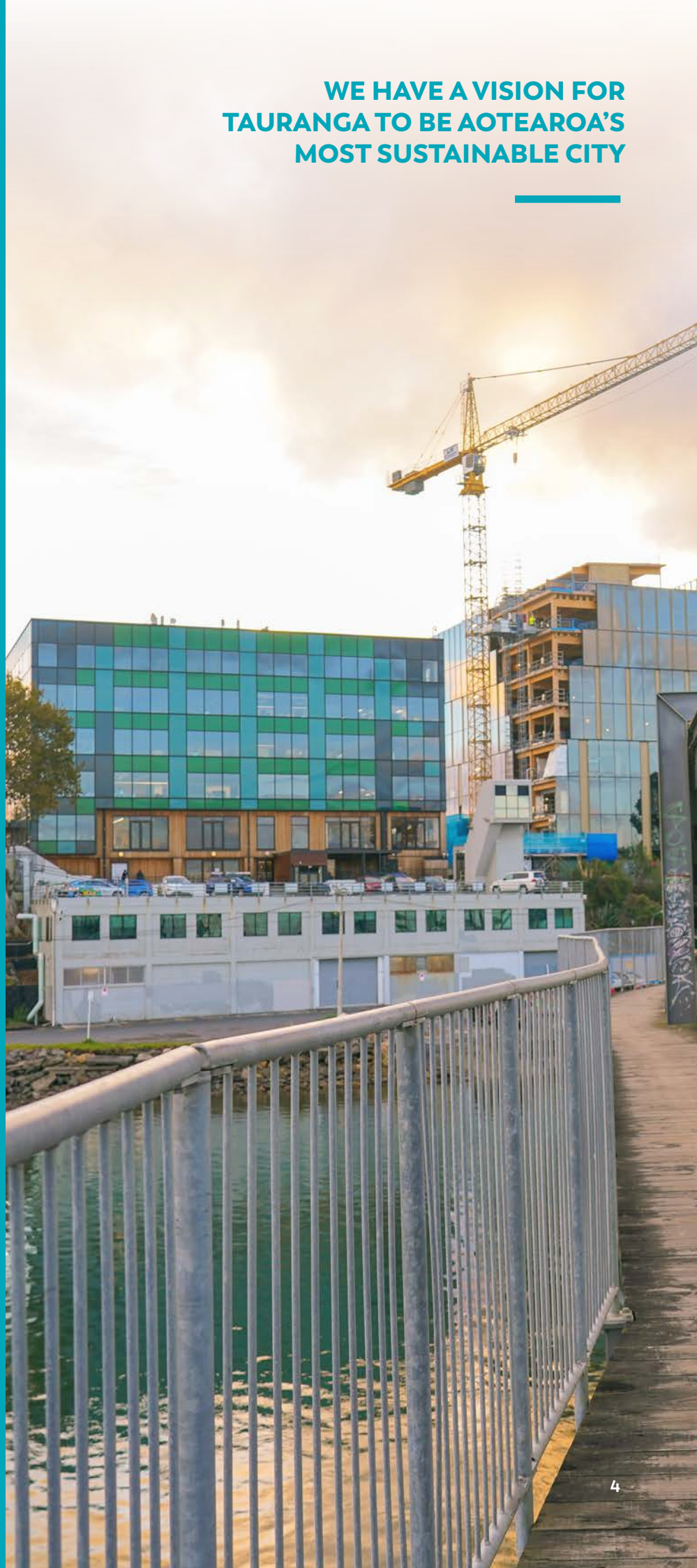
a productive relationship with central government, keeping Tauranga in the spotlight for government-led investments – for roading in particular. We are New Zealand's trade gateway to the world – a key component of the Golden Triangle, with the country's largest seaport, a substantial horticulture sector and links to our primary production heartland. While we have had some success with the inclusion of two local roads in the Government's Roads of National Significance, there is still much more to do.

Over the next year, we plan to double down on our quest for a prosperous economy, particularly around infrastructure investments and sustainability. Priorities will include capitalising on sustainability work already completed – including the identification of more cross-business solutions, releasing our Regional Energy Strategy and moving forward with the Mount Maunganui Industry Environmental Accord. Moving our strong partnership with central government into actions will also be a focus.

Priority One has a unique, highly effective structure for an economic development agency; we would be nowhere without our members. We are grateful for their support, engagement and commitment to furthering the interests of the Western Bay of Plenty.

I would like to welcome our new Chair, Todd Muller, who has made a real impact already with his expertise, connections and in-depth knowledge of our area. Thank you to our Board who have provided excellent input into our strategy revision and who freely give their time to support Priority One's goals.

Lastly, I wish to thank our staff at Priority One for their skill, enthusiasm and commitment to our cause – making the Western Bay of Plenty a prosperous, sustainable place to live.



WESTERN BAY OF PLENTY METRICS 2023

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

Source: Infometrics (2023 metrics as at September 2024)



Unemployment

3.0%

vs NZ 3.3%
(3.1% in 2022)



Housing affordability

8.7x

mean household income

vs NZ 7.3x
(10.9x in 2022)



Māori unemployment

5.7%

vs NZ 6.8%
(6.8% in 2022)



Rental affordability

26.1%

mean weekly rent /
mean household income

vs NZ 21.8%
(26.4% in 2022)



Mean annual income

\$69,049

vs NZ \$74,754
(\$63,960 in 2022)



Filled jobs

110,248

vs NZ 2,753,601
(108,146 in 2022)



Māori mean
annual income

\$61,678

vs NZ \$67,801
(\$56,808 in 2022)



Population

222,600

vs NZ 5,223,100
(218,000 in 2022)

**SPACE FOR INNOVATORS AND CREATORS TO CONNECT,
SHARE EXPERIENCES AND LEARN**



2023/24 ACHIEVEMENTS

Ngā paetae

Innovation

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



DayBreak Festival of Innovation saw Priority One deliver a series of events in partnership with organisations from across the region. It offered the chance to engage with innovation in its many forms, from technology and mātauranga Māori, to investment and circular design. Close to 200 attendees were involved with the two-day DayBreak Summit, which was a fresh mix of plenary sessions, workshops, field trips and networking opportunities. The DayBreak Celebration was a multi-sensory, interactive conclusion to the summit, featuring music, creative food, and opportunities for meaningful networking.

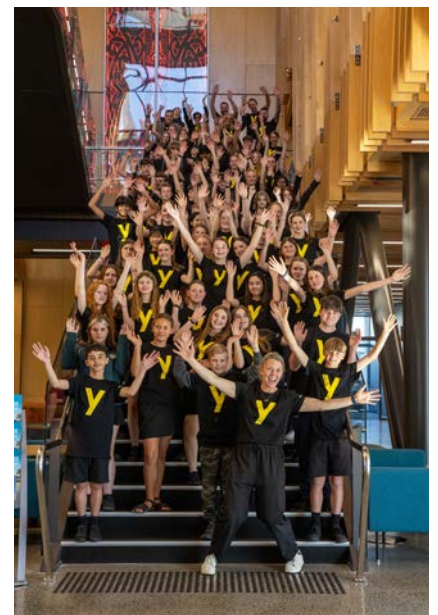
A total of 49 local businesses and organisations participated, and the festival succeeded in forging connections between a broad spectrum of sectors and communities, and creating buzz around local innovation. It activated the city centre, with sessions hosted across 13 venues, including Sharp Tudhope, Datacom, Beca, Craigs Investment Partners, Aurecon and University of Waikato. There were also six free community events, for people of all ages, which had 892 attendees. Overwhelmingly positive feedback confirmed that DayBreak should become an annual event that will evolve and grow.

The Design and Innovation

Meetups make space for innovators and creators to connect, share experiences and learn. In 2023/24, there were 87 registered attendees across the free bi-monthly events. The interactive sessions were led by experts in a variety of topics, including food, climate change, construction-focused design and biosecurity.



yia! (Young Innovator Awards) is a design-thinking programme with a mission to build a culture of innovation in local schools and prepare our future workforce with the required skills to compete in a rapidly changing work environment. The programme was delivered in collaboration with member businesses and had 670 registered participants from nine schools, culminating in a total of 146 entries, judged by 25 local innovation leaders.



2023/24 ACHIEVEMENTS

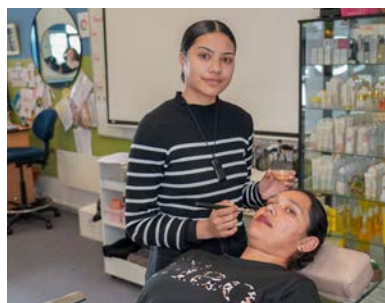
Ngā paetae

Talent

The Priority One regional talent strategy supports Tauranga Moana to build its reputation for skilled talent. It focuses on investing in local talent and connecting businesses with the people they need to be able to grow sustainably. The Western Bay of Plenty has huge potential to attract talent but it's also critical that everyone already in the rohe can develop their skills to get a quality job and earn a decent income.



Ara Rau – Pathways to Work assists some of the most vulnerable members of our community into employment. The Ara Rau team noted a marked increase in rangatahi (youth) not in employment, education or training (NEET). Over a three-year funding period (Feb 2023-2026), Ara Rau has a target set by Ministry of Social Development (MSD): engagement with 90 youth, with 63 being supported into training and employment. During the reporting period to June 2024, Ara Rau has successfully engaged with 82 youth and supported 54 into either work or training, predominantly in the construction and logistics industries. Having almost met the three-year targets already, Ara Rau will be negotiating new targets to the end of 2026.



The **Instep Programme** facilitates engagement between schools and businesses, to empower youth, develop talent and create a prosperous future for Tauranga Moana. Throughout 2023/24, 4094 secondary school students, plus 244 staff members from a broad spectrum of businesses, were engaged in Instep events, showcasing strong business-community collaboration. Events included Wāhine in Trades Day, hosted by Vertical Horizonz, an exploration of aviation roles with JNP Aviation and Tauranga Airport, Holland Beckett Careers Evenings and Beca Careers' Day. The Instep Young Leaders' Forum connected 33 students with organisations at a series of breakfast workshops. Hosts included local councils, NZ Defence Force, Aurecon and Priority One. The annual two-day Canvas Careers Expo, in partnership with Rotary Club of Tauranga, had 71 exhibitors and over 2700 students in attendance from throughout Western Bay of Plenty Secondary schools.

DEVELOPING LOCAL TALENT AND OPENING PATHWAYS TO HIGHLY SKILLED CAREERS



University City Strategy

Priority One, Tauranga City Council and the University of Waikato work together to grow the city's reputation as a University City, supporting employers with access to local talent. The Tauranga Futures Programme, initiated by the partners, supported three academic scholarships and five summer research scholarships, providing local students with financial support and work experience during their university study in Tauranga. Progress was also made in enhancing student recreation opportunities on campus, expanding teaching and laboratory facilities, and planning for additional student accommodation. Of note, was the lease agreement between Tauranga City Council and the University of Waikato to enable development of a dedicated Marine Research and Education Facility at Sulphur Point.



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.

Rooftop Event Series. Tauranga's city centre continues to transform, yet the progress is often hard to understand at street level. Priority One's CBD Blueprint Rooftop Event Series offered people the opportunity for an elevated view of the vast development and an appreciation of the changing cityscape. The series had 399 registered attendees, and the five events were co-hosted at member venues (Copeland Ashcroft, Sharp Tudhope, SwipedOn, Beca and The University of Waikato), each offering its own perspective on both private and civic developments.

Two major construction projects have been completed – Elizabeth Towers and Manawa Energy/New Zealand Blood Service building, with many more well underway, such as Tauranga City Council's building at 90 Devonport Road, the Northern Quarter, Craigs Investment Partners building at 2 Devonport Road, Panorama Towers at 35 Hamilton Street and Pūtahi Teia at 115 Cameron Road.

2023/24 ACHIEVEMENTS

Ngā paetae

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.



Priority One's strategic partnership with **Toi Kai Rawa** (the Bay of Plenty's regional Māori economic development agency) has helped support two major initiatives. Toi Ki Tua Māori Internship Programme is designed to boost confidence, expand networks and offer valuable experience. It was successfully implemented in 2023/24, matching 22 interns with 18 employers. By developing local talent and opening pathways to highly skilled careers, it contributes to the region's sustainable growth.

The fifth annual Māori Youth Leadership Summit, He Rangatahi He Anamata, saw nearly 100 youth from 13 Bay of Plenty schools participate in an immersive experience that featured inspirational speakers and interactive workshops, all designed to cultivate innovation and leadership skills.



Amotai Meet the Buyer event, sponsored by Priority One, brought together Māori and Pasifika-owned businesses from Tauranga Moana to connect and share their journeys with buyer organisations such as Hawkins, Beca, Downer Group, GHD, Fulton Hogan, Bay of Plenty Regional Council and Poutama. Priority One also helped to bring together a social procurement discussion with the Whanake initiative. This collective of 11 collaborative organisations explores innovative ways of achieving broader social outcomes through progressive procurement.



The Pasifika Navigators of Tomorrow Career Expo was created by Pacific Growth Services and sponsored by the Instep Programme. It was attended by 360 Bay of Plenty students and 45 businesses were involved. It allowed Pasifika youth to explore diverse career paths, guided by local Pasifika professionals. Students also were inspired about the future of work at the Priority One-led speaker event at Te Puke High School. This featured three speakers who showed culture is a foundation for personal and professional success, and how every experience can become an asset in shaping your path.

INFLUENCING LARGE-IMPACT BEHAVIOUR SHIFT ACROSS THE CITY

Sustainability

A strong stance on environmental sustainability is crucial for the future resilience of the sub-region's economy. 2023/24 saw 140 businesses engage with Priority One's sustainability programmes.



Shift Hub, held in the city centre in July 2023, allowed individuals and teams to rethink commuting choices. Nearly 90 percent of journeys to work in Tauranga are by private motor vehicle, and emissions produced from transport are the largest contributor to climate change in our region. Priority One's Shift initiative had more than 85 organisations registered to be involved and more than 1000 people booked to visit the hub, along with hundreds of test rides of electric bikes, e-scooters and electric motorbikes. By partnering with businesses such as Electrify NZ, UBCO, Beam, Farmer Autovillage and Travel Safe, the Shift Hub was able to showcase current sustainable micro-mobility and associated infrastructure with a view to influencing large-impact behaviour shift across this fast-growing city.



Decarbonisation programmes

delivered by Priority One, in partnership with Tadpole and Aurecon, focused on equipping 25 businesses with tools and strategies to progress their decarbonisation efforts, while managing costs and maximising benefit.



Circular Construction Collective.

While the construction and demolition industry is economically lucrative, it also contributes up to 50 percent of New Zealand's waste. In response to this, Priority One collaborated with 25 local construction businesses through a series of four Construction Sector Workshops, to gain insights into waste management and diversion challenges. Priority One went on to establish an industry-led group, the Circular Construction Collective, to activate circular solutions, to share ideas and find solutions across businesses. The pilot project with Mutu and Tauranga City Council involved eight local businesses using Mutu on their phones to direct surplus materials to other projects or charitable organisations. Gartshore is an early example of success, reporting it has already diverted 15 tonnes from landfill.

WE CONTINUE TO STRONGLY ADVOCATE FOR THE REGION

Priority One's Regional Energy Strategy. The energy system is a critical part of the region's infrastructure, with demands expected to increase. Priority One has been involved with a range of central government led initiatives: Regional Energy Transition Accelerator (RETA), MBIE Energy Strategy, and the Transpower Major Capex Proposal, which demonstrated the need for more coordination across the wider industry and local government. It highlighted the need to create a coordinated picture of the region's energy future to remove constraints to both growth and the economy, and enable an effective transition to low carbon fuels. Priority One is now poised to spearhead the development of a Regional Energy Strategy.



Infrastructure

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



Advocacy for increased infrastructure investment in the Western Bay of Plenty is a focus for Priority One. We continue to strongly advocate for the region, with the Government in particular, highlighting economic opportunities and barriers for the country. It is testament to our region's growth that we are now part of national conversations, rather than purely local. We have collaborated with local councils to provide a united, coherent voice to central government to highlight the importance of the Western Bay of Plenty both locally and nationally.

Priority One leads the **Western Bay of Plenty Infrastructure Forum**, alongside many local businesses, to advocate for critical infrastructure investment in the sub-region. This includes a 10-point action plan and setting out expectations to incoming elected members around key challenges for the region.

SmartGrowth and Transport Systems Plan (TSP) are key regional infrastructure strategies we work to inform, ensuring that economic needs are considered in future planning and, in particular, advocating for supply of land for residential and industrial uses.

Our interest in infrastructure stretches to the **enablement of industrial land** (particularly at the Tauriko Business Estate and Rangiuru Business Park), transport projects, Port infrastructure, rail, energy and workforce development.

Membership engagement and the voice of our members is critical in developing infrastructure plans and advocating for them. Priority One has held several infrastructure-related meetings involving our members, ranging from engagement with New Zealand infrastructure bodies to city infrastructure discussions and sector-based actions.

THIS HUGE INFRASTRUCTURE PROJECT IS A VITAL TRANSPORT LINK



WORTHY MENTIONS ACROSS THE REGION

Ngā kōrero whaitake

New Marine Research & Education Facility

The University of Waikato is to set up a marine research and education facility in Tauranga Moana. The state-of-the-art facility is set to open in 2027/28 and will enable innovative research and education in marine science, conservation and sustainability – areas where there are huge opportunities to develop exciting export sectors and help grow New Zealand’s high value economy. The new facility will also help position Tauranga Moana as a leader in this field globally.



Takitimu North Link

In March 2024, the central government announced the Takitimu North Link (TNL) as a Road of National Significance. This huge infrastructure project is a vital transport link that will provide a safer, more efficient and reliable route between Tauranga and Ōmokoroa. Stage 1 between Tauranga and Te Puna is in construction and due for completion 2028. It will have a separate walking and cycling path along the entire length, and includes eight bridges that cross over or under the corridor. We expect Stage 2 to follow soon after. Alongside the benefits of reduced congestion along this route, the TNL will also allow for more housing development in the Western Bay of Plenty, due to an improved commute to towns such as Waihi and Ōmokoroa.

PRIORITY ONE BOARD AS AT 30 JUNE 2024

Te Poari



Todd Muller (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
ADAPTIVE PATHWAYS LEAD,
MERCURY NZ



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
GM PROPERTY &
INFRASTRUCTURE
PORT OF TAURANGA



Scott McKenzie
CHIEF EXECUTIVE,
PMG FUNDS



Fiona McTavish
CHIEF EXECUTIVE,
BAY OF PLENTY
REGIONAL COUNCIL



Jon Murie
INVESTMENT ADVISER,
CRAIGS INVESTMENT
PARTNERS



Kevin Palmer
PROFESSIONAL DIRECTOR
AND STRATEGIC ADVISER



Steven Saunders
CHIEF EXECUTIVE & FOUNDER,
ROBOTICS PLUS



Peter Tinholt
PARTNER,
ORIENS CAPITAL

**PRIORITY ONE TEAM
AS AT 30 JUNE 2024**

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!



Melissa Mae
MARKETING AND
COMMUNICATIONS
EXECUTIVE



Vee de Koster
INSTEP MANAGER



Dan Bromley
VOCATIONAL
COORDINATOR



Saejung Oh-Walsh
DIGITAL AND BRAND
EXECUTIVE



Mary Stewart
ARA RAU – OPERATIONS
MANAGER



Michelle Clarke
ARA RAU – EMPLOYMENT
MENTOR

FINANCIAL STATEMENTS

Ngā tauākī pūtea

for the year ended
30 June 2024





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Directory

as at 30 June 2024

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	Todd Muller (Appointed 18 October 2023)
Deputy Chair	Te Horipo Karaitiana
Executive Board	As at 30 June 2024: 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
Auditors	William Buck Audit (NZ) Limited DX Box HP4007 Tauranga 3112
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

Creating an innovative, higher value and more productive economy

Through support of innovative businesses and people and by positioning for a future economy.

Skills and education pathways

Enabling a higher skilled workforce and better employment outcomes for our community, leaving no-one behind.



Creating a prosperous and sustainable region

Smart business, talent and investment attraction

Encouraging growth and attraction of those that improve the quality of our economy.

Creating the conditions for business success

Through long term planning, championing business success and enacting Tauranga Moana's 'DNA'.

OUR PROJECT PILLARS

Talent

Sustainability

Innovation

Infrastructure

City
Centre

Māori
Economic
Development

WE DELIVERED IN 2023/24

249

Priority One members¹

259 in 2022/23

73

Events²

88 in 2022/23

3,748

People engaged in Priority One events²

1,984 in 2022/23

4,094

Students engaged in Priority One youth programmes²

3,835 in 2022/23

82

People engaged through Ara Rau - Pathways to Work³

132 in 2022/23

11

Engagements related to investment attraction⁴

14 in 2022/23

140

Businesses through Priority One's sustainability programmes⁵

New in 2022/23

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 2024 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 resigned members.
2. Measurement of engagement through Priority One's events and youth programmes provide 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 Humanitix registrations and an internal process. 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. 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 and assisted 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.
4. 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.
5. Priority One delivers an environmental sustainability strategy that supports the region's transition to a low carbon, circular economy which protects and enhances Tauranga Moana's reputation as a great place to live, learn, work and play. The strategy enables local businesses to engage with programmes across key themes including waste, transport, land and energy. This is measured by the number of businesses engaged in events, workshops and meetings across our sustainability programme areas. Engagement figures are tracked via Humanitix reporting and an internal process.

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Membership Fees	4	713,375	733,503
Funding Revenue	4	3,093,138	3,258,646
Interest Received		46,470	30,725
Dividend income		1,500	1,000
Other Income		1,684	6,230
Total Revenue		3,856,167	4,030,104
Operating and Project Expenses		1,656,272	1,985,779
Employee Benefits Expense	5	1,513,585	1,411,703
Administration Expenses	6	667,017	492,978
Total Expenses		3,836,874	3,890,460
Net Surplus/(Deficit)		19,293	139,644
Other Comprehensive Revenue and Expense for the Year			
Gain/(loss) in fair value movement of investment in WNT Ventures	10	(42,968)	129,594
		(42,968)	129,594
Total comprehensive revenue and expense		(23,675)	269,238

Statement of Changes in Net Assets

For the year ended 30 June 2024

	Fair Value Reserve	Accumulated Funds	Total Equity
Balance at 1 July 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
Total Comprehensive Revenue and Expense			
Surplus/(Deficit) for the year	-	19,293	19,293
Other Comprehensive Revenue	(42,968)	-	(42,968)
Total Comprehensive Revenue and Expense	(42,968)	19,293	(23,675)
Balance at 30 June 2024	361,030	995,795	1,356,825

Statement of Financial Position

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Current Assets			
Cash and Cash Equivalents	7	1,047,344	1,207,647
Short Term Deposits	8	76,062	72,426
Trade and Other Receivables	9	406,750	709,096
		1,530,156	1,989,168
Non-current Assets			
Investments	10	353,122	477,382
Property, Plant and Equipment	11	42,128	43,864
		395,250	521,246
Total Assets		1,925,406	2,510,414
Current Liabilities			
Accounts Payable	12	276,957	554,406
Employee Entitlements	13	48,452	64,110
Deferred Revenue		243,172	511,398
		568,581	1,129,914
Total Liabilities		568,581	1,129,914
Net Assets		1,356,825	1,380,500
Equity		1,356,825	1,380,500



Chair
21 October 2024



Chief Executive
21 October 2024

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Membership receipts		1,016,368	792,548
Funding received		2,824,913	3,206,169
Interest		45,823	29,804
Dividends		1,500	1,000
Other operating receipts		1,684	6,230
		3,890,288	4,035,750
<i>Cash was applied to:</i>			
Employee and Supplier Payments		(4,120,380)	(3,590,690)
		(4,120,380)	(3,590,690)
Net cash flow - operating activities		(230,092)	445,060
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Proceeds from sale of investments		81,292	129,594
		81,292	129,594
<i>Cash was applied to:</i>			
Purchase of short term deposits		(3,636)	(1,570)
Purchase of property, plant and equipment		(7,866)	(7,848)
		(11,502)	(9,418)
Net cash flow - investing activities		69,790	(9,418)
Net cash flow for the year from all activities		(160,302)	435,643
Cash at beginning of year		1,207,647	772,004
Cash at end of year		1,047,344	1,207,647
<i>Represented by:</i>			
Cash on hand and at bank	7	1,047,344	1,207,647

Notes to the Financial Statements

For the year ended 30 June 2024

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 \$33 million.

These financial statements were authorised for issue by the Executive Board on 21 October 2024.

(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

All accounting policies have been consistently applied in these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

4 Revenue

	2024	2023
Membership Fees		
<i>Exchange Revenue</i>	\$	\$
Membership Fees	713,375	733,503
	713,375	733,503
Funding Revenue		
<i>Non Exchange Revenue</i>	\$	\$
Local Authority Funding	2,108,125	1,965,586
Government Funding	491,297	439,774
INSTEP Funding	135,900	213,500
Project Funding	357,816	639,786
	3,093,138	3,258,646

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.

Notes to the Financial Statements

For the year ended 30 June 2024

5 Employee Benefits

	2024	2023
	\$	\$
Wages and Salaries	1,431,809	1,343,062
Other employee benefits	81,776	68,641
	1,513,585	1,411,703

6 Administration Expenses

	2024	2023
	\$	\$
<i>Included within Administration expenses are the following:</i>		
Audit Fees	20,000	18,000
Depreciation	9,601	16,111
Rent & Car park lease payments	160,482	155,046

7 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash and Bank Balances	1,047,344	1,207,647
	1,047,344	1,207,647

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 Loans and Receivables financial asset.

8 Short Term Deposits

	2024	2023
	\$	\$
Short Term Deposits	76,062	72,426
	76,062	72,426

Policies

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.

9 Trade and Other Receivables

	2024	2023
	\$	\$
Accounts Receivable (Exchange transactions)	339,730	613,126
Accrued interest	2,105	1,459
GST Refund	20,509	48,299
Prepayments	44,405	46,212
	406,750	709,096

Accounts receivable are shown net of allowances for bad and doubtful debts of \$nil (2023: \$nil).

Policy

Accounts receivable are initially measured at fair value, then adjusted for any impairment. Accounts receivable are classified as a Loan and Receivables financial asset.

Notes to the Financial Statements

For the year ended 30 June 2024

10 Investments

	2024 \$	2023 \$
WNT Ventures Limited Partnership	353,122	477,382
	353,122	477,382

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 (2023: 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 per previous years, the estimate of fair value has been based on unaudited WNT Management estimates.

WNT Ventures Limited Partnership is considered a related party. Refer Note 13.

Policy

Investments classified as "Available-for-sale financial assets" are designated at initial recognition at fair value through other comprehensive revenue and expense. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised 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.

Notes to the Financial Statements

For the year ended 30 June 2024

11 Property, Plant and Equipment

	Computer and Office Equipment	Leasehold Improvements	Total
Cost			
Balance at 1 July 2022	134,126	80,489	214,615
Additions	5,059	-	5,059
Balance at 30 June 2023	139,185	80,489	219,674
Balance at 1 July 2023	139,185	80,489	219,674
Additions	7,866	-	7,866
Balance at 30 June 2024	147,051	80,489	227,540
Depreciation			
Balance at 1 July 2022	(104,164)	(55,535)	(159,699)
Depreciation	(13,154)	(2,958)	(16,112)
Balance at 30 June 2023	(117,318)	(58,493)	(175,811)
Balance at 1 July 2023	(117,318)	(58,493)	(175,811)
Depreciation	(6,689)	(2,912)	(9,601)
Balance at 30 June 2024	(124,007)	(61,405)	(185,412)
Carrying Amounts			
Balance at 30 June 2022	29,962	24,954	54,916
Balance at 30 June 2023	21,867	21,996	43,863
Balance at 30 June 2024	23,044	19,084	42,128

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	Straight line over remaining expected lease term
Computer & Office Equipment	1.5-12 years Straight Line

Notes to the Financial Statements For the year ended 30 June 2024

12 Accounts Payable		2024	2023
		\$	\$
Accounts Payable		179,494	487,792
Related Party Payable	14	8,737	35,312
GST payable		-	-
Accrued expenses		88,726	31,302
		276,957	554,406

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 'other amortised cost financial liability'.

13 Employee Entitlements		2024	2023
		\$	\$
Short Term			
Accrued Wages, Salaries and Holiday Pay		48,452	64,110
		48,452	64,110

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.

Notes to the Financial Statements

For the year ended 30 June 2024

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 15 directors during the year ended 30 June 2024 (2023: 17). 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 \$45,000 (plus GST) per annum. Simon Clarke as Chair received \$30,000 (plus GST) per annum until his resignation on the 18th of October 2023. Todd Muller was appointed as Independent Chair on the 18th October 2023 with an annual remuneration of \$45,000 (plus GST) per annum. All other Board members provided their services for free.

Executives are employees and are on standard employment contracts. Priority One had four Officers in this category during the year ended 30 June 2024 (2023: five). Remuneration of these Officers and the Independent Chair during the period amounted to \$819,151 (2023: \$717,697).

(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 2024 \$	Payable 2024 \$	Purchases 2023 \$	Payable 2023 \$
Bay Venues Limited	14,359	4,425	46,047	32,437
Matua Governance Limited	8,750	4,313	30,161	2,875
Opensight Solutions	32,360	-	-	-
Toi Kai Rawa (Operating and Project Expenses)	50,000	-	70,000	-
	105,470	8,737	146,208	35,312

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 9).

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) for the part year period 1st July 2023 to 18th October 2023.

Matua Governance Limited is considered a related party due to Priority One Chair, Simon Clarke also being the Director of Matua Governance Limited for the part year period 1st July 2023 to 18th October 2023.

Opensight Solutions Limited is considered a related party due to Priority One Chair, Todd Muller also being the Director of Opensight Solutions Limited for the part year period 18th October 2023 to 30 June 2024.

Notes to the Financial Statements

For the year ended 30 June 2024

15 Commitments

Two leases exist for the ground floor of the property at 29 Grey Street Tauranga, with both current lease terms expiring on 30 June 2027.

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

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

Operating Lease Commitments	2024	2023
	\$	\$
No later than one year	165,310	38,846
More than one year	319,264	57,369
	484,574	96,215

16 Contingent Liabilities

There were no contingent liabilities as at 30 June 2024 (2023: nil).

17 Subsequent events

There are no subsequent events to disclose.

Priority One Western Bay of Plenty Incorporated
Independent auditor's report to the Members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Priority One Western Bay of Plenty Incorporated (the Society), which comprises the financial statements on page 6 to 17 and the statement of service performance on page 4 to 5. The complete set of financial statements comprises the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report gives a true and fair view of the Society's financial position as at 30 June 2024, and its service performance information, financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

In our opinion, the service performance information reported for the year ended 30 June 2024 is appropriate and meaningful and prepared in accordance with the Society's measurement bases or evaluation methods.

Basis of Qualified Opinion

As described in Note 9 to the financial statements, the Society bases its assessment of the fair value of the investment in the WNT Ventures Limited Partnership ('WNT') at 30 June 2024 on unaudited WNT Management estimates. Accordingly, we are unable to obtain sufficient and appropriate audit evidence to enable us to form an opinion on whether the carrying value of the investment in WNT amounting to \$353,122 and the consequent impact on Other Comprehensive Revenue and Expense 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 and Society information in accordance with the International Standard on Assurance Engagements (New Zealand) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 we have fulfilled our other ethical responsibilities in accordance with these

requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

Other Matter

The financial statements for the year ended 30 June 2023 were audited by Baker Tilly Staples Rodway Audit Limited who expressed a qualified opinion on those statements on 26 October 2023. Their opinion was qualified due to the inability to obtain sufficient and appropriate audit evidence regarding the investment in WNT at 30 June 2023.

Responsibilities of the Executive Board for the Financial Report

The Executive Board is responsible for:

- a. The preparation, and fair presentation of the financial report in accordance with the applicable financial reporting framework;
- b. The selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework;
- c. The preparation and fair presentation of service performance information in accordance with the Society's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework;
- d. The overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework; and
- e. Such internal control as the Executive Board determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Board are responsible 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 the Executive Board 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 Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report is 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(Revised) 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of this financial report is located at the External Reporting Board (XRB) website at:

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

This description forms part of our independent auditor's report.

Restriction on Distribution and Use

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state to the Society's members those matters which 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 Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

William Buck

William Buck Audit (NZ) Limited
Tauranga
22 October 2024



Priority One
Tauranga
Moana

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