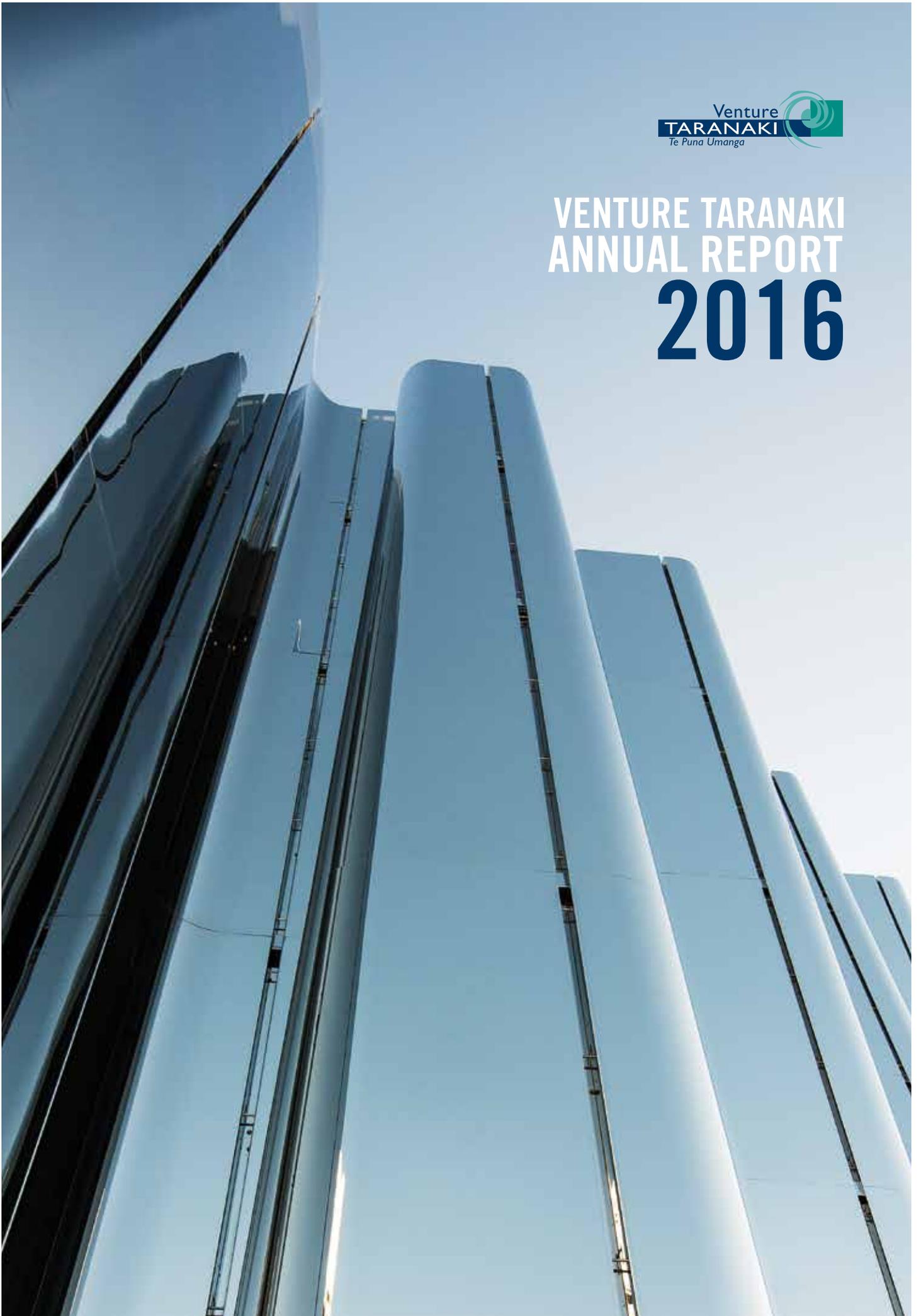


VENTURE TARANAKI ANNUAL REPORT **2016**



TARANAKI

like no other

AT A GLANCE

POPULATION:
109,609

2.4% of
New Zealand's
population



TARANAKI GDP
\$8.8 BILLION

3.6% of New Zealand's GDP
Year ended March 2015



567,947 guest nights stayed in
commercial accommodation

1.1m guest nights stayed
with friends & relatives



15,153
BUSINESSES
2.8% of national total

50,960
EMPLOYEES
2.5% of national total

\$75,941
Taranaki's GDP
per capita
(the highest in NZ)



LONG TERM MIGRATION

2016: 413

2015: 492



ECONOMIC GROWTH 2010 - 2015

6.3%



BUILDING CONSENTS ISSUED
IN 2015:

\$283.5 million

DOWN 12.5% ON 2014

Passengers
through
New Plymouth
Airport 2015:



342,000

7.1

cows per person

5.3

sheep per person



All figures year to December unless stated otherwise.

Sources: Census 2013, Statistics New Zealand, Venture Taranaki Business Survey,
New Plymouth District Council.

VENTURE TARANAKI ANNUAL REPORT 2016

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An initiative of



Te Kaunihera-ā-Rohe o Ngāmotu
NEW PLYMOUTH DISTRICT COUNCIL
newplymouthnz.com

Venture Taranaki Trust is Taranaki's Regional Development Agency. We help Taranaki grow.

Venture Taranaki is an initiative founded, owned and principally funded by the New Plymouth District Council. In addition to their support, the Trust also receives funding from South Taranaki District Council, Stratford District Council, Taranaki Electricity Trust, TSB Community Trust, New Zealand Trade and Enterprise, Ministry of Business, Innovation and Employment, Callaghan Innovation, Business Mentors New Zealand and numerous other private sector organisations.

Photos: Jeremy Beckers, Patrick Reynolds, Rob Tucker, Triathlon New Zealand, Supplied. Design: C7 Design, New Plymouth

CHAIRMAN'S COMMENT



Over recent years we've seen the price of both oil and milk drop considerably, with a corresponding impact on the number of projects undertaken in these sectors. While project work provides short-term employment and cash flow for many Taranaki businesses, favourable underlying economic conditions are necessary for sustained growth.

This necessary focus on both strategic and responsive economic and growth interventions underpins the purpose and output of Venture Taranaki, and building the economic resilience of our region to both short and long-term impacts was a core aspect of the Trust's work this year, and will continue to dominate conversations around regional prosperity for the foreseeable future.

Underpinning the current commodity price squeeze is a concerted effort to ensure the region maintains its capability and capacity in terms of human capital, and the Trust is

also focused on retaining skills to ensure our economy can keep pace with the upward swings that the economic cycle will inevitably include.

Another aspect of operational focus has been our drive to bolster innovation, which we have done in partnership with Callaghan Innovation and New Zealand Trade & Enterprise, though leadership of the Curious Minds programme in the region, and through locally initiated projects such as the development of the Pouakai Crossing one-day walk and the establishment of an angel investment fund which has created the means for Taranaki's entrepreneurs to access investment capital from their own community.

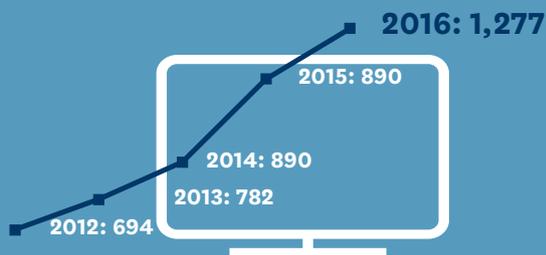
This year saw considered analysis of the Trust's own operations, as our initiators and owners the New Plymouth District Council undertook a substantial independent review of Trust operations. The review was initiated by a legislative imperative that the Council

Two factors traditionally shape Taranaki's economic fortunes. The first is commodity prices, most notably the globally-indexed prices of oil and milk. The second is the level of project activity, including shutdowns or new capital investments occurring in the region.

2

VENTURE TARANAKI – AT A GLANCE

The number of Taranaki employers registered on the Taranaki Jobs Website



Value of Research & Development Grants issued to Taranaki businesses in partnership with Callaghan Innovation



Major events contracted

- 2013: 11
- 2014: 12
- 2015: 10



Number who attended Venture Taranaki's free Business Start-Up Clinics



regularly assesses the performance of all operations to ensure they meet current and future community needs with quality, efficient and effective public services, and the evaluation of our activities was openly welcomed by the Trust.

The review ultimately found that the current model of economic development delivery is effectively meeting the needs of the region's businesses and population, and serves to reassure both our owners and stakeholders that Taranaki is receiving class-leading economic development services, and excellent return on investment.

The review made a number of recommendations as to how the service may be further enhanced, and these will be integrated into the Trust's work programme over the coming year, within the framework of a revised Taranaki Regional Economic Development Strategy and Destination Management Plan.

I again extend my gratitude to Venture Taranaki's Board of Trustees, comprising Gavin Faull, Vanessa James, Kevin Murphy and Jamie Tuuta. The knowledge, experience and foresight that is brought to the Board Table has continued to ensure the Trust remains relevant and forward-looking.

VENTURE TARANAKI HAS BEEN FOUND TO BE DELIVERING THE RIGHT SERVICES TO A LARGE NUMBER OF ORGANISATIONS AND INDIVIDUALS TO SUPPORT REGIONAL GROWTH. THE REVIEW OF THE TRUST FOUND THAT IT IS MAKING A GENUINE DIFFERENCE.

On behalf of the Board, I thank Chief Executive Stuart Trundle, who is charged with delivering the strategy set by the Board. The level to which Stuart and his team do this, within both a challenging economic environment and a limited resource base, is both impressive and appreciated.

The Trust's instigators, owners, and core funders New Plymouth District Council must also be thanked for their ongoing support and guidance, which has enabled the Venture Taranaki team to leverage Council investment towards economic growth.

Finally I also acknowledge our many partners both in and beyond the region. Our colleagues at South Taranaki and Stratford District Councils, TSB Community Trust and the Taranaki Electricity Trust continued to strongly support the work of

Venture Taranaki this year, and alongside our central government partners have helped ensure that while aspects of our regional economy are facing challenges, Taranaki remains both nationally and globally relevant, as do the businesses, whanau and people who choose to live and work in the region like no other.



ROBIN BROCKIE
Chair, Venture Taranaki Trust

New Zealand Trade and Enterprise Capability Development Vouchers awarded to Taranaki Businesses



YEAR	VOUCHERS	TOTAL VALUE \$
2013	228	287,638
2014	225	331,501
2015	225	341,444
2016	235	326,364

Taranaki businesses matched with mentors through the Business Mentors New Zealand programme

2012: 59
2013: 59
2014: 43
2015: 44

2016
42

Annual Client Satisfaction Survey results

TRUST SERVICES



TRUST STAFF



CHIEF EXECUTIVE'S COMMENT



It is within this broader context of change that our owners, New Plymouth District Council, undertook a substantial review of Venture Taranaki Trust. Instigated by a requirement in section 17a of the Local Government Act the review sought to ensure the Trust was meeting the needs of the region's communities with good-quality services in a cost-effective way.

The results of the review gave confidence to the Council and our many partners and clients that both the strategy and the structure of their regional development agency is delivering independent, integrated and valuable products and services. The review included a recommendation that both the Taranaki Regional Development Strategy and the Taranaki Destination Strategy, two of the Trust's guiding documents, are revised – timely and appropriate advice within a governmental focus on regional development. This will be a significant element of the Trust's work programme in the year ahead.

Our total operational funding for the year was \$4,177,055, a \$506,775 increase in turnover over \$3,670,280 in 2014/15. This additional revenue saw the funding received from New Plymouth District Council – for contracted services spanning economic development, tourism promotion and delivery of the Council's Major Events Fund – reduce from 74 per cent to 66.2 percent of our revenue.

Beyond this, the Trust's partnerships with central government enabled us to leverage a further \$1,086,766 directly into local businesses through research and development grants, and a \$326,364 investment into business directors and managers through 235 Capability

Development Vouchers. The value of our long-term supply agreements with government cannot be understated, and a strong signal was made to our business community when Venture Taranaki's contracts with both New Zealand Trade & Enterprise and Callaghan Innovation were renegotiated for a further three year term, with rights of renewal beyond that.

Adding to this support, we also assisted 286 businesses through the start-up process this year, matched 42 businesses with Business Mentors, and contracted 17 major events.

Venture Taranaki reflected the changing landscape with significant investment into new initiatives with the strategic intention of fostering economic resilience and diversity. This year we developed an international education strategy and gained external funding for its delivery. Launched by Tertiary Education Minister Steven Joyce, this work has so far resulted in the establishment of an industry group, a supporting web presence, and a number of agent familiarisations to encourage more foreign students to choose Taranaki.

Another of the Trust's major initiatives during the year was a focus on the region's apiculture sector, resulting in the delivery of a substantial Mānuka honey-focused industry conference which drew a national audience of over 300 to South Taranaki in February. From that event Venture Taranaki has been integral in the formation of an industry group, and has championed sector growth at a range of levels.

Our entrepreneurs now have, for the first time, access to capital from their own region as a result of the establishment of a Taranaki Angel Investment group. This

4

If one defining theme was to emerge from Taranaki's economy this year it would have to be one of continuous change. The region's fortunes have changed as the unprecedented alignment of global price depressions for energy and milk powder have played out, with a corresponding impact through every facet of our economy: from business travel to investor confidence.

Our region's response to these challenges has required a change in thinking, a challenge to which our economy has, in many regards, risen. We have seen strong growth in the visitor industry, robust activity in retail, and overall economic confidence demonstrating resilience.

The appetite of our business leaders for continued diversification must prevail, as the short term outlook shows few signs of a comprehensive recovery. Success during this time will come from those who are investing in research and development, who are building new markets and new product lines, and who are retaining the skills, staff and structures needed to deliver future growth.

INNOVATION SITS AT THE CORE OF VENTURE TARANAKI'S RESPONSE TO A CHALLENGING ECONOMIC LANDSCAPE. IT IS CENTRAL TO WHAT WE DO, TO WHERE OUR REGION MUST LOOK, AND TO MANY OF THE TRUST'S ACHIEVEMENTS THIS YEAR.

is an important addition to our region’s innovation ecosystem, and was made possible with facilitation by Venture Taranaki’s Board and Senior Executive Team. The Trust will continue to embrace investment attraction alongside business growth, as together these serve to grow a robust and sustainable regional economy.

The support, guidance and governance provided by the Trust’s Board should also be acknowledged. The considerable expertise that is on hand through the Board, to help guide both Venture Taranaki’s strategy and the strategic direction for Taranaki’s economy, cannot be understated, and I thank the Board members and Trust Chair Robin Brockie for their ongoing commitment to regional growth. Our Chair’s commitment to our community was formally recognised with a Queen’s Service Medal in the June Honours.

Thanks too must go to the Trust’s executive team and staff members, who have played an integral part in the region’s response to

a changing economic landscape. Through their commitment and diligence Venture Taranaki gained the highest ever rating of 97.8% customer satisfaction with Trust staff – an achievement all members of the team can be extremely proud of.

During the year we bid farewell to Rob Trusler, who held the position of Board Secretary and Financial Officer from Venture Taranaki’s inception until the 2015 AGM, making a significant and valuable contribution to the Trust operations in that time. I thank Rob for his many years of service, and welcome Lucy Graydon to maintain the support provided to the Board.

I must also thank our founders and owners, the New Plymouth District Council. It is as their Council Controlled Organisation that we are able to do what we do, and it is in absolute partnership with the New Plymouth District Council and our other local and national stakeholders, that we will see Taranaki’s fortunes continue to grow. Our partnerships with Stratford and

South Taranaki District Councils are also critical factors in our ongoing success.

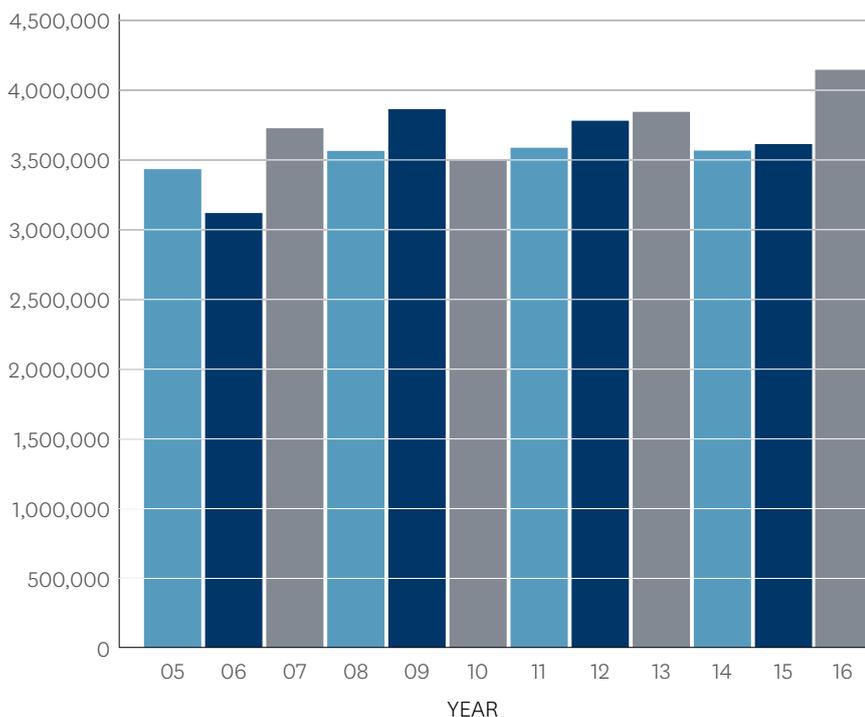
Our economic growth will not come easily over the next few years, and ultimately hinges on the region’s ability to attract and retain skilled residents, a challenge exacerbated by an aging demographic. The response will require both strategic and tactical interventions to ensure that Taranaki, its businesses and its communities can remain vibrant, relevant, attractive and responsive to both the opportunities and challenges that lie in our future.



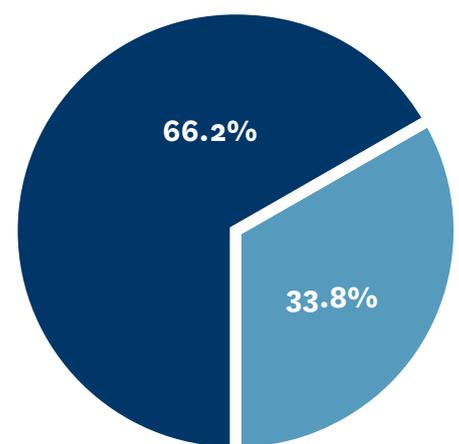
STUART TRUNDLE
Chief Executive, Venture Taranaki Trust

VENTURE TARANAKI BY THE NUMBERS

Venture Taranaki Annual Revenue (\$)



2015/2016 Funding Sources



New Plymouth District Council
\$2,763, 266

Other
\$1,413,789



ACHIEVEMENTS 2015-2016

MENTORING BUSINESSES TO DO BETTER

6 Like many artists, Angela Sefton was finding it tough to build her brand, but thanks to a business mentor, she has managed to turn her passion for art and photography into a rapidly growing business.

“Having a mentor who is not part of my family or a friend meant they weren’t afraid to ask me the hard questions,” Angela says.

“My mentor was able to take a fresh look at my business and help me develop long and short term plans, then help me evaluate which strategies are getting the best results. I’m really excited about where Black Box Art Studio & Gallery is now heading.”

Rumpus Room owner Helen Griffiths was also seeking some independent thinking to help her develop her business when she applied for a business mentor. While the indoor play and party venue had been running well since 2012, Helen was discovering the challenges of working in a hands-on 7-day a week business.

“I had no work-life balance, and my outlook on the business was overshadowed by a focus on the day-by-day operations,” Helen says.

It was an entry into the 2015 TSB Business Excellence awards that exposed Helen to the value of mentoring.

“We walked away with a Highly Commended award, but more importantly I got a list of ideas. Getting a mentor was on that list.”

Helen teamed up with an experienced mentor who helped her see the bigger picture and focus on the important, and not just urgent, issues. Her mentor has helped Helen take control of business decisions, connect ideas to income, and understand the numbers, ensuring Rumpus Room remains a family favourite for years to come.

Taranaki businesses are not the only organisations to benefit from a business mentor, as Piers Duncan of Kaponga Supporting Today’s At Risk Teenagers (START) Taranaki discovered. The START programme – a community-based supervised activity provider in the youth justice sector – was connected with mentoring through the Wheelhouse community resource website, and joined a pilot run by Venture Taranaki to match non-profit organisations with mentors.

“Wanting to take every opportunity to maximise the return I could offer to START, I investigated the business mentor support and made contact with Kayleen at Venture Taranaki, who introduced the programme, helped gain sponsorship, and found me a very experienced mentor,” says Piers.

“Mentoring has helped me evaluate and revise the ideas and aspirations for the organisation, and turn these into a prioritised strategic action plan. It has enhanced our understanding of where we are heading as an organisation. It’s hugely satisfying.”

This year Venture Taranaki matched 42 local businesses with business mentors, including five non-profit organisations within the community mentor pilot. Venture Taranaki ended the year with a coveted A rating from Business Mentors New Zealand, and remains on the lookout for additional mentors.



SUPPORTING REGIONAL PROFILE

Taranaki's brand was boosted during the year as Venture Taranaki leveraged a number of high profile events to gain media exposure, and initiated a number of targeted media familiarisation visits to continue to tell Taranaki's stories to a global audience.

When the Govett-Brewster Art Gallery/Len Lye Centre opened its doors on 25 July 2015, the world's media turned its gaze onto New Plymouth. Venture Taranaki was heavily involved in maximising this exposure, from the press conferences through to working with extensive national and international media channels to promote the facility.

Venture Taranaki initiated a number of familiarisation tours through the gallery – including a preview for Jetstar CEO Grant Kerr and his executive team – and supported stories in Air New Zealand's *Kia Ora*, *Urbis*, *Wanderlust (UK)* and many other publications, including US luxury travel magazine *Islands* which crowned New Plymouth one of the top 16 destinations in the world to visit in 2016 in its November issue.

In October the region welcomed the Prince of Wales and Duchess of Cornwall. Venture Taranaki's marketing and communications team assisted as part of the steering committee, and provided public relations and event support. The visit resulted in extensive international media coverage of many of New Plymouth's top attractions.

Over the year Venture Taranaki hosted 22 media familiarisation visits (famils) ranging from the *New Zealand Herald* to the *UK Financial Times* (in partnership with Tourism New Zealand). Many of the famils gained outstanding coverage, and with the

long-lead publications this means coverage will continue into the next financial year. A concerted public relations and famil hosting campaign led to an overall EAV (Equivalent Advertising Value) of \$1,897,882.50 published in the year.

Coverage highlights and EAV included:

- *Oh Baby* magazine showcased Taranaki's family-friendly activities – \$14,000.
- *Urbis* Magazine – \$86,000 – after sharing the article on *Urbis'* Facebook page, the post became the most popular post in the page's history reaching 24,419 people.
- *Good Health Choices* magazine explored the Pouakai Crossing – \$19,500.
- The *New Zealand Herald* published several Taranaki stories, with each double-page spread in the *Travel* pull-out magazine worth \$30,161.92.
- An article in Brazilian *Playboy* magazine about Taranaki's beer and coffee producers and other activities was worth \$5,555.25.
- In quarter three, the coverage from two international famils from journalists Boris Pofalla and Hannes Kuelz, organised in partnership with Tourism New Zealand, gained exposure worth a combined \$1,030,835.

**The equivalent advertising value of
Venture Taranaki's 2015-2016 public
relations campaign:
\$1,897,882.50**



INTERNATIONAL EDUCATION STRATEGY

8 **R**ecognising the potential that international education has to add value to the regional economy, Venture Taranaki continued its work with nine Taranaki secondary and tertiary education providers as part of the international education collective in this sector.

International education is one of the targeted sectors in the government’s Growth Agenda, with a goal of doubling the size of the sector over the next ten years, to a value of more than \$5 billion nationally by 2025. In 2014, international education contributed around \$9.2 million annually to the region.

In seeking to grow the value, Venture Taranaki coordinated a collective – International Education Taranaki (IET) – in 2013, which now comprises seven of the region’s secondary schools and two tertiary education providers.

This year the group deployed the Taranaki International Education Strategy, launched by Education Minister Hon Steven Joyce in February 2016 at an event held at Pacific International Hotel Management School (PIHMS). Since the launch, there has been solid progress against the strategy’s objectives and action points, with funding support from Education New Zealand for strategy development and implementation.

Outcomes this year have included the development of a comprehensive Study Taranaki website – www.study.taranaki.info – with content extended to span students’ stories, resources for students and their families, a list of education providers and other useful information to help support the decision to choose Taranaki.

A range of promotional and support material was also developed, including branded pens and USB drives. Work has begun on a student information pack that functions as both a welcome pack for students and a promotional tool for schools and institutions when marketing offshore.

Venture Taranaki’s Rachael Berndt and Dean McCullum from PIHMS represented Taranaki at the ANZA international education trade show in Melbourne in April, gaining a useful insight into market trends and meeting directly with 25 agents, with good prospects identified as a result.

The power of the IET collaborative behaviour is beginning to bear fruit, with a multi-provider team from PIHMS, Sacred Heart, Francis Douglas and Spotswood College working together on a short-term visit by 20 students from China, to be completed in the new financial year.

“Taranaki’s plans set a clear direction for growing the value of international education in the region to \$19 million by 2025. This is a great example of the economic development agency, local providers and Education New Zealand working together for greater impact.” Tertiary Education, Skills and Employment Minister Steven Joyce



SECURING A SLICE OF THE CORPORATE EVENTS MARKET

The Meeting, Incentive, Conference and Exhibition (MICE) industry is big business, and Venture Taranaki supported this sector to ensure the region didn't miss out.

Venture Taranaki's support spans all stages of securing and delivering MICE events, starting with assisting the development of the initial bid documents. This year we successfully bid for, and won, the Rangitahi Tournament 2016, PEPANZ 2017, NZ BMX Nationals 2018, Vintage Car Rally 2021 and at the close of the year we await the results of two further large-scale event bids. We acknowledge the support of our venues and attractions in enabling the region to put its best foot forward.

Corporate or conference events hosted in the region bring commercial accommodation bed nights, visitor industry spend, and hospitality and retail spend, with a single large conference injecting more than \$450,000 into the local economy over 2-3 days. Corporate events also help the region to attract business across the shoulder and winter seasons, and those who visit the region in a conference context are encouraged to come back with friends and family for a longer stay.

Venture Taranaki works to raise awareness domestically of our resources, to assist local organisations to bid and win the rights to host in the region, as well as attract new enquiries through ongoing marketing of Taranaki through PCO famils, media exposure and attendance at qualified exhibitions.

During the 2015-2016 year 21 supported conferences were held in region and a great deal more supported with advice, regional promotion resources, marketing and communication advice or through the hosting of a familiarisation visit.

These famil visits are attended by a Professional Conference Organiser (PCO), and this year Venture Taranaki hosted five different domestic organisations and one industry magazine (Meeting News) on structured famil visits with the purpose of raising awareness of the region as a conference destination.

We also facilitated and attended the annual Convene exhibition in Auckland, with support from seven regional venues. This trade show is designed to introduce qualified PCOs to regional suppliers and was a fantastic opportunity to showcase the region and encourage PCOs to hold conferences in Taranaki.

“We got around an impressive number of venues. I had no idea so many options exist in New Plymouth and was pleasantly surprised. I can think of an application for almost all of the venues we visited.” Danette Wilson, IHC NZ

Learning that the April 2016 edition of North & South magazine was to run a feature story on those moving out of Auckland to the regions – in this case the Hawke’s Bay – Venture Taranaki developed this regional lifestyle advert to ensure Taranaki was represented.



PROMOTION

Photo: Rob Tucker

A LIFESTYLE LIKE NO OTHER

Taranaki’s lifestyle has become the stuff of legend. From ease of living to affordable homes, growing businesses to a rush hour measured in minutes, and great schools to cool events it’s all on offer in Taranaki.

While the region’s laid-back lifestyle has won almost as many awards as its contemporary architecture and design, the area’s endemic spirit of innovation has lured a growing number of residents and businesses from around New Zealand and the world.

It makes as much sense to do business in Taranaki as it does to choose a lifestyle there. The region is home to all of the nation’s oil and gas production, the only deep-water port on the west coast, and what’s become known as the ‘Team Taranaki’ approach – an ability to bring together all the resources to get the job done with little more than a couple of phone calls.

One example of this is Inge Vercammen and Marcel Naenen, who made the decision to build their business in Taranaki while visiting more than a decade ago. From small beginnings the couple have grown Van Dyck Fine Foods into a global brand, selling throughout New Zealand and exporting to Singapore, Malaysia, Hong Kong, Taiwan, Dubai and Australia.

“We wanted to work closely with other exporting food businesses, and New Plymouth offered this plus a balance of work and lifestyle. It’s really easy to find good staff here, and we could

get enough land for future expansion opportunities without having to be multimillionaires. We couldn’t have done that in Auckland,” says Inge.

Taranaki’s connection to the world is growing, fast. Mid-way between Auckland and Wellington, the region is connected to Auckland by Jetstar, Auckland, Wellington and Christchurch by Air New Zealand and rail and sea links offer easy freight movement.

“New Plymouth is the perfect location,” says Scott Wall, Fonterra’s Head of Corporate Affairs who moved from Auckland with his family.

“The region’s lifestyle is great, and it’s good to be out of Auckland’s rat race. It’s just less busy here, there’s much less traffic and we have more time to enjoy with family. The move has definitely changed our lives for the better.”

“The facilities seem better here too. Everything you could want is all really close and easy to access,” Scott says.

Alun James is another Taranaki import, who moved from Auckland with his family and immediately noticed a substantial lifestyle improvement.

“Living in Auckland with three kids was a challenge. We were both working and just weren’t seeing enough of the kids. Now, they’re at schools within five minutes of home, and work is only a 15 minute walk or a 4 minute bike ride away.

“Taranaki has been a breath of fresh air. Families are important here. Life is less complex and there is more time to relax and laugh,” Alun says.

“That free time has enabled me to refresh old passions that had fallen casualty to the Auckland lifestyle. For a city of this size it has everything – living in Taranaki is a dream.”

So if you’re ready to trade the daily commute for easy access to one amazing art gallery, 20 golf courses, 30 surf breaks, 200km of trails on one picture-perfect mountain, and more cool cafes and epic events than you can fit into an average weekend, it’s worth checking out Taranaki, and all it has to offer businesses, families and everyone in between.

Learn more at www.taranaki.info.

AT A GLANCE

- Advertised salaries in Taranaki are the third highest in New Zealand, just behind Wellington and Auckland (Seek).
- House prices in Taranaki are the third most affordable: averaging less than a third of the average Auckland house.
- Taranaki has the highest GDP per person in New Zealand: \$80,297 vs. a national average of \$53,759.
- New Plymouth holds the national record for the most sunshine in a single month, and was our sunniest centre in January for the second year straight (NIWA).

TARANAKI
like no other



FINDING TARANAKI'S CURIOUS MINDS

Taranaki was one of three regions in New Zealand to win pilot funding this year under the Curious Minds community science programme. Funded by the Ministry of Business, Innovation and Employment and run in the region by Venture Taranaki, the programme supports community-based projects to explore locally relevant issues using scientific research.

Part of the government's strategic plan for Science in Society, the funding enabled Taranaki residents to put their surroundings under the microscope and work with scientific experts to explore the things around them that they find relevant, building their understanding and interest in science in the process.

Two Curious Minds funding rounds were completed in Taranaki, resulting in a total of \$229,730 distributed to 12 projects throughout the region.

The successful projects spanned a fantastic array of community interests, from conservation projects looking at threatened species to alternative energy and engineering projects.

One project has seen Ngāti Tawhirikura Hapū team up with horticultural and soil scientists and crop technicians to explore how community and home-based gardeners maximise the value of heirloom vegetable varieties. The project's participants included Tahuri Whenua (Māori Vegetable Growers Association), Taranaki Seedsavers and gardeners from Tarereare, Muru Raupatu and Parihaka marae.

A further project has teamed the staff at Puke Ariki with carvers, schools and specialists to examine the use of stone and metal carving tools with the goal of determining whether the Motunui Epa were carved using stone or metal tools.

Students from New Plymouth Boys' High School have teamed up with Falcon Engineering to build an electrically-powered vehicle and test it against its petrol counterpart, while Ngāti Te Whiti Whenua Tōpū Trust will explore how to regenerate the site of Ngāmotu Marae to its original state by reintroducing indigenous flora.

The South Taranaki Reefs project, launched under the first round of funding and extended in the second, was developed by the South Taranaki Underwater Diving Club to monitor the health and unique characteristics of a reef off the coast of Pātea. Marine scientists are helping community members undertake a range of survey methods, to develop a robust picture of life on the reef.

Another participatory science project has seen the Taranaki Kiwi Trust explore the impact of the Egmont National Park Kiwi Conservation Programme. Working with biodiversity and ecological science experts, the Trust engaged community groups including Taranaki Conservationists, New Plymouth Tramping Club, Taranaki Alpine Club, Forest and Bird Taranaki, Mt Egmont Alpine Club and local schools and iwi to survey the National Park to identify kiwi numbers and preferred locations. Students from Ngaere School helped to design the survey methods and trial recorder technology, and will analyse survey data to explore what the study's findings mean for biodiversity and kiwi conservation.



MAJOR EVENTS CONTRIBUTE TO VIBRANCY

12 Taranaki has come a long way in the last ten years in the development and promotion of major events. It's a vibrant region which always has something on the go.

Venture Taranaki has a key part to play behind the scenes in making these events happen through its administration of the major events fund on behalf of the New Plymouth District Council.

The fund is designed to support events which attract visitors into New Plymouth district and bring new money into the economy and/or obtain great national and international media exposure, promoting New Plymouth and Taranaki on the global stage. Events also help to make New Plymouth an attractive place to live and work, which is good for the community and helps to attract business into the region.

This year the event portfolio offered something for everyone.

For those who enjoy the roar of throaty engines, AmeriCARna was followed by the inaugural Jetsprints event and provided excellent opportunities to visit the region. Round three of the PSP NZ Jetsprint championship was held in Waitara, where a specially designed water course was constructed to provide maximum crowd excitement. The event was part of the national series, which was screened on TV3's CRC Motorsport show, and provided plenty of thrills for the 5,000 strong crowd.

At the other end of the scale was the New Plymouth ITU Triathlon Sprint World Cup held in April. This event attracted a top quality field of athletes from around the world. Competition was fierce as racers competed for Olympic qualification points. Richard Murray (RSA) won the men's competition, despite receiving a 30 second

penalty during one of the transition stages, while Gwen Jorgensen (USA) took out the women's competition. New Zealand's Andrea Hewitt came an emotional third place in her first race since fiancée and fellow triathlete Laurent Vidal passed away.

Gardens continued to be an attractor with the Powerco Garden Spectacular and Fringe Garden Festival once again showcasing the region in bloom. The festivals have consistently attracted excellent crowds, with a substantial number of tour groups from around New Zealand and Australia coming for the festivals.

To top it off, rugby league team the Warriors came to Yarrow Stadium. Promoted as a family friendly weekend, the event (Vodafone Warriors vs Canberra Raiders) attracted many into the district and the game was watched by more than 12,000 spectators happily supporting their rugby league idols.

"The media to date has been outstanding and has surpassed our expectations."

– Paul Gaston, NZ Jet Sprint Association

"The men's field represents an incredible 30 countries in what must surely rank as the most international event ever to come to Taranaki, showcasing the region around the world through social and mainstream media."

– Andrew Dewhurst, Media Manager, ITU World Cup Triathlon

"Congratulations on one of the best run events we have been to for years. It was an absolutely fantastic family day out."

– Facebook comment

Events Contracted: 17



R&D GRANTS DRIVING LOCAL INNOVATION

Precision Microcircuits has big ambitions when it comes to a very small component used in a range of everyday items. The company is New Zealand's only manufacturer of Thick Film Microcircuits – an extremely high quality, ultra-reliable alternative to printed circuit boards – which are used by many leading firms including Fisher & Paykel.

Precision Microcircuits has the capacity to design, prototype, evaluate and manufacture microcircuits at its purpose-built New Plymouth facility. Thanks to a Research and Development Grant from Callaghan Innovation the company has been able to develop ground-breaking circuitry combining thick film technology with micro-fabrication processes, which allows for ultrasound to be used effectively for 3D volume imaging.

Working with Callaghan Innovation Research and Technical Services and a Canadian company, the technology is being developed for non-destructive testing applications and is planned to be used initially in portable brain scanners, where the need for an accurate image of large areas of the brain is critical.

“Without the R&D funding from Callaghan Innovation, and the support from Venture Taranaki, we wouldn't have been able to do this research” says CEO Rob Carruthers. “Working with Callaghan's scientists has been inspiring, and we've achieved a lot so far.”

Powerco – the nation's largest electricity distribution network in terms of length of lines – is also utilising the R&D grant scheme. In Powerco's New Plymouth office a dedicated team is investigating how advances in new technologies can better meet the energy needs of New Zealanders.

To date, the team has investigated off-grid energy by monitoring energy use in New Plymouth homes as part of a University of Otago and Victoria University research project, as well as the Powering Tomorrow's Homes programme which equipped three homes with future technologies and measured the outcomes with 30 sensors.

With assistance from Venture Taranaki, Powerco have accessed funding from Callaghan Innovation to enable testing of a battery management system for off grid generation, bring in student expertise, and gain international expertise through the Global Expert search.

Working with Callaghan Innovation's Customer Managers to access big data processing expertise has also seen Powerco engage Harmonic Analytics to complete analysis of consumer data, while Venture Taranaki's talent advisors have helped the company find staff from around the world.

“The assistance Powerco has received from Venture Taranaki and Callaghan Innovation has been invaluable. The support has provided the R&D team with the ability to work on ideas that may not have been possible otherwise.”

– Elizabeth Chisholm, Powerco

In the 2016 financial year Venture Taranaki facilitated Callaghan Innovation Research and Development Grants worth a total of \$1,086,765 for Taranaki businesses.



TOURISM GROWTH

14

As the region’s cornerstone industries felt the adverse effects of low global commodity markets, Venture Taranaki stepped up its focus on tourism, building and leveraging external investment and strong international numbers to deliver positive growth.

A win for the region was the arrival of Jetstar in February, the result of an extensive bid process by Venture Taranaki and New Plymouth District Council. Jetstar’s nationwide launch campaign was supported and a memorable launch event was delivered, including an award-winning cake. Venture Taranaki also installed regional branding in the Jetstar Terminal, showcasing the region to visitors.

Product development was a critical factor in the region’s success. This year we helped new tourism businesses Discover Taranaki and Top Guides launch and grow, and the Govett-Brewster Art Gallery/Len Lye Centre to develop commissionable tour products targeted at international tourism wholesalers and resellers as well as the domestic market.

We also worked on a number of strategic opportunities, including further development of the Pouakai Crossing, which included a soft launch of the route and briefings delivered to the Prime Minister and Minister of Tourism, Minister of Conservation, and the Director General of the Department of Conservation.

With international numbers reaching record levels, Venture Taranaki started new work focussing on the international market, developing a trade strategy and in May attending New Zealand’s major tourism trade event, TRENZ, for the first time in four years. This was done in partnership with the Govett-Brewster Art Gallery/Len Lye Centre,

Top Guides, Discover Taranaki, Novotel New Plymouth Hobson, King and Queen Hotel Suites, Hosking House B&B and Villa Heights B&B. Venture Taranaki met with more than sixty travel trade partners over the event’s three days, receiving very positive feedback about the region.

Venture Taranaki has since hosted several follow-up trade familiarisation tours, helping drive future visits and building relationships with inbound operators and international media, and hosted five members of Tourism New Zealand’s trade team from Wellington, Australia and China.

Supporting the trade opportunities, staff member Duchesne Markham secured a two-month secondment to Tourism New Zealand’s Wellington office, gaining a comprehensive understanding of trade processes and Tourism New Zealand’s onshore and offshore operations, and the process of organising familiarisation tours under the new health and safety processes – all valuable insights that have helped Taranaki strengthen its international offering.

“I hope that I can now persuade my clients to include Taranaki in their itinerary. I do like your suggested itineraries. Your new art gallery looks beautiful – I hope to get the opportunity to see them soon, and will also recommend a visit to clients.”
Comment from TRENZ attendee



LAUNCHING IDEAS

Innovation remains at the heart of the Taranaki brand, and at the core of Venture Taranaki's approach to economic growth. Three initiatives captured the Trust's involvement in fostering regional innovation this year.

LAUNCH TARANAKI

Following a successful Angel 101 Workshop that Venture Taranaki organised in October 2015, a group of about 25 interested parties formed a local angel group – the Taranaki Investment Group Incorporated, which began trading in mid-2016 as Launch Taranaki.

It now forms part of a national ecosystem of 14 angel investment groups focused on early-stage high-growth investment opportunities. Launch Taranaki now provides a local pathway for suitable companies to seek growth capital, along with mentoring and governance support.

The support of Venture Taranaki in facilitating the development of Launch Taranaki has resulted in it being recognised as the group's Foundation Patron.

STARTUP WEEKEND

Forty five people attended the inaugural Startup Weekend Taranaki held in November 2015 at shared workspace Manifold. Twenty three ideas were pitched and teams formed around seven of those ideas.

Over the weekend those ideas were tested and validated. Prototype business models were developed and presented to the judges on the Sunday evening. The winner was shout.beer which aimed to be the "Interflora" of craft beer.

Venture Taranaki's General Manager Innovation and Strategic Projects John Haylock was a member of the organising team, and the event gained strong support from the local business community.

A related Startup Meetup group has since formed and continues to meet regularly, and planning is underway for the next Startup Weekend Taranaki scheduled for October 2016.

REGIONAL RESEARCH INSTITUTE INITIATIVE

During 2015 the government announced funding for up to three new regional research institutes. Venture Taranaki worked with a range of local energy and engineering companies to prepare a concept proposal for a New Zealand Energy Innovation Institute. This proposal was focused on the development of the country's future energy streams.

The proposal was submitted in February 2016, and while it did not make it on to the initial shortlist selected by government for business case development, the proposal continues to be developed. Further funding for the regional research institute initiative was announced in the 2016 Budget.

New Plymouth company Met Ocean Solutions partnered in a second regional research institute proposal – the Alexandra-based Centre for Space Science Technology, which was successfully shortlisted and is proceeding through business case development. Venture Taranaki is assisting with this process. If successful the centre will have a New Plymouth office.



TARANAKI'S NEW SWEET GOLD

16 In 2014 Venture Taranaki released a detailed report into growth opportunities for the region's horticulture industries. The report found that apiculture held strong potential, and this became a significant work programme for the Trust this year.

New Zealand's honey industry is rapidly expanding, driven by significant international growth in demand for mānuka honey and associated products.

Recognising this, Venture Taranaki hosted the Mānuka New Zealand 2016 conference at Hāwera's TSB Hub venue in February. The event presented more than a dozen expert speakers from across the apiculture industry spanning regulatory, scientific, research and land-use connections to mānuka honey and associated products.

The event aimed to build greater understanding of this industry and its future potential, and drew a nationwide audience well beyond expectations, with a capacity 350 people attending, and many more on the waiting list. Speakers included MBIE, MPI, Federated Farmers, Mānuka Farming New Zealand, Massey University, Watson and Sons, Te Tumu Paeroa, Taranaki Regional Council and Trees for Bees, as well as practical case studies and a trade display area.

"Marginal farm land in the region offers a huge opportunity for growing mānuka, and the Mānuka 2016 event built on that, examining the latest research and added-value options, and looking at identifying some of the challenges facing such a rapidly-growing industry," said Venture Taranaki's Dr Anne Probert, the event manager and sector lead.

Following the success of the conference, a Taranaki Honey Company Collective has been established, uniting the local industry to present a stronger regional presence to national and export markets and drive changes to the sector's operating environment and regulatory framework with a view to protecting and growing the industry's value.

One local company that illustrates the value of Venture Taranaki's involvement is Barton Holdings, which exports mānuka honey from Lepperton to China and France under the NAKI New Zealand Mānuka Honey brand. Director Brett Mascull has developed an innovative honey tracking system, aimed at combating counterfeit honey products around the world.

"We're able to track and control the whole process, from land to every single bottle of honey. We can monitor the health of individual hives, control plant and manufacturing, and compile incredibly detailed data that can identify trends and opportunities," Mascull said.

Following Mānuka 2016, Barton Holdings teamed up with Venture Taranaki to access a R&D Project Grant, funded by Callaghan Innovation, to undertake their tracking project, as well as being a founding member in the Taranaki Honey Company Collective.

The future of Taranaki honey looks strong, and it may not be long before Taranaki can add a sweet gold to its more established black and white gold sectors.



STUDENT SUMMER INTERNSHIPS WIN-WIN

Wintec Batchelor of Engineering student Lemual Chand knows more about the conductivity of carbon fibre than most professional engineers, thanks to Venture Taranaki.

The Stratford local spent the summer working at New Plymouth’s Armatec Environmental Limited, with an experienced team of chemical engineers and fibreglass fabrication technicians on a range of industrial and municipal projects including the design and manufacture of industrial fibreglass products to help customers reduce emissions.

Lemual was brought in to work on a project that sought to expand product line functionality by adding heating and fan ventilation to complement existing passive systems for odour control, researching materials that might be suitable. He worked collaboratively with the business’s R&D team to design, fabricate and test different prototypes, documenting and reporting on his findings as he went.

Armatec put Lemaul’s mechanical engineering skills and problem solving abilities to good use, giving him the chance to learn new skills and try something outside his area of study. Armatec provided materials and mentoring, including the use of Skype and Yammer to give him access to expertise from around the country.

Armatec’s research and development manager Catherine Taiapa pointed out that learning went both ways between Lemual and those staff working with him.

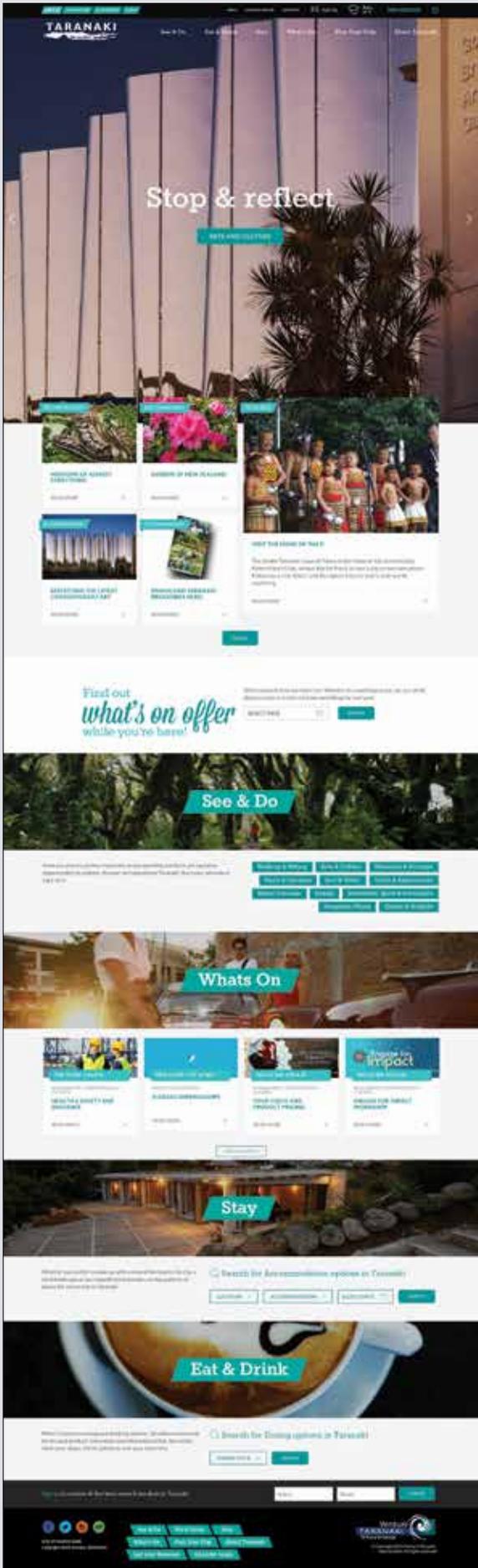
“It was a great way to grow our knowledge and mentor new talent. Lemual fitted in really well with the team and the culture of our organisation, and we were really pleased with the outcome of the project,” Catherine said.

“We would definitely consider taking on a summer student again in the future.”

The placement was mutually beneficial, with Lemual confident his hands-on industry experience would make him more valuable to future employers once he graduated.

Lemual’s time with Armatec was made possible by a Callaghan Innovation Research and Development Experience Grant, delivered in Taranaki by Venture Taranaki.

In the 2016 financial year Venture Taranaki facilitated a total of 12 Experience Grants from our partners Callaghan Innovation, helping 11 local businesses progress projects using student skills. The total grant value was \$88,000.



CONVERTING VISITORS ONLINE

Venture Taranaki’s website was launched in 2007, and while that represents excellent return on investment, it was time the site was updated to reflect the substantial changes in online consumer behaviour since then.

The project began with a rebuild of the Visit section during the 2015-2016 year. Key requirements for the new site were responsive design – the site’s layout, content and navigation had to change in response to varying screen sizes – to provide current and comprehensive content, to work across mobile devices, and to provide a compelling user experience that would drive its audience to either think more positively of Taranaki, or to visit Taranaki.

Operator and attraction content is pulled directly from Tourism New Zealand, ensuring the regional website is presenting similar content to the leading national site, while events are sourced from the Eventfinda website.

A much simpler navigation structure means it’s easier to find operator, attraction and event listings, while a new dining guide and trade sections offer enhanced functionality.

The new site was launched in October to a very positive response. A similar rebuild of the Study website was completed later in the financial year, while the remaining Live + Work and Business sections of the site will be redeveloped over the coming year.



CAPABILITY DEVELOPMENT VOUCHERS

The Capability Development Voucher scheme supports local businesses by matching funding for a range of approved courses to help directors and managers build the skills to sustainably grow their businesses. The scheme is delivered by Venture Taranaki in partnership with funders New Zealand Trade and Enterprise, and this year 235 vouchers were delivered, worth a total of \$326,364.

A Capability Development Voucher was a great fit for Shortland Farm director Rachel Short, who wanted to develop the skills to develop a sustainable dairy farming model, and gain the strategic planning skills to both run the organic property effectively, and to share her knowledge amongst the farming community.

Rachel met with Venture Taranaki business advisor Jane Moffitt, who issued a Capability Development Voucher to enable Rachel to attend the Agri-Women's Development Trust Escalator Programme, helping her to develop skills around leadership, communication, strategy, decision making and planning. The ten-month programme equips women business owners within the agricultural industry with skills to successfully lead and govern in the sector.

As a result Rachel has applied her new knowledge to both her farming business and the NZ Dairy Industry Awards Executive Team in which she is involved, and the business is achieving great results: Shortland Farm Ltd has already won awards including NZ Dairy Business of the Year Business Resilience Award and Taranaki Best Farm.

Venture Taranaki also worked with John Tipene from Te Kohatu Hāngī Cookers to leverage Capability Development Voucher funding

to get training on the intellectual property aspects of his idea, and gain better protection of his innovative product.

The Te Kohatu Hāngī Cooker uses river stones to create an authentic hāngī taste, in a unit that is simple, portable and easy to use. The cooker is produced in Waitara, using local resources and employing local people, though John has his sights set on becoming an international operation.

While there are two other steamer-type cookers already in the market, the Te Kohatu cooker has established freedom to operate alongside its competitors – an outcome of solid intellectual property practices.

John is continuing to work with Venture Taranaki business advisor Jenn Patterson on business and export planning and compliance challenges, and is in the final stages of designing a large commercial cooker that will cater for up to 750 people, in response to demand from marae caterers. It should be no surprise that the cooker concept has received considerable local and national media attention.

“Working with my hands and problem solving to make it work better are key factors for my success today. Venture Taranaki helped with intellectual property issues and continues to assist my business.” John Tipene – Te Kohatu Hāngī Cookers



PROVIDING THE LATEST REGIONAL INTELLIGENCE

DID YOU KNOW:

- Taranaki has the highest regional GDP per capita in New Zealand: \$75,941 per person
- There are 15,153 businesses in Taranaki
- 281,482 visitors stayed in commercial accommodation in Taranaki during 2016 (year ending June) totalling 606,855 guest nights
- Average transaction value of takeaways spending: \$16.94 in New Plymouth District, \$18.46 in Stratford and \$17.97 in South Taranaki

Provision of economic data is one of Venture Taranaki’s core services, and the Trust produces a range of regular and occasional reports that help the region’s businesses, leaders, stakeholders and potential investors to utilise the latest regional intelligence in their decision making. Some of our regular regional updates are:

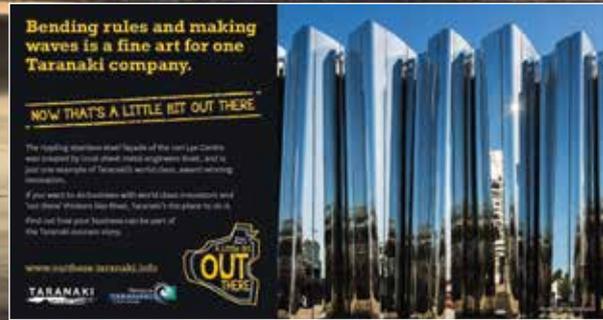
Taranaki Trends is a detailed collection of regional facts and figures spanning a range of government and industry sources released every six months. It is available online at www.taranaki.info and printed copies are placed with decision-makers, stakeholders, advisors, banks, real estate agents and politicians both locally and nationally.

The **Taranaki Business Survey** goes to almost 10 percent of Taranaki’s 15,153 businesses twice a year and polls both a standard range of economic indicators and special topics that delve deeper into the issues facing our businesses. Venture Taranaki has undertaken the survey consistently since 1999, and as such it provides a valuable and comprehensive view of regional trends.

Taranaki Retail Statistics are provided every six months, and analyse expenditure details at regional, district and CBD level, and aspects such as leakage and online spending.

The Trust regularly reports **Taranaki Visitor Statistics** which utilise a number of sources to present a quarterly snapshot of visitor numbers, district trends and expenditure.

In addition, central-government politicians and government departments receive regular information briefings, ensuring they are aware of current developments in the region, and that Taranaki continues to resonate in national decision making in areas such as infrastructure and trade. This year briefings included Prime Minister John Key, Economic Development Minister Stephen Joyce, Conservation Minister Maggie Barry, and Leader of the Opposition Andrew Little.



WE'RE A LITTLE BIT OUT THERE

As the impacts of the oil and gas downturn, dairy price drops, and slowdown of the Australian mineral sector began to be felt in the region, Venture Taranaki launched its 'A Little Bit Out There' campaign to remind both the region and the nation that there were still a lot of great things happening in Taranaki.

The creative concept sought to celebrate the region's geographic positioning, its people and attitudes, by celebrating some of the quirky, interesting, and successful stories that make Taranaki unique, as a visitor destination, a place to live, and as a place to run an innovative business.

The campaign launched across Venture Taranaki's summer visitor campaign, with an advertising strategy to local and national audiences to highlight the region's unique attractions. A series of full-page stories, with support from local businesses, were contributed to the Taranaki Daily News and focused on communities around the mountain, while a number of short and energetic video clips were produced in-house to drive an effective digital strategy.

From the visitor sector, the campaign shifted focus to our business community, with the film clips extended to take a closer look at some of the successful businesses that choose to operate in the region, with a focus on celebrating the innovation made possible by being in Taranaki.

Over the campaign period 'A Little Bit Out There' was rolled out over billboards outside Wellington Airport, bus advertising around central Auckland, radio flights in Auckland, online banners on Stuff and MetService, across the Trust's social media community and through print and event promotions, including the theme of Venture Taranaki's presence at WOMAD, which generated a large number of enquiries.

A standalone section of Venture Taranaki's new Visit website was also developed to collect and showcase the campaign content, attracting more than 6,200 hits and 240 registrations, with the majority of those looking to work in the region.



THE FUTURE OF WORK

22 **V**enture Taranaki’s mid-year Taranaki Business Survey found that the number of businesses currently finding it difficult to find the staff they need was at its lowest level since December 2010.

In responding to this changing regional employment landscape, the Trust diversified its skills attraction activity beyond the traditional marketing of employment and lifestyle opportunities to look at supporting businesses to meet some of the strategic challenges around the attraction and retention of the skilled staff they need.

The Future of Work event was held by Venture Taranaki, in partnership with the Career Development Association of New Zealand, in June. It brought together four expert speakers to delve into the global trends across technology, security of work and income, education, lifelong learning, and sustainability. These areas were related to both a New Zealand and Taranaki context, and to the regional strategy goal of creating “a regional culture where innovation, talent and lifelong learning are valued, and ensure that Taranaki businesses have the skills to support current and future needs.”

Speakers included Associate Professor Gail Pacheco, Director of AUT’s Work Research Institute, who discussed global trends towards an increasingly casualised workforce, Labour MP Grant Robertson, head of the Future of Work Commission which seeks to better understand the changing nature of work and its impact on the economy, Massey University’s Professor Richard Shaw, who looked into high level population and demographic trends and their impact on learning and work, and Paul Stocks, Deputy Chief

Executive of the Labour Science and Enterprise group at MBIE, on labour market trends and the opportunities for Taranaki.

The audience of over 60 spanned business, economic and community leaders and human resource managers, who provided very positive feedback. Work will continue on helping the region’s businesses address their strategic skills needs, and respond to opportunities to ensure Taranaki stays ahead of the changes in this dynamic space.

“Very well put together forum and very useful insights.”

“Many inspiring ideas for moving forward with my business.”

“Thanks for putting on such a great event – a thorough look at a topic which is important to keep on the agenda.”

“Lots in here for my own business in particular my online learning project – gave me lots of food for thought.”

“All speakers really good, very informative and superbly well delivered. It was very professionally done.”

“On the whole this was an excellent day, lots to learn and the speakers are very charismatic. Good humour, I really enjoyed it, thanks.”

“There was a lot to take in. I look forward to reading it all online and having time to think and consider. Enjoyed the panel discussion. Thank you for a well put together day.”

“It was great to have “outside” Taranaki speakers. Makes us think outside the square.”



REGIONAL PARTNERSHIPS

Venture Taranaki is the regional partner for a number of central government agencies and as such provides a unique one-stop solution to a wide range of business growth tools.

This year Venture Taranaki’s partnerships with both Callaghan Innovation and New Zealand Trade & Enterprise were extended for a further three years, along with a right of renewal beyond that. This move, a positive reflection on the work being done by the Trust, will serve to reassure local businesses that they have equivalent, if not better, access to partnership funds than their competitors in other parts of the country.

Trust staff also value the relationships developed with Taranaki’s businesses and business people, and this year’s Client Satisfaction Survey results would suggest the feeling is mutual, finding that;

- 91.8% of respondents were very satisfied or satisfied overall with Venture Taranaki’s business services
- 97.8% of respondents were very satisfied or satisfied overall with Venture Taranaki’s staff
- 92.6% of respondents would use Venture Taranaki’s services again

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FROM DISRUPTION WORKSHOP TO A ROBOT NAMED BAXTER

The Trust’s regional partnership with Callaghan Innovation saw Venture Taranaki host a workshop by Silicon Valley entrepreneur and Stanford University lecturer in Entrepreneurship, Disruption and Clean Energy Tony Seba in New Plymouth in September. Tony ran participants from 30 local businesses through the disruption that new developments in energy, sensing, big data and machine-to-machine technologies are causing, and how these disruptions can leveraged for future growth.

As an outcome of the workshop, local business Cambrian Engineering teamed up with Callaghan Innovation to trial a robot named Baxter in their production processes. Cambrian programmed Baxter – an agile and cutting-edge version of traditional industrial robots – to undertake a range of tasks using existing equipment to make products that have been manufactured in more traditional ways since the 1920s.

“Previously, automated machinery to achieve these tasks was expensive, large, and needed a team of technical experts

to write the code to make it work,” says Cambrian’s General Manager Colin Fromont. “Baxter was very different.”

Colin first saw the robot, manufactured in the USA by Rethink Robotics, at Tony’s Disruptive Technology workshop and contacted Venture Taranaki to facilitate Baxter’s visit to New Plymouth.

“There were a few raised eyebrows amongst the team, but since then they’ve been itching to have a play with Baxter, coming up with creative solutions to help him function better.”



GUIDING OUR VISITORS

24 Engaging, exciting and empowering potential visitors are the goals of Venture Taranaki’s visitor promotions and collateral. Driven by the strategic themes of Desirable Taranaki and Team Taranaki, the Trust’s tourism, marketing and communications team had a record year.

VISITOR PUBLICATIONS

Venture Taranaki produces a comprehensive range of visitor guides to help visitors and residents discover, explore, experience and share all that the region has to offer. This year Venture Taranaki distributed nearly 100,000 publications including the Walkers’, Museums and Galleries, and Parks and Gardens guides as well as the Forgotten World Highway and Surf Highway touring route publications, and the ever popular Must Do’s leaflet. The guides can also be downloaded from the Venture Taranaki website.

A further 40,000 publications, were distributed throughout the country via national distribution service VisitorPoint, gaining exposure in airports, transport operators, accommodation providers, activity operators and regional i-SITES.

This year the Trust continued to focus on updating the A5 size guides, and has restructured both the Walkers’ Guide and Forgotten World Highway touring route guide to make them easier to manage and more cost-effective to produce.

SEASONAL VISITOR CAMPAIGNS

Venture Taranaki’s spring campaign targeted young families from select destinations around New Zealand, and included a large advertising plan, a partnership with daily deal site GrabOne and the team promoting the region at the Waikato Home and Garden Show.

The summer campaign targeted the Visiting Friends and Relatives (VFR) market, which contributes around 1.1 million bed-nights to the region annually. The campaign was based on ‘A Little Bit Out There,’ and showcased different and interesting things to do in Taranaki, empowering locals to be great promoters of regional activities. It included radio promotions, a newspaper feature series, advertisements, and social media videos, and transitioned into lifestyle attraction and business growth campaigns.

SOCIAL MEDIA

Venture Taranaki communicated daily to a combined social media audience of more than 51,000 people, with content ranging from business tips and opportunities on the Trust’s business focussed Venture Taranaki Facebook page, to tourism photos and short videos on Instagram. The Trust’s tourism Facebook page is the seventh largest of New Zealand’s RTOs, and has been effectively leveraged to promote a range of events and campaigns – a successful example was the series of ten short videos produced in-house to highlight aspects of the region’s visitor industry, which collectively received over 93,620 views.

This year 99,943 of Venture Taranaki’s printed guidebooks, worth \$160,409.45, were distributed to trade, event and consumer requests.



SUSTAINABLE ENERGY PLANNING AT PARIHAKA

Venture Taranaki’s partnership with Massey University continued to deliver benefit through the stronger connectivity between regional projects and businesses and Massey’s extensive research expertise.

One such project was the Parihaka Taiepa Tiketike – Sustainable Energy – project, which saw three workshops (Punanga Ngi) held at Parihaka throughout the year with a focus on sharing sustainable energy science and research project findings with the community.

Specific outcomes from the project have included:

- A Massey University Master of Engineering student researching the renewable energy options that could be available to the community now and in the future.
- A Massey University Masters in Environmental Management student conducting research into an applied project at Parihaka.
- MBIE’s Prue Williams, GM Science Investments and Anne Berryman, National Manager Science Investments visiting Parihaka in April and indicating that this Vision Mātauranga project ticks all the boxes of what these projects are aimed at doing.

Beyond these projects, Massey University worked with 47 businesses and organisations to provide some form of R&D or resource assistance with projects and developments. 31 of the 47 (66%) were able to be assisted by Massey within the financial year period, alongside other more ‘sector-focused’ initiatives which have also provided information and support for Taranaki organisations.

HELPING BUSINESSES TO A SOLID START

This year Venture Taranaki met with 286 people to help them assess and progress their business ideas at our Business Startup clinics. The one-hour free clinics are held in Hawera, Stratford and New Plymouth, and provide a confidential sounding board to discuss all aspects of a new business idea – from concept to business plan, marketing to cashflow management.

Olena Williams attended one of the New Plymouth clinics, looking to build a business on her passion for ethnic cooking. Olena has since turned her idea into a growing business – Lozhka Ethnic Cooking Classes – which she runs once a month.

“It was helpful to talk to someone about my idea and get such professional advice,” Olena said of her Business Start-Up Clinic.

“The critical input from an outside voice really helped me to go forward, and I picked up some really good tips to help me along the way. I appreciate the support I have got from Venture Taranaki.”

Leon Jones is another attendee who came to a Business Start-Up Clinic looking to start a café. While his Laughing Pug brand of roasted coffee was doing well, the clinic was something of a reality check when it came to taking the step towards a full café model.

“If it wasn’t for the start-up session we would have just jumped in way over our heads,” Leon said.

“The session was really helpful and put everything into perspective. It helped us realise that starting slowly and working our way up, sorting out our processes from start to finish, is the way to go.”

“We would have got ourselves into trouble very quickly otherwise.”

FINANCIAL PERFORMANCE 2015-2016

INDEPENDENT AUDITOR'S REPORT

To the readers of Venture Taranaki Trust's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of Venture Taranaki Trust (the Trust). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on her behalf.

Opinion on the financial statements and the performance information

We have audited:

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- the financial statements of the Trust on pages 29 to 41, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include the statement of accounting policies and other explanatory information; and
- the performance information of the Trust on pages 42 to 44.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2016.

Our audit was completed on 7 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance

information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported performance information within the Trust's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

RESPONSIBILITIES OF THE BOARD

The Board is responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Board is also responsible for preparation of the performance information for the Trust.

The Board's responsibilities arise from the Local Government Act 2002 and the Trust Deed.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and the performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.



Clint Ramoo

Audit New Zealand
On behalf of the AuditorGeneral
Wellington, New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

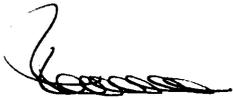
VENTURE TARANAKI TRUST TRUSTEES' REVIEW

For the year ended 30 June 2016

The Board of Trustees present their Annual Report including Financial Statements and Statement of Service Performance of the Trust for the year ended 30 June 2016.

The business of the Trust is facilitating economic development in Taranaki. The nature of the Trust's business has not changed during the year under review.

For and on behalf of the Trustees

A handwritten signature in black ink, appearing to read 'Robin Brockie', with a long, horizontal flourish extending to the right.

ROBIN BROCKIE

Chairman

VENTURE TARANAKI TRUST

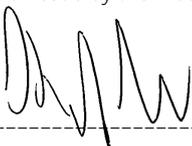
STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents		419,034	391,299
Trade and other receivables from non-exchange transactions		92,296	86,334
Other current assets		37,838	42,396
GST receivable		101,083	45,901
<i>Total current assets</i>		650,251	565,930
Non-current assets			
Intangible assets	3	35,566	60,606
Property, plant and equipment	4	204,031	202,299
<i>Total non-current assets</i>		239,597	262,905
Total Assets		889,848	828,835
Liabilities			
Current Liabilities			
Trade and other payables under exchange transactions		416,270	218,104
Funds held on behalf of OGST		22,989	2,108
Employee entitlements	8	101,194	93,220
Revenue received in advance		14,972	189,722
<i>Total current liabilities</i>		555,425	503,154
Total Liabilities		555,425	503,154
Net Assets		334,423	325,681
Total Equity			
Trust equity		334,423	325,681
		334,423	325,681

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These financial statements were authorised for issue by the Trustees on 5 September 2016.

 _____ Chairman _____ Trustee

The accompanying notes form part of these financial statements.

VENTURE TARANAKI TRUST

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue			
Grant revenue	Non-exchange 2	4,039,441	3,573,606
Other revenue	Exchange	96,591	67,051
Interest revenue	Exchange	29,752	29,563
Gain on disposal of assets	Exchange	11,271	60
<i>Total Revenue</i>		4,177,055	3,670,280
Expenses			
Audit fee		27,110	26,608
Amortisation expense	3	32,600	21,944
Depreciation expense	4	77,757	74,050
Marketing expenses		415,824	491,434
Professional fees		208,389	195,589
Grants	10	1,403,236	947,663
Rental and operating lease expenses		145,188	141,933
Personnel costs		1,430,346	1,340,699
Trustees fees		63,250	62,715
Loss on foreign exchange		-	8
Other operating expenses		364,613	367,623
<i>Total Expenses</i>		4,168,313	3,670,266
Surplus before Taxation		8,742	14
Income tax expense		-	-
Surplus after Taxation		8,742	14
Other Comprehensive Revenue and Expenses		-	-
Total Comprehensive Revenue and Expenses		8,742	14

The accompanying notes form part of these financial statements.

VENTURE TARANAKI TRUST

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Trust Equity \$	Total Equity \$
Balance as at 1 July 2014	325,667	325,667
Total comprehensive revenue and expenses for the year	14	14
Balance at 30 June 2015	325,681	325,681
Balance as at 1 July 2015	325,681	325,681
Total comprehensive revenue and expenses for the year	8,742	8,742
Balance at 30 June 2016	334,423	334,423

The accompanying notes form part of these financial statements.

VENTURE TARANAKI TRUST

STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from grants and other income		3,955,316	3,762,748
Interest revenue received		29,752	29,990
Payments to suppliers and employees		(3,851,443)	(3,632,550)
Goods and services tax (net)	12	(30,112)	18,373
Net cash flow from operating activities	13	103,513	178,561
Cash flows from investing activities			
Receipts from sale of property, plant and equipment		19,407	221
Purchase of property, plant and equipment		(87,625)	(62,943)
Purchase of intangible assets		(7,560)	(28,208)
Net cash flows (used in) investing activities		(75,778)	(90,930)
Cash flows from financing activities			
Net cash flows from/(used in) financing activities		-	-
Net increase in cash and cash equivalents		27,735	87,631
Cash and cash equivalents at the beginning of the year		391,299	303,668
Cash and cash equivalents at the end of the year		419,034	391,299

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The accompanying notes form part of these financial statements.

VENTURE TARANAKI TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Venture Taranaki Trust is a Charitable Trust incorporated in New Zealand under a Trust Deed dated 27 May 1998 and is domiciled in New Zealand. The Trust commenced operations on 1 July 1998.

The Trust is a wholly owned subsidiary of New Plymouth District Council and is a Council Controlled Organisation as defined in Part 1 Section 6 of the Local Government Act 2002.

The Trust is a Public Sector Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of the Trust are for the year ended 30 June 2016. The financial statements were authorised by the Board for issue on 5 September 2016.

BASIS OF PREPARATION

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

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013 which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 Public Sector PBE Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). The financial statements comply with International Public Sector Accounting Standards Reduced Disclosure Regime (IPSAS RDR) and other applicable Financial Reporting Standards as appropriate to Public Sector PBE's.

The Trust is eligible to report in accordance with Tier 2 Public Sector PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure exceeds \$2 million but does not exceed \$30 million.

The Trust is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community and the Trust has been established with a view to supporting that primary objective rather than a financial return.

Presentation currency and rounding

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Government grants

Grants received from the New Plymouth District Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed. The Trust also receives other government assistance for specific purposes, and these grants usually contain restrictions on their use.

Council, government, and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Interest income

Interest income is recognised using the effective interest method.

Foreign currency transactions

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rate

at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

b) Grant Expenditure

Non-discretionary grants are those grants awarded if the grant meets the specified criteria. They are expensed when an application that meets the specified criteria for the grant has been received. The Trust's non-discretionary grants have no conditions that need to be fulfilled to receive the grant.

Discretionary grants are those grants where the Trust has no obligation to award the grant on receipt of the grant application. For discretionary grants without conditions, the total committed funding is expensed when the grant is approved and the approval has been communicated to the applicant. Discretionary grants with conditions for the delivery of an event are expensed when the grant is approved and the approval has been communicated to the applicant. This is based on the fact that the event is likely to occur and the payment is probable.

c) Leases – Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

VENTURE TARANAKI TRUST

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

For the year ended 30 June 2016

1. STATEMENT OF ACCOUNTING POLICIES *CONTINUED*

e) Receivables

Trade and other receivables are initially measured at fair value and subsequently at fair value less any provision for impairment. The amount of impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected which is determined on an analysis of the Trust's losses in previous periods and review of specific debtors.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

f) Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

g) Intangibles

Software acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and improvements of the Venture Taranaki and Energy Stream websites are recognised as an asset when incurred as the websites generate future economic benefits.

Amortisation

Computer software licenses are amortised on a straight-line basis over their estimated useful life of two and a half years. Amortisation begins when the asset is available for use and ceases at the date when the asset is disposed of. The amortisation charge for each year is recognised in surplus or deficit.

h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the disposal

proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised as an expense as they are incurred.

Depreciation

Depreciation is provided on a straight line basis at rates calculated to allocate the assets cost less estimated residual value, over the estimated useful life of the asset.

Major depreciation periods are:

Leasehold alterations	10 years
Fixtures and fittings	10 years
Office equipment	3-10 years
Motor vehicles	3 years
Other fixed assets	4-10 years

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at each financial year end.

i) Impairment of property, plant, and equipment and intangible assets

Property, plant, and equipment and intangible assets are reviewed for indicators of impairment as at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

j) Trade and other payables

Trade and other payables are stated at cost. Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

k) Employee entitlements*Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

l) Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in "finance costs".

m) Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to

investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

n) Income Tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

o) Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

VENTURE TARANAKI TRUST

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

For the year ended 30 June 2016

2. GRANT REVENUE

	2016 \$	2015 \$
New Plymouth District Council	2,763,266	2,723,927
Callaghan Innovation	60,996	121,992
New Zealand Trade and Enterprise	214,523	122,004
Ministry Business, Innovation & Employment	439,329	46,725
Other	561,327	558,958
	4,039,441	3,573,606

3. INTANGIBLES

	2016 \$	2015 \$
Software		
36 Opening net book value	60,606	19,607
Additions	7,560	62,943
Disposals	-	-
Revaluation	-	-
Amortisation	(32,600)	(21,944)
Closing net book value	35,566	60,606
Cost or valuation	241,841	234,281
Accumulated amortisation	(206,275)	(173,675)
Closing net book value	35,566	60,606

There are no restrictions over the title of the Trust's intangible assets; nor are any intangible assets pledged as security for liabilities.

4. PROPERTY PLANT AND EQUIPMENT

	Leasehold Alterations	Fixtures & fittings	Office equipment	Other Fixed Assets	Motor Vehicles	Total
2016						
Opening net book value	52,040	22,723	68,435	12,804	46,297	202,299
Additions	2,585	15,479	9,103	1,020	59,438	87,625
Disposals	-	(357)	(476)	-	(7,303)	(8,136)
Depreciation	(10,598)	(4,171)	(29,431)	(5,471)	(28,086)	(77,757)
Closing net book value	44,027	33,674	47,631	8,353	70,346	204,031
Cost or valuation	134,658	86,607	185,001	36,345	138,541	581,152
Accumulated depreciation	(90,631)	(52,933)	(137,370)	(27,992)	(68,195)	(377,121)
Closing net book value	44,027	33,674	47,631	8,353	70,346	204,031
2015						
Opening net book value	61,272	5,037	90,214	18,796	72,983	248,302
Additions	1,313	20,226	27,355	611	-	49,505
Disposals	-	-	(161)	-	-	(161)
Capital work in progress	-	-	(21,297)	-	-	(21,297)
Depreciation	(10,545)	(2,540)	(27,676)	(6,603)	(26,686)	(74,050)
Closing net book value	52,040	22,723	68,435	12,804	46,297	202,299
Cost or valuation	132,073	86,234	192,227	35,325	133,431	579,290
Accumulated depreciation	(80,033)	(63,511)	(123,792)	(22,521)	(87,134)	(376,991)
Closing net book value	52,040	22,723	68,435	12,804	46,297	202,299

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There are no restrictions over the title of the Trust's property, plant, and equipment; nor is any pledged as security for liabilities.

VENTURE TARANAKI TRUST

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

For the year ended 30 June 2016

5. TAXATION

	2016 \$	2015 \$
Net profit/(loss) before tax	8,742	14
Tax at 33%	2,885	5
Plus (less) tax effect of:		
Temporary differences	43,821	(19,791)
Non deductible expenditure	3,282	1,158
Unrecognised (utilisation) of tax losses	(49,988)	18,628
Income Tax Expense	-	-
<i>The taxation charge is represented by:</i>		
Current tax payable	-	-
Deferred tax	-	-

Unused tax losses of \$86,712 (2015: \$238,192) are available to carry forward and offset against future taxable income. A deferred tax asset has not been recognised due to the uncertainty regarding the availability of future taxable profits.

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6. COMMITMENTS

a) Capital Commitments

There were no capital commitments as at 30 June 2016 (2015: \$Nil).

b) Operating Leases as Lessees

Lease commitments under non-cancellable operating leases are:

	2016 \$	2015 \$
Not later than one year	20,259	121,556
Later than one year and not later than five years	-	20,259
	20,259	141,815

The total non-cancellable operating lease relates to the lease of part of an office building. The lease expires 31 August 2019, with options to vacate the premises 31 August 2016.

c) Operating Leases as Lessors

	2016 \$	2015 \$
Not later than one year	9,284	55,706
Later than one year and not later than five years	-	9,284
	9,284	64,990

7. RELATED PARTY TRANSACTIONS

a) During the normal course of business the Trust purchased and supplied goods and services from and to the following related parties:

		2016 \$	2015 \$
<i>Aotea Services Limited</i> <i>Stuart Trundle, Non-Executive Director</i>	Services provided to	1,204	1,072
<i>Auckland University of Technology</i> <i>Stuart Trundle, Institute of Public Policy Advisory Board Member</i>	Services provided to	-	2,752
<i>Economic Development Association of New Zealand</i> <i>Stuart Trundle, Board Member</i>	Services provided by	-	2,050
	Amounts owing to	-	2,300
<i>Trundles Automotive Limited</i> <i>Stuart Trundle, No Role – Immediate Family Investment</i>	Services provided by	1,481	-
<i>Gama Associates Limited</i> <i>Gavin Faull has a beneficial interest</i>	Services provided by	11,000	11,000
<i>Methanex New Zealand Limited</i> <i>Vanessa James, Director</i>	Services provided by	8,250	-
	Services provided to	2,765,933	3,127,090
<i>New Plymouth District Council</i> <i>The Trust is a Council Controlled Organisation</i>	Services provided by	285,554	271,310
	Amount receivable from	4,312	-
	Services provided to	297	-
<i>Painter Pete</i> <i>Michelle Jordan holds a beneficial interest</i>	Services provided by	209	960
	Amount owing to	-	1,104
<i>Staples Rodway Taranaki Limited</i> <i>Robin Brockie, Director and held a beneficial interest (up until 31 December 2015)</i>	Services provided by	10,140	23,001
<i>Tourism New Zealand</i> <i>Jamie Tuuta, Director</i>	Services provided to	10,000	391
<i>TSB Bank Limited</i> <i>Kevin Murphy is Chief Executive and Managing Director</i>	Services provided by	11,000	11,000
	Amounts owing to	-	1,054
<i>Port Taranaki Limited</i> <i>Roy Weaver, Chief Executive (resigned March 2015)</i>	Services provided by	-	3,243
	Amounts owing to	-	3,667
<i>Launch Taranaki – Taranaki Investment Group</i> <i>John Haylock, No Role – Immediate Family Investment</i>	Services provided by	2,500	-

No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2015: \$Nil).

VENTURE TARANAKI TRUST

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

For the year ended 30 June 2016

7. RELATED PARTY TRANSACTIONS *CONTINUED***b) Key Management Personnel**

Key management personnel includes 0.41 FTE Trustees, 1 FTE Chief Executive and 5 FTE Senior Management. (2015: Key management personnel includes the 0.41 FTE Trustees, 1 FTE Chief Executive and 4 FTE Senior Management).

	2016 \$	2015 \$
Trustees	63,250	62,715
Chief Executive and Senior Management	685,326	552,526
	748,576	615,241

8. EMPLOYEE ENTITLEMENTS

	2016 \$	2015 \$
Balance at beginning of period	93,220	101,461
Additional provision made	110,165	96,948
Amount utilised	(102,191)	(105,189)
Balance at end of period	101,194	93,220
Current		
Annual leave	101,194	93,220
	101,194	93,220

Employee entitlements relate to employee benefits such as accrued annual leave. The provision is affected by a number of estimates, including the timing of benefits taken. All employee entitlement is expected to be consumed during the following financial year.

9. CONTINGENCIES

Contingent Liabilities: The Trust has no contingent liabilities at balance date (2015: \$Nil).

Contingent Assets: The Trust has no contingent assets at balance date (2015: \$Nil).

10. TRADE AND OTHER PAYABLES UNDER EXCHANGE CONTRACTS

As at 30 June 2016, the Trust has recognised a liability of \$129,200 for unpaid grants. Our expectation is that all of these grants will be paid out over the next 12 months.

11. EVENTS AFTER THE BALANCE DATE

There have been no significant events post balance date (2015: \$Nil).

12. CASH FLOW

The net GST component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The net GST component has been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes.

13. RECONCILIATION OF NET PROFIT WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 \$	2015 \$
Net surplus before taxation	8,742	14
Add/(less) non-cash items:		
Add depreciation	77,757	74,050
Add amortisation	32,600	21,944
Net (profit)/loss on disposal	(11,271)	(60)
	107,828	95,948
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(1,404)	(57,006)
Increase/(decrease) in trade and other payables	44,297	113,623
(Increase)/decrease GST receivable	(55,183)	34,237
Increase/(decrease) employee benefits	7,975	(8,241)
	103,513	178,561

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14. CAPITAL MANAGEMENT

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets. The Trust Deed requires the Board of Trustees to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing the Trust's equity is to ensure that the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

15. CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments are as follows:

	2016 \$	2015 \$
Loans and receivables		
Cash and cash equivalents	419,034	391,299
Trade and other receivables	92,296	86,334
	511,330	477,633
Financial liabilities at amortised cost		
Trade and other payables	416,270	218,104
	416,270	218,104

STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2016

Regional Strategy Context	New Plymouth District Economic Strategy Strategic Priorities	Performance Measurements	2015-2016 Year	2014-2015 Year
Team Taranaki where the goal is to build partnerships and harness the collective energies and spirit of the Taranaki people and its leaders to benefit Taranaki's growth.	Improve connections within NZ and with the world.	Team: Maintain a regional economic intelligence unit and undertake one Team Taranaki submission on regional issue.	Achieved Submission briefing by Team Taranaki to Prime Minister and Minister of Conservation on Pouakai Crossing	Achieved Submission to MBIE on Accommodation Survey Review
		Team: Publish bi-annually Taranaki Trends and Business Survey.	Achieved <ul style="list-style-type: none"> • Researched and published two Taranaki Trends. • Surveyed and published two Business Surveys. 	Achieved <ul style="list-style-type: none"> • Researched and published two Taranaki Trends. • Surveyed and published two Business Surveys.
		Team: Maintain connections across <i>www.taranaki.info</i> and social media channels.	Achieved <ul style="list-style-type: none"> • Visit section of <i>www.taranaki.info</i> redeveloped over year. • Biz 2 Biz Facebook followers up 382 or 39%. • 'Taranaki Like No Other' Facebook followers up 4,189 or 11.6%. • Twitter followers up 1370 or 35.7%. • Instagram followers up 3,166 or 337% 	Achieved <ul style="list-style-type: none"> • <i>www.taranaki.info</i> visits up 40,837 or 17.45%. • Biz 2 Biz Facebook followers up 308 or 46%. • 'Taranaki Like No Other' Facebook followers up 4,077 or 13%. • Twitter followers up 752 or 20%.
Foundation Taranaki where the goal is to maximise the potential of Taranaki's core industries by adding value to the regions' traditional business sectors and enhancing business capability, innovation, productivity and export development.	Encourage enterprise and innovation in all areas of the economy.	Foundation: Facilitate \$500,000 investment into regional business subject to central government policy.	Achieved \$1,086,765 (GST inclusive) of research and development, and innovation funding facilitated into Taranaki business (across 24 transactions).	Achieved \$1,401,192 (GST inclusive) of research and development, and innovation related funding facilitated into Taranaki businesses.
		Foundation: Achieve >80% client satisfaction in regard to business support services.	Achieved 91.8 percent client satisfaction with Venture Taranaki business services.	Achieved 91.2% satisfied or very satisfied
		Foundation: Support two key wealth creating industry groups.	Achieved Oil and Gas Specialist Technologies and International Education Taranaki.	Achieved <ul style="list-style-type: none"> • Oil & Gas Specialist Technologies Group. • International Education Group.

VISION: BY 2035, TARANAKI WILL BE A PROGRESSIVE, GROWING, WESTWARD-LOOKING PROVINCE OF NATIONAL SIGNIFICANCE, RENOWNED FOR ITS PEOPLE, CULTURE, TALENT, RICH NATURAL RESOURCES AND DESIRABLE LOCATION

Regional Strategy Context	New Plymouth District Economic Strategy Strategic Priorities	Performance Measurements	2015-2016 Year	2014-2015 Year
<p>Frontier Taranaki where the goal is the pursuit of new horizons, industries and projects that foster diversification, growth, and/or perception shifts to enhance Taranaki's regional development.</p>	<p>Capitalise on key clusters and economic advantages.</p>	<p>Frontier: Support one project with high impact potential aligned with the regional growth agenda.</p>	<p>Achieved Provided an Investment Workshop in October 2015. Following this event, facilitated meetings with interested parties on the formation of a local Angel Group. These discussions lead to the Taranaki Investment Group Incorporated being established in March 2016. It has since set up its operating systems and began considering investment opportunities in June 2016.</p>	<p>Achieved Initiated the Pouakai Crossing Project team, in conjunction with Taranaki Regional Council, New Plymouth District Council, Department of Conservation and Te Atiawa iwi, and researched the feasibility of the route. The Pouakai Crossing is a highly attractive 1 day walk in Egmont National Park that has the potential to develop into a visitor attraction of comparable scale to the Tongariro Crossing (which has approximately 100,000 walkers per year).</p>
<p>Talented Taranaki where the goal is to create a regional culture where innovation, talent and lifelong learning are valued and to ensure Taranaki businesses have the skills to support current and future needs.</p>	<p>Build and retain a highly skilled workforce.</p>	<p>Talented: Invest \$140,000 in management capability building for Taranaki's SMEs subject to central government policy.</p>	<p>Achieved \$326,364 of capability development voucher funding invested across 235 vouchers.</p>	<p>Achieved \$341,444 of capability development funding awarded to Taranaki businesses to support building of business management skills and capability.</p>
<p>Desirable Taranaki where the goal is to make Taranaki the preferred place to live, work and visit, in order to achieve the population target of 135,000 by 2035.</p>	<p>Promote our District as a desirable and unique place to visit, live and invest in.</p>	<p>Desirable: Attract or retain three major events meeting NPDC criteria (>100 points) based on \$700k event fund.</p>	<p>Achieved</p> <ul style="list-style-type: none"> • Wellington Phoenix vs. NZA Football Game 2015 • Taranaki Steelformers Around the Mountain Relay 2015 • NZ Tattoo and Art Festival 2015 • BDO Around the Mountain Cycle Challenge 2016 • Tropfest 2016 • ITU New Plymouth Sprint Triathlon World Cup 2016 • AmeriCARna 2016 • Georgie Pie Super Smash T20 Cricket 	<p>Achieved</p> <ul style="list-style-type: none"> • ITU World Cup Sprint Distance Race 2015 • 2015 NZ Home Loan Surf Festival • WOMAD 2015 • International Festival of the Arts • Powerco Garden Spectacular • Wells Half Ironman • Sting and Paul Simon Concert • TropFest • AmeriCARna • Steelformers Around the Mountain Relay.

STATEMENT OF SERVICE PERFORMANCE *CONTINUED*

For the year ended 30 June 2016

Regional Strategy Context	New Plymouth District Economic Strategy Strategic Priorities	Performance Measurements	2015-2016 Year	2014-2015 Year
Desirable Taranaki continued			Achieved <ul style="list-style-type: none"> • PSP NZ Jetsprint Championship 2016 • Warriors vs Canberra Raiders – NRL Telstra Premiership Fixture • WOMAD 2016 • Powerco Taranaki Garden Spectacular 2016 • Steelformers Around the Mountain Relay 2016 • NZ Tattoo and Art Festival 2016 • BDO Around the Mountain Cycle Challenge 2017 • Tropfest 2017 • AmeriCARna 2017 	
		Desirable: Provide a minimum of six pieces of regional collateral to inspire the communities of Taranaki, visiting conferences, events and leisure travellers to explore and enjoy the many aspects of the region.	Achieved Collateral includes Taranaki – A Walker’s Guide, Taranaki Museums and Galleries, Taranaki Parks and Gardens, Taranaki Visitors Guide, Forgotten World Highway Touring Route Guide, Surf Highway 45 Touring Route Guide, Taranaki Must Dos and Taranaki Event Toolkit	Achieved <ul style="list-style-type: none"> • Official Visitor Guide for Taranaki • Forgotten World Highway • Surf Highway 45 • Taranaki Parks and Gardens • Taranaki Museums and Galleries • Taranaki – A Walkers Guide • Like No Other Conference Magazine • Taranaki Event Toolkit.

TRUST DIRECTORY

For the year ended 30 June 2016

Nature of Business

Facilitating economic development in Taranaki

Business Office

9 Robe Street
New Plymouth

Trustees

Robin Brockie (Chairman)
Gavin Faull
Vanessa James
Kevin Murphy
Jamie Tuuta

Auditors

Audit New Zealand
Wellington
On behalf of the Auditor General

Accountants

Staples Rodway Taranaki Limited
New Plymouth

Bankers

TSB Bank
New Plymouth

Solicitors

Govett Quilliam
New Plymouth



Taranaki's Regional Development Agency

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An initiative of



Te Kaunihera-ā-Rohe o Ngāmōtu
NEW PLYMOUTH DISTRICT COUNCIL
newplymouthnz.com