



STATEMENT OF INTENT

ENTERPRISING MANUKAU

2009—2012

CHAIRMAN'S STATEMENT

I am pleased to present the Statement of Intent for Enterprising Manukau on behalf of its board of trustees for the year commencing 1st July 2009.

Enterprising Manukau is the economic development agency of Manukau City Council. As such, our task is to help formulate and implement programs that sustain growth and development of the regional economy.

Manukau is a critical part of New Zealand's economy. It is the country's third largest city by population and hosts its largest aggregation of manufacturing and transport industries. These industries, in turn, support a large pool of skilled and semi-skilled workers drawn largely from Manukau City and the surrounding sub-region.

However, the region also represents the changes sweeping economies worldwide. Traditional business sectors are being supplemented by newcomers from the "knowledge economy" – sectors such as education, information, technology, design and communications.

Our staff has been critical in the attraction and development of companies within these sectors. Their specialist knowledge of venture capital, investment attraction programs and business development has been able to pinpoint opportunities that have led to the successful establishment of new businesses and development of existing ones. These activities have led to a measurable improvement in Manukau's economy vis-à-vis its regional peers over the past ten years.

The future of economic development in Manukau will be materially affected in the short term by the twin forces of worldwide recession and reconstruction of Auckland's local government.

It is far from clear what the New Zealand government, as a major provider of economic development programs, intends to do with economic development in the enlarged Auckland area. What is obvious is that the region can no longer afford its previous practice of ignoring the need for a coordinated regional economic development strategy. Without one, Auckland will have no coherent approach to ensuring competitiveness over the long term.

Enterprising Manukau's mission is to implement programs that give life to an economic strategy built on our city's strengths. We are proud to submit a Statement of Intent that addresses these aims and look forward to their successful delivery over the coming year.

Matthew Horton

Chair

1.0 WHO WE ARE

The Board of Trustees of Manukau Enterprise & Employment Trust, trading as Enterprising Manukau is pleased to present its Statement of Intent for the financial years 1 July 2009 to 30 June 2012.

This Statement of Intent outlines how it will implement local and regional economic development that will contribute to the future growth of Manukau City and the Counties Manukau Region.

Economic outcomes in Manukau City are positively influenced by a range of activities undertaken by Manukau's economic development delivery agency, Enterprising Manukau.

The growth of the city is dependent on strong business expansion, especially trade focused firms, a skilled workforce and an environment that nurtures and encourages business aspirations. An economic development agency has a pivotal role in encouraging businesses to utilise their resources, look for and capture opportunities, facilitate major economic development projects, and actively focus on driving the growth of new jobs, firms expansion, new export opportunities and wealth creation.

These outcomes are achieved through actively working with sector and industry groups, attracting investment, facilitating major opportunities and providing information and business assistance.

Regional collaboration and co-operation on major projects and capitalising on major regional events and the business opportunities that flow from these is also a focus of our work.

2.0 WHAT WE DO

Incorporated as a charitable trust, and registered under the Charities Act 2005, Enterprising Manukau is a dynamic, commercially neutral organisation. It has and does facilitate economic and business success from business start up assistance, through all business activities on the continuum to attraction and development of investment capital, attraction and relocation of businesses and other economic and business interventions that

contribute to the economic wealth for Manukau and its wider environs. The definition of economic development, as defined by the International Economic Development Council, based in USA, "*Economic development is a process that influences growth and restructuring of the economy to enhance the economic wellbeing of a community*" is the definition that drives Enterprising Manukau's vision and mission.

Vision:

Key organisation for driving the development of a progressive and economically rich region

Mission:

Utilising our unique connexions, skills and knowledge to facilitate an environment for sustainable economic development and business growth

The Trust undertakes a range of activities to improve the performance of the local economy. This requires the Trust to collaborate and co-operate with various shareholders, stakeholders, businesses, central and local government ministries and agencies and community organisations in the region.

"The objects of the Trust (Clause 2.1) are to promote, foster and develop a dynamic sustainable and wealth generating economy in the Counties Manukau sub-region for the benefit of the Counties Manukau Community.

(Clause 2.2) The promotion, fostering and development of a dynamic sustainable and wealth generating economy in the Counties Manukau sub-region may include, without limitation:

- a) Creating employment initiatives and undertaking initiatives designed to reduce unemployment in the Counties Manukau sub-region;

- b) Fostering activities which will increase the opportunities for employment in the Counties Manukau sub-region;
- c) Liaising with, and seeking assistance from, regional and central Government departments and agencies, including (without limitation) the Ministry of Economic Development, Te Puni Kokiri, Work and Income New Zealand, Skill New Zealand (now TEC), the Lotteries Grants Board and community employment groups and any successor ministry, department, agency or group;
- d) Providing a focus for all public and private activities in the Counties Manukau sub-region which enhance the employment climate;
- e) Becoming involved in projects promoting vocational and educational opportunities;
- f) Encouraging and assisting in the establishment and development of sustainable new and existing businesses and promoting enterprise development;
- g) Promoting and attracting new investments to the Counties Manukau sub-region;
- h) Marketing business opportunities and tourism to prospective investors and visitors;
- i) Enhancing community organisations' capacity to initiate and manage projects that contribute positively to economic, community and environmental outcomes;
- j) Liaising and fostering closer relationships with other regional councils and local authorities in New Zealand;
- k) Such other means as the Board thinks fit (but subject to the provisions of this constitution) to carry out the general purposes of the Trust set out in clause 2.1."

3.0 HOW WE ARE GOVERNED

Governance of the Trust is the sole responsibility of the Board of Trustees.

Operations of the organisation are the responsibility of the Chief Executive who reports to the Chair of the Board of Trustees. The Trustees, with their range of experience and expertise are well placed to take the Trust forward and further enhance the benefits that the work of the Trust contributes to Manukau City's future.

The trustees are appointed by the Mayor of Manukau City Council for a term three years. At the end of each three year term, one third of the Trustees must stand down. Those Trustees who are the longest serving are required to stand down, but each Trustee may seek re-appointment, unless, the Trustee has been a Trustee in excess of 9 years as at the date the Term has expired. The last term of office expires on 30th June 2009 and the new term commences on 1st July 2009.

Current Trustees of Enterprising Manukau, date of appointment and term of office as at 1st February 2009.

Name:	Role:	Date Appointed:	Term Commencing 01/07/2009:
Matthew Horton	Chair	6 December 2001	Stand down - eligible for re-appointment
Colin Mitten	Deputy Chair	27 November 2006	Automatic Reappointment
Clyde Young	Trustee	6 June 2001	Stand Down - Retiring 30/06/2009
Carl Bergstrom	Trustee	21 November 2005	Automatic Reappointment
Rob Warren	Trustee	27 November 2006	Automatic Reappointment
Jim Mather	Trustee	1 December 2008	Automatic Reappointment
Sarah Kennedy	Trustee	1 December 2008	Automatic Reappointment

The Trust provides this Statement of Intent in accordance with the requirements of the Local Government Act 2002 to:

- State publicly the activities that Enterprising Manukau will engage in and the objectives to which the Trust will contribute for the year 1 July 2009 to 30 June 2012;
- Provide an opportunity for Manukau City Council, as settlors, to influence the direction of Enterprising Manukau;
- Provide a basis of accountability of the Trustees to Manukau City Council for the performance of Enterprising Manukau.
- Communicate the commitment that Enterprising Manukau has to the economic goals of Manukau City Council.
- State that the trust is committed to maintaining an open, cooperative and harmonious relationship with Manukau City Council.

The primary role of the Board of Trustees is to:

Allocate capital and resources to enable the organisation to achieve its objects and performance targets.
Effectively represent and promote the interests of Manukau City with a view to adding long term value.

Direct and supervise the management of the business affairs of the Trust including:

- Establishing strategies, goals and objectives
- Establishing policies for strengthening the performance of the Trust
- Monitoring the performance of management
- Protecting the organisation's financial position
- Ensuring that audited financial statements are true and fair and conform to the law
- Ensuring the organisation adheres to a high standard of ethics and behaviours and agreed protocols for communication between the Trust, Council officers and elected members.
- Ensuring the organisation has appropriate risk management and mitigation and regulatory compliance policies
- Satisfy itself that the organisation is achieving its goals
- Familiarise itself with issues of concern to the economic development of Manukau City
- Evaluate economic, political, social and legal issues that may impact on the performance of the Trust and delivery of its objects
- Assess the performance of the Board in accordance with the recommendations of the New Zealand Institute of Directors

The Trustees meet monthly to consider the business of the Trust. A monthly report on the operational activities, finances and other matters requiring discussions and decisions is prepared by the chief executive for consideration at the meeting.

4.0 HOW WE MANAGE OUR FINANCES

Capital Reserves

Enterprising Manukau takes a very conservative approach to financial management and the Trustees ensure that sufficient funds are held to meet purposes such as:

- Funds to cover future lease commitments and other financial commitments
- Funds for services due to be delivered in the future
- Future project development

Projected Statement of Financial Position for the three years to 30 June 2012

The projected statement of financial position is based on the assumption of business as usual and that the current contract with Manukau City Council is already known and there is an expectation that there will be no material changes in the next three years. The projection is also based on contracts already secured with other central government agencies for up to four years.

TOTAL EQUITY	TOTAL EQUITY	TOTAL EQUITY	TOTAL EQUITY
2009	2010	2011	2012
Estimated	Projected	Projected	Projected
\$320,500	\$390,500	\$450,500	\$510,000

Statement of Accounting Policies

Reporting Entity: Manukau Enterprise and Employment Trust is registered under the Charitable Trust Act 1957.

Measurement Base: The measurement base adopted is that of historical cost unless otherwise specified. Reliance is placed on the fact that the Trust is a going concern.

General Accounting Policies:

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for the Trust, which is a public benefit entity.

Functional and presentation currency: The Trust's financial statements are presented in New Zealand Dollars, which is the Trust's functional and presentation currency. All values are rounded to the nearest dollar.

Particular Accounting Policies:

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied;

Accounts Receivables: Accounts Receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate.

Goods & Services Tax (GST): The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet.

Taxation: Manukau Enterprise & Employment Trust is approved (effective from 1st July 2008) by the Charities Commission, as a charitable organisation and is exempt from income tax on income derived by the organisation provided that such income is applied for the charitable purposes as set out in the founding document, and exempt from income tax on business income derived by the organisation for charitable purposes in New Zealand.

Contract Income: Contract income is recognised in the Statement of Financial Performance in the period in which the service is rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest Income: Interest income is accrued on a time basis, by reference to the principal outstanding using the effective interest method.

Direct Fees: Direct fee income is recognised in the period in which the service is rendered, and on the basis of the actual service provided as a proportion of the total services to be provided.

Finance Leases: A finance lease is a lease that effectively transfers to the entity substantially all risks and benefits incidental to ownership of the leased item, whether or not title is eventually transferred. The leased assets and corresponding liabilities are disclosed, and the leased assets are depreciated over the shorter of the lease term and the economic useful life of the asset.

Operating Leases: An operating lease is a lease that does not transfer substantially all the risks and benefits incidental to ownership of the leased item. Lease payments under operating leases are charged to the Statement of Financial Performance on a straight line basis over the term of the lease.

Trade and other payables: These represent liabilities for goods and services provided to the Trust prior to the balance date which are unpaid.

Investments: Investments include bank term deposits held with maturity dates exceeding three months, recorded at amortised cost using the effective interest method.

Property, Plant & Equipment: Property, Plant & Equipment are stated at cost less accumulated depreciation. Depreciation has been calculated on a straight line basis, spreading the original cost over the asset's estimated useful life. The depreciation rates used are as follows:

Leasehold improvements	11%	SL	Office Equipment	20%	SL
Furniture & Fittings	10%	SL	Computer Hardware	30%	SL

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the income statement.

Intangible Assets: Acquired computer software and software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Cost associated with developing or maintaining computer software are recognised as an expense as incurred. Computer software is amortised on a straight line basis at rates estimated to write off the cost over the useful life of the software ranging from three to six years.

Impairment of Assets: The carrying amounts of the Trust's long term assets are evaluated for impairment when events or changes in economic circumstances indicate that the carrying amount of such assets may not be recoverable. If any such condition exists, the assets' recoverable amount is estimated.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount (higher of fair value less costs to sell and value in use). Where the future economic benefits of an asset are not primarily dependent on an ability to generate cash inflows, value in use is determined as the depreciated replacement cost of the asset. Impairment losses are recognised in the Statement of Financial Performance.

Cash and Cash Equivalents: Cash and cash equivalents comprise cash on hand, deposits held with financial institutions, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Accrued Employee Expenses: This represents the Trust's liability for holiday pay at the balance sheet date. The leave provision is calculated on actual entitlement at the current rates of remuneration. A liability is also recognised for the accrued sick leave that employees are likely to take in future periods in excess of their current entitlements in each of those periods.

Provisions: Provisions are recognised when the Trust has a present legal and constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

5.0 LEVELS OF SERVICE & HOW OUR PERFORMANCE WILL BE MEASURED

As an economic development agency, Enterprising Manukau's direction and delivery is prescribed by its funders and as a Council Controlled Organisation (as defined by the Local Government Act 2002) located in Manukau City, Manukau City Council, as a funder is the major influencer of the services delivered.

As a local government entity, Manukau City Council is required to inform the city of its plans through a ten year document, the Long Term Council Community Plan (LTCCP).

As part of the consultation process to build the LTCCP, Manukau City Council draws together all of the community aspirations and publishes a document "Tomorrow's Manukau' Manukau Apopo.

"Tomorrow's Manukau—Manukau Apopo provides a framework for thinking and acting towards this future."

"Progressive, Proud & Prosperous". Manukau Apopo speaks about:

- *Educated & Knowledgeable People*
- *Healthy People*
- *Moving Manukau*
- *Safe Communities*
- *Sustainable Environment & Heritage*
- ***Thriving Economy***
- *Vibrant & Strong Communities*

"These are seven broad themes or areas of people's lives to which communities and the City as a whole aspire. The Tomorrow's Manukau document provides a guide for leaders in that more than 70 organisations will work towards either collectively or individually".

The Tomorrow's Manukau document guides the focus of the Annual Manukau City Council Plan.

And in particular the:- section "Thriving Economy" which states that:-

"Economic growth that generates jobs and wealth is vital to build and sustain a high-quality lifestyle for current and future generations. This means fostering high-value, environmentally friendly businesses, and the skills and knowledge to generate the resources we need to tackle some of the pressing and often inter-related problems facing our city, such as housing, health and education. The council aims to attract businesses, events and tourism that rely on skills and technology and which can help the city be an innovative and thriving place in which to invest, live and visit."

"Economic development focuses on assisting Manukau businesses through Enterprising Manukau"

"Manukau's population is growing rapidly. To build and sustain high quality lifestyles for current and future generations it is important to develop the kind of economic growth that will generate jobs and wealth for the region, while at the same time safeguarding the natural environment.. This means fostering both the growth of high value businesses that are environmentally friendly and the skills and knowledge of the community."

Outcome One: Manukau is the best location in the Pacific Rim for business to invest.

Manukau people want to harness and strengthen the competitive advantages that make the City a great location for business to invest. These include a business friendly council and easy access to Auckland International Airport and the Ports of Auckland, Onehunga and Tauranga. Business people want Council to continue to focus on making this a great place to do business.

Outcome Two: Manukau is a logistics and distribution hub for the Pacific Rim.

Convenient road and rail access to the three ports and New Zealand's largest airport means that Manukau is able to compete as a logistics centre, economically serving the Pacific Rim. Modern warehousing techniques ensure that distribution centres maximize the use of available land. Manukau's geographic advantages combined with New Zealand's world leading logistics technology provide enormous opportunity for economic development in the City.

Outcome Three: Manukau has a highly skilled and educated workforce which supports a thriving economy.

Manukau businesses like the City's large workforce. Having the right mix of skills, knowledge and attitudes to meet business needs is critical for business success. A well educated workforce is essential for embracing innovation and responding quickly and effectively to advances in technology or new ideas.

Outcome Four: Manukau will be a high quality destination for national and international visitors.

Auckland International Airport is situated in Manukau and is the gateway to the Auckland Region and the rest of New Zealand. The City can continue to build on this competitive advantage by developing Manukau as a tourist destination. This will provide greater economic benefits for the City and its people.

These outcomes prescribe the annual funding contract from Manukau City Council and ensure that the work of the trust is focused on achieving the goals, objectives and outcomes that have been identified as desirable for Manukau City. These outcomes are now condensed into three main thrusts for the next three years:

- Create 15,000 jobs over the next three years
- Facilitate \$100 million investment in the next three years
- Organisational sustainability

OBJECTIVES	DESCRIPTION OF ACTIVITY	TARGETS 2010	TARGETS 2011	TARGETS 2012
<p>Create 15,000 jobs over the next three years</p>	<p>Business Retention/Safeguard Jobs Sector & Cluster group facilitation Central government grants Business Excellence Awards Business Events—various</p> <p>Business Start-ups/Emerging/Early Stage Business Information zone Be Your Own Boss Incubator - established as stakeholder with AUT on arrival Early stage investment into start-ups Young Enterprise Scheme</p> <p>Business Growth & Retention Early stage investment into growth firms Sector & Cluster Groups facilitation Productivity initiative Mentoring & coaching Research & Technology capability</p>	<p>Four groups \$1,600,000 One annually Three</p> <p>900 jobs 800 Contacts 80 participants Linkages established \$5 million 16 schools 88 teams 550 students</p> <p>3500 jobs \$5 million See above Year one 150 mentors 800 contacts 4 briefings 75 grants</p>	<p>Four groups \$1,700,000 One annually Three</p> <p>1500 jobs 900 Contacts 100 participants Linkages Established \$5 million 17 schools 90 teams 600 students</p> <p>5000 jobs \$5 million See above Year two 150 mentors 850 contacts 4 briefings 75 grants</p>	<p>Four groups \$1,700,000 One annually Three</p> <p>1500 jobs 900 Contacts 100 participants Linkages Established \$5 million 17 schools 90 teams 600 students</p> <p>5000 jobs \$5 million See above Year three 150 mentors 850 contacts 4 briefings 75 grants</p>
<p>Facilitate \$100 million investment in three years</p>	<p>Investment Inward investment facilitation Active facilitation of major new projects</p> <p>Property Forum</p> <p>Economic Vibrancy Economic data provision Economic information provision Economic data marketing Economic Summit</p> <p>Targeted marketing Brochures & printed information Positioning Manukau for investment opportunities</p> <p>Major business and CEO relationship development</p>	<p>400 jobs 20 facilitations One idea Facilitated</p> <p>1 Forum facilitated</p> <p>1 Publication 50 enquiries Ongoing 1 Summit delivered</p> <p>Data updated & republished</p> <p>TOP 100 Database/forum maintained</p> <p>Mayoral/CEO Lunches/business visits</p> <p>Business recognition programme</p>	<p>1000 jobs 20 facilitations One idea Facilitated</p> <p>1 Forum facilitated</p> <p>1 Publication 50 enquiries Ongoing 1 Summit delivered</p> <p>Data updated & re-published</p> <p>TOP 100 Database/forum maintained</p> <p>Mayoral/CEO Lunches/business visits</p> <p>Business recognition programme</p>	<p>1000 jobs 25 facilitations One idea Facilitated</p> <p>1 Forum facilitated</p> <p>1 Publication 50 enquiries Ongoing 1 Summit delivered</p> <p>Data updated & re-published</p> <p>TOP 100 Database/forum maintained</p> <p>Mayoral/CEO Lunches/business visits</p> <p>Business recognition programme</p>

OBJECTIVES	DESCRIPTION OF ACTIVITY	TARGETS 2010	TARGETS 2011	TARGETS 2012
Organisation Sustainability	<p>Marketing & Publicity & Communications Active marketing of services</p> <p>Relationship Development Major fundraising initiative scoped</p> <p>Quality Management On-time budgets, reporting & audit completion</p> <p>Fiscal prudence & accountability compliance</p> <p>Periodic client satisfaction surveys Increase client satisfaction</p> <p>Responsible personnel management</p>	<p>Annual Marketing and Communication Plan</p> <p>Implementation of fundraising Initiative</p> <p>Annual Business Plan</p> <p>Unqualified Audit Annual Budget All compliance requirements met</p> <p>One major Survey undertaken</p> <p>All staff engaged in performance management programme</p> <p>80% Staff retention</p>	<p>Annual Marketing and Communication Plan</p> <p>Stage two development of fundraising Initiative</p> <p>Annual Business Plan</p> <p>Unqualified Audit Annual Budget All compliance requirements met</p> <p>One major Survey undertaken</p> <p>All staff engaged in performance management programme</p> <p>80% Staff retention</p>	<p>Annual Marketing and Communication Plan</p> <p>Stage three implementation of fundraising Initiative</p> <p>Annual Business Plan</p> <p>Unqualified Audit Annual Budget All compliance requirements met</p> <p>One major Survey undertaken</p> <p>All staff engaged in performance management programme</p> <p>80% Staff retention</p>

6.0 OUR REPORTING

In addition the Trust will provide the following information to Manukau City Council as required by the Local Government Act 2002:

A draft SOI will be submitted to Council by March 1st.

A completed Statement Of Intent will be submitted to Council by June 30th.

By 28 February, Council will receive a written report on the Trust's operations during the first half of the year.

By 30 September, Council will receive a written report on the Trust's operations during the year.

Draft Financial Statements and Service Performance Reports will be provided no later than four weeks after the end of each Six month period to assist the Council for consolidation purposes.

These reports will contain the information that is necessary to enable an informed assessment of the Trust's operations, including a comparison of the performance of the Trust with this Statement Of Intent.

Reporting as per any contract with Council for the Provision of Economic Development Services.

Signed:

Chairperson

Chief Executive

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Matthew Horton

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Gaelle Deighton

16th June 2009

16th June 2009