



TOURISMWAITAKI

Half-Year Report

January 2016



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Board of Directors

Chair Marcus Brown
Directors Mike Neilson, Adair Craik, James Glucksman, Mike McElhinney (From December 2015)

Senior Staff

General Manager Tourism Waitaki	Jason Gaskill
Marketing Manager	Ian Elliott
Operations Manager	Wendy Simpson
Research Scientist	Philippa Agnew
Accountant	Richard Heeringa

Head Office 8 Itchen Street
Oamaru 9400

Solicitors Lane Neave, Christchurch

Auditors Audit New Zealand, on behalf of the Auditor-General

GENERAL MANAGER'S REPORT

The first half of 2015-2016 has been productive. Increases in trade through the Colony, on A2O, and through the ISITE network have expanded the external revenue base of the Tourism Waitaki group. Both independent and group visitors are up significantly, and inquiries likewise continue to rise.

The Company is in good financial health, with revenue through our main operational activities growing. We are on target to produce a modest (-23,030) loss for the full year due to expected investment in staff and training to cover operational growth, particularly at the OBPC and ISITE.

The Colony development is set to begin during the 4th quarter. While contractors and timing are still currently being finalised, the Company expects work to be completed in time for the spring of 2016. The focus of the work is improved day experiences, with enhanced research displays, interactive activities, and refreshed internal viewing experiences.

The ISITE network likewise is set for development, with continued refresh work at both the Oamaru and Palmerston sites, and continued work on improved formal service planned for Omarama.

The next six months will also see an expansion in our relationship with the Oamaru Whitestone Civic Trust as we develop the Harbour Street tourism product in the Historic Precinct. Negotiations on milestones and final contract arrangements with MBIE continue. We are currently seeking Indications of Interest from creative and fit-out services providers.

Work through the Regional Tourism Organisation, Tourism Waitaki, has also seen great gains: steady increases to bed nights, a stable and upward trending length of stay measure, and higher visitor attraction activity all indicate efforts are bearing positive results.

We have seven confirmed conferences for the next 12-month period, and have hosted ANZ Bank, the Tourism Export Council Board meeting, the Department of Conservation Otago Conservation Board strategy planning sessions, and received numerous requests for information.

Waitaki Events continue to grow. TWL has agreements in place to expand the Heritage Celebrations and Fire and Steam, and is working with interested parties to grow interest A2O-focussed events and art activity. This will give the District a stable, regular major event schedule on which to plan domestic and regional promotional activity.

The organisation is now strategically focussed on attracting MORE visitors, who will spend MORE time in the District, and do MORE things while they are here. TWL has been active in the regional communities, deepening our community presence and better coordinating our industry communication. In all, the first 6 months have provided reason for great optimism, and our expectations for the remaining 6 months of the year are cautiously positive.

Jason Gaskill
General Manager
Tourism Waitaki Limited

PERFORMANCE

The following section outlines our tourism activities for the period ending 31 December 2015 as they relate to the KPIs set forth in the Statement of Intent.

Tourism Tasks:

- 1.1 Increase Trade-Ready Product:
This is an ongoing activity. Emphasis has been placed on developing a number of operators, assisting current operators who are trade ready to expand their product offerings, and receiving investment in new trade-focussed ventures.
- 1.2 Increase visitor's length of time in the District:
The recent Commercial Accommodation Monitor for the year ending Nov 2016 shows a stable length of stay at 1.53 nights. Occupancy remains consistent at 18%.
- 1.3 Increase Visitor Yield:
Gains have been made through increased visitor nights on Alps 2 Ocean, higher charge rates for the OBPC, and the impact of secured conferences. We expect further gains to be made as more products come on

WDB Performance Measures

The following table outlines the specific tools used to measure and achieve performance over the last financial year:

TARGETS	MEASUREMENTS	ACHIEVEMENTS
Regional promotion	Increase in Bed Nights Growth in visitors from core Domestic markets District Signage renewal	Total bed nights up 10.3% to 391,282 Core markets in Canterbury and Otago continue to be targeted, and we are closely monitoring their volumes through key District operators. Renewal of District boundary signs began in December 2015, and will continue through to March 2016.
Product Development	Develop new trade-ready tourism ventures Expand current trade-ready products Expand travel infrastructure network	Work continues on Harbour Street and Alps 2 Ocean, as well as further work with specific operators on becoming trade-ready The OBPC, A2O, and multiple other operators have expanded their services and added new products. We are also aware of other businesses that are

		<p>looking to expand over the next 18 months.</p> <p>We are working with improved rail connections as well as closer affiliations with regional air services.</p>
Develop new strategic partnerships	<p>Expand Industry affiliations</p> <p>Investigate further IMA activity and partnerships</p>	<p>TWL is involved in all major industry bodies, and is increasing its presence at regular events.</p> <p>We have been working closely with regional partners on further developing our off-shore collaboration.</p>
Trade initiatives	<p>Increase in visitors coming through inbound operators</p> <p>Growth in TRENZ attendees from the District</p> <p>Develop District-wide itineraries</p> <p>Establish a functional District booking engine</p>	<p>IBO visitors to the District are up 35%</p> <p>We continue to work with operators on attending TRENZ, and this year will have 4 attendees. This is equal to last year.</p> <p>We continue to work with the industry on saleable itineraries.</p> <p>The booking engine is in the final design stages and is on track to be launched at the beginning of May 2016.</p>

Statement of Compliance & Responsibility

Compliance

The Board and senior management of Tourism Waitaki Limited confirm that all the statutory requirements of the Local Government Act 2002, regarding financial management and borrowing, have been complied with.

Responsibility

The Board and management of Tourism Waitaki Limited accept responsibility for the preparation of the annual Financial Statements and the judgments used in them.

The Board and management of Tourism Waitaki Limited accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board and management of Tourism Waitaki Limited, the Financial Statements for the six months ended 31 December 2015 fairly reflect the financial position and operations of Tourism Waitaki Limited.

Marcus Brown
Chair

Adair Craik
Director

TOURISM WAITAKI LIMITED
Financial Performance

Tourism Waitaki
Financial Statements
For the Period Ending
December 2015

	DEC 2014 Actual	JUNE 2015 Actual	DEC 2015 Actual	DEC 2015 Budget	JUNE 2016 Forecast
<u>Revenue</u>					
OBPC	457,073	1,088,292	586,148	509,748	1,282,500
i-site	190,502	421,874	175,532	202,352	450,000
A2O	137,463	274,771	133,044	154,600	268,000
TW	<u>230,979</u>	<u>445,434</u>	<u>140,452</u>	<u>146,002</u>	<u>292,000</u>
Total	<u>1,016,017</u>	<u>2,230,371</u>	<u>1,036,176</u>	<u>1,012,702</u>	<u>2,292,500</u>
<u>Expenditure</u>					
OBPC	373,997	708,656	410,432	366,850	762,900
i-site	150,767	348,809	221,181	183,180	373,980
A2O	162,077	343,451	178,642	192,284	369,050
TW	<u>347,155</u>	<u>818,074</u>	<u>330,412</u>	<u>390,824</u>	<u>809,600</u>
Total	<u>1,033,996</u>	<u>2,218,990</u>	<u>1,140,667</u>	<u>1,133,138</u>	<u>2,315,530</u>
(Deficit)	(17,979)	11,381	(104,489)	(120,436)	(23,030)

Notes:

1. These figures do not include capital items or potential tax payments.
2. OBPC revenue is up primarily on the back of increased inbound trade volumes from organized tour groups, and adjustments to wholesale rates.
3. The difference in ISITE ACTUAL revenue to BUDGET revenue is primarily a function of timing, with some invoicing of services delayed to the second half of the year. It also reflects a slower than expected retail trade. However, sales to tickeatable attractions, accommodation providers, and travel are up on previous years.
4. The lower than budgeted A2O revenue stems from both timing of invoicing for the partner program as well as slower than forecast volumes through the Booking Engine.
5. Increase in expenditure at the OBPC and ISITE are due to increased staffing required given increased visitor volumes, reallocation of salaries across the group to reflect true operational and management cost, and, in the case of the OBPC specifically, maintenance costs related to habitat protection, and training costs for new staff.