



Half-Year Report

December 2017



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Board of Directors

Chair Mike McElhinney
Directors Adair Craik, James Glucksman, Janine Tulloch, Marcus Brown

Senior Staff

Research Scientist	Philippa Agnew
Operations Manager – Retail and Customer Service	Wendy Simpson
Operations Manager – Development and Commercial	Brooke Kofoed
Communications Manager	Lisa Smith
Accountant	Richard Heeringa

Head Office 8 Itchen Street, Oamaru 9400

Solicitors Lane Neave, Christchurch

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

OVERVIEW

The six months ending December 2017 saw a continuation in the development work at the Oamaru Blue Penguin Colony (OBPC), with work finally being completed and the new displays opened early December. OBPC ticket revenue was up \$90,923 (15.6%) on the previous year over the same period, and up \$29,935 on budget. Expenditure was \$50,000 below budget. Work has continued at Bushy Beach to help protect the yellow-eyed penguins living there, this work has attracted corporate sponsorship from China Travel Services.

The Alps 2 Ocean Cycle Trail sustained damage during flooding in July and extensive repairs were required. These repairs were funded via an application made to the Ministry of Business, Innovation and Employment (MBIE). Work has also continued on trail development, increasing the amount of trail off-road, at small sections south of Duntroon and north of Kurow. Bookings for the A2O have increased significantly through the booking engine and work is continuing on the guardianship and partnership programmes.

Tourism Waitaki expanded the network of information services in the Waitaki Valley, by developing an agreement with the Waitaki Valley Community Society to operate the Kurow Information Centre and leasing space for an information centre in Omarama, to be opened early in the new year.

Whitestone City (WSC) was opened in May 2017 and has received continuous positive feedback from both the community and visitors alike. It is currently ranked # 5 on Tripadvisor after only 9 months of operation. Throughout the first 6 months of operating, ticket revenue was significantly below budget. In hind-sight, the budget was ambitious and didn't allow enough time to fully develop our international trade partners. The TWL have faith in the product and are looking at ways to both increase revenue and manage costs to ensure we minimise the immediate negative financial impact. TWL staff have and will continue to promote WSC to both domestic and international agents. A major promotional opportunity is TRENZ in Dunedin in May.

Initially TWL budgeted to produce a surplus of \$143,637. This figure has since been revised to a deficit of approximately \$120,000. In the coming 6 months TWL aims to minimise the forecast loss by adjusting costs where possible and significant work has commenced in this area.

The goal for TWL now under new management, is to review the marketing strategy and business structure, improve the effectiveness of the operation, and to develop a strategic marketing plan which aligns to our region and its unique offerings. TWL will build on the overall Tourism New Zealand strategy which focuses on regional destination marketing, off-shore trade and events; all of which can become inclusive of our local operators across the district. TWL will make it a priority to form improved relationships with operators and our communities, to become a resource for tourism knowledge and support. Strong emphasis will be on enhancement of the operations under the management of TWL, we will find innovative ways to build on the existing theming and atmosphere this region is already well known for.

PERFORMANCE

The following section outlines our tourism performance:

Tourism Tasks:

- 1.1 Increase Trade-Ready Product:
Two new trade products were launched, one private enterprise, and the other the new visitors' centre at the OBPC which allows for enhanced day tour offering.
- 1.2 Increase Visitors' Length of Stay in the District:
The most recent Commercial Accommodation Monitor for the year ending December 2017 shows a fairly stable length of stay at 1.52 nights. Occupancy rose slightly at 19.3% up from 18.4% in the previous year, and total capacity rose slightly.
- 1.3 Increase Visitor Yield:
For the year ending January 2018, \$171m was spent in the District, representing a 3% year on year growth. As new products are developed and as existing offerings continue to grow it is anticipated that visitor yield will continue to show steady growth.

TWL 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	Total bed nights down 4% to 407,602 (international up 14% to 178,983; Domestic down 15% to 228,619).
	Growth in visitors from core Domestic markets	Domestic markets dropped in 2017 as recorded in the commercial accommodation monitoring survey. This report does not capture the Air B'n'B market, and could account for some or all of this drop.
	District Signage renewal	A signage strategy was developed and is being included in the new District Tourism Strategy.
Product Development	Develop new trade-ready tourism ventures	A new trade product offering was launched in the last 6 months. We have begun working with this operator to assist them with working in the trade tourism environment.

	<p>Expand current trade-ready products</p> <p>Expand travel infrastructure network</p>	<p>OBPC expanded its offering, with their new visitor centre which is included in the new day tour offering.</p> <p>TWL has expanded the Information Service centres in Omarama and Kurow</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 maintaining its presence at regular events.</p> <p>We have been working closely with a variety of regional partners on further developing both our domestic and off-shore collaboration. TW has been working with the Christchurch International Airport Limited's brand "SOUTH" in the Australia and China markets.</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>Work with IBO's has been a focus over the last 6 months. New operators have been contracted to WSC, and we continue to work with existing operators to educate them about commissionable products in the District.</p> <p>With TRENZ being held in Dunedin this year, significant work has gone into working with local operators to help them attend the tradeshow in 2018.</p> <p>We continue to work with the industry on saleable itineraries based on those requested by industry partners.</p> <p>District bookings are being further developed in association with our partners Bookeasy and Bookit.</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 2017 fairly reflect the financial position and operations of Tourism Waitaki Limited.

Mike McElhinney
Chair


Adair Craik
Director

TOURISM WAITAKI LIMITED
Financial Performance

Tourism Waitaki
Financial Statements
For the Period Ending
December 2017

	DEC 2017	DEC 2017	DEC 2016	JUNE 2018	JUNE 2018	JUNE 2017
	Actual	Budget	Actual	Forecast	Budget	Actual
<u>Revenue</u>						
OBPC	745,744	715,000	663,642	1,673,866	1,627,000	1,505,138
i-site	298,621	309,950	236,381	353,602	400,000	374,293
A2O	444,748	273,750	259,999	561,448	576,000	369,095
WSC	34,584	140,000	151,122	97,144	460,000	297,811
TW	<u>273,175</u>	<u>316,000</u>	<u>270,813</u>	<u>312,033</u>	<u>417,000</u>	<u>354,102</u>
Total	<u>1,796,872</u>	<u>1,754,700</u>	<u>1,581,957</u>	<u>2,998,093</u>	<u>3,480,000</u>	<u>2,900,439</u>
<u>Expenditure</u>						
OBPC	433,173	495,246	474,194	896,450	1,036,864	873,548
i-site	217,324	203,623	234,432	420,794	427,096	479,324
A2O	396,674	166,917	227,894	612,195	535,635	442,613
WSC	226,454	232,280	31,565	441,878	469,660	240,060
TW	<u>401,754</u>	<u>431,404</u>	<u>437,339</u>	<u>746,464</u>	<u>867,108</u>	<u>805,619</u>
Total	<u>1,675,379</u>	<u>1,529,470</u>	<u>1,405,424</u>	<u>3,117,781</u>	<u>3,336,363</u>	<u>2,841,164</u>
Surplus	<u>121,493</u>	<u>225,230</u>	<u>176,533</u>	<u>(119,688)</u>	<u>143,637</u>	<u>59,275</u>