

TOURISM WAITAKI LIMITED

STATEMENT OF INTENT 2023/24

Draft for Council meeting 28 March 2023



CONTENTS:

3. Vision

Introduction

The Company description

The Company Objectives

4. Nature and Scope of Activities

Shareholder Expectations

Reporting Frequency and Content

5. Annual Report & Annual Budget

6. Reporting and Performance Goals 2022-23

Goals and Targets

8. Financial Projections for the Company

Governance, Policies and Procedures –

Corporate Governance Statement

9. Director and Board Performance

Company Management Structure

Code of Conduct

Treasury Policy

Audit

Rebates

Accounting Policies

Procedure for Acquisition of Other

Interests

Activities for Which the Company Seeks

Compensation from any Local Authority

Sales of Goods/Services to the

Shareholder

the Local Government Act 2002 it is deemed to be a Council Controlled Organization.

Council's primary objective for continued ownership and control of Tourism Waitaki, is to advance a sustainable tourism sector.

VISION

Draw visitors to the Waitaki to explore its rich heritage, unique geology, biodiversity, and Geo gastronomy and engage with our people and communities

PURPOSE

Make a positive contribution to our communities

INTRODUCTION

This Statement of Intent has been prepared in accordance with Section 64 of the Local Government Act 2002 and in the knowledge that Covid 19 continues in its third year to severely impact local, national, and international tourism.

It outlines the activities and intentions as agreed with its shareholder, based on the Waitaki District Council Shareholder Letter of Expectation for 2022-23 and the objectives to which those activities will contribute. Performance focus, methods and measures are specified, along with the Company's policies relating to governance and other matters.

As part of the COVID-19 tourism recovery initiative, the New Zealand Government supported all RTOs with targeted funding from the Ministry of Business, Innovation and Employment (MBIE) to fund agreed work plans FY21 and FY22.

This SOI Incorporates the funded outcomes it negotiated with MBIE.

The Statement of Intent is reviewed annually by the Company in consultation with Waitaki District Council.

THE COMPANY – DESCRIPTION

Tourism Waitaki Limited is the registered legal name of the former Waitaki Development Board, which was established in December 1996 and is 100% owned by the Waitaki District Council. Under the provisions of

THE COMPANY - OBJECTIVE

Waitaki will be sought out as a destination by New Zealanders and future overseas visitors.

Tourism Waitaki profiles a desirable and proud destination to all potential visitors. They can connect, listen, and learn through participation at many attractions, explore the natural environment, or discover the rich natural heritage and cultural stories of the district.

Neighboring regions will be viewed as natural and easy extensions to the visitor journey.

Tourism Waitaki will enable operators and communities to deliver original and engaging experiences in the Waitaki.

Nature and Scope of Activities (subject to COVID-19 constraints)

- Develop a Destination Management Development Plan for the Waitaki District.
- Maintain business partnerships and commercial relationships with stakeholders at local, regional, and national levels.
- Actively promote the Waitaki District to the domestic market
- Be market ready for returning international trade
- Support Waitaki tourism operators to maintain and enhance their business through advice and advocacy.
- Supply visitor information through digital services and other outlets
- Maintain the Scientific activities of the Oamaru Blue Penguin Colony (OBPC)
- Broaden the visitor experiences at the OBPC when international visitor numbers allow.
- Promote the Alps to Ocean Cycle Trail and the Waitaki Whitestone aspiring Global Geopark as key visitor attractions.

Shareholder Expectations

Council expects that in conducting the affairs of the Company, the directors shall ensure:

- Transparent and collaborative relations are maintained with the shareholder.
- Active engagement with iwi and Ngai Tahu Tourism.
- A positive relationship with the Waitaki District community is maintained,
- Locals are encouraged to be tourism advocates and ambassadors.
- Business activities are conducted in an efficient and effective manner.
- Assets and liabilities are prudently managed.
- Overall performance supports Council's reasons for continued ownership.
- Decisions are based on the achievement of long-term strategic needs and objectives,
- The Company acts as a good employer and as an environmentally conscious and responsible citizen.
- The Company engages in the implementation of the Economic Development Strategy.

Reporting Frequency and Content

A Director of the Company shall attend any meeting at which the Annual Report or Half Yearly Report is presented to Council as shareholder.

The following information will be available to the shareholder based on an annual balance date of 30th June:

Draft Statement of Intent

By 1 March each year, the Directors shall deliver to the shareholder a Draft Statement of Intent for the following year which fulfils the requirements of Section 64 of the Local Government Act 2002.

Completed Statement of Intent

By 30th June of each year, the Directors shall deliver to the shareholder a Statement of Intent for the following year which fulfils the requirement of Section 64 of the Local Government Act 2002.

Quarterly Reports

Within six weeks of the end of each quarter TWL shall report to the Shareholder in accordance with contractual requirements.

Half Year Reports

Within two months of the end of the first half of the financial year, the Directors shall deliver to the shareholder the following:

- an un-audited report containing the information required by the Financial Reporting Act 1993
- a commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on the Company's performance
- an estimate of the financial result for the year based on that outlook,
- a report on the performance targets achieved during the six month period,
- the scale of non-Council related business activities statements for any grants awarded by the Tourism Waitaki to another party, including information measuring the effectiveness of the grant.



Annual Report

Within three months of the end of the financial year, the Directors shall deliver to the shareholders an annual report and audited financial statements containing the following information as a minimum:

- A report on the operations of the Company to enable an informed assessment of the Company's performance
- Performance against identified focus areas, methods, and measurements in this Statement of Intent.
- Performance against the Corporate Governance Statement.
- Audited financial statements as required under the Financial Reporting Act 1993.
- Any grants awarded by Tourism Waitaki Limited to another party, including information measuring the effectiveness of the grant.

Annual Budget

Annual revenue and expenditure figures shall be provided by 30 November, to enable it to be included within the Draft Annual Plan for the Waitaki District Council.

In addition to the above reports to Council, there will be between 2-4 meetings per year with the shareholders Executive Committee.

REPORTING AND PERFORMANCE GOALS FOR 2023-24

Goal 1: Engage with the tourism sector businesses for the recovery from the impacts of Covid

How this will be achieved:

1. Host Operator workshops

Target: Host a minimum of two operator workshops annually in conjunction with local industry or other RTO.

2. Issue Bi-monthly newsletters

Target: Issue six newsletters annually

3. Share relevant Industry updates

Target: Quarterly, issue a market update to tourism operators which includes local trends in visitor spend and length of stay in the Waitaki RTO. Share market updates from Tourism New Zealand

4. Participate in Waitaki Tourism Assoc (WTA) meetings

Target: Attend WTA meetings, when this is not possible provide a written report to the WTA Chair with latest trends and project updates. Target a minimum of 10 meetings attended or information contributed

5. Conduct annual surveys of operators

Target: Conduct an annual survey of operators to gain their visitor insights and provide feedback on the functions of the RTO

Goal 2: Securing the opportunities and reaping the benefits of the Destination Management Strategy and Plan

How this will be achieved:

1. Collaborate with Otago RTOs

Target: Support on-going collaboration with the Otago RTOs to develop new regional marketing developments. As required, attend meetings, provide resources, and support co-funding of agreed projects

2. Partner with Te Manahuna DM projects

Target: Support joint initiatives where the Mackenzie and Waitaki DMPs can provide cross-district benefits. As required attend meetings, provide resources and support co-funding of agreed projects

3. Meet with iwi, tourism operators and businesses regularly to ensure collaboration with DMP opportunities

Target: Hold meetings with iwi and industry partners to ensure the DMP is front and center and identified opportunities are supported.

4. All actions and initiatives will target increased visitor spend and length of stays

Target: Trend data collected from Accommodation Data Program (ADP) and the Tourism Electronic Card Transaction (TECT) data shows levels maintained or increased in the Waitaki RTO. Visitor spend is increased over current 12 month compared with the previous 12 months

Goal 3: Develop and implement a plan for the business that ensures TWL and OBPC financial sustainability for 2022/23

How this will be achieved:

- 1. Tourism Waitaki will follow Best Practice Business Management and will work within available funding and resources for 2023/24**

Target: Develop a budget for TWL and OBPC for 2023/24

- 2. Engage in the Economic Development Strategy project and support its implementation**

Goal 4: Develop and modernize the marketing and promotion offer

How this will be achieved:

- 1. Tourism Waitaki will produce a marketing plan for 2023/24**

Target: A marketing plan is developed by September 2023 which incorporates MBIE funded deliverables for marketing

- 2. Use digital technology enhancements to promote the Waitaki district**

Target: Make further enhancements to TWLs social & digital marketing. Investigate the use of digital billboards

- 3. Engage with travel trade and ensure the Waitaki District has a presence at trade events and trade shows.**

Target: Attendance at RTNZ, TNZ, TIA, TRENZ and TECNZ events where travel trade, product managers, IBOs, ITOs will be in attendance

- 4. Collaborate with our International Marketing Alliance (IMA) partners to ensure successful representation is provided in offshore marketing.**

Target: Attendance at IMA events, or provision of resources and marketing material

Goal 5: Oamaru Blue Penguin Colony Plan for 2023/24

How this will be achieved:

- 1. Tourism Waitaki will develop a budget for the OBPC reflecting the operation returning to a BAU model as seen prior to Covid 19. The budget will be monitored as visitor numbers return. MBIE Project/funded**

Target: To increase visitor numbers to the OBPC from the prior year. OBPC opens for day tours as visitor numbers increase.

- 2. Promotion of other visitor activities at the OBPC**

Target: Using a digital display at the OBPC, other local activities and sights can be on show for visitors to view

- 3. Survey of visitors to OBPC to measure an annual NPS score**

Target: OBPC will regularly seek visitors feedback via surveys with the aim to increase the NPS score on the previous year.

NPS or Net Promoter Score, is derived from customers being asked a specific survey question. The resulting score can be used to compare previous NPS scores, or against similar businesses within the same Industry. To increase the NPS score generally reflects a lift in visitor satisfaction with the product or experience.

Financial projections for the Company

Year Ending 30 June 2023

Shareholder's Equity \$500,000

Ratio of Consolidated Shareholders' Funds to Total Assets

The ratio of consolidated shareholders' funds to total assets will continue to exceed 5%.

'Shareholders' Funds' (Equity) are defined as the paid-up capital plus any retained tax paid profits earned and less any dividends distributed to shareholders. They include accumulated surpluses – revaluation reserves, trust funds and any other reserves or funds which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves."

'Total Assets' are defined as the sum of all current and non-current assets plus investments of the Company.

Directors Estimate of the Company Value

The Estimate of the Commercial value of the shareholders' investment shall be the opening balance of shareholders' funds. The directors will advise the shareholders on an annual basis if they differ materially from this state.

GOVERNANCE, POLICIES AND PROCEDURES

Corporate Governance Statement

Role of the Board of Directors

The Directors' role is defined in section 58 of the Local Government Act 2002. This section states that all decisions relating to the operation of the Council Controlled Organization shall be made pursuant to the authority of the directorate of the Organization and its Statement of Intent. The Board consults with the Company's shareholder in preparing and reviewing the Statement of Intent.

The Board will meet a minimum of six times a year and more frequently as required. Meetings may be in person or by teleconference. The Board is responsible for the proper direction and control of the Company's activities. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and reporting to shareholders. While the Board acknowledges that it is responsible for the overall framework of the Company, it recognizes that cost effective internal control systems will preclude errors and irregularities.

The board shall ensure that suitable governance policies are in place to give effective and efficient direction of the company.

The Role of the Shareholder

- a) The Board aims to ensure that the shareholder is informed of all major developments affecting the Group's state of affairs. The shareholder is consulted with on the review of the Company's Statement of Intent and is responsible for the appointment of directors. Information is communicated to shareholder in the Annual Report, the Half-year Report and Shareholder meetings or special meetings where required.

Board Appointments

- b) Directors are appointed by the shareholder in accordance with Council policy. The Board is subject to the shareholder's director rotation policy requiring all the directors to retire over any three-year period. Retiring Directors shall be eligible to apply for reappointment.

Director and Board Performance

The Board formally reviews its performance, and the performance and contribution of individual directors on an annual basis, taking into account the current and future needs of the Company, and performance improvement processes are implemented as required. The annual review also provides information to the shareholder on the mix of skills needed to assist with the identification of new directors. The Board shall review the role of the Chair annually.

Company Management Structure

All operations and management of the Company and its business units are delegated to the General Manager, Tourism Waitaki Limited who appoints and relies on key personnel for support.

Code of Conduct

The Board has adopted policies for its members, executive and staff, specifying the business standards and ethical considerations in conducting its business with stakeholders.

Treasury Policy

There is no exposure to foreign exchange. Interest rate risk, sensitive spending and delegated financial authority is managed in accordance with the Delegation Policy Manual. No speculative investments are authorized. Investments are held with a registered bank and require Board approval.

Audit

External auditors are used to evaluate the quality and reliability of information provided to the shareholders.

Rebate

Any rebate paid by the company during the course of this agreement will be in the form of a reduction in grant funding from the Shareholder.

Accounting Policies

The accounting policies recognized by the Institute of Chartered Accountants Australia and New Zealand for the measurement and reporting of financial performance and financial position will be adopted by the Company.

A full statement of Accounting Policies will be presented in the Company's Annual Report.

All financial statements, reports, and information will be consistent with Council reporting styles and standards where both possible and practicable.

Procedures for Acquisition of Other Interests

The acquisition of shares or interest in other companies or organizations will only be considered by the Directors where such acquisition is consistent with the long-term commercial objectives of the Company.

If the directors believe that the Company should invest in, or otherwise acquire, any interest in another company or organization, they will obtain the prior approval of the shareholders.

Activities for Which the Company Seeks Compensation from any Local Authority

There are no activities for which the Company seeks compensation from any local authority.

The Council is not permitted to provide any guarantee, indemnity, or security in respects of the assets, liabilities, or trading activities of the Company.

Sales of Goods/Services to the Shareholder

The Company provides goods and services to the Waitaki District Council as part of its normal business activities. These goods and services shall be charged for on a commercial basis.

Signed by Director:

Date:

DRAFT