



TOURISMWAITAKI

Half-Year Report
December 2022



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Board of Directors

Chair	Mike McElhinney
Directors	Megan Crawford
	Janine Tulloch
	Rick Ramsay

General Manager Philippa Agnew

Head Office 17 Waterfront Road, Oamaru 9400

Solicitors Lane Neave, Christchurch

Accountant Harvey Green Wyatt

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

General Manager's Overview - Six months ending December 2022

The six months to the end of December 2022 showed a significant movement towards recovery in the tourism sector. The international market has begun to improve following the opening of the border during 2022 and the domestic market has continued to trend upwards for the district, showing significant growth during the 2022/23 summer. With the increase in international travel, it was expected that the domestic market may slow, but thankfully this has not happened.

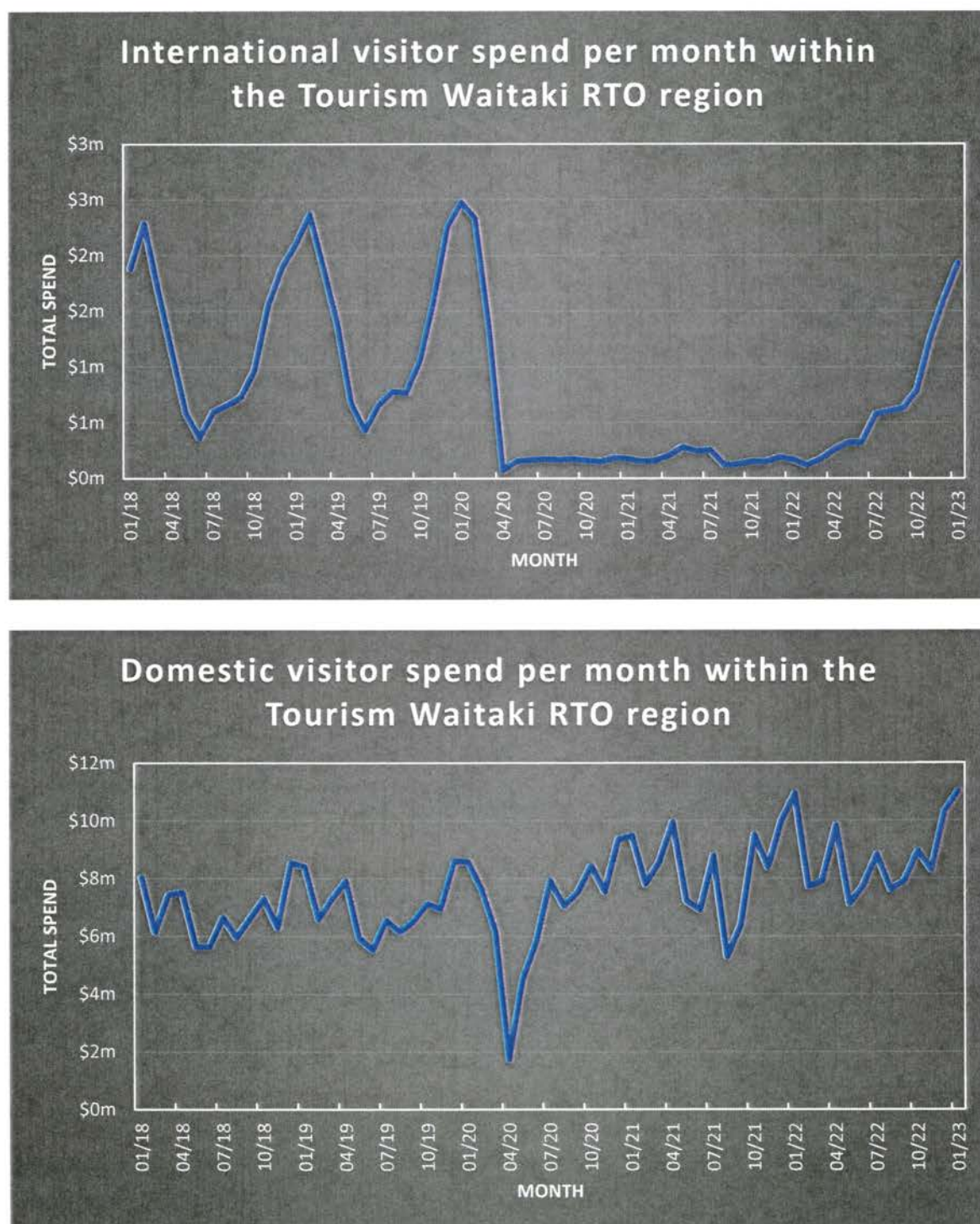


Figure 1. Visitor spend in the Waitaki RTO per month, January 2018 to January 2023.

Source: <https://teic.mbie.govt.nz/teiccategories/datareleases/tects>

The highest spend in the district during July to December 2022, was from visitors from Australia, the USA and UK (Table 1). The drop in spend from the China market was the most significant of all countries. Prior to covid, this market was one of the most important, but will return as their border regulations relax.

Table 1. The total visitor spend in the Waitaki RTO per region of origin for the six-month period from July to December 2022 compared to 2019.

Country/region of origin	Jul-Dec 2022 (million)	Jul-Dec 2019 (million)
Australia	\$2.03	\$2.33
USA	\$1.06	\$1.02
Other	\$0.62	\$0.04
UK	\$0.61	\$0.92
Rest of Europe	\$0.44	\$0.86
Rest of Asia	\$0.27	\$0.45
Germany	\$0.18	\$0.49
Canada	\$0.09	\$0.15
Africa & Middle East	\$0.07	\$0.09
Korea	\$0.04	\$0.08
Japan	\$0.03	\$0.16
China	\$0.03	\$0.48
Rest of Americas	\$0.02	\$0.04
Rest of Oceania	\$0.01	\$0.00
Total	\$5.49	\$7.11

Visitation to the region by both domestic and international visitors supports many sectors of the economy. Retail and Hospitality saw the largest spend (Table 2).

Table 2. The total visitor spend in the Waitaki RTO per product type for the six-month period from July to December 2022.

Product	Spend July-Dec 2022 (million)
Accommodation	\$6.64
Cultural, recreation & gambling	\$1.45
Food & beverage service services	\$9.94
Other passenger transport	\$0.01
Other tourism products	\$1.29
Retail, alcohol, food & beverage	\$13.75
Retail, fuel & other transport	\$14.98
Retail, other	\$9.33
Total	\$57.40

Tourism Support from MBIE

Tourism Waitaki received a grant in August 2021 from the Government's Tourism Support, Recovery and Reset (TSRR) fund. This allowed continuation of work committed in the Strategic Tourism Asset Protection Program (STAPP) fund in FY21 and FY22, with the fund finishing up in December 2022.

The plan of work agreed with MBIE for FY22 included:

- completing phase two of the destination management project by June 2022
- continued investment into RTO people resources and capability
- attendance of the GM and Director to the 2022 RTNZ Te Ūnga Mai Professional Destination Management Development Programme
- attendance at Regional Tourism NZ quarterly meetings
- operator workshops and networking
- visitor Insight data from Angus & Associates
- investment in 45 South development (a collaboration of eight southern RTOs to develop and market touring routes across Otago)
- produce a Waitaki 2022 winter campaign
- produce a 2022/23 summer campaign
- in collaboration with Mackenzie RTO, co-fund a Trail Towns Television episode featuring the Alps2Ocean Cycle Trail, local iconic spots, businesses, and identities across the two regions
- continued investment into marketing and promotion for the domestic market
- continued investment to marketing to re-emerging international markets.

The funding in the final six months supported attendance by Tourism Waitaki staff at RTNZ meetings, International Marketing (Kiwi Link) events, the production of a summer campaign for the 2022/23 season and continued work to promote the district to both domestic and international visitors. Reporting requirements on the use of the TSRR funding has been completed and sent to MBIE.

Oamaru Blue Penguin Colony

During the first quarter of the financial year, the Ōamaru Blue Penguin Colony (OBPC) saw similar visitor numbers to the previous two years (Figure 2). These figures aligned with budgeted figures. The number of visitors began to increase in November (2,879) and continued to increase in December (4,010).

Prior to Covid-19, during December 2019, the OBPC had 9,402 visitors, 4,453 of those were from mainland China. During December 2022, people from mainland China were not travelling due to restrictions at their border, and as a result the OBPC only had 150 visitors from China for that month. To make a more appropriate comparison therefore, prior to Covid-19 occurring, the OBPC had 4,949 visitors arrive from countries/regions outside of China, while December 2022 there were 3,860, which is 80% of pre-covid visitor numbers. This both shows the importance of the China market to

the OBPC (as well as the district), but also that the OBPC is tracking well compared to pre-covid numbers.

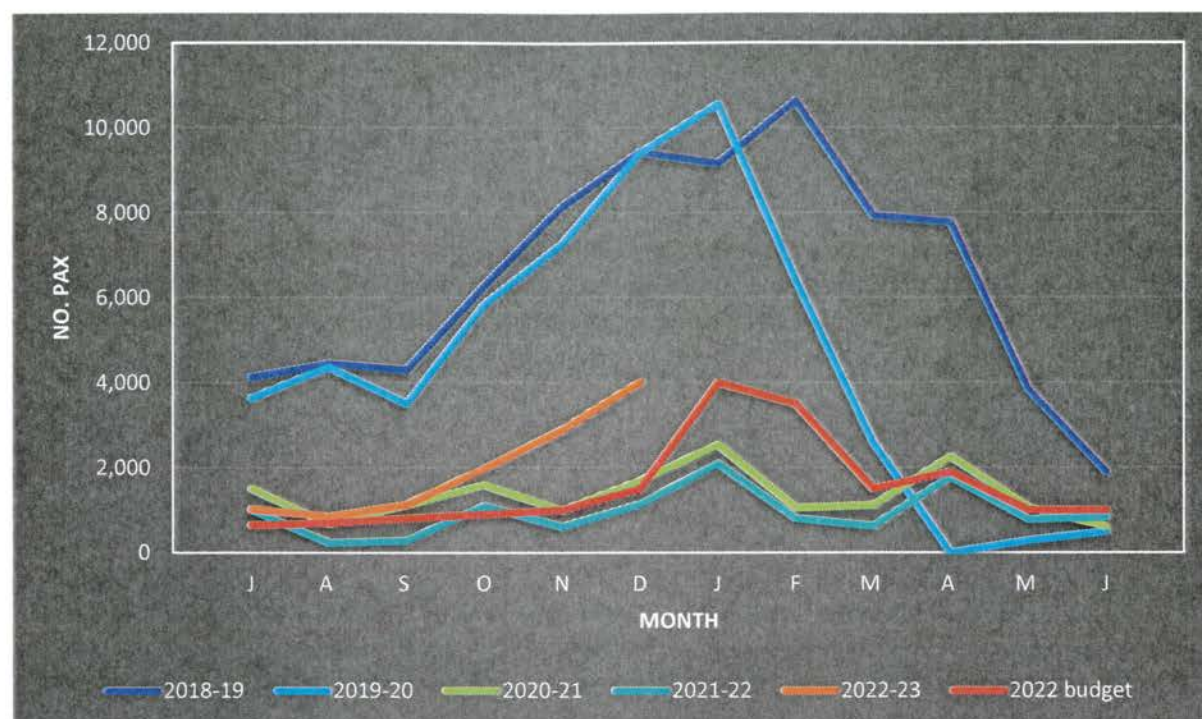


Figure 2. Monthly number of visitors to the Oamaru Blue Penguin Colony from 2018 to 2022.

Staffing

Three full time staff members resigned from Tourism Waitaki during July – December 2022, two of which were senior managers and resigned as a result of uncertainty in the future of Tourism Waitaki Ltd. Now with four full time roles vacant within Tourism Waitaki, Tourism Waitaki now relies on external contractors to carry out work to complete the essential requirements of business and the Statement of Intent.

Regional Events Fund

As part of the Government's Tourism Recovery Package, a \$47.75 million Regional Events Fund (REF) was made available to the nine International Marketing Alliances (IMAs - groupings of Regional Tourism Organisations (RTOs)). Tourism Waitaki sits in an IMA grouping with Enterprise Dunedin and Clutha Development, with Enterprise Dunedin being the lead entity for the IMA. The purpose of the REF was to stimulate inter and intra-regional visitation through funding events that will encourage expenditure missed by international visitor markets.

To ensure the REF had local representation, a Waitaki Events Advisory Board was established in July 2021. The Board consisted of three community members, one advisory member and the General Manager of Tourism Waitaki. The Board opened the REF to applicants for a second round of funding in October 2022 and received six applications. The Board assessed the applications according to the criteria set out in the Waitaki Events Strategy, that mostly focused on events with a marketing plan that aimed to attract visitors from outside of the region and encourage visitors to stay and explore the district while attending the event.

Five events were supported from the second funding round: Harbour Street Jazz & Blues Festival, Steampunk NZ Festival, Spring Challenge, Oamaru Victorian Heritage Celebrations, and the Waitaki

Arts Festival. Tourism Waitaki will continue to provide marketing support for these events as required.

The contracts Tourism Waitaki has in place with each Event Organiser sets out the requirements of the grant in terms of MBIE reporting. Following each event, the organisers will report on the economic benefits their event has had for the district.

Tourism Recovery

Tourism Waitaki staff and Board are pleased to see the beginnings of the recovery of the tourism industry and how that is reflected in visitation to the district. The staff are working hard to continue to promote the region and met the requirements of our Statement of Intent.

A handwritten signature in black ink, appearing to read 'P. Agnew', with a stylized flourish at the end.

Philippa Agnew
General Manager
Tourism Waitaki Limited

PERFORMANCE RESULTS to December 2022

REPORTING AND PERFORMANCE GOALS FOR 2022-23

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

MBIE Project/funded

Target: Host a minimum of two operator workshops annually

Result: Tourism Waitaki ran a workshop in August 2022 to help prepare event organisers to submit a successful application to the Regional Events Fund. Speakers included event promotor Arthur Klap, Dunedin event marketer Amanda Dyer, Oamaru accountant and sports advocate Adair Craik and Tourism Industry Aotearoa sustainability manager Megan Williams.

Tourism Waitaki supported event organisers again by supporting their attendance at another workshop run by the Dunedin City Council in November 2022, which aimed at helping event organisers in the process of gaining sponsorship.

2. Issue Bi-monthly newsletters

Target: Issue six newsletters annually

Result: Four newsletters were sent to operators during the July-December 2022 period.

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

Result: The market update data was included in two of the four newsletters Tourism Waitaki sent out during the six months.

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

Result: The Tourism Waitaki General Manager attended WTA meetings and gave an update on the organisation's work

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

Result: not carried out due to the Economic Development Strategy process being run

6. Develop a Tourism recovery strategy

Target: In conjunction with the wider local tourism sector, develop a short-term tourism recovery strategy

Result: Tourism Waitaki created a Tourism Recovery Strategy earlier during 2022.

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

How this will be achieved:

1. Produce the Waitaki Destination Management Development Plan MBIE Project/funded

Target: By June 2022 have a Destination Management Development Plan

Result: The Destination Management Development Plan was signed off by the governance group on 15 August 2022 and Tourism Waitaki's Board on 23 August 2022.

2. Collaborate with Otago RTOs MBIE Project/funded

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

Result: Tourism Waitaki's General Manager has attended meetings with the Southern Way group, a collaboration between the 8 southern RTOs. A video and website have been developed and will be launched soon.

3. 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

Result: Tourism Waitaki will work with Te Manahuna as required, there were no projects during July-December.

4. 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.

Result: The final DMP meeting to confirm the plan was held August 2022.

5. 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. Visitors spend is increased over current 12 month compared with the previous 12 months

Result: Visitor spend has increased over the current July – December period (\$57 million) compared with the previous July – December (\$49 million).

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 2022/23

Target: Develop a budget for TWL and OBPC for 2022/23

Result: Tourism Waitaki developed a budget for both the RTO and OBPC, the financial summary shows TWL is performing better than the budget.

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

Result: Tourism Waitaki staff and Board have attended meetings and provided information to the WDC staff to support the process.

Goal 4: Develop and modernize the marketing and promotion offer

How this will be achieved:

1. Tourism Waitaki will produce a marketing plan for 2022/23 MBIE Project/funded

Target: A marketing plan is developed by September 2022 which incorporates MBIE funded deliverables for marketing

Result: Tourism Waitaki developed a marketing plan called "Discover the Diversity" which focused on highlighting the wide range of landscapes, culture and heritage, food and beverage and activities that the district has to offer. The campaign targeted both the domestic and international markets.

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

Result: Tourism Waitaki's social media has continued to gain followers. The Oamaru & Waitaki facebook page reached 186,514 people from July to December 2022, and Instagram reached 11,255 over the period.

We carried out a marketing campaign with NZME that ran for three months using digital platforms.

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

Result: RTNZ meetings were attended. TRENZ will be held in May 2023.

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

Result: Two international events we attended in collaboration with our IMA partners where Tourism Waitaki attended events for one international trip and Dunedin attended another set of events.

Goal 5: Oamaru Blue Penguin Colony Plan for 2022/23

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.

Result: Visitor numbers have increased and the OBPC is open for day tours from 1pm.

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

Result: There are multiple screens in the centre where local activities are shown.

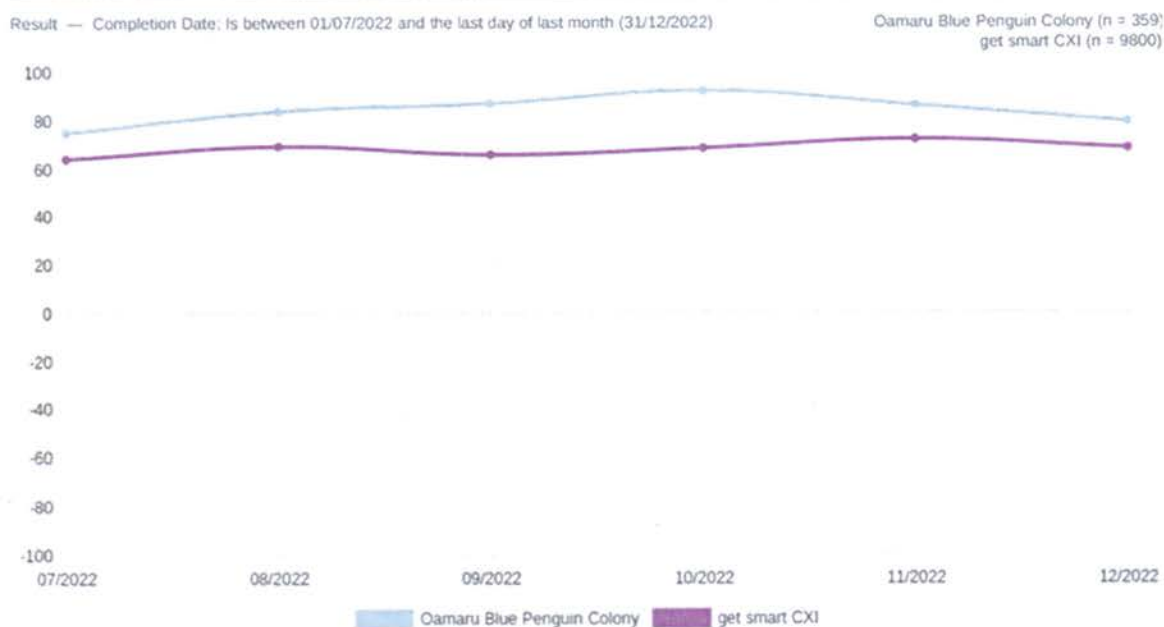
3. Survey of visitors to OBPC to measure an annual NPS score

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

Result: The NPS was 84.7 through the period.

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.

Net Promoter Score©



Net Promoter Score©

Result — Completion Date: Is between 01/07/2022 and the last day of last month (31/12/2022)

Oamaru Blue Penguin Colony (n = 359)
get smart CXI (n = 9800)

Oamaru Blue Penguin Colony							
	Total Sample	07/2022	08/2022	09/2022	10/2022	11/2022	12/2022
Sample Size (n)	359	48	25	39	79	95	73
Net Promoter Score© (NPS)	84.7	75	84	87.2	92.4	86.3	79.5

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.

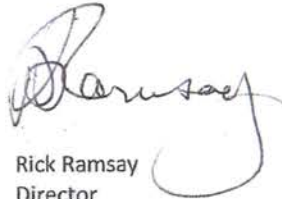
The Board and management of Tourism Waitaki Limited accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board and management of Tourism Waitaki Limited, the Financial Statements for the six months ended 31 December 2022 fairly reflect the financial position and operations of Tourism Waitaki Limited.



Mike McElhinney
Chair

Date 21 March 2023



Rick Ramsay
Director

Date 21 March 2023

TOURISM WAITAKI LIMITED
Financial Performance for the Period Ending December 2022

Tourism Waitaki Limited
Overall Group Net Profit Summary

	Jul-Dec 2022	Jul-Dec 2021	Annual 2022-2023	Annual 2021-2022
Business Unit	Actuals	Actuals	Forecast	Actuals
Oamaru Blue Penguin Colony	30,710	(17,986)	98,103	(85,185)
Tourism Waitaki	63,876	104,689	1,891	(55,207)
Overall Group Net Profit (Loss)	94,585	86,703	99,994	(140,392)

Tourism Waitaki Limited
Net Profit by Cost Centre

	Jul-Dec 2022	Jul-Dec 2021	Annual 2022-2023	Annual 2021-2022
Oamaru Blue Penguin Colony	Actuals	Actuals	Forecast	Actuals
MBIE STAPP Funding OBPC	-	166,667	-	222,223
Donations & Sponsorship Received	3,341	405	3,934	3,280
Interest Received	3,256		4,016	866
Gross Sales Revenue	439,854	151,383	959,310	359,867
Less Cost of Sales	(42,169)	(8,101)	(62,457)	(1,986)
Gross Profit	404,282	310,354	904,803	584,250
Staff Costs	155,626	120,152	353,506	258,755
Staff Costs applied as Service Recharge from TWL	47,502	47,502	95,000	95,004
COVID-19 Subsidy	-	-	-	(1,077)
Marketing & Promotion	23,288	17,452	45,839	27,079
Penguin Expenses	6,534	7,092	25,051	13,976
Administration	129,059	123,146	262,375	243,310
Bad Debt Expense	-	(105)	-	6,057
Depreciation	11,563	13,101	24,929	26,330
Total Costs	373,572	328,340	806,700	669,434
Net Profit (Loss)	30,710	(17,986)	98,103	(85,185)

Tourism Waitaki Limited
Net Profit by Cost Centre

	Jul-Dec 2022 Actuals	Jul-Dec 2021 Actuals	Annual 2022-2023 Forecast	Annual 2021-2022 Actuals
Tourism Waitaki				
WDC Service Agreement	200,004	187,500	400,003	425,000
MBIE STAPP Funding RTO	-	133,333	-	133,333
MBIE STAPP Funding RTO TSRR	118,596	117,645	118,596	281,408
MBIE Regional Event Fund	36,371	66,500	128,780	26,000
Interest Received	501		901	1,221
Gross Sundry Revenue	4,379	5,337	4,379	2,030
Less Cost of Sales	-	-	-	(150)
Gross Profit	359,851	510,315	652,659	868,842
Staff Costs	136,391	237,641	309,249	444,898
Staff Costs applied as Service Recharge to Business Units	(47,502)	(47,502)	(95,000)	(95,004)
COVID-19 Subsidy		-	-	
MBIE Regional Event Fund Expenditure	36,593	4,652	123,946	12,802
Marketing & Promotion	62,686	77,421	97,271	181,361
Administration	65,413	90,049	97,741	253,232
Audit - Prior Year	-	-	-	-
Audit	-	-	30,000	42,521
Bad Debt Expense	-	(2)	-	(2)
Board of Directors Costs	38,843	39,408	77,907	75,200
Taxation	-	-	-	-
Depreciation	3,551	3,959	9,654	9,040
Total Costs	295,975	405,626	650,768	924,048
Net Profit (Loss)	63,876	104,689	1,891	(55,207)

Financial Summary:

Oamaru Blue Penguin Colony

- Income – up significantly on previous year due to reopening of border to international visitors
- Expenditure:
 - o Staff costs up on last year – increase in wage costs, increase in opening hours and number of staff members on per night to accommodate increase in visitor numbers

Tourism Waitaki

- Income:
 - o The MBIE TSRR fund of \$400,000 was split over the two financial years finishing up in December 2022
 - o The MBIE Regional Events Fund totaled \$183,000 and will be completed by December 2024. All funds have been allocated to events.
- Expenditure:
 - o Staffing and marketing costs are below last year as the STAPP and TSRR funding was to support work towards activities over and above Tourism Waitaki's normal business, such as the development of the Destination Management Strategy and Plan

Balance Sheet

Tourism Waitaki Ltd As at 31 December 2022

	31 DEC 2022	30 JUN 2022
Assets		
Bank		
ANZ 025 Savings Account	-	11.48
ANZ A20 06 Account	-	0.92
ANZ OBPC 02 Account	378,846.37	736,605.09
ANZ TW 00 Account	125,197.04	141,228.68
Total Bank	504,043.41	877,846.17
Current Assets		
Accounts Receivable Control	13,104.75	110,827.99
ANZ 1005 Term Deposit	448,130.00	-
Cash on Hand - non cash	200.00	200.00
Stock on Hand - OBPC	8,493.37	26,973.26
Total Current Assets	469,928.12	138,001.25
Fixed Assets		
A20 - Computer Equipment	1,814.00	3,623.20
A20 - Furniture and Fittings	1,154.00	1,852.91
A20 - Motor Vehicles	-	26,434.78
IC - Computer Equipment	4,050.00	6,005.00
IC - Furniture and Fittings	4,590.00	33,753.96
Less Accumulated Depreciation on Computer Equipment - A20	(1,753.69)	(3,543.07)
Less Accumulated Depreciation on Computer Equipment - IC	(3,347.93)	(5,103.49)
Less Accumulated Depreciation on Computer Equipment - OBPC	(35,606.82)	(34,803.40)
Less Accumulated Depreciation on Computer Equipment - TW	(12,662.82)	(23,871.83)
Less Accumulated Depreciation on Computer Equipment - WSC	(2,195.20)	(2,664.48)
Less Accumulated Depreciation on Furniture and Fittings - A20	(1,015.16)	(1,507.77)
Less Accumulated Depreciation on Furniture and Fittings - IC	(4,590.00)	(33,702.37)
Less Accumulated Depreciation on Furniture and Fittings - OPBC	(193,587.30)	(184,416.17)
Less Accumulated Depreciation on Furniture and Fittings - TW	(18,225.41)	(31,255.15)
Less Accumulated Depreciation on Furniture and Fittings - WSC	(297,770.00)	(96,472.23)
Less Accumulated Depreciation on Intangible Assets - OBPC	(14,472.59)	(14,296.88)
Less Accumulated Depreciation on Motor Vehicles - A20	-	(24,024.47)
Less Accumulated Depreciation on Motor Vehicles - TW	(2,217.22)	(48,048.95)
Less Accumulated Depreciation on Plant and Equipment - OBPC	(8,462.72)	(7,050.10)
Less Accumulated Depreciation on Plant and Equipment - TW	(3,345.50)	(21,676.84)
Less Accumulated Depreciation on Plant and Equipment - WSC	(61,613.00)	(16,432.58)
OBPC - Computer Equipment	38,764.00	38,764.35
OBPC - Furniture and Fittings	375,735.00	375,735.25
OBPC - Intangible Assets	15,000.00	15,000.00
OBPC - Plant and Equipment	44,700.60	22,654.58
TW - Computer Equipment	15,394.00	27,333.81
TW - Furniture and Fittings	19,455.00	33,281.72

	31 DEC 2022	30 JUN 2022
TW - Motor Vehicles	27,712.00	52,869.57
TW - Plant and Equipment	3,510.00	22,626.80
WSC - Computer Equipment	2,750.00	3,357.77
WSC - Furniture and Fittings	297,770.00	96,472.23
WSC - Plant and Equipment	61,613.00	16,432.52
ZZZ IC Furniture & Fittings	-	911.50
Total Fixed Assets	253,146.24	228,240.17
Non-current Assets		
ZZZ Assets Contra	-	(5,315.93)
ZZZ Whitestone City Furniture & Fittings Discontinued operations	-	4,404.43
Total Non-current Assets	-	(911.50)
Total Assets	1,227,117.77	1,243,176.09
Liabilities		
Current Liabilities		
Accounts Payable (Xero)	58,602.83	20,136.26
ANZ Credit Card - 1223 ZL	30.00	1,074.23
ANZ Credit Card - 2959 MM	-	2,087.31
ANZ Credit Card - 3803 PA	213.12	37.73
ANZ I-Site 04 Account	-	1.83
BP Petrol Card Clearing Account	(90.35)	(74.59)
Employee Entitlements	34,060.42	40,401.70
Forward Bookings - OBPC	77,943.42	12,438.20
GST	11,506.33	6,745.92
Income in Advance	54,060.23	209,026.74
PAYE Payable	16,628.19	21,212.30
Rounding	(0.01)	(0.02)
Sundry Creditors	272.31	56,736.33
Taxation - RWT	(1,636.73)	(584.66)
Taxation Provision	11,357.94	11,357.94
Wages accrued at year end	-	9,014.37
Total Current Liabilities	262,947.70	389,611.59
Non-current Liabilities		
Loan - MBIE STAPP OBPC	448,130.00	448,130.00
Total Non-current Liabilities	448,130.00	448,130.00
Total Liabilities	711,077.70	837,741.59
Net Assets	516,040.07	405,434.50
Equity		
Authorised Capital	500,000.00	500,000.00
Current Year Earnings	110,605.57	(74,561.14)
Funds Introduced - A20	150,279.99	150,279.99
Funds Introduced - OBPC	323,925.53	323,925.53
Retained Earnings (960)	(268,771.02)	(194,209.88)

	31 DEC 2022	30 JUN 2022
Uncalled Capital	(300,000.00)	(300,000.00)
Total Equity	516,040.07	405,434.50