

TOURISM WAITAKI LTD

DRAFT STATEMENT OF INTENT

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2021 /2022

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VISION

Visitors are drawn to explore the People and Place of Waitaki (within the constraints imposed by COVID-19) as defined by its rich natural heritage, unique geology, biodiversity and geogastronomy.

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 has severely Impacted local, national, and International tourism.

It outlines the activities and intentions of the Tourism Waitaki Limited for the next year 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.

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

Council's primary objective for continued ownership and control of Tourism Waitaki, is to advance tourism within the district by fostering a positive, diverse, and sustainable tourism sector.

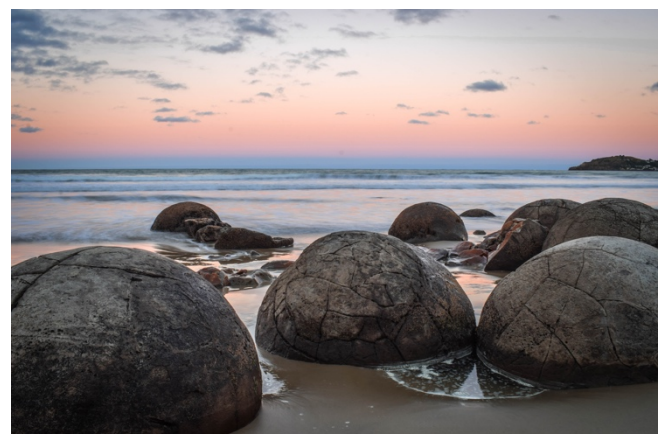
THE COMPANY - OBJECTIVE

Tourism Waitaki enables operators and our communities to deliver original and engaging experiences in the Waitaki.

In recognizing the aspiring Waitaki Whitestone Global Geopark encompasses all visitor touch-points throughout the District, the reputation of the Waitaki District will escalate to a point where it will be sought out as a destination by New Zealanders (and in future overseas visitors).

They will look to connect with and enjoy attractions, the environment, learn about our rich heritage and history, and engage with vibrant and distinctive communities across the district.

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



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

- Maintain business partnerships and commercial relationships with stakeholders at local, regional, and national levels.
- Develop a Destination Management Strategy for the Waitaki District.
- Support Waitaki tourism operators to maintain their business through advice and advocacy.
- Supply visitor information through digital services and other outlets
- Maintain the Oamaru Blue Penguin Colony and its scientific activities.
- Re-establish visitor experiences at the OBPC when visitor numbers allow.
- Re-establish the Heritage Walking Tours when visitor numbers allow.
- Promote and market the Alps to Ocean Cycle Trail.
- Promote and market the Waitaki Whitestone aspiring Global Geopark.

Shareholder Expectations

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

- 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, not short-term expediencies.
- The Company acts as a good employer and as an environmentally conscious and responsible citizen.
- The Company in its consultative practices has due regard for Maori.
- Transparent and collaborative relations are maintained with the shareholder.
- Maintains a positive relationship with the Waitaki District community, encouraging locals to be tourism advocates and ambassadors.

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 will 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 the TWL shall report to the Shareholder in accordance with contractual requirements.

Half Year Reports

Within two months after the end of the first half of each financial year, the Directors shall deliver to the shareholder an un-audited report containing the information required by the Financial Reporting Act 1993 and 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, including 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 and 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 after the end of each financial year, the Directors shall deliver to the shareholders an annual report and audited financial statements, with respect to the financial year, 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 including:
- 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 2-4 meetings per year with the shareholders Executive Committee.



Reporting and Performance Focus, Methods and Measures

The Company's performance focus areas are to:

Customers: Manaakitanga

Goal: To strengthen the Waitaki destination and brand awareness

How: Maintain and continue to grow the awareness of the Waitaki to domestic visitors and international trade (via

digital means), with the goal to having visitor numbers increase post COVID-19.

- 1.1. Create a domestic campaign/marketing plan to draw visitors to the district.
- 1.2. Enhance Waitaki's digital media presence and exposure to visitors to boost awareness.
- 1.3. Survey visitors to the Penguin Colony to gain valuable insights

FOCUS	METHODS & MEASUREMENTS
Marketing and Promotion	<p>Create a domestic campaign/marketing plan to draw visitors to the district.</p> <p>Measure: A campaign/marketing plan for 2021/22</p> <p>Measure: Visitor numbers are measured against COVID-19 lockdown tourist numbers to the OBPC.</p>
Digital Media	<p>Enhance Waitaki's digital media presence and exposure to visitors to boost awareness.</p> <p>Measure: Run up to two digital campaigns. Display an Increase In visits, impressions or click throughs to the TWL website, Facebook and Instagram accounts (where the campaign was shared), over the campaign duration.</p>
Visitor Surveys	<p>Carry out Visitor Surveys at the Penguin Colony to gain visitor Insights Into the experience.</p> <p>Measure: Sample size min.100pax/survey per six months from OBPC.</p>

Contribution: *Ako*

Goal: Be a trusted leader in tourism

How -

- 1.1 Manage TWL businesses in a financially sustainable manner.
- 1.2 Continue to improve customer experiences at the Oamaru Blue Penguin Colony.
- 1.3 Provide industry data, support and insights to operators.

FOCUS	METHODS & MEASUREMENT
Best Practice Business Management	Enhancements and developments are achieved within budget & resources. Measure: Operations are kept within planned budgets.
Improve Customer Experience	Ensure the integrity of the environment is protected at the Oamaru Blue Penguin Colony, measured by annual Qualmark ratings. Measure: The annual Qualmark Assessment is maintained at OBPC as a Silver rating or, exceeds to Gold.
Contribution to local industry	Be a resource for local operators and aspiring tourism businesses to obtain knowledge, data, and insights. Measure: Hold operator workshops twice a year and Issue bi-monthly newsletters to operators.

Collaboration & Ambition: *Whanaungatanga*

Goal: Tourism elevates community pride

How -

- 1.1. Create robust and trusted relationships with operators and communities.
- 1.2. Destination Management Strategy development.

FOCUS	METHODS & MEASUREMENTS
Relationships	Support businesses which have survived COVID-19 via a strong membership and advertising partnership program with Tourism Waitaki. Measure: Membership to Tourism Waitaki grows by 4%
Develop a Destination Management Strategy for the Waitaki District.	Develop a Destination Management Strategy. Ensure communities, Iwi and stakeholders have ability to contribute meaningfully. The strategy reflects the diverse nature of the District allowing for experience development, collaboration, entrepreneurial thinking, and specialization with other sectors where advantages and mutual benefits exist. Measure: Develop the Waitaki Destination Management Strategy.

Financial projections for the Company

Year Ending 30 June 2021

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 authorised. 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 compounded into the next 3-year negotiation cycle.

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.

TWL SOI 2021-22 DRAFT Doc V1. 22 Feb 2021