

TOURISMWAITAKI

# Annual Report

Tourism Waitaki Limited

For the year ended 30 June 2021

## **Tourism Waitaki Limited**

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## **Tourism Waitaki Limited**

### **Chairman's Report**

**For the year ended 30 June 2021**

Dealing with the consequences of COVID-19 created significant issues for Tourism Waitaki during the 20-21 year. The global pandemic impacted the tourism industry probably more than any other sector.

The Board and management acted swiftly in May 2020 to scale back the Company.

With no supplementary income from the Ōamaru Blue Penguin Colony (OBPC) Tourism Waitaki was in a critical financial position and a major restructure was necessary to remain financially viable.

In June 2020 the Government announced a tourism recovery package called the Strategic Tourism Asset Protection Programme (STAPP). Tourism Waitaki received a grant of \$400,000 to support its Regional Tourism Organisation (RTO) functions giving the Board comfort.

Without international tourists bringing income to the Ōamaru Blue Penguin Colony, it too was at risk. However, an application to the STAPP fund was successful and a grant of \$500,000 to maintain its key staff and overheads for FY21/22 was approved by MBIE.

These funds made the difference to what otherwise would have been an impossible financial situation.

The STAPP RTO funding supported a programme of activity across three categories, and the RTO's needs and priorities.

As part of the Government's Tourism Recovery Package, a \$47.75 million Regional Events Fund (REF) was established late 2020. The purpose of the REF is to stimulate inter and intra-regional visitation through funding events that will encourage expenditure missed by international visitor markets.

Tourism Waitaki received a grant of \$183,000 early in 2021 to be allocated over two years to stimulate the event sector in the Waitaki.

The Blue Penguin Colony has been opening for evening tours seven nights a week. The colony staff continue to monitor and care for the penguins and host school groups eager to learn about the work undertaken at the colony. Staff communicate regularly with local journalists on monitoring results which are shared in local media and Facebook. Locals receive a discounted entry into the colony.

The Board is pleased with the support of domestic visitors, better than initially budgeted, reaching 28% of the total visitors in FY20 and reflecting domestic tourism has always been the mainstay of the Waitaki District.

## **Tourism Waitaki Limited**

### **Chairman's Report**

**For the year ended 30 June 2021**

Despite COVID-19, interest in the Alps2Ocean Cycle Trail has remained strong and domestic user numbers exploded once out of lockdown.

Restructuring of the A2O governance and operations was undertaken by the Mackenzie and Waitaki District Councils signalling a change to the management, operation, marketing, and promotion of the Trail.

Tourism Waitaki leaves the A2O in a strong market position after a decade of involvement. The Trail is a major attractor for visitors to the Waitaki and Tourism Waitaki will remain involved in promoting the Trail as part of district-wide destination marketing.

Tourism Waitaki continues to be involved with the Waitaki Whitestone aspiring Geopark, actively promoting and marketing it across New Zealand. The Board is comfortable the Geopark Brand sits well across the Waitaki District, providing unique leverage no other region has to promote the district to visitors.

A remodelled Visitor Centre incorporating the Waitaki Whitestone aspiring Geopark was opened in October 2020 in the former Ōamaru i-Site building at 1 Thames Street. It was funded by the Waitaki District Council with a small contribution from the Geopark Trust.

The Geopark staff moved into the Tourism Waitaki premises in December 2020 and continue to operate from the shared space.

The Visitor Centre has been operated by Tourism Waitaki staff on a limited days/hours roster in line with the funding received to operate it.

The Board acknowledges our General Manager Margaret Munro for capably managing through a prolonged period of stressful uncertainty.

Margaret has successfully worked with MBIE to secure funding for the RTO and Ōamaru Blue Penguin Colony. She and her specialised staff have mapped a way forward with new projects driven by Central Government and ensuring Waitaki's profile has been placed front and centre for domestic travellers.

The Board thanks the dedicated and professional team at Tourism Waitaki for their commitment and drive in adapting to an increasingly challenging and competitive tourism sector.

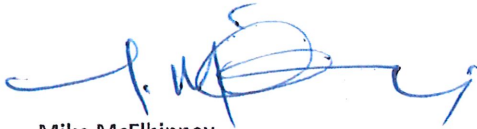
## Tourism Waitaki Limited

### Chairman's Report

For the year ended 30 June 2021

My thanks to the Tourism Waitaki Board for the part they have played in these challenges and the support provided throughout the year.

I am comfortable Tourism Waitaki is in a place and at a scale where it can continue to operate into 2022, albeit on a much-reduced scale.



Mike McElhinney  
Chairman

## **Tourism Waitaki Limited**

### **General Manager's Report**

**For the year ended 30 June 2021**

Tourism Waitaki started the 2020/21 financial year (FY21) with an after-tax net operating deficit in the 2020 year of \$236,000.

Earnings before Interest and Taxes (EBIT) for the financial year 2021 (FY21) were \$22,000.

COVID-19 threw the New Zealand tourism industry into a state of disarray in March 2020. The finances of Tourism Waitaki were badly affected.

The Waitaki District Council (grant FY20 was \$423,500) had been increased by ten thousand for FY21 to \$433,500 as part of the agreement to reduce Council input each year. Faced with rent and lease payments back to Council in FY21 of \$140,500 and little or no income from the Oamaru Blue Penguin Colony (OBPC) the Tourism Waitaki Board and management had to rapidly move its operations to a financially sustainable model.

A company-wide organisational review was undertaken in May 2020 in an environment of uncertainty around the medium to long-term affects the global pandemic would bring to tourism locally and to its operations.

Operations at Ōamaru Blue Penguin Colony and the functions of the Regional Tourism Organisation (RTO) were scaled back and staffing reduced accordingly. Across the Company staff numbers reduced from 17.22FTE's to 5.7FTE & 5 casual roles.

The following operations were permanently closed in May/June 2020:

Ōamaru i-Site,

Ōmarama Information Centre,

financial support to Kurow Museum/Information Centre ended in September 2020,

Operating the Heritage Walking Tours also ceased.

#### **Government Grants:**

In July 2020, as part of investing in the tourism sector's recovery, the Government introduced a Strategic Tourism Assets Protection Programme (STAPP). Up to \$20.2 million was distributed to 31 Regional Tourism Organisations (RTOs) due to the impact of COVID-19 on Local Government revenue and the potential flow on effect as primary funders.

As a result, in August 2020, Tourism Waitaki (RTO) received a STAPP grant of \$400,000. The duration of the funding is 18 months. (at 30 June 2021, \$133,000 is carried forward to FY22).

An agreed investment plan was negotiated with the Ministry of Business, Innovation and Education (MBIE). It included development of a destination management strategy, building on industry capability, product development, and funding domestic marketing.

Two new roles were established under STAPP: a part-time destination management facilitator and a full-time PR and Communication role, commencing October 2020.

## **Tourism Waitaki Limited**

### **General Manager's Report**

**For the year ended 30 June 2021**

Tourism Waitaki's Statement of Intent (SOI) for FY21 was duly amended and re-submitted to the Shareholders in June 2020. The revised SOI factored in the STAPP work plans and outcomes. KPI measures were adjusted to reflect outcomes based on fewer resources and changes affecting local tourism brought about by COVID.

#### **Destination Management:**

Production of a Destination Management (DM) Plan was mandated by Government for RTOs to carry out within their Local Authority area.

The DM Plan is to take a holistic view across all aspects of a destination that contribute to a visitor's experience. It must take into consideration the perspectives and expectations of a range of stakeholders and partnerships with Mana Whenua, residents, businesses, industry, visitors, and local government.

The immediate goal is to ensure the Waitaki is positioned as a sustainable destination, where tourism could shift into a regenerative model giving back to the environment, communities, the economy, and its culture. The Plan will play an important role in shaping the future of tourism development in the Waitaki District over the next thirty years.

The first phase is development of a Waitaki Destination Management Strategy. A comprehensive consultation and project plan was formed under guidance from a cross-agency Governance Group, partnered by local Runanga from Moeraki and Puketeraki and with additional support from a Working Group.

Community consultation has been undertaken by a Tourism Waitaki staff member who facilitated with stakeholders, iwi, communities, focus groups face-to-face meetings, surveys, and workshops over a six-month period. A draft Destination Management Strategy is planned to be released for consultation in October 2021.

#### **Domestic Marketing:**

A domestic marketing plan was rolled out in August 2020, aligning closely with Tourism New Zealand's (TNZ) domestic marketing campaigns.

Following the lockdown campaign, a summer campaign was launched in October 2020. 'The One Who', utilised video content shared on Waitakinz.com website, across digital media channels, radio, and print (paid and earned).

A winter campaign was launched in May 2021. 'Waitaki the 'Sweet Spot' of New Zealand', again using the same media platforms.

The return on investment in domestic marketing resulted in increased followers to all social media channels and is broadly reflected in the trend data for the Waitaki RTO captured through the Tourism Electronic Card Transactions (TECT) spend.

## **Tourism Waitaki Limited**

### **General Manager's Report**

**For the year ended 30 June 2021**

The TECT data has showed the percentage change in Domestic spend for Jun-21 from Year June-19 up 26%, and from Year June-20 increased by 28%. Updating and increasing visual media assets (video and still photography) was a focus during the year, capturing seasonal imagery which showcased multiple locations across the Waitaki District.

These assets are being used by Tourism Waitaki, shared with local operators, the Council, TNZ, agents and media and ensures a variety of digital material is at the ready for the future promotion of the Waitaki District.

Greater collaboration with Waitaki's neighbouring RTOs has achieved efficiencies from co-investing in industry data, marketing initiatives for future regional touring routes to create an "all-Otago" tourism product, and shared use of professional video & still photography services to update and expand digital asset libraries.

#### **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 Alliance (IMAs) groupings of Regional Tourism Organisations (RTOs).

Tourism Waitaki is grouped with Enterprise Dunedin, Clutha Development and Great South.

In January 2021 Tourism Waitaki was approved a grant of \$183,000, allocated over two years from the REF fund, to stimulate inter and intra-regional visitation to new or existing events. It can also be utilised to support capability or capacity building for event management, management/secretariat services, event strategy development and event feasibility studies and event development.

Tourism Waitaki has established an independent Waitaki Events Advisory Board to produce an events strategy, oversee the fund and manage its distribution through to 2023.

#### **Ōamaru Blue Penguin Colony:**

With no international visitors coming to the Ōamaru Blue Penguin Colony, an application was made to the STAPP fund to ensure its continued operation.

The Colony successfully received a grant of \$500,000 paid in instalments over FY21, and FY22. The FY21 instalments totalled \$355,549. The grant protects 3.6 FTE roles including the Environmental Scientist, funds fixed overhead costs, research & monitoring and general maintenance costs. This is on a scaled-back operating model, but still enabling night tours seven days a week.

The Ōamaru Blue Penguin Colony (OBPC) total operating revenue FY21 (*excluding* the Strategic Tourism Asset Protection Programme STAPP Grant of \$355,549) was down 68%, (or \$1,134,000) compared to the same period last year.



## **Tourism Waitaki Limited**

### **General Manager's Report**

**For the year ended 30 June 2021**

All core operating costs were contained due to the scaled down operation.

A favourable year-end surplus from the OBPC business of \$184,000 was the result of STAPP funds (where expenditure timing is different to the timing of funds received) and above break-even visitor numbers.

Under the STAPP funding agreement, all surpluses must remain within the OBPC for the duration of the agreement and can not be used for other purposes within Tourism Waitaki.

Visitors to the Colony for FY21 were 16,186 - representing just 28% of the visitation for FY20. However, it reflected a three-fold increase in domestic visitor numbers compared to FY20.

#### **Alps to Ocean Cycle Trail:**

FY21 was the last year of a three-year contract to deliver marketing services for the A2O on behalf of the Mackenzie and Waitaki District Councils. The annual value was \$20,000 from each Council.

The contract included managing the partner programme, website, promotional material, and social media. The contract was not renewed in June 2021.

TWL spent a total of \$115,000 annually on promoting the A2O using supporting funds from the Partner Programme and provided additional exposure through Tourism Waitaki's wider marketing.

Marketing of the Alps2Ocean Cycle Trail remained strong with 355 media exposures achieved for the 2020-21 year, exceeding the other 22 great rides in New Zealand.

The interest in cycling during and following COVID lockdowns resulted in the numbers of pedestrians and cyclists using the A2O trail reaching the highest level ever recorded.

The perception that the A2O is the 'jewel in the crown' of the 22 great rides is being realised.

The Mackenzie and Waitaki District Councils have commenced a restructuring of the trail operation including development, maintenance, and marketing. Consequently, Tourism Waitaki did not have its Marketing and Promotion Contract renewed when the agreement ended on 30 June 2021.

This has brought to an end a decade of involvement with the development, operations, and promotion of the A2O. However, TW will continue to market the A2O Trail as one of the assets of the Waitaki District.

#### **Visitor Centre:**

TWL was directed by the shareholder (The Waitaki District Council) to re-establish a Visitor Centre in Ōamaru in the former i-Site location.

## **Tourism Waitaki Limited**

### **General Manager's Report**

**For the year ended 30 June 2021**

The Waitaki District Council contributed six month's rent relief and agreed operational funding of \$58,000 allowing the Centre to be opened from October 2020 to early June 2021 for limited days/hours. The Waitaki Whitestone Geopark staff shared the facilities at the Visitor Centre from December 2020.

The Visitor Centre was open 191 day with total visitor numbers of 7,532. Continued operation of a Visitor Centre and its location is being discussed by Council.

#### **Summary:**

At the close of the 2020-21 reporting period, I am very proud of the achievements made under what has been a hugely disruptive and unprecedented time in the history of tourism.

The Waitaki District has shown economic resilience throughout the year. Domestic tourism to the district rebounded surprisingly well from the sudden impacts of COVID-19 lockdowns - a result not shared in all parts of New Zealand.

Trends in local tourism spend and length of stay made a comforting and stable recovery.

However, the industry has some way to go. Businesses and communities will have to deal with future COVID outbreaks and work towards borders being safely opened. Tourism Waitaki will assist building local operator capability as we transition into an altered future where COVID-19 is ever present.

The local tourism industry now more than ever needs the support of RTO's.

Tourism Waitaki will continue to function in a financially sustainable manner with support from Central Government and the Waitaki District Council, driving key projects such as destination management and development, and promoting the district's positive profile to domestic, and future international travellers.

My thanks to our dedicated and passionate staff who have worked through challenging times, and to our supportive Board.



**Margaret Munro**  
**General Manager**

## **Tourism Waitaki Limited**

### **Directors' Report**

**For the year ended 30 June 2021**

The Directors of Tourism Waitaki Limited are pleased to present the Annual Report for the Company, together with the financial statements for the year ended 30 June 2021.

#### **Principal activities**

The Company is charged with providing specific services for its shareholder the Waitaki District Council and the community. They are:

- The facilitation of economic growth through the development of community supported planning, investment strategies and incentive policies.
- The facilitation and co-ordination of the development of the historic and visitor estate within Waitaki District through promotions and marketing by Tourism Waitaki.
- Visitor Information Service
- The management of the Oamaru Blue Penguin Colony.
- Manage and operate the marketing and partnership programme of Alps 2 Ocean Cycle Trail.

#### **Trading Results**

During the year Tourism Waitaki Limited had an after tax net deficit of \$78,000.

#### **Dividend**

In accordance with the Company's shareholder agreement and statement of intent, no dividend is to be paid.

#### **Directors**

Michael McElhinney (Chair)  
Adair Craik (resigned October 2020)  
Janine Tulloch  
Megan Crawford  
Richard Ramsay

#### **Remuneration of Directors**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Michael McElhinney	25,500	17,850
Adair Craik	3,500	10,500
Janine Tulloch	15,000	10,500
Megan Crawford	15,000	10,500
Richard Ramsay	15,000	10,500
	<b>74,000</b>	<b>59,850</b>

**2020** - For the quarter ending 30 June 2020 the Director's voluntarily agreed that no Director's Fees be paid given the financial impact of COVID-19.

**2021** - There was an increase in Director's Fees effective from 1 January 2021.

## **Tourism Waitaki Limited**

### **Directors' Report**

**For the year ended 30 June 2021**

#### **Use of Company Information**

During the year the Board received no notices from Directors of the Company requesting to use information received in their capacity as Directors, which would not otherwise have been available to them.

#### **Indemnity and Insurance of Directors**

During the year the Company paid premiums insuring Directors of Tourism Waitaki Limited in respect of liabilities and costs that are permitted by legislation to be insured against.

#### **Donations**

There were no donations paid during the year ended 30 June 2021 (2020: \$nil).

#### **Auditor**

The Company's audit is undertaken by Audit New Zealand on behalf of the Auditor-General. No fees outside of the audit were payable to the Auditor.

#### **State of Affairs**

Tourism Waitaki in agreement with Waitaki District Council, has a Contract for Services, and Statement of Intent (2020-21). The over-arching objective of the services funded under the contract is to promote the economic well-being of the people of the Waitaki District, including future residents of the District, by undertaking to promote existing tourism operators both domestically and abroad, manage and operate tourism-related business for profit, and develop further tourism activity and operators that will encourage more people to come, spend more time in the District, and participate in more paid and unpaid attractions.

#### **Future Trading**

The Directors confirm Tourism Waitaki Limited will continue to operate over the next twelve months at the level required by the Statement of Corporate Intent.

## **Tourism Waitaki Limited**

### **Directors' Report**

**For the year ended 30 June 2021**

#### **Director's Interests**

Directors have declared interest relative to operating tourism attractions associated with Tourism Waitaki as follows:

#### ***Michael McElhinney***

- Sales & Customer Service Manager of Topflite Ltd
- Partner, Frances McElhinney on Board of Oamaru Whitestone Civic Trust

#### ***Adair Craik***

- Director and Shareholder of Adair Craik Chartered Accountants Ltd
- Director and Shareholder of ACCA 2016 Ltd
- Director and Shareholder of Cycling Accommodation Ltd
- Shareholder of Black Rock Administration Ltd
- Treasurer of Friends of Alps 2 Ocean Cycle Trail Incorporated
- Trustee of Alps 2 Ocean Charitable Trust, Skeggs Foundation Trust, Naseby Development Charitable Trust, Waitaki Community Gardens Trust, The Hearts & Hands for Haiti Trust NZ
- Shareholder (in capacity of Trustee) Fitzherbert (PN) Ltd, and Five & Ten Investments Ltd
- Trustee of S & H Peterson Family Trust
- 2020 - Adair Craik Chartered Accountants Ltd – Advisory role to Tourism Waitaki Accountant as required – support with Moneyworks, Xero, Cashflows, Budgets, Statutory Reporting requirements and Audit NZ

#### ***Janine Tulloch***

- General Manager Finance of Skyline Enterprises
- Director and Shareholder of TLJ Ltd
- Director of Wanacare Ltd

#### ***Megan Crawford***

- General Manager Business Development of Dunedin Airport

#### ***Richard Ramsay***

- Shareholder & Employee of Mt Cook Alpine Salmon
- Associate Director of Salmon Smolt NZ
- Director of Alpine Energy Ltd
- Director of Netcon Ltd
- Committee Member of Mackenzie District Council Economic Development Group

#### **General Manager's Interests**

#### ***Margaret Munro***

- Director of MTB Pursuits Ltd

## **Tourism Waitaki Limited**

### **Directory**

**For the year ended 30 June 2021**

#### **Head Office**

8 Itchen Street  
Oamaru 9400

#### **Directors**

Michael McElhinney (Chair)  
Adair Craik (resigned October 2020)  
Janine Tulloch  
Megan Crawford  
Richard Ramsay

#### **Senior Staff**

<b>Name</b>	<b>Position</b>
Margaret Munro	General Manager
Philippa Agnew	Science and Environmental Manager
Shevaun Thomas	Finance and Business Support
Melanie Jones	Business Development Manager (role disestablished July 2020)

#### **Solicitor**

Lane Neave  
141 Cambridge Terrace  
Christchurch 8013

#### **Accountant**

Deloitte  
481 Moray Place  
Dunedin 9054

#### **Auditor**

Audit NZ on behalf of the Auditor-General  
399 Moray Place  
Dunedin 9054

## Tourism Waitaki Limited

### Statement of compliance and responsibility

For the year ended 30 June 2021

#### Compliance

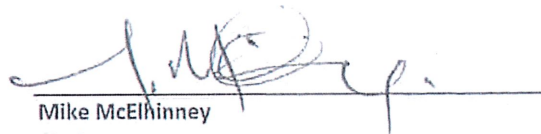
The Board and senior management of Tourism Waitaki Limited confirm that all the statutory requirements (other than the breach disclosed in Note 21) of the Local Government Act 2002, regarding financial management and borrowing, have been complied with.

#### 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.

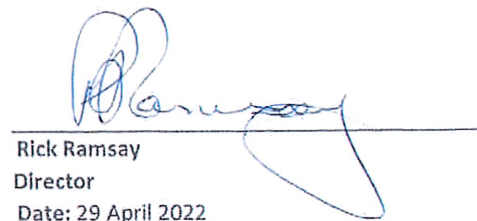
In the opinion of the Board and management of Tourism Waitaki Limited, the Financial Statements for the year ended 30 June 2021 fairly reflect the financial position and operations of Tourism Waitaki Limited.



Mike McElhinney

Chairman

Date: 29 April 2022



Rick Ramsay

Director

Date: 29 April 2022

## Tourism Waitaki Limited

### Statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Notes	2021 \$000	2020 \$000
<b><u>Revenue</u></b>			
Waitaki District Council Operating grants		434	424
Alps 2 Ocean funding contributions		40	60
Revenue from providing goods or services	2	573	1,507
Interest, dividends and other investment revenue		2	-
Covid-19 wage subsidy		45	155
Strategic Tourism Asset Protection grants		544	-
<b>Total revenue</b>		<b>1,638</b>	<b>2,146</b>
<b><u>Expenses</u></b>			
Costs relating to providing goods or services	3	819	690
Employee benefit costs		736	1,076
Depreciation and amortisation expense		52	99
Loss on disposal of property, plant and equipment		-	4
<b>Total expenses</b>		<b>1,607</b>	<b>1,869</b>
<b>Surplus/(deficit) from continuing operations</b>		<b>31</b>	<b>277</b>
<b><u>Discontinued operations</u></b>			
Loss from discontinued operation - Oamaru iSite	19	(2)	(57)
Loss from discontinued operation - Omarama iSite	19	1	(14)
Loss from discontinued operation - Whitestone City	19	(8)	(288)
Impairment of assets	19	-	(284)
<b>Total discontinued operations</b>		<b>(9)</b>	<b>(643)</b>
<b>Surplus/(deficit) for the year</b>		<b>22</b>	<b>(366)</b>
Income tax expense/(benefit)	4	100	(130)
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>(78)</b>	<b>(236)</b>



## Tourism Waitaki Limited

### Statement of changes in equity

For the year ended 30 June 2021

	Notes	Contributed capital \$000	Accumulated surpluses or (deficits) \$000	Total \$000
Balance at 1 July 2019		674	120	794
Total comprehensive surplus/(deficit)		-	(236)	(236)
<b>Balance at 30 June 2020</b>		<b>674</b>	<b>(116)</b>	<b>558</b>
Balance at 1 July 2020		674	(116)	558
Total comprehensive surplus/(deficit)		-	(78)	(78)
<b>Balance at 30 June 2021</b>		<b>674</b>	<b>(194)</b>	<b>480</b>

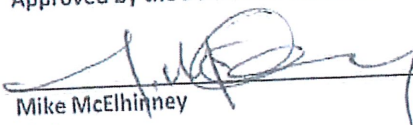
# Tourism Waitaki Limited

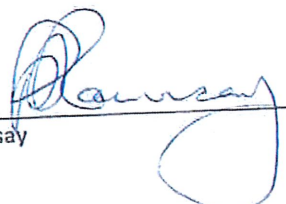
## Statement of financial position

As at 30 June 2021

	Notes	2021 \$000	2020 \$000
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	5	414	320
Term Deposits		300	-
Trade and other receivables	6	33	54
Inventories	7	45	55
Total current assets		792	429
<u>Non-current assets</u>			
Property, plant and equipment	8	273	322
Plant and equipment from discontinued operations	8	4	4
Intangible assets	9	2	4
Deferred taxation	4	-	115
Total non-current assets		279	445
Total assets		1,071	874
<u>Liabilities</u>			
<u>Current liabilities</u>			
Trade and other payables	10	132	127
Employee entitlements	11	66	79
Income tax payable	4	49	65
Income in advance		344	45
Total current liabilities		591	316
Total liabilities		591	316
Net assets		480	558
<u>Equity</u>			
Contributed capital	12	674	674
Accumulated surplus/(deficits)		(194)	(116)
Total Equity		480	558

Approved by the Board and signed on their behalf by:

  
Mike McElhinney  
Chairman

  
Rick Ramsay  
Director

The accompanying notes form part of these financial statements.

## **Tourism Waitaki Limited**

### **Statement of cash flows**

**For the year ended 30 June 2021**

	Notes	2021 \$000	2020 \$000
<b><u>Cashflows from operating activities</u></b>			
Subsidies and grants received		1,362	639
Receipts from operating activities		667	1,996
Interest received		2	-
Income tax (net)		-	21
Goods and services tax (net)		(4)	13
Payments to suppliers and employees		(1,558)	(2,583)
Payments to directors		(74)	(60)
<b>Net cash from/(to) operating activities</b>		<b>395</b>	<b>26</b>
<b><u>Cashflows from investing activities</u></b>			
Term Deposits invested		(300)	-
Purchase of property, plant and equipment and intangibles		(1)	(69)
<b>Net cash from/(to) investing activities</b>		<b>(301)</b>	<b>(69)</b>
Cash and cash equivalents at the beginning of the year		320	363
Net increase/(decrease) in cash and cash equivalents		94	(43)
<b>Cash and cash equivalents at the end of the year</b>		<b>414</b>	<b>320</b>
<b><u>Cash and cash equivalents comprises:</u></b>			
Cash on hand and bank accounts		414	320
		<b>414</b>	<b>320</b>

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

#### **1 Statement of accounting policies**

##### Reporting entity

Tourism Waitaki Ltd (the Company, TWL) is a Company registered under the Companies Act 1993 and is domiciled in New Zealand. The Company is controlled by Waitaki District Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Directors, as the sole shareholder.

The financial statements of the Company are for the year ended 30 June 2021. The financial statements were authorised for issue by the Board of Directors on 29 April 2022.

Under the Accounting Standards Framework, the company is deemed a tier two Public Benefit Entity (Reduced Disclosure Requirements) on the basis that it is not considered publicly accountable or large (expenditure is less than \$30m per annum).

The primary objective of the Company is to encourage, promote and support the establishment and growth of business investment and employment opportunities within the region, rather than making a financial return. Accordingly, the Company has designated itself as a public benefit entity for financial reporting purposes.

##### Basis of preparation

The financial statements have been prepared on the going concern basis. To further address uncertainty over going concern due to COVID-19 the Directors of the Company obtained a letter of support from its shareholder Waitaki District Council (WDC) stating that any funding needed to ensure that the Company can meet its obligations in the normal course of business will be provided for a period of at least 12 months following the signing of the Company's FY21 financial statements. The Company has also secured funding from the Ministry of Business, Innovation and Employment's Strategic Tourism Asset Protection Programme. The Directors are therefore of the view that the going concern basis continues to be appropriate for the preparation of the annual financial statements due to:

- the undertaking from WDC to provide financial support if required,
- the additional funding received from the MBIE STAPP fund for FY21 and the TSRR fund for FY22, and the Company's current strong cash position.

Further details about the impact of Covid-19 on the Company are contained in note 20.

The financial statements of the Company have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

#### **For the year ended 30 June 2021**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars. The functional currency of the Company is New Zealand dollars.

#### **Critical accounting estimates and assumptions**

In preparing these financial statements the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **Property, plant and equipment useful lives and residual values**

A Physical Inspection of all assets has occurred prior to balance date. The Company will review the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Company to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Company and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit and the carrying amount of the asset on the statement of financial position. The Company minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programme;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

The Company has not made significant changes to past assumptions concerning useful lives and residual values.

The carrying amounts of property, plant and equipment are disclosed in note 8.

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

#### **For the year ended 30 June 2021**

##### Critical judgments in applying the Company's accounting policies

The Directors must exercise their judgement when recognising grant income to determine if conditions of the grant contract have been satisfied. The judgement will be based on the facts and circumstances that are evident for each grant contract.

## **2 Revenue**

Revenue is measured at the fair value of consideration received. Revenue is recognised in the financial statements as follows:

##### Operating grants

Revenue from Operating grants are restricted for the purposes of the Company meeting its objectives as specified in the Statement of Intent and related Service Agreement Contracts. The Company also receives other government assistance for specific purposes, and these grants contain restrictions on their use. In the 2020 year the Company received the COVID-19 Wage Subsidies from MSD.

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

##### Other revenue

Products held for sale are recognised when a product is sold to the customer. Ticket sales are recognised in the period the service is provided. Booking commissions are recognised when operator payments are made. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other operating expenditure.

Interest income is recognised using the effective interest method.

Volunteer services received are not recognised as revenue or expenditure as the Company is unable to reliably measure the fair value of the services received.

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b><u>Revenue from providing goods or services</u></b>		
Alps 2 Ocean	82	103
Heritage Walks	-	3
Information Centre	15	95
Oamaru Blue Penguin Colony	535	1,669
Tourism Waitaki	14	3
Whitestone City	-	83
Less: revenue from discontinued operations	(73)	(449)
	<b>573</b>	<b>1,507</b>

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b><u>Classification of Revenue</u></b>		
<i>Revenue from exchange transactions:</i>		
Revenue from providing goods or services	573	1,507
Alps 2 Ocean funding contributions	40	60
Interest, dividends and other investment revenue	2	-
	<b>615</b>	<b>1,567</b>
<i>Revenue from non-exchange transactions:</i>		
Waitaki District Council Operating grants	434	424
Covid-19 wage subsidy	45	155
Strategic Tourism Asset Protection grants	544	-
	<b>1,023</b>	<b>579</b>
<b>Total Revenue</b>	<b>1,638</b>	<b>2,146</b>

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>3 <u>Costs related to providing goods or services</u></b>		
Costs of goods sold	56	168
ACC and staff related costs	34	153
Administration	150	261
Audit fees	44	28
Audit disbursements	(1)	6
Audit fees - prior year audit	38	5
Directors fees	74	60
Eftpos and hire charges	10	12
Insurance	18	39
Marketing and advertising	218	116
OBPC - Penguin welfare	12	14
Rent and property charges	201	264
Less: expenses from discontinued operations	(35)	(436)
	<b>819</b>	<b>690</b>

#### **4 Income tax**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.



## **Tourism Waitaki Limited**

### **Notes to the financial statements**

#### **For the year ended 30 June 2021**

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b><u>Tax expense</u></b>		
Surplus/(deficit) before tax	22	(366)
Tax expense at 28%	6	(102)
<i>Plus/(less) tax effect of:</i>		
Temporary differences not recognised	63	-
Prior period adjustments	31	(28)
	<b>100</b>	<b>(130)</b>

**Components of the tax expense:**

Current tax	(18)	(12)
Deferred tax	87	(90)
Prior period tax adjustments	31	(28)
	<b>100</b>	<b>(130)</b>

	<b>Employee liabilities</b>	<b>Provision for bad debts</b>	<b>Property, plant &amp; equipment</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b><u>Deferred tax</u></b>				
Balance at 1 July 2019	24	1	(27)	(2)
Charged to income	(7)	17	107	117
<b>Balance at 30 June 2020</b>	<b>17</b>	<b>18</b>	<b>80</b>	<b>115</b>
Balance at 1 July 2020	17	18	80	115
Charged to income	(3)	(15)	(34)	(52)
Balance at 30 June 2021	14	3	46	63
De-recognition	(14)	(3)	(46)	(63)
<b>Balance recognised at 30 June 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

No deferred tax asset has been recognised in the 2021 year due to the uncertainty of future taxable income arising. A deferred tax asset has not been recognised in relation to temporary differences of \$225,000.

**5 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**6 Trade and other receivables**

Trade and other receivables are measured at amortised cost less impairment losses.  
All receivables relate to exchange transactions.

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Accounts receivable	33	54
	<b>33</b>	<b>54</b>

**7 Inventories**

Inventories held for sale on a commercial basis are valued at the lower of cost and net realisable value.

The cost of the inventory is determined using the first-in first-out method. Inventory comprises stock on hand of \$46k.

**8 Property, plant and equipment**

Property, Plant and Equipment are shown at cost, less accumulated depreciation and impairment losses.

**Additions**

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable the future economic benefits or service potential associated with the item will flow to the company and the cost of the item can be measured reliably.

In most instances, an item of Property, Plant and Equipment is recognised at its cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value when control over the asset is obtained.

**Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit.

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

#### **Depreciation**

Depreciation is provided on a diminishing value basis on all Property, Plant and Equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows.

Vehicles 30% DV

Plant & Equipment 3% to 67% DV

Computer Equipment 33% to 50% DV

Depreciation begins when the asset is available for use and ceases at the date that the asset is disposed of. The depreciation charge for each for each period is recognised in the surplus or deficit.

#### **Impairment of Non-Financial Assets**

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Company would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

	<b>Motor vehicles \$000</b>	<b>Plant and equipment \$000</b>	<b>Computer equipment \$000</b>	<b>Total \$000</b>
<b><u>Cost</u></b>				
Balance at 1 July 2019	79	864	84	1,027
Additions	-	47	22	69
Disposals	-	(21)	(26)	(47)
Balance at 30 June 2020	79	890	80	1,049
Additions	-	1	-	1
Disposals	-	-	(1)	(1)
<b>Balance at 30 June 2021</b>	<b>79</b>	<b>891</b>	<b>79</b>	<b>1,049</b>
<b><u>Accumulated depreciation and impairments</u></b>				
Balance at 1 July 2019	58	265	64	387
Depreciation charge	6	74	15	95
Elimination on disposal	-	(18)	(25)	(43)
Impairment charge	-	284	-	284
Balance at 30 June 2020	64	605	54	723
Depreciation charge	5	35	11	51
Elimination on disposal	-	-	(2)	(2)
<b>Balance at 30 June 2021</b>	<b>69</b>	<b>640</b>	<b>63</b>	<b>772</b>
<b>Net book value at 30 June 2020</b>	<b>15</b>	<b>285</b>	<b>26</b>	<b>326</b>
<b>Net book value at 30 June 2021</b>	<b>10</b>	<b>251</b>	<b>16</b>	<b>277</b>

	<b>2021 \$000</b>	<b>2020 \$000</b>
<b>9 <u>Intangibles</u></b>		
<b><u>Cost</u></b>		
Balance at 1 July	83	83
<b>Balance at 30 June</b>	<b>83</b>	<b>83</b>
<b><u>Accumulated amortisation and impairments</u></b>		
Balance at 1 July	79	74
Amortisation charge	2	5
<b>Balance at 30 June</b>	<b>81</b>	<b>79</b>
<b>Net book value at 30 June</b>	<b>2</b>	<b>4</b>

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

#### **10 Trade and other payables**

Trade and other payables are measured at amortised cost.

Trade and other payables are non interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<i>Payables relating to exchange transactions</i>		
Accounts Payable	28	36
Sundry Creditors and Accruals	63	23
	<hr/> 91	<hr/> 59
<i>Payables relating to non-exchange transactions</i>		
PAYE Payable	32	55
GST Payable	9	13
	<hr/> 41	<hr/> 68
	<b>132</b>	<b>127</b>

#### **11 Employee Entitlements**

##### *Short term benefits*

Employee benefits that the Company expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current pay rates.

##### *Long term benefits*

There are no entitlements that are payable beyond 12 months.

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Accrued wages	10	6
Provision for holiday pay	56	73
	<hr/> 66	<hr/> 79

#### **12 Contributed capital**

Waitaki District Council holds 500,000 shares in Tourism Waitaki Limited, being 100% of the shares on issue. At balance date 200,000 of these shares have been called and are fully paid. The shares have a par value of \$1 each.

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

#### **13 Financial instruments**

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<u>Financial assets</u>		
<i>Loans and receivables</i>		
Cash and cash equivalents	414	320
Term deposits	300	-
Receivables	33	54
	<b>747</b>	<b>374</b>
<u>Financial liabilities</u>		
<i>Financial liabilities at amortised cost</i>		
Payables	91	59
	<b>91</b>	<b>59</b>

#### **14 Lease commitments**

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
No later than one year	145	142
Later than one year and not later than five years	475	380
Later than five years	956	1,044
	<b>1,576</b>	<b>1,566</b>

The total non-cancellable operating lease amount relates to the lease of the information centre, office building, the Oamaru Blue Penguin Colony and VOIP phones.

- The lease on the information centre and office building were renewed on 1 July 2021 for a term of three years.

The Company does not have the option to purchase the assets at the end of the lease term.  
There are no restrictions placed on the Company by any of its leasing arrangements.

#### **15 Capital commitments**

There were no capital commitments at 30 June 2021 (2020: \$nil).

#### **16 Contingent assets and liabilities**

There were no contingent assets or liabilities at 30 June 2021 (2020: \$nil).

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

#### **For the year ended 30 June 2021**

##### **17 Related party transactions**

The following transactions were carried out with related parties during the year. All transactions were conducted at market value on ordinary commercial terms.

##### **(i) Waitaki District Council (WDC)**

The Company was formed by WDC and receives the majority of its funding from operating grants from Council, to deliver its objectives as specified in the Statement of Intent. The WDC is the shareholder of the Company.

##### **(ii) Whitestone Contracting Limited**

Whitestone Contracting Limited is 100% owned by WDC.

##### **(iii) Waitaki Whitestone Geopark Trust**

Waitaki Whitestone Geopark Trust is part of the WDC group.

##### **(iv) Adair Craik Chartered Accountants Limited**

Former Board member and Chartered Accountant Adair Craik was engaged to provide accountancy services to the Company in the absence of the services of a full-time, in-house accountant from July 2019 to February 2020. These services were provided through Adair Craik Chartered Accountant Limited, of which Adair is a director and shareholder. The services were provided on an arms length basis.

##### **(v) Mackenzie District Council**

Board member Richard Ramsay is a committee member of the Mackenzie District Council Economic Development Group. TWL received a marketing contribution from Mackenzie District Council during the period. Richard Ramsay had no involvement in any decisions relating to this marketing contribution.

##### **(vi) Mt Cook Alpine Salmon Limited**

Board member Richard Ramsay is an employee and shareholder of Mt Cook Alpine Salmon Limited, which is a sponsor of TWL's A20. Richard Ramsay had no involvement in any decisions relating to this sponsorship.

##### **(vii) Oamaru Whitestone Civic Trust**

Board member Michael McElhinney's partner, Frances McElhinney, is a Board member of Oamaru Whitestone Civic Trust.

##### **(viii) Topflite Limited**

Board member Michael McElhinney is an employee of Topflite Limited.

##### **(iv) Skyline Enterprises**

Board member Janine Tulloch is an employee of Skyline Enterprises Limited.

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

#### **For the year ended 30 June 2021**

The following amounts were received from /(paid to) related parties during the period.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<u><i>Waitaki District Council</i></u>		
Operating grants	433,500	423,500
Marketing contribution	20,000	30,000
Other goods and services	2,642	3,060
Office rental	(184,610)	(195,718)
Other operating expenses	(22,736)	(14,965)
<u><i>Whitestone Contracting Limited</i></u>		
Compensation for use of tax losses within WDC Group	-	21,540
Purchases	-	(1,654)
<u><i>Waitaki Whitestone Geopark Trust</i></u>		
Rent	8,000	-
<u><i>Adair Craik Chartered Accountants Limited</i></u>		
Professional Services	(2,365)	(57,712)
<u><i>Mackenzie District Council</i></u>		
Marketing contribution	20,000	30,000
<u><i>Mt Cook Alpine Salmon Limited</i></u>		
Sponsorship	4,600	5,000
<u><i>Oamaru Whitestone Civic Trust</i></u>		
Rent and other operating expenses	(904)	(42,462)
<u><i>Topflite Limited</i></u>		
Subscriptions	200	-
<u><i>Skyline Enterprises</i></u>		
Commissions	-	(403)

At balance date there was \$581 (including GST) owing to WDC. There were no other amounts receivable from or payable to the related parties noted above (2020: \$nil).



## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

#### **18 Key management personnel compensation**

Key management personnel includes all Directors and the General Manager. One employee, not being a Director, received remuneration in the range of \$130,000 - \$140,000 (2020: \$130,000 - \$140,000: one).

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Salaries and other short term employment benefits	206	193

#### **19 Discontinued operations**

The following business activities have been discontinued:

- Whitestone City (March 2020)
- Oamaru i-Site (June 2020)\*
- Omarama Information Centre (June 2020)\*
- Contribution to Kurrow Information Centre (June 2020)\*

\*Closures as a direct result of the Covid-19 virus.

The assets relating to the discontinued operations have been assessed for impairment, with the following impairments being recognised:

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Oamaru i-Site	-	37
Kurrow Information Centre	-	-
Whitestone City	-	246
	<b>-</b>	<b>283</b>

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b><u>Financial performance from discontinued operations</u></b>		
Revenue	73	449
Expenses and impairment	(83)	(1,092)
Deficit before income tax	(10)	(643)
Income tax (expense)/benefit	3	180
<b>Deficit after income tax of discontinued operations</b>	<b>(7)</b>	<b>(463)</b>

#### **Cashflow from discontinued operations**

Net cash inflow/(outflow) from operating activities	56	(248)
Net cash inflow/(outflow) from investing activities	-	-
<b>Net decrease in cash from discontinued operations</b>	<b>56</b>	<b>(248)</b>

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

**For the year ended 30 June 2021**

#### **20 Covid-19 disclosure and Subsequent Events**

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic. New Zealand had taken action to relax its border controls with 'safe' countries in April 2021 such as Australia and Rarotonga who had eliminated the virus. But what was emerging in many places overseas was a more serious and contagious strain of COVID-19 called Delta. Parts of Australia became locked down as Delta made its way across their borders then eventually the virus spread from a traveller from Australia into New Zealand in early August 2021 resulting in a sudden nation-wide lockdown starting on 17 August 2021.

The Covid-19 situation remained mostly static into the FY21, so all actions taken in FY20 were held in place and no additional actions such as restructures were required. FY21 was a full year where Covid-19 impacted tourist numbers, resulting in a reduction in revenue from providing goods and services. The restructure of operations in the prior year, including the closure of the Whitestone City operations, has resulted in a reduction of employee benefit costs in FY21.

Additional funding was received in the current year as part of the Government's Tourism Recovery Package and the Strategic Tourism Asset Protection Programme (STAPP). This resulted in \$400k received for Regional Tourism Organisations (RTO) and another \$500k received for the Oamaru Blue Penguin Colony (OBPC), along with \$183k received to stimulate the events sector. These grants are to be allocated over FY21 and FY22.

Tourism Waitaki received confirmation from the Ministry of Business, Innovation and Education (MBIE) on 10 August 2021 that from the Tourism Communities Fund, Support, Recovery and Re-set Plan, a further grant of \$400,000 would be paid to the RTO to support the agreed work in the Investment Plan. To date, MBIE have not indicated whether they will support the RTO with a third round of funding for FY23.

The OBPC was offered a loan facility from STAPP at the time of the grant. A loan facility of up to \$448,130 has been approved in principle by MBIE. Due to the prolonged lockdown of Auckland and limited travel movement from August 2021 to December 2021, the TWL Board proceeded with the STAPP loan offered to the OBPC. An initial drawdown of \$184,500 was receipted in February 2022. The loan has a five-year term and if repaid within two years from the draw-down date is interest free. TWL will be seeking to repay any loan within this timeframe.

## **Tourism Waitaki Limited**

### **Notes to the financial statements**

#### **For the year ended 30 June 2021**

TWL is working on how much and when this facility will be required in FY22, FY23 and FY24. TWL is currently preparing a Contract for Service with WDC for FY23 which will inform this decision. WDC have also provided the Company with a letter of support indicating that all funding required to meet the Company's obligations in the normal course of business will be provided for at least 12 months following the signing of the Company's FY21 financial statements.

The OMICRON outbreak affecting most of the Country from early February 2022 is continuing to impact domestic tourism. The government is currently working on opening New Zealand's borders to international travellers.

There are no other subsequent events that require disclosure.

#### **21 Breach of statutory reporting deadline**

The Company was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 November 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

## Tourism Waitaki Limited

### Performance information

For the year ended 30 June 2021

The following section outlines our performance against identified focus areas, and measurements in the Draft Statement of Intent.

#### **Focus: Domestic Trade**

Work with neighbouring RTO's and TNZ to achieve a wider regional approach to marketing, Create a domestic campaign/marketing plan to draw visitors to the district.

#### ***Measure: A campaign/marketing plan for Summer 2020/21***

RESULT: Achieved

TWL produced a Marketing Plan 2020-2021 (August 2020). The plan was focused on domestic marketing and was in line with the investment plan from the STAPP fund. The plan was presented to the Shareholders and local operators.

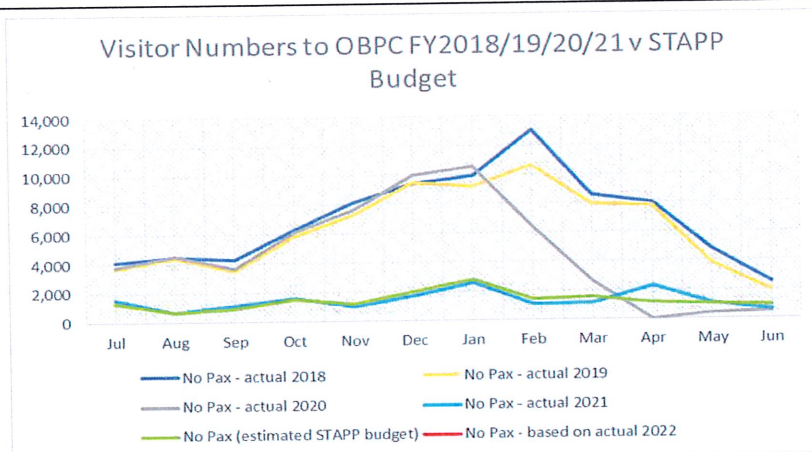
TWL developed a Summer Campaign #THEONEWHO' in October 2020. The campaign was designed to involve all local businesses and was used in numerous media promotions.

A Winter Campaign 'Waitaki the Sweet Spot of New Zealand' was launched in May 2021, again designed to involve local businesses, extensively shared over Tourism Waitaki's social media platforms and in print media.

#### ***Measure: Visitor numbers are measured against COVID-19 lockdown tourist numbers; visitor numbers increase over 12 months by 20%***

RESULT: Achieved

Based off COVID lockdown numbers to OBPC during April, May & June 2020, these totalled 851 visitors. Using the average of 284/month applied over 12 months is 3,408. TWL has been tracking the return of domestic visitors. FY21 saw 16,186 visitors a 375% increase. The table below displays the return of visitors from July 2020 to June 2021. Small peaks reflect school holiday periods and Easter.



## **Tourism Waitaki Limited**

### **Performance information**

**For the year ended 30 June 2021**

#### **Focus: Partner with South Island Airports**

Engage with Kia Ora South program, CHCH Airport and Lower South program, Dunedin Airport, in joint marketing campaign opportunities in New Zealand and Australia.

**Measure: Attend or contribute to at least one joint marketing campaign per year**

RESULT: Not Achieved due to borders remaining closed and a pause to Airport marketing activity.

#### **Focus: Grow relationships with neighboring RTO's**

Work to form an alliance with the Southern Region RTO cluster to build a Southern New Zealand regional promotion plan referred to as '45 South', to achieve efficiencies in marketing.

**Measure: Become a formal partner in a Southern Region Alliance '45 South' for 2020/21**

RESULT: Achieved

TWL signed a joint MOU with the eight southern region RTO's to progress with the 45 South initiative. Tourism Waitaki contributed \$25,000 into the campaign and part of this fund has allowed a substantial saving on purchasing a Triptech dataset for the regions for two years.

#### **Focus: Visitor Surveys**

Carry out quarterly Visitor Surveys in the District to measure the return of domestic and international visitors.

**Measure: Sample size min.100pax/survey per quarter from OBPC**

RESULT: Not Achieved

37 response July-December 2020, 1 was international all others New Zealanders. (12 from July to September and 25 from October to December). Reduced surveys were due to the reduction of opening hours and issues with the survey platform used.

172 responses January-June 2021. (61 January to March and 111 from April to June). The lower visitor numbers each evening contributed to the lower responses.

## **Tourism Waitaki Limited**

### **Performance information**

**For the year ended 30 June 2021**

#### **Focus: Digital Platforms**

Review TWL and OBPC website, social media platforms to increase ease of use and engagement.

***Measure: Update the TWL and OBPC website and social media platforms by Feb 2021.***

RESULT: Achieved

On top of weekly posts and stories, research for new/high performance hashtags on social media, continuous engagement etc. these are the key improvements that have happened throughout the year and have been closely aligned in many cases to the marketing campaigns.

The TWL website, we have added a lot of content (Architecture page, Local information and Maps/brochure, more members' listings) as well as adding photos and videos to make it even more visually appealing. We have also launched the Blog in November 2020 with seven articles posted in November and December 2020. On Instagram, we have shared more IGTV (which are longer videos on Instagram) to showcase our region even better. On Facebook, we have shared more articles mentioning the Waitaki so visitors can without any doubt see that you can do so much in our region.

The OBPC website, we have updated the imagery as well to make the website more appealing and added/updated information for example, the Adoption program so people can support the conservation work at the OBPC. On Instagram, we have added highlights at the top of our profile so visitors (not only our followers) can browse some of our stories and discover more about the colony, the conservation work.

#### **Focus: Best Practice Business Management**

Ensure the health and well-being of our staff and customers is part of our best practice. Develop annual budgets for each TWL Business unit. Enhancements and developments are achieved within budget and resources.

***Measure: Business units have a budget and enhancement plan***

RESULT: Achieved for budgets. Not Achieved for enhancement plans.

These were not developed due to COVID-19 and subsequent priorities of investment choices.

## **Tourism Waitaki Limited**

### **Performance information**

**For the year ended 30 June 2021**

#### **Focus: Improve Customer Experiences**

Survey customers and staff to explore innovative ways to enhance each experience. Ensure the integrity of the environment is protected at all TWL businesses, measured by annual Qualmark ratings.

**Measure: *The annual Qualmark Assessment is maintained at OBPC as a Silver rating or exceeds to a Gold.***

RESULT: Achieved, The OBPC gained a Silver rating in November 2020 following the Qualmark assessment.

#### **Focus: Contribution to local industry**

Be a resource for local operators and aspiring tourism businesses to obtain knowledge, data, and insights.

**Measure: *Hold virtual drop-in sessions twice a year. Issue bi-monthly newsletters to operators.***

RESULT: Partially Achieved.

TWL held a ZOOM presentation to operators on 28 September 2020, and Operator e-newsletters were sent out September and December 2020, February, March, April, and June 2021.

#### **Focus: 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%***

RESULT: Achieved

FY20 13 members

FY21 34 members – 161% increase

## **Tourism Waitaki Limited**

### **Performance information**

**For the year ended 30 June 2021**

**Focus: Adopt a 'destination approach' in future investment in promotion, experience, and product development.**

Encourage opportunities to support experience development. Foster collaboration, entrepreneurial thinking, clustering, and specialization with other sectors where competitive advantages and mutual benefits exist.

***Measure: Develop district touring routes which profile the Waitaki Whitestone Geopark.***

RESULT: Achieved

TWL have used the District map (produced primarily to highlight the major geosites in the Waitaki Whitestone Geopark) in a number of marketing campaigns to highlight the destination as a whole.

Additional touring route development has been done in collaboration with Venture Timaru, Mackenzie, and Waimate to design a self-drive touring route passing through all regions. Work is ongoing with 45 South to develop touring routes which connect all the lower south regions, in the Waitaki, these include SH1, SH8, SH83 and SH85.

**Focus: Seek additional Industry funding support as a result of COVID-19 impacts.**

TWL will continue to seek additional Government funding to support the RTO functions and OBPC.

***Measure: Obtain additional government funding to support operations at OBPC and the RTO.***

RESULT: Achieved for FY21 and through to FY22

Government grants were received for the RTO for FY21 \$400,000. Additional MBIE funding has been confirmed from the Tourism Support, Recovery and Re-set fund for FY22 for \$400,000. The OBPC was offered a loan facility from STAPP at the time of the grant which TWL indicated they would be interested in accepting. A loan facility of up to \$448,130 has been approved in principle by MBIE. With a first loan draw-down of \$184,500 pre-approved for 1 February 2022.

TWL is working on how much and when this facility will be required in FY22, FY23 and FY24. The loan has a five-year term and if repaid within two years from the draw-down date is interest free. TWL will be seeking to repay any loan (if taken) within this timeframe.



## **Tourism Waitaki Limited**

### **Performance information**

**For the year ended 30 June 2021**

#### **Governance**

During FY21 the Tourism Waitaki Board met on ten occasions, eight meetings chaired by Mike McElhinney and two by Rick Ramsay in Mike's absence. Adair Craik resigned from the Board in October 2020. The Directors requested the shareholder not replace the vacant position and continue with a Board of four members given the COVID-19 circumstances. It is noted the huge contribution Adair made while being on the board.

There were four meetings with the Shareholder Executive throughout the year in November 2020, February, March, and June 2021.