

**Tourism Waitaki Limited
Statement of Intent
2018**

1. Introduction

This Statement of Intent has been prepared in accordance with Section 64 of the Local Government Act 2002.

It outlines the activities and intentions of the Tourism Waitaki Limited for the next three years and the objectives to which those activities will contribute. Performance targets 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.

2. The Company

2.1 Background

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 the Tourism Waitaki is to advance tourism within the district by fostering a positive, diverse, sustainable and growing tourism sector.

2.2 Nature and Scope of Activities

The activities undertaken by the Company include, but are not limited to:

- Facilitation of District-wide economic growth by developing the tourism sector.
- Growth of the tourism industry through implementation of the Tourism Strategy and advising Council on visitor infrastructure needs.
- Provision of visitor information through the services of the Oamaru i-SITE, Oamaru Convention Bureau, and Waitaki Events, supported by Omarama and Palmerston Visitor Centres and other locations and office personnel as deemed necessary and desirable by Tourism Waitaki.
- Operation and Management of the Oamaru Blue Penguin Colony and Whitestone City.
- Operation and Management of the commercial aspects of the Alps to Ocean Cycle Trail
- Fostering new and existing business opportunities, business partnerships and commercial relationships with all potential stakeholders at local, regional and national levels.



2.3 Objectives

The principal objective of Tourism Waitaki Limited is to facilitate the growth of the district tourism industry, while delivering broad social, environmental, and cultural returns.

Other specific objectives include the attraction of grant funding where applicable; growth of the tourism industry within the district and operation of commercial enterprises including, though not limited to, the Oamaru Convention Bureau, Waitaki Events, Oamaru Blue Penguin Colony, ISITEs, Whitestone City, and the Alps to Ocean Cycle Trail.

2.4 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 Māori.
- Transparent and collaborative relations are maintained with the shareholder.

3. Reporting and Performance Measures

3.1 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 WDB 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 targets in this Statement of Intent.
- Performance against the Corporate Governance Statement.
- Audited financial statements as required under the Financial Reporting Act 1993.
- A report on compliance with the Company's Tendering Policy.
- 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.

3.2 Performance Targets and Measures

Over the next three years the Company's performance targets are to:

1. Tourism

Tasks

- 1.1 Increase Trade-ready Product through tourism sector development activities
- 1.2 Increase the length of time visitors spend in the District
- 1.3 Increase the per-visitor yield through increased accommodation value and volume of available activities
- 1.4 Profitably manage and expand TWL's tourism business assets
- 1.5 Progress toward financial self-sustainability

Target

Facilitate Tourism Industry Development

Product development

Strategic partnerships

Trade initiatives

Measurement

Increase in accommodation spending
Growth in visitors from core visitor markets
Tourism strategy revised and implemented
New trade-ready tourism ventures
Expansion of current trade-ready products
Travel infrastructure network expanded
IMA agreements in place
Industry affiliations expanded
Management recognized as industry leaders
Increased IBO visitors
Growth in TRENZ attendees from the District
Itineraries developed
Services retailed through District sales network

The financial projections for the Company are set out below:

Year Ending	30 June 2018
Shareholder's Equity	\$500,000

Ratio of Consolidated Shareholders' Funds to Total Assets

'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.

The ratio of consolidated shareholders fund to total assets will exceed 5%.

Directors Estimate of the Company Value

The Directors estimate that the commercial value of the shareholders' investment in TWL will be represented by the opening balance of shareholders' funds. The directors will advise the shareholders on an annual basis if they believe the value to differ materially from this state.

4. Governance, Policies and Procedures

4.1 Corporate Governance Statement

a) 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 meets on a regular basis and 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 all errors and irregularities.

b) The Role of the Shareholder

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 special meetings where required.

c) Board Appointments

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

d) 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.

e) Company Management Structure

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

f) 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. These policies include:

- Corporate governance matters (as described).
- Relationships with employees and customers (ethics, health and safety).
- Confidentiality of Company information.

g) Treasury Policy

There is no exposure to foreign exchange and interest rate risk is managed in accordance with the Policy Manual that sets limits of management authority. No speculative investments are approved and investments not with a registered bank require Board approval.

h) Audit

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

4.2 Dividend Policy

Any dividend 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.

4.3 Accounting Policies

The accounting policies recognized by the New Zealand Institute of Chartered Accountants for the measurement and reporting of net surplus 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.

4.4 Tendering Policy

The Company has a tendering policy relating to the supply of goods and services to the Company from suppliers and directors.

Compliance with the Tendering Policy is reported in the Company's Annual Report.

4.5 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.

4.6 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.

4.7 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.