



Western Bay of Plenty Tourism and Visitors Trust



Statement of Intent

2016/17 to 2018/19

Western Bay of Plenty Tourism and Visitors Trust

STATEMENT OF INTENT FOR 2016/17 FINANCIAL YEAR

1. Introduction

The Western Bay of Plenty Tourism and Visitors Trust is incorporated under the Charitable Trusts Act (1957), and is a not for profit entity established to promote the Western Bay of Plenty region as a visitor and tourist destination.

Abbreviations used:

Western Bay of Plenty Tourism and Visitors Trust	“TBoP”
Tauranga City Council	“TCC”
Western Bay of Plenty District Council	“WBOP DC”
Tauranga City Council and Western Bay of Plenty District Councils	“the Councils”
Western Bay of Plenty sub-region	“the region”
Whakatane District Council	“WDC”
Council Controlled Organisation	“CCO”
Statement of Intent	“SOI”

2. Principle and Specific Objectives

2.1 Principle Objective

The principle objective of TBoP is to promote the economic welfare and development of the region and its community through marketing and management that impacts on the region as a visitor and tourist destination. The aspirational target for the region is to be:

- A destination that has a vibrant tourism offering.
- A \$1Billion visitor spend industry by 2030.

The remit of Tourism Bay of Plenty is to market the region of the TCC and WBOP District Councils and also under a separate Memorandum of Understanding the WDC.

Visitor Information Services, including the existing Visitor Centre on Willow Street, i-PORT facilities and any agreed future Visitor Centre locations are now managed under this SOI and under a single contract with TCC.

Additional funding will be sought from public and private sources to meet this Principle objective.

2.2 Specific Objectives of Tourism Bay of Plenty

The Key Result Areas (KRA's) in the Letter of Expectations (2016/17) broadly define the priorities for TBoP:

- 1. Economic Focus Area:**
 - a. Grow the tourism industry and increase visitor spend in the Western Bay of Plenty sub region.
 - b. Support the development of tourism in the Western Bay of Plenty sub region and enable investment.
- 2. Social Focus Area:**
 - a. Collaborate with the councils and other agencies.
- 3. Cultural Focus Area:**
 - a. Identify and promote tourism experiences and products which support the Western Bay of Plenty's unique cultural heritage.
- 4. Environmental Focus Area:**
 - a. Support the tourism industry to be environmentally responsible to protect the sub region for current and future generations.

3. Governance

TBoP is a Council Controlled Organisation of the Tauranga City and Western Bay District Councils.

3.1 The role of the Board of TBoP

The Board of Trustees are responsible for setting the strategic direction of TBoP, approving the SOI, the Annual Business Plan and the Annual Budget. The Trustees are additionally responsible for identifying and managing risk in an appropriate manner.

The Trustees delegate the day-to-day operation of TBoP to the CEO of TBoP who reports regularly to the Board.

3.2 Board of Trustee Skills, Knowledge and Experience

Within the composition of the Board there are members who have the following skills, experience and knowledge:

- Business and management (including financial management)
- Linkages with and knowledge of the tourism market and tourism product in the Bay of Plenty.
- An interest in and knowledge of the tourism industry and environment in New Zealand
- Linkages with and understanding of Tauranga business community and key agencies.
- Understanding of the cultural history of the region.
- Linkages with and understanding of Tauranga Moana Tangata Whenua

3.3 The Role of the TCC & WBOP DC

The TCC and WBOP DC are partners of TBoP, providing:

- Representation on the appointment panel selecting TBoP's Board of Trustees.
- Financial support on behalf of the residents of the region in the form of an annual grant towards operational funding, and; a monitoring role receiving and reviewing performance.

4. Deliverables specific to TCC & WBOP DC

4.1 Statement of Intent (SOI)

The Statement of Intent for the ensuing financial year will be provided by TBoP to the Councils by 1 March each year.

The 12-month business plan will be submitted with detailed budgets by 30 June annually.

The Statement of Intent provides a three-year view which is consistent with the Enduring Letter of Intent and identifies:

- Indicative rolling three year forecast of performance and position, separately identifying any significant intended expenditure.
- Any likely requests for increased levels of funding from Council.
- Key action or initiatives to deliver on the objectives of TBoP.
- Upcoming challenges, risk and opportunities for TBoP.

4.3 Reporting

- To keep the Councils informed of matters of substance affecting the trust.
- To produce half yearly and annual reports to the joint governance Councils on both financial and non-financial performance based on an annual balance of 30 June.
- To appraise the performance of the Board of Trustees at least a minimum of every 18 months.
- To ensure there are no surprises for the Councils.

4.3.1 Half Yearly Report

Within six weeks after the end of the first half of each financial year, the Trustees shall deliver to the joint governance Councils an unaudited report containing the following information in respect of the half year under review:

- a. Statement of Financial Performance (income statement) disclosing revenue and expenditure and comparative prior period and budget figures
- b. Statement of Financial Position (balance sheet);

- c. Progress towards Non-Financial Performance Targets;
- d. 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 TBoP's performance, including an estimate of the financial result for the year based on that outlook.

4.3.2 Annual Report

Within one month after the end of each financial year, the Trustees shall deliver to the joint governance Councils a draft annual report, and within two months after the end of each financial year audited financial statements (subject to audit delivery) in respect of that financial year, containing the following information:

- a. Audited financial statements for that financial year; and
- b. The Auditor's report on
 - i. those financial statements; and
 - ii. the performance targets and other measures by which performance has been judged in relation to the objectives
- c. The audited financial statements shall consist of:
 - i. Statement of Financial Position; and
 - ii. An overall operating statement; and
 - iii. One operating statement in respect of each significant activity; and
 - iv. Statement of Performance against Financial and Non-Financial Performance Targets
 - v. Such other statements as may be necessary to fairly reflect the financial position of TBoP and its subsidiaries, the resources available to TBoP and its subsidiaries and the financial results of the operations of TBoP and its subsidiaries.

5. Activity & Performance Framework

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>2017/18 Goal to June 18</i>	<i>2018/19 Goal to June 19</i>
KRA 1: Grow the tourism industry and increase visitor spend						
Are we on track for reaching our Vision of \$1Billion by 2030?	Increase overall visitor spend by 3.7%	MBIE Regional Tourism Estimates	\$866m	\$898m	\$931m	\$965m
Are we growing the TA's that we represent proportionately?	Increase TCC TA Visitor Spend by	MBIE Regional Tourism Estimates by TA	\$620m	\$642m	\$665m	\$698m
Are we growing the TA's that we represent proportionately?	Increase WBDC TA Visitors Spend by	MBIE Regional Tourism Estimates by TA 3.7%	\$121m	\$128m	\$132m	\$136m
Are we growing the TA's that we represent proportionately?	Increase WDC Visitors Spend by	MBIE Regional Tourism Estimates by TA	\$28m	\$29m	\$30m	\$31m
Are we growing our share of international market share spend?	Increase international visitor spend by 4%	MBIE Regional Estimates by International	\$178m	\$186m	\$192m	\$200m
Are we growing our share of international market share volume?	Grow visitation by 4%	Data Source Required	Data Source Required	Data Source Required	Data Source Required	Data Source Required
Are we growing our share of domestic market share spend?	Increase domestic visitor spend by 3.35%	MBIE Regional Tourism Estimates	\$687m	\$707m	\$730m	\$754m
Are we growing our share of domestic market share volume?	Increase domestic share volume by 3%	Data Source Required	Data Source Required	Data Source Required	Data Source Required	Data Source Required
Are we increasing off-peak and shoulder season visitation?	Increase our off-peak and shoulder season visitation by 5%	MBIE Regional Tourism Estimates	\$49m/month	\$51.5m/month	\$54m/month	\$57m/month
Are we improving visitor information services through digital services?	Increase traffic to website and referrals to industry. Completion of: Trade, Media, Venues, Photo Library sub-sites.	Google Analytics	Website traffic to March 2016: 264,779 74.8% new visitation	Increase 10% to 291,256	Increase 10% to 320,381	Increase 10% to 352,419
Are we growing our consumer and trade databases?	Increase Facebook followers Instagram, Twitter, eDM	Facebook, Instagram and Twitter analytics	Facebook: 7396 Twitter: 2016 Instagram: 186	Facebook: 11,154 Twitter: 3024 Instagram: 279	Facebook: 16731 Twitter: 4536 Instagram: 418	Facebook: 25096 Twitter: 6804 Instagram: 627

KRA 2: Support tourism development and encourage investment						
CRUISE: Are we growing our share of the Cruise industry and delivering a world class visitor experience that supports local businesses and encourages independent return visitation?	Engage with Cruise lines, PORT, Operators, Council to ensure visitor satisfaction.	Cruise New Zealand Research. TBoP sales analysis.	9% growth in passenger arrivals. 35% growth in visitors taking local tours. Voucher sales have experienced YOY growth of 40%	Develop Visitor Experience Plan Develop Welcome Back Pack Engage with local stakeholders to ensure successful overnight experience for locals.	Increase cruise visitation and uptake of visitor plans and welcome pack	Increase cruise visitation and uptake of visitor plans and welcome pack
BUSINESS EVENTS: Are we marketing the region as a business events destination to both domestic and international markets?	Compete in the 10:30, 31:60 and 61:100 PAX category for conference, convention, meeting, seminars, incentives and tradeshows.	Conference Activity Survey	Market Share 4% 48 hour response to enquiry	Market Share 5% 24 hour response to enquiry	Market Share 6% 24 hour response to enquiry	Market Share 7% 24 hour response to enquiry
MAJOR EVENTS SUPPORT: Do we have good working relationships with events staff and the events industry and are we a partner for helping to attract and promote major drawcard events?	Provide assistance to promote 5 x major events out of region using on-line marketing budget and channels		Promotion of 5 x Major Events per annum. Attendance at 6 weekly Event stakeholder meetings.	Promotion of 5 x Major Events per annum. Attendance at 6 weekly Event stakeholder meetings.	Promotion of 5 x Major Events per annum. Attendance at 6 weekly Event stakeholder meetings.	Promotion of 5 x Major Events per annum. Attendance at 6 weekly Event stakeholder meetings.
VIC: Are we helping to drive the value of the visitor economy by providing outstanding and fit for purpose visitor information services?	Drive the value of the visitor economy by providing outstanding visitor experience at the visitor centre		Qualmark Rating 89% Door Counts 111,225 Retail Sales \$120,049 Voucher Sales \$236,550	Qualmark Rating 89% Door Counts 122,400 Retail Sales \$132,054 Voucher Sales \$291,000	Qualmark Rating 89% Door Counts 124,848 Retail Sales \$138,657 Voucher Sales \$299,730	Qualmark Rating 100% Door Counts 127,344 Retail Sales \$145,590 Voucher Sales \$308,721
Are we advocating for and facilitating opportunities for investment in tourism that will grow the visitor economy?	Increase the knowledge and capability of existing operators and encourage investment in new product development.		28 export ready operators increase to 30 . 1 new tourism operation per annum. Participation in Regional Growth strategy and with Priority One.	Delivery of the Industry Growth Plan and Regional Growth Strategy. New KPI's set.	Delivery of the Industry Growth Plan and Regional Growth Strategy. New KPI's set.	Delivery of the Industry Growth Plan and Regional Growth Strategy. New KPI's set.
KRA 3: Collaborate with Councils and Other Agencies						
Are we collaborating with key partners, networks and stakeholders to increase marketing leverage and collaboration?	Completion of Stakeholder Engagement and Communications Plan and implementation of Management System		4 x operator forums. Participation in Regional groups: ECNI, Cycle TMN, RTONZ Monthly/quarterly meetings with key partners/agencies as per stakeholder engagement plan.	Develop a detailed plan which lists all stakeholder groups, meetings, events and communications activities required to support profile and growth. KPI's set.	New KPI's measured.	New KPI's measured.

KRA 4: Promote experiences and products which support our unique cultural heritage.						
Are we identifying and promoting multi-cultural tourism experiences and events?	Facilitate regular outcome focussed meetings with iwi, the iwi collective, Maori Business & TNZ Maori Tourism			Active incorporation of iwi within the organisation including at strategy meetings.	Supporting iwi to develop cultural tourism product and take it to market.	Supporting iwi to develop cultural tourism product and take it to market.
KRA 5: Support industry to be environmentally responsible for current and future generations.						
Are we supporting tourism operators to maintain Qualmark status/ Have we identified operators that might qualify for Environmental awards?		No. of Qualmark operators	87 Qualmark businesses	90 Qualmark businesses	93 Qualmark businesses	97 Qualmark business
Major Project 1: Insights Development						
Are we being insight lead and able to confidently report the performance and value of tourism to stakeholders with a clear understanding of value and volume metrics?	Develop a robust platform for measuring visitor numbers, visitor spend, origin of visitor, visitor flow and any other information which clarifies who, where, how and when visitor activity occurs	MBIE, Stats NZ, Qrious, Marketview, Colmar Brunton and more		Monthly reporting of visitor value, volume, flow, type and accommodation preference monthly from October 2016.	Monthly reporting of visitor value, volume, flow, type and accommodation preference monthly from October 2016. Targeted tailored marketing and communications driving known gap areas and specific demographics based on the data we have collated and understood.	Monthly reporting of visitor value, volume, flow, type and accommodation preference monthly from October 2016. Targeted tailored marketing and communications driving known gap areas and specific demographics based on the data we have collated and understood.
Major Project 2: Brand Proposition Redevelopment						
Have we defined our regions proposition to international and domestic visitors that is compelling, competitive and enduring?	Define our region's tourism proposition to all visitors		Stakeholder workshops held to understand any USP's or positioning preferences.	Launch proposition. Comprehensive rollout of new collateral, merchandise, key messages and support material within 6 weeks of launch.	Review & Assess.	Review & Assess.
Major Project 3: Visitor Experience Plan						
Are we providing outstanding visitor information services at key touch points?						
VIC Project				Business case developed	Funding approval	Build
i-PORT Project				Refurbishment	Funding approval	Build
Are we engendering civic pride to encourage the VFR market to stay longer, spend more and spread positive word of mouth?	Engender civic pride among our locals, encourage VFR to stay longer, spend more and spread the positive news further		A 3 year strategy and social media plan is in development.	Develop and adhere to the Stakeholder Engagement and Communications Plan. Implement Year 1 of Comms Plan.	Implement Year 2 of Comms Plan.	Implement Year 3 of Comms Plan.

Major Project 4: Industry Growth Programme

Are we providing mentoring and support for businesses to become market/ international trade ready and develop sustainable capability?	Work with economic development individuals and agencies to encourage business growth within the tourism sector		Meetings held with ASB and Chamber of Commerce to developing a strategy.	Partner with no less than 2 existing tourism organisations to provide support as appropriate.	Partner with no less than 4 existing tourism organisations to provide support as appropriate.	Partner with no less than 5 existing tourism organisations to provide support as appropriate.
---	--	--	--	---	---	---

Major Project 5: Regional Growth Strategy

Are we collaborating with our regional partners to determine gaps and opportunities to grow our visitor economy collectively?	Collaborate with the wider central north island tourism offices as well as our collective stakeholders to determine gaps and opportunities to grow our visitor economy collectively.		Regional workshops have been held and proposal to MBIE has been completed. Tania Bui appointed as Project Lead for Region.	KPI's to be set dependant on MBIE response to proposal.		
---	--	--	--	---	--	--

The way we work

Are we living the values of TBoP:			Values being set with the Xone.	Staff Reviews/ Feedback.	Staff Reviews/ Feedback.	Staff Reviews/ Feedback.
Are we adhering to the no surprises policy with staff, industry and funders?				Feedback from Councils.	Feedback from Councils.	Feedback from Councils.
Have we ensured we have met our compliance and regulatory obligations on time and in a professional way?		Annual Audit.		Audit Confirmation. Council Feedback.	Audit Confirmation. Council Feedback.	Audit Confirmation. Council Feedback.
Do we have good, collaborative working relationships with appropriate organisations?				Stakeholder Feedback.	Stakeholder Feedback.	Stakeholder Feedback.
Are we adhering to the Code of Conduct and ensuring compliance to Health & Safety obligations.		Risk Management Framework.	Risk Management Framework in development.	Measure & monitor.	Measure & monitor.	Measure & monitor.
Are we managing budgets and resources to run the organisation in an efficient and effective manner and demonstrating prudent financial management?	Manage budgets to P&L forecast. No surprises.	TBoP Monthly Management Reports. 6 monthly & 12 monthly reports. Audit.	Manage budgets to P&L forecast. No surprises.	Manage budgets to P&L forecast. No surprises.	Manage budgets to P&L forecast. No surprises.	Manage budgets to P&L forecast. No surprises.

6. Financial Performance Targets & Measures

- Gross revenue is consistent with the agreed budget
- Expenditure is managed within the agreed budget
- Working capital ratio of no less than 1 (excluding current portion of term debt)
- Equity to assets ratio is reported on
- No debt is to be raised to finance operating expenses.

7. Accounting Policies

Financial statements will be prepared in accordance with Public Benefit Entity Accounting Standards.

7.1.1 Asset Management

TBoP will prepare and implement Asset Management Plans for all assets where relevant.

7.1.2 Ratio of Consolidated Funds

If the Trust is wound up everything reverts to two councils (to be held in trust for similar purposes), TBoP intend to keep the equity ratio above .5:1. The ratio is calculated as: equity divided by total assets.

7.1.3 Estimate of Commercial Value

The Board estimate that the commercial value of the shareholders investment in TBoP is represented by the net assets of TBoP. This value is calculated from total assets less liabilities.

7.1.4 Transactions Between Related Parties

Transactions between the Councils and TBoP will be conducted on a wholly commercial basis.

7.1.5 Distribution to Shareholders

TBoP does not intend making any distribution of surplus or capital reserves to Council.

8. Funding Principles

The parties recognise the following funding principles as being critical to the arrangement:

- Sustained private sector funding (both in cash and in kind) is a tangible and critical demonstration, both to the tourism business sector and to the ratepayer, of the fact that the role, contribution and partnership of Tourism Bay of Plenty is valued.
- The private/public sector co-funding model demonstrates to the community and to central government the existence of a partnership which is able to achieve sound economic outcomes.
- The private/public sector co-funding model is essential to maximise the potential for leveraging central government funding in the Western Bay of Plenty sub-region.

9. Significant Decisions

TBoP will not undertake any activity of a nature of scope not provided for in this SOI without prior approval of the Councils. In particular prior approval would be required for TBoP to:

- Form any subsidiary entity
- Purchase shares in any other entity
- Dispose of any significant assets eg: land or buildings
- Purchase any significant assets eg: land or buildings

10. Compensation from Local Authority

TCC and WBOP DC intends to purchase services from Tourism BOP over the long term and agrees to the level of funding on a rolling three year basis aligned to the three year Business Plan of Tourism BOP.

The services for the next three years will be funded as per the table below.

Funder	2015/2016	2016/17	2017/18	2018/19
TCC	\$915,000	\$973,015	\$987,890	\$1,003,000
WBOP DC	\$185,500	\$190,000	\$195,000	\$200,000
Total	\$1,100,500	\$1,163,015	\$1,182,889	\$1,203,000

****Future budgets have been estimated at an inflation rate of 1.6% (TCC).***

The payments will be made quarterly in advance on receipt of a GST invoice, with payments one and two each being 30% of the annual sum, and payments three and four each being 20% of the annual sum.

Note: Tourism Bay Of Plenty will merge the contracts delivering the VIC and TBoP services on behalf of Tauranga City Council.

I-site financials

Funder	2015/2016	2016/17	2017/18	2018/19
TCC	\$291,107	\$452,567	\$459,808	\$467,165

** Future budgets have been estimated at an inflation rate of 1.6%*

**Increase of \$150k PA FY2016/17 for TBoP to merge VIC services*

Western Bay of Plenty Tourism and Visitor Trust

BUDGET FOR 2016/17

REVENUE

Funding - Tauranga District Council	1,419,361
Funding - Western Bay of Plenty District	190,000
Funding - Whakatane District Council	84,000
Retail sales	140,000
Other revenue	492,794
Total revenue	2,326,155

EXPENDITURE

Cost of sales	85,200
Operating & Marketing	1,766,988
Administration & Overhead	584,735
Depreciation and amortisation	59,232
Total expenditure	2,496,155

SURPLUS/(DEFICIT) after tax	(170,000)
------------------------------------	------------------

11. Termination

If any party wishes to terminate this three year rolling arrangement due to non-performance or other substantive reason within the control of either of the parties:

- (a) the party may give written notice to the other party specifying the issue and if possible requiring remedy within twenty-eight (28) days, and/or
- (b) mediation is set to investigate any remedy of the issue, and/or
- (c) if the issue is unable to be remedied to the party's satisfaction, the party must give written notice of intention to terminate this arrangement from a date being not less than one year commencing the forthcoming 1 July. (That is, the party must have at least one full financial year notice commencing on 1 July and ending on 30 June).

Signed by

.....
Chair of Tourism BOP

.....
Chief Executive Tourism BOP

.....
Mayor Tauranga City Council

.....
Chief Executive
Tauranga City Council

.....
Mayor Western Bay of Plenty
Western Bay of Plenty DC

.....
Chief Executive
Western Bay of Plenty DC