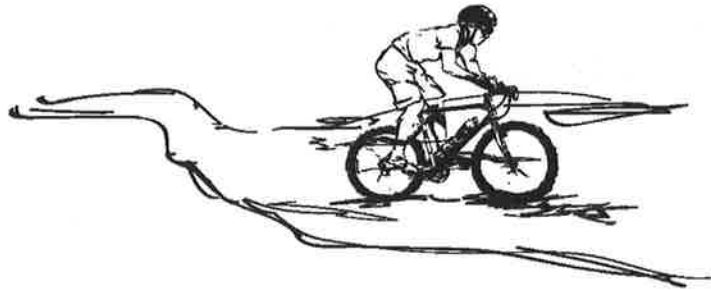




**DESTINATION  
GREAT LAKE TAUPŌ**  
STATEMENT OF INTENT 2016-2019

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**GREAT LAKE TAUPŌ**

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# 1. INTRODUCTION

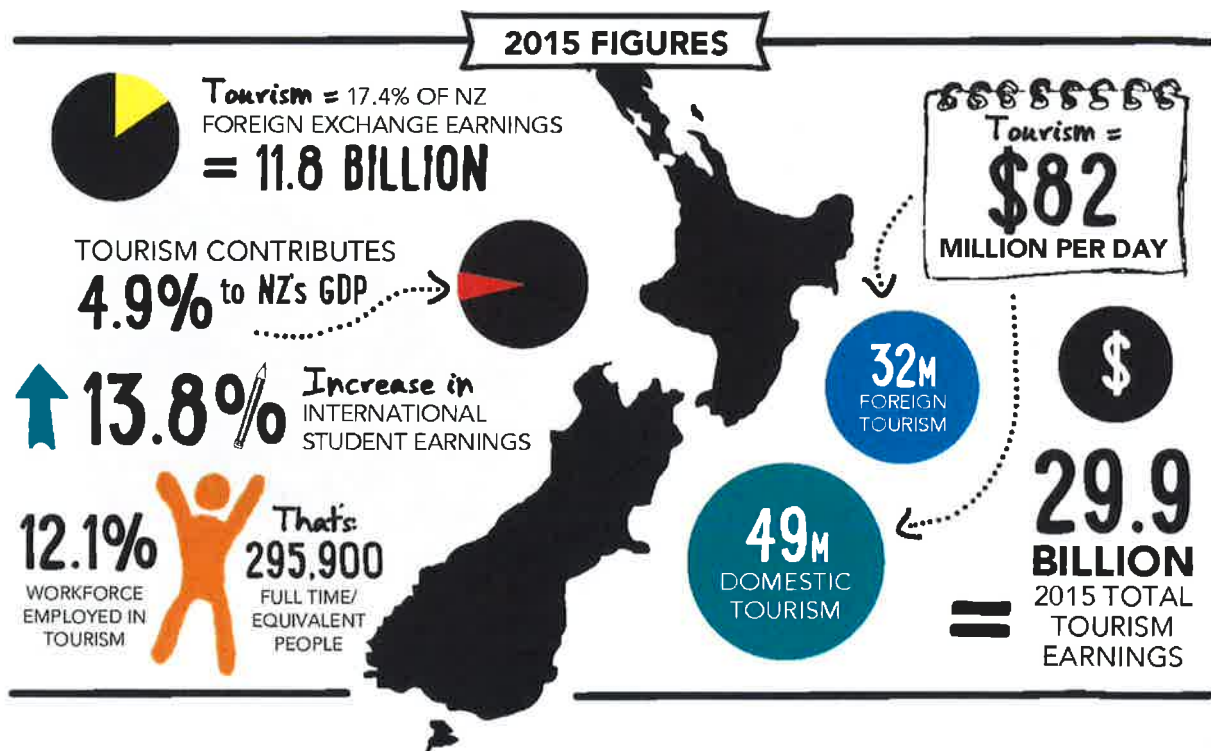
Destination Great Lake Taupō (DGLT) is a Council Controlled Organisation (CCO) for the purposes of the Local Government Act 2002. It has no subsidiaries and is a not-for-profit organisation. DGLT is governed by a Board appointed by the Taupō District Council (TDC) under the Trust Deed establishing the CCO. DGLT is funded largely by a grant from the TDC, on behalf of Taupō District ratepayers, along with revenue from sales through i-sites and industry contributions to various marketing initiatives.

This Statement of Intent (SOI) sets out DGLT’s strategic direction for 2016 -2019. It illustrates how DGLT will contribute to Taupō District Council’s wider goals, reflecting the expectation of both Ratepayers and Industry, and describes the context within which the organisation operates. It explains how DGLT will achieve its outcomes through its activities and initiatives, and shows how progress towards these outcomes will be measured.

The role of DGLT is to ensure that the Great Lake Taupō district<sup>1</sup> is marketed as a visitor destination so as to maximise the long-term benefits to the Taupō district economy for the benefit of ratepayers. This marketing effort generates direct benefits for the local tourism industry, and also has a broader benefit for retail, hospitality and most other services in the district economy. DGLT’s specific function is to develop, implement and promote the destination to attract visitors to stay longer, spend more and send others.

## 1.1 The Power and value of Tourism – The National Context

Our Aspirational National Goal is to Grow Tourism to: **\$ 41 BILLION BY 2025**



<sup>1</sup> Taupō District refers to the entire region incorporating Taupō, Turangi and Mangakino

## The New Zealand national facts:

- Tourism is one of New Zealand’s biggest export industries earning \$11.8 billion or 17.4% of New Zealand’s foreign exchange earnings (year ended March 2015)
- Tourism directly and indirectly contributes 4% of gross domestic product (GDP) for New Zealand
- Tourism directly and indirectly employs nearly 12.1% of the total -workforce in New Zealand – 295,900 full-time equivalent positions
- International students studying in New Zealand for less than 12 months generated \$2.2 billion in earnings in the YE March 2015, an increase of 13.8% on the previous year
- Tourism in New Zealand is a \$82 million per day industry. Tourism delivers \$32 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$49 million in economic activity every day
- Total tourism expenditure reached \$29.9 billion for the year ended March 2015

Source: Tourism Industry Association of New Zealand

Through 2013-14 the Tourism Industry Association of New Zealand led a project to develop the Tourism 2025 strategic framework for the nation. This contains an aspirational goal of increasing total tourism revenue from \$24 billion to \$41 billion by 2025. Tourism 2025 is the industry aligning to plan for and manage growth.

*‘In an industry as diverse as tourism, alignment is what matters. Tourism 2025 is an industry commitment to growing value by working together for the long-term benefit of New Zealand tourism and the wider economy ‘ CEO TIANZ Martin Sneddon, 2013-14*

There are five key themes of the Tourism 2025 Framework

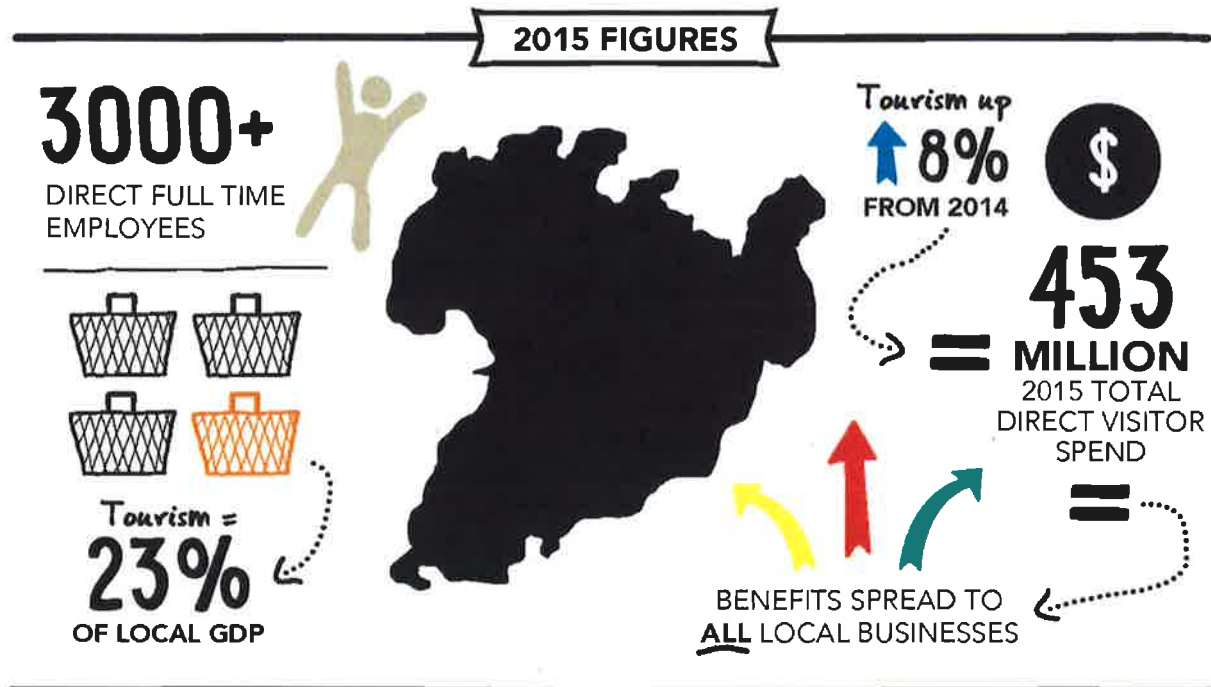
- **Productivity** – Productivity for profit
- **Visitor Experience** – Drive value through outstanding visitor experience
- **Connectivity** – Grow sustainable air connectivity
- **Target** – Target for value
- **Insight** – Prioritise insight to drive and track progress

NB: These key themes will be integrated into the Great Lake Taupō plans where relevant.



## 1.2 The Power and Value of Tourism – The District Context

Our Aspirational Regional Goal is to Grow Tourism to: **\$ 500 MILLION BY 2025**



### The Great Lake Taupō facts:

In 2015, DGLT estimates that the Taupō District experienced just under 2.5 million guest nights, using a combination of private and commercial accommodation. This comprises approximately 1.75 million domestic nights, and 750,000 international nights. Roughly one third of all guest nights are in commercial accommodation, with the remainder in private (mainly holiday home) accommodation.

Tourism makes a major contribution to the overall economic landscape and social priorities of the Great Lake Taupō district.

- Data released by the Ministry of Business, Innovation and Employment (MBIE), indicates a total direct visitor spend for the district of approximately \$453 million for the year ending March 2015. This is up 8% on the March 2014 figure.
- Growth in spending by international visitors is at 10 and 17% respectively in each of the last two years, while domestic tourism is growing at approximately 4-5% per annum.
- Indirect spend is also a considerable contributor to the local economy, with the benefits spreading to local businesses not necessarily involved in tourism.
- Tourism's contribution to the local GDP is estimated at 23% for the year ended March 2015 (13% directly and a further 10% when all of the industry's indirect linkages to other sectors are taken into account). The Tourism Satellite Account released by Statistics NZ and MBIE (for the year ended March 2015) shows that tourism directly contributes \$10.6 billion (or 4.9%) to New Zealand's total GDP. According to MBIE data a further \$7.9 billion (or 3.6%) is indirectly contributed. This implies a ratio of 1.75 (Direct + Indirect) to Direct. The Taupō District Economic Monitor estimates tourism at 13% of local GDP, so using the MBIE formula, it is estimated that the total direct and indirect impact for Taupō is likely to be around 23%.

- Tourism remains the largest employment sector in the region with in excess of 3,000 direct full time equivalent employees (FTEs)<sup>2</sup>.

## 2 VISION AND GOAL

We aim to be a destination that offers a visitor experience that encourages people to spend more, stay longer and send others for multiple visits. We also aim to be a destination that thrives outside traditional peak periods. We will know we have been successful in this if we get more visitors that stay longer and spend more throughout the year. This has been the case over the 2015-16 year as many tourism and hospitality businesses have felt the benefits of increased visitation and rising visitor expenditure. With increased consumer confidence and continuing visitor increases into the shoulder seasons the region is set to experience further economic benefits.

DGLT will align international marketing strategies and plans with the Tourism 2025 themes and will continue to keep a close eye on how these themes translate to domestic tourism. Setting an aspirational goal to **build tourism revenue in the region to over \$500 million by 2025** is a way for the region to be aligned and stay focused.

The Taupō District is well recognised domestically – it has long been known as an outdoor and family holiday destination - but needs to be marketed in a way that continues to give it new currency and with an increasingly diverse target audience. **The goal for the Taupō District is to significantly refresh our reputation so that a Taupō holiday has 'brag factor' and becomes a must visit location for all market segments – throughout the year.**

The destination does not have strong brand recognition internationally. We need to change this. **Our goal is to lift the profile of the district internationally so we become part of the must do itinerary for international visitors. The district should be seen as THE North Island holiday destination for holidays centred on the natural environment and its attractions.** These natural offerings have the potential to create a unique selling proposition that sets us apart from all other New Zealand destinations. Developing a strong cultural story would also add to the Taupō offering. There needs to be greater work to establish the Taupō region (as opposed to its separate attractions) as an iconic destination of the North Island for international visitors (breaking long held perceptions around New Zealand itineraries).

Destination Great Lake Taupō won't succeed in these efforts by ourselves. We need to harness the collective effort and spend of the industry to better leverage the destination. This transformation will also require additional product development in order to grow demand and enhance attractiveness outside peak. This will require support from other organisations, and will need community and industry leadership.

## 3 PRINCIPAL OBJECTIVES

In line with Taupō District Council's Long Term Plan, DGLT's core activities will be delivered on an independent basis under the direction of the DGLT Board. The aim being to improve the range, quality and value of distinctive visitor experiences and activities in the Great Lake Taupō district.

*Deliver a destination that is relevant for all visitors that reflects the strength of the region's people and natural environment*

Building on what has already been achieved in past years, DGLT will look to deliver on the above mission in line with the Great Lake Taupō Long Term Plan goals through the following key objectives:

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<sup>2</sup> Source - Taupō District Economic Monitor

### 3.1 Build and sustain a thriving tourism economy for the Great Lake Taupō Region

The primary focus of a Regional Tourism Organisation (RTO) is to deliver more visitors to the district and to increase length of stay and expenditure (as reflected against past performance), taking into account global, national and regional influences on the visitor industry. This will be undertaken through a number of initiatives outlined in the nature and scope of activities.

### 3.2 Support tourism product and experiences that grow and enhance the destination

*Growing activities, attractions and quality experiences is key to growing visitor numbers especially out of peak periods. DGLT has a core role in supporting, promoting and assisting in activities and projects which will increase the opportunities for employment in the tourism and visitor industries in accordance with the Trust Deed [section 4.1(b)].*

### 3.3 Deliver effective stakeholder engagement and participation

On-going effective industry and stakeholder communication and consultation in the district is vital to ensuring that the district operates as a coherent whole. DGLT will continue to actively engage with operators and stakeholders throughout the strategy development and marketing planning processes and their subsequent implementation.

### 3.4 Be fiscally responsible in the way we do business

DGLT will focus on responsible business practice, cost efficiencies and developing revenue streams in conjunction with marketing programmes. We will generate revenue streams across the organisation's key areas of strength (i.e. iSITES, web and online, signage, advertising).

## 4 FOCUS OF ACTIVITIES

**DGLT has three main areas of focus, including destination marketing, destination management and building organisational capability/performance.**

### 4.1 Destination Marketing

Domestic tourists account for the majority of visitors and will remain the primary focus for DGLT. For domestic visitors, the plan is to market the district as THE North Island holiday destination, for holidays centred on the natural and cultural environment and attractions. Therefore, DGLT will continue to use the regional theme of 'Nature's Ultimate Playground' as its key brand positioning. However, to target a wider audience, and to create demand out of peak periods, the District needs to reposition not just as an outdoor playground, but also as an experiential destination – 'beautiful and scenic landscapes and the ability to get up close to them' – mixed with a strong and genuine cultural story. In order to improve seasonality, the shoulder seasons and winter will become an investment priority.

With changing travel patterns around skiing, fishing and the Tongariro Crossing, there is a risk that Turangi could lose ground, so it will remain a critical area of focus.

The high percentage growth in international visitation/spend to NZ and Taupō District is an opportunity for DGLT to capture more of this market segment and hence DGLT will be reorienting some of our marketing investment to this growth area. Australia, as our largest market, will be a primary area of focus, alongside traditional long haul markets like UK/Europe and the US. International marketing will be undertaken in collaboration with other regional or national partners to ensure investment is

leveraged. This will primarily be within the Central North Island marketing alliance, (Explore Central North Island) or alongside Tourism New Zealand.

The i-SITEs in Taupō and Turangi remain a critical part of the district’s marketing approach, both for domestic and international tourists. We will continue to invest in imagery and displays that reinforce the district brand.

Corporate and business event clients are high value and contribute to the overall economy often in off-peak and shoulder season. The Great Lake Taupō district provides the ideal solution for niche senior management groups and incentive type events, as well as being the ideal centre for national organisations with offices throughout the North Island. Our central location is attractive and venue offerings provide the capacity for the smaller to medium sized events. DGLT will continue to invest in the Business Events area, primarily in the domestic market and Australia, as this is where the majority of business comes from.

## 4.2 Destination Management

**Ongoing partnerships and collaboration with organisations and agencies that deal with the preservation of natural resources and infrastructural decisions** – It is recognised that investment in our destination through partnerships and collaboration in the form of time and resource sharing will best position us to be strong and resilient moving forward.

We will continue to work with Ngati Tuwharetoa, Department of Conservation, Taupō District Council and other agencies that impact destination management in ensuring the ongoing wellbeing of our natural resources and the development of quality experiences.

District Events, Towncentre Taupō, Go Tongariro and the business community in Mangakino, will continue to be supported by DGLT. These partnerships assist with visitor attraction and provide ongoing capability building.

The growth of additional tourism product will be key to help expand tourism demand, especially out of peak periods. DGLT will continue to advocate through statutory processes in support of new ventures or upgrades to existing businesses, and where appropriate will work with EGLT to help attract new businesses to the region.

## 4.3 Organisational capability / performance

**Investing in our people** – Having the right people on-board is essential to achieve goals. We will work to attract the right people, build their capability and maintain high quality service delivery.

**DGLT will inform stakeholders of what is happening within the industry by collecting and sharing useful data** – There is a lack of meaningful tourism data both at national and local level. Investment in the development of useful data sets so we have facts to back up our decisions will be a focus for the upcoming years. This is recognised firstly through the research and analytics project shared by ‘The Hub’. This ongoing work will be driven in partnership with Taupō District Council and ‘The Hub’ partners.

## 4.4 The major activities DGLT anticipate to undertake through 2016 - 19

A combination of the following activities will be adopted by the DGLT Board to ensure DGLT delivers on the objective to build a thriving visitor industry in the Great Lake Taupō district.

<b>INVESTING IN PEOPLE</b>	
	<ul style="list-style-type: none"> <li>• Build ‘people capability’ to ensure the industry remains sustainable both internally and externally</li> <li>• Work to continually improve the visitor information delivery service levels in the region</li> <li>• Work to engage suppliers that share the vision and values of the regional brand</li> </ul>
<b>COLLABORATION &amp; JOINT VENTURE</b>	
	<ul style="list-style-type: none"> <li>• Join forces to leverage opportunities through campaign partnerships with both local operators and others.</li> <li>• Continue work with Department of Conservation on destination management and</li> </ul>



	<ul style="list-style-type: none"> <li>initiatives that deal with the preservation of the natural resources they manage</li> <li>Continue work with Ngati Tuwharetoa to keep key contacts informed of DGLT activity to ensure the destination continues to benefit present and future generations of Ngati Tuwharetoa</li> <li>Continue work with Lake Taupō Airport Authority on air connectivity and data capture</li> <li>Continue to work with Events Capital, Towncentre Taupō, Go Tongariro and the business community in Mangakino to ensure the district maintains yield and quality</li> </ul>
<b>CONTINUE TO IMPROVE MARKETING AND DISTRIBUTION</b>	
	<ul style="list-style-type: none"> <li>Deliver timely marketing programmes to both domestic and international visitors</li> <li>Continue to focus on delivery of marketing campaigns that best reflect – Great Lake Taupō as Nature’s Ultimate Playground</li> <li>Continue to focus on international trade and business event marketing</li> <li>Continue to invest in content marketing and the digital environment</li> </ul>
<b>DEVELOP REGIONAL ATTRACTORS</b>	
	<ul style="list-style-type: none"> <li>Alongside the traditional areas of investment continue to develop the special interest marketing plans as follows: <ul style="list-style-type: none"> <li><b>WINTER and SHOULDER– Focus on short breaks</b></li> <li><b>HIKE AND BIKE - Best multi-purpose</b></li> <li><b>FISH – Best and largest Trout fishery</b></li> <li><b>PREMIUM – Including Golf, fishing and premium product</b></li> <li><b>YOUTH – Backpack and cost effective travellers</b></li> </ul> </li> </ul>
<b>TELL OUR STORY</b>	
	<ul style="list-style-type: none"> <li>Continue to develop the Great Lake Taupō brand being Natures Ultimate Playground. Include this in everything that we do.</li> </ul>
<b>INFRASTRUCTURE</b>	
	<ul style="list-style-type: none"> <li>Actively take part in the long term infrastructure planning and deliberations for the region including air capacity and large infrastructure projects.</li> </ul>
<b>PRODUCT DEVELOPMENT</b>	
	<ul style="list-style-type: none"> <li>Work with EGLT to develop a combined action plan around product development</li> </ul>
<b>METRICS &amp; ANALYSIS</b>	
	<ul style="list-style-type: none"> <li>Continue to develop better ways to measure the impact that visitors have on our economy.</li> </ul>

*DGLT operates in a dynamic environment which is subject to both change and challenge. With this in mind there may be times where the organisation needs to respond to market conditions with little notice or redirect strategies to meet changing customer needs and demands. In order to meet strategic goals a redirection of funds may be appropriate. If any changes to this statement of intent are required a submission will be provided to council for approval.*

## 4.5 What does Destination Great Lake Taupō do

DGLT is responsible for promoting the Great Lake Taupō district to the domestic and international visitor market with the specific intention of growing this market. DGLT’s specific functions are to develop, implement and promote strategies for tourism in the Great Lake Taupō district.

<b>WHAT WE DO</b>	<b>WHAT WE DO NOT DO</b>
Plan and deliver destination marketing programmes that grow the inbound visitor market (including both domestic and international visitors) to the Great Lake Taupō district jointly with operators and other groups	Act as direct marketers for specific tourism operators
Promote the district to the international market collaboratively. (Either with other RTO’s or national	Organise events and conferences within the district or work on event logistics
	Target businesses to invest in the district

<p>tourism organisations)</p> <p>Provide tourism market information &amp; insights as appropriate for operators to assist in their marketing initiatives</p> <p>Work with local, national and international media to gain maximum positive exposure for the district</p> <p>Provide regional visitor information that enables our key markets to make decisions on holidays in Great Lake Taupō</p> <p>Operate i-SITEs within the Great Lake Taupō district</p> <p>Implement convention &amp; incentive marketing and facilitate business conversion</p> <p>Deliver trade and media familiarisations to build profile and opportunity</p> <p>Be actively involved in discussions about infrastructure and destination management projects</p> <p>Represent the district at tourism trade shows</p> <p>Manage greatlaketaupo.com and other digital marketing functions</p> <p>Event marketing and leveraging the visitor opportunities around events</p> <p>Plan and deliver joint marketing activity for Turangi and Mangakino</p>	<p>Market local businesses to the local community</p> <p>Convert and confirm bookings (ie conferences etc), other than online booking tools on the website and i-site bookings</p> <p>Manage or deliver online marketing on operator websites</p>
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## 5. PERFORMANCE AND OTHER MEASUREMENTS

Currently, there are limited measures available to track the economic impacts of tourism on the region. RTOs nationwide are reliant on the Commercial Accommodation Monitor (CAM)<sup>3</sup> data primarily for the measurement of trends and visitor stay information. Projected increases in the number of overall guest nights and average length of stay have been benchmarked against Ministry of Business, Innovation and Employment data/projections.

To balance guest night data, and to track trends in tourism activity/spending, we have added a new performance target around tourism spending. This uses data provided by the Ministry of Business, Innovation and Employment and projections are based on historical changes/growth.

Trends around i-sites nationally suggest that many are struggling to maintain visitation and profitability. Therefore the performance targets are based on holding market share and current performance over time, rather than predicting significant growth. When measured against 2013/14 data these numbers have reduced significantly – however the data has been drawn from 2014/15 actuals and 2015/16 year end predictions. The door count measure has been retained to track overall visitation, however the performance target around i-SITE revenue has been changed, so that it now tracks i-SITE costs (as measured by

<sup>3</sup> CAM refers to a national data-set, monitoring commercial accommodation trends in New Zealand prepared by MBIE

net i-SITE expenditure over income). This enables DGLT to put equal focus on revenue and expenditure. The actual result for the 2014/15 financial year has been included as a benchmark and used as a target moving forward. (The previous measure tracked overall revenue, as measured by annual growth for commissions, advertising and retail profit margin, plus the online sales contribution, but did not assess this relative to expenditure.)

Website performance targets have been derived from typical growth trends around similar websites. The launch of the new website in 2014 resulted in significant growth in website visitation, but this growth will likely taper as the website matures and other digital channels take on greater focus.

Stakeholder investment in marketing promotions in the 2016/17 financial year drops from \$170,000 to \$150,000. This reflects the production of the conference and incentives product directory in 15/16 and 17/18 and associated revenue. This year an additional measure has been added to try and capture 'free of charge' or 'in-kind' contributions by industry. This is tracked by DGLT as the year progresses. The estimated contribution from the 2014/15 financial year has been added as a benchmark and used as the target moving forward.

## 5.1 Analysis of performance against principal objectives:

DGLT will use a combination of qualitative and quantitative methods to measure success. Performance against the principal objectives shall be assessed using the following success measures.

Measures of Success – (Performance targets - estimated for 3-yr period)	Baseline data	YE 2016-17	YE 2017-18	YE 2018 - 19
<b>Objective 1 – Build and sustain a thriving tourism economy</b>		<b>Deliverable</b>		
Continue to market the Great Lake Taupō region as a holiday destination both domestically and internationally				
<i>As measured by the CAM (commercial accommodation monitor) statistics produced by MBIE. CAM only capture a portion of the overall guest night picture. With a 42% non-resident ratepayer base and holiday homes being a popular choice of accommodation it is estimated that in excess of another 1 million guest nights are currently un-captured.</i>	991,702 commercial visitor nights against a KPI of 978,500	Increase commercial visitor nights by 3% to 1,007,855+	Increase commercial visitor nights by 3% to 1,038,090+	Increase commercial visitor nights by 3% to 1,069,233
<i>Long term trends consistently report an average length of stay at 1.7. The length of stay target has been set in line with predicted economic recovery and a 3% growth goal has been set as an aspirational target for the upcoming three years</i>	Average length of stay as measured by CAM 1.88 against a KPI of 1.7-1.75	Increase average length of stay between 1.75 - 1.8	Increase average length of stay between 1.8 – 1.85	Increase average length of stay between 1.85-1.9
<i>As measured by visitation in the Taupō and Turangi i-sites</i>	284,288 visits to Taupō and Turangi i-sites. This is based on 2014/15 year end data of 193,124 visits to the Taupō i-site and 91,164 to Turangi.	280,000 visits to Taupō and Turangi i-sites	280,000 visits to Taupō and Turangi i-sites.	280,000 visits to Taupō and Turangi i-sites.
Ensure the destination is delivering value and a quality visitor experience				
<i>Maintaining consistency and retaining high quality visitor experiences to be measured by an annual visitor survey scheduled in August each year)</i>	87% via annual visitor survey	80% via annual visitor survey	80% via annual visitor survey	80% via annual visitor survey
Ensure the destination is responding to changing visitor expectations and executes marketing through most relevant channels				

Annual visits to <a href="http://www.greatlaketaupo.com">www.greatlaketaupo.com</a> as measured by Google Analytics	728,936 visits to greatlakeTaupo.com.	Increase annual visits to greatlakeTaupo.com to 800,000	Increase annual visits to greatlakeTaupo.com to 850,000	Increase annual visits to greatlakeTaupo.com to 900,000
Special Interest marketing research reveals customers travelling for a specific purpose ie biking, hiking, skiing are targeted more easily and often return a higher value. Venturing into the special interest approach is a developing and changed approach for DGLT. Market size information and insights will make up the upcoming years and assessment will continue to gauge relevance and appropriate return	Market size was assessed using track counter data.	Establish further insights and market size information for the – Bike and Fishing Special Interest Portfolios. Bike measured by track counters and participation. Fishing measured by license sales.	Establish insights and market size information for the Backpack and Fishing Special Interest Portfolios Backpack measured by specific bed nights and developing measures. Fishing measured by license sales.	Establish further insights and market size information for the – Premium Special Interest Portfolio

### Objective 2 - Grow tourism product and experiences to enhance the destination

As measured by tourism spend in the 'Other Tourism Product' and 'Cultural, Recreation and Gambling' category of the monthly Regional Tourism Estimates.	\$13 million expenditure in 'Other Tourism Product' -Year end March 2015  \$43 million expenditure in the 'Cultural, Recreation and Gambling' category, Year end March 15	Increase total expenditure in 'Other Tourism Product' and 'Cultural, Recreation and Gambling' to \$57,680,000	Increase expenditure to \$59,410,400	Increase expenditure to \$61,192,712
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### Objective 3 - Commitment to effective stakeholder engagement and participation

<b>Continue to communicate with the industry, show leadership and collaborate effectively</b>				
Measured by key stakeholder investment in marketing promotions activity.	Industry contribution to the value of \$163,039 cash and in-kind for key industry initiatives/marketing programmes	\$150,000  Note that convention and incentive planner advertising only occurs every second year, resulting in a forecast revenue decline of \$20,000 for 16/17	\$170,000  Note that convention and incentive planner advertising only occurs every second year, resulting in a forecast revenue increase of \$20,000 for 17/18	\$150,000  Note that convention and incentive planner advertising only occurs every second year, resulting in a forecast revenue decline of \$20,000 for 18/19
Measured by free of charge or in-kind support for marketing promotions activity.	Estimated at \$60,000 based on DGLT tracking	\$60,000 free of charge or in-kind support for marketing activity	\$60,000 free of charge or in-kind support for marketing activity	\$60,000 free of charge or in-kind support for marketing activity

<i>Industry Stakeholders are satisfied with DGLT performance as measured by Annual Visitor Industry Survey Maintaining consistency is set as the primary performance target</i>	<b>87% Industry satisfaction score</b>	<b>80-85% Industry satisfaction score</b>	<b>80-85% industry satisfaction score</b>	<b>80-85% industry satisfaction score</b>
<i>In demonstration of the commitment to regular engagement with the wider industry a schedule of engagement is set and measured by interactions and forums. The forums are 2 x marketing campaign launches, 1 x annual overview and forecast, 1x social interaction in partnership with Tourism Lake Taupō (The Lake Taupō Tourism Industry Membership Association)</i>	<b>50 separate stakeholder interactions per month and 4 x industry forums per annum</b>	<b>50 separate stakeholder interactions per month and 4 x industry forums per annum</b>	<b>50 separate stakeholder interactions per month and 4 x industry forums per annum</b>	<b>50 separate stakeholder interactions per month and 4 x industry forums per annum</b>
<b>Objective 4 - Fiscal responsibility in the way we do business</b>				
<i>i-SITE costs as measured by net i-SITE expenditure over income.</i>	<b>Net cost of \$207,484 (\$67,077 Taupō, \$130,407 Turangi)</b>	<b>Net cost of \$207,500</b>	<b>Net cost of \$207,500</b>	<b>Net cost of \$207,500</b>

## 5.2 Non-numerical performance against values:

Performance against values shall be assessed using the success measures outlined in the table below. A benchmark for these will be captured in the 2016 Industry Stakeholder Survey.

<b>Measure of success – What people will say about DGLT</b>
<b>Objective 1 - Build a thriving tourism economy</b>
<b>They get things done, They are leaders in what they do, They invest in what counts, They are getting results</b>
<b>Objective 2 - Grow tourism product and experiences to enhance the destination</b>
<b>Working alongside EGLT they are helping grow new tourism opportunities.</b>
<b>Objective 3- Commitment to effective stakeholder engagement and participation</b>
<b>They listen to people, They collaborate</b>
<b>Objective 4 – Be fiscally responsible in the way we do business</b>
<b>They are responsible with money</b>

## 6 COLLABORATION WITH LOCAL AGENCIES

Destination Great Lake Taupō's mandate is to attract more visitors however this is more effective for a district of our size if we work together. A strong collaborative working relationship with District Events, Go Tongariro, the business community in Mangakino and Towncentre Taupō particularly, along with Enterprise Great Lake Taupō, Taupō Chamber of Commerce & Industry ensures DGLT actively participates with local agencies and fosters potential areas to cross pollinate resource and skill.

Outlined below are diagrams of the DGLT operating environment:

<b>PARTNER COLLABORATORS</b>	<b>GOAL</b>
<b>Destination Great Lake Taupō</b>	Attracting visitors to the district, Increase length of stay
<b>Tuwaharetoa Maori Trust Board</b>	Custodians of Ngati Tuwaharetoa assets to benefit present and future

	generations of Ngati Tuwharetoa
<b>Department of Conservation</b>	Management and protection of natural resources
<b>Tourism Lake Taupō</b>	Advocacy for tourism development
<b>Taupō Airport Authority</b>	Inbound and outbound air capacity
<b>Enterprise Great Lake Taupō</b>	Encouraging new business and creating jobs
<b>Go Tongariro</b>	Attracting visitors, encouraging new business and creating a vibrant town centre. <sup>4</sup>
<b>Mangakino business community</b>	Attracting visitors, encouraging new business and creating a vibrant town centre. <sup>5</sup>
<b>Chamber of Commerce</b>	Working throughout the community for better business in the district
<b>Towncentre Taupō</b>	Getting locals & visitors spending more in town
<b>Taupō District Events</b>	Attracting event visitors to the district <sup>6</sup>
<b>Bike Taupō</b>	Promoting cycling and advocating for better cycle tracks and services

## 7. FINANCIAL DISCLOSURE

### 7.1 Reporting entity

The Trust is a legal entity. The Board has authority to govern Destination Great Lake Taupō (DGLT) under the terms of this Statement of Intent as delegated to it by Council. It seeks to manage its activities in 2016/17 within the base funding allocation provided by Council as in the attached Statement of Comprehensive Revenue and Expense.

### 7.2 Accounting policies and basis of preparation and compliance

These Prospective Financial Statements have been prepared for Destination Great Lake Taupō in accordance with the Local Government Act 2002 and therefore also comply with PBE IPSAS. The primary objective of the Trust is to promote the Great Lake Taupō region to the domestic and international visitor market with the specific intention of growing this market, rather than making a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of PBE IPSAS.

The prospective financial statements are prepared using the historical cost basis except for certain classes of asset and liability which are recorded at fair value. These are detailed in the specific policies below.

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

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements. The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

### 7.3 Goods & services tax

The financial statements have been prepared on a goods and services tax (GST) exclusive basis, except for trade and other receivables and trade and other payables.

<sup>4</sup> A full tactical marketing plan is prepared annually

<sup>5</sup> A full tactical marketing plan is prepared annually

<sup>6</sup> How Events and DGLT work together is outlined in the Business and Marketing Plan document

## 7.4 Revenue recognition

All grants (including the grant from Taupō District Council) and bequests received, including non-monetary grants at fair value, shall be recognised when there is reasonable assurance that:

- the entity will comply with the conditions accounting to them; and
- the grants will be received.

Grants and bequests, other than those related to assets, shall be recognised as revenue over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grants and bequests of assets are recognised as revenue when control over the asset is obtained.

Any grants and bequests received without conditions are recognised when control over the asset is obtained.

If there are obligations in substance to return any grants or bequests if conditions of the grant are not met, then the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue.

The main sources of exchange revenue for the Trust are joint venture revenue from the industry to support marketing initiatives, and revenue derived through the i-SITES.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from any services rendered is recognised in proportion to the stage of completion of the transaction at the balance date. The stage of completion is assessed by reference to surveys of work performed.

Interest revenue is recognised as it accrues, using the effective interest method.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

## 7.5 Leases

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

### **Operating lease payments**

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense.

### **Finance lease payments**

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### **Financing costs**

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on hedging instruments that are recognised in the Statement of Comprehensive Revenue and Expense. The interest expense component of finance lease payments is recognised in the Statement of Comprehensive Revenue and Expense using the effective interest rate method.



## **7.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits, and other short term highly liquid investments with maturities of three months or less.

## **7.7 Financial Assets**

The Trust classifies its investments as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive revenue and expense.

## **7.8 Trade receivables**

Trade receivables are recognised at their cost less impairment losses.

A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## **7.9 Inventory**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

## **7.10 Property, Plant, and Equipment**

Property, plant and equipment consist of operational assets, which include office equipment, furniture and fittings, computer equipment, machinery and vehicles. These assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property, plant or equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be reliably measured.

All the Trust's assets are classed as non-cash generating, that is they are not held with the primary objective of generating a commercial return.

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

Depreciation has been provided on a straight-line basis on all plant and equipment. Depreciation is provided at rates calculated to allocate the asset cost over the estimated useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of asset	Estimated useful life	Depreciation rates
Office equipment	4-10years	13.33% - 25%
Furniture and fittings	2-10 years	10% - 50%
Computer equipment	4 years	25%
Machinery	4 years	25%
Vehicles	4-10years	10% - 25%

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that 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 the asset's fair value less costs to sell and value in use.

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

### **7.11 Financial liabilities**

Short term creditors and other payables are recorded at their face value.

### **7.12 Employee entitlements**

Provision is made in respect of the Trust's liability for annual leave. Annual leave has been calculated on an actual entitlement at current rates of pay.

Annual leave has been calculated on an actual entitlement at current rates of pay.

Retiring gratuities and long service leave where there is actual entitlement is accrued at actual entitlement using current rates of pay. In addition, there is an actuarial assessment of value for which entitlement has not yet been reached. This assessment uses current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value.

#### **Superannuation schemes**

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

### **7.13 Interest-bearing borrowings**

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

### **7.14 Income Taxation**

The IRD has confirmed the Trust is exempt from income tax under sections CW 40 of the Income Tax Act 2007.

### ***7.15 Advertising costs***

Advertising costs are expensed when the related service has been rendered.

### ***7.16 Equity***

Equity is the community's interest in the Trust and is measured as the difference between total assets and total liabilities.

### ***7.17 Balance-sheet ratios***

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2015 the total Trust Equity comprised \$63,315 and the total assets were \$467,977. The resulting ratio is 13.50%.

### ***7.18 Going Concern***

The Trust consider that the continued adoption of the going concern assumption for the preparation of this financial report is appropriate. This conclusion has been reached having regard to assurances from the Taupō District Council that financial support and / or funding will be made available to ensure that the organisation can continue its current operations

### ***7.19 Distributions to shareholders***

The Trust is not expected to make profits; any surplus funds remaining from the annual operations of the Trust shall be carried forward to the ensuing year to continue to meet the primary objective of the Trust.

### ***7.20 Procedures for the purchase and acquisition of shares***

The Board will give approval before the Trust subscribes for, purchases or otherwise acquires share in any company or other organisation, which is external to the group.

### ***7.21 Value of settlor's investment***

The value of the settlor's (Taupō District Council) investment is \$100 as per the Trust Deed. There is no other equity investment by the Council in the Trust

## Statement of Comprehensive Revenue & Expense

	FY 16/17 \$	FY 17/18 \$	FY 18/19 \$
<b>Income</b>			
- Revenue from services provided	835,796	835,796	835,796
- Interest income	7,000	7,000	7,000
- Grant received from Taupō District Council	1,750,000	1,750,000	1,750,000
<b>Total Income</b>	<b>2,592,796</b>	<b>2,592,796</b>	<b>2,592,796</b>
<b>Expenditure</b>			
Employee benefit expenses	1,026,289	1,041,066	1,056,767
Depreciation and amortisation	28,572	23,216	13,060
Finance costs	-	-	-
Management and administration expenses	224,854	224,854	224,854
Other operating expenditure	1,313,081	1,303,660	1,298,115
<b>Total Expenditure</b>	<b>2,592,796</b>	<b>2,592,796</b>	<b>2,592,796</b>
Surplus (Deficit) before other comprehensive income (expense)	-	-	-
Other comprehensive expense			
Taxation	-	-	-
<b>Total Comprehensive Revenue &amp; Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 7.22 Capital Expenditure Forecast

The amount of capital expenditure forecast for this period is yet to be determined but over the next three years will be required for:

- Replacement of two motor vehicles
- Furniture replacement for the i-SITEs
- Displays/signage

Expenditure will be met out of trust equity.

### 7.23 Other financial matters

We utilise services, as per the Shared Service Level Agreement, from the Taupō District Council for which we pay the following:

Year	\$
2016/17	179,000
2017/18	179,000
2018/19	179,000

Within 2 weeks after each Board meeting, the Board shall make available to the public the minutes of the previous Board meeting.

The final Statement of Intent will be published for public access from 1 July of each year.

## 8.4 Support Services

Management and operational services for the board shall be provided by Destination Great Lake Taupō.

Board members will be paid a meeting fee in accordance with normal Council meeting allowances.

Board expenses will be funded directly by Destination Great Lake Taupō

## 8.5 Guidance and Resources

The CCO will conduct itself in accordance with its Trust Deed, its annual statement of intent and the provisions of the Local Government Act 2002.

## 8.6 Significant Policies in Place for Accountability

Apart from the setting of a statement of intent each year and the interim and annual reporting, the Board will interact with Taupō District Council in an informal way during the course of the year as required.

# 8 CONTACT DETAILS

C/- Destination Great Lake Taupō  
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New Zealand  
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### Chairperson and Trustees:

Ray Salter (Chair)  
Kathy Guy  
Dennis Christian  
Sue Sullivan  
Neil Gestro  
Laura Duncan

**Ray Salter**  
**CHAIRMAN**



Approved by shareholder on ..... (Date):

.....  
For Taupō District Council

The Council has approved the following core operational funding grant for the Trust in the 2015-18 Long Term Plan:

Year	\$
2016/17	1,750,000
2017/18	1,750,000

## **8 GOVERNANCE STATEMENTS**

### **8.1 Approach to governance**

The Board has a key role in promoting strategy on behalf of the Taupō tourism industry, the identification and addressing of strategic issues and the provision of destination marketing and tourism product advice to Destination Great Lake Taupō, Council, and the tourism sector.

As determined by the Destination Great Lake Taupō Trust Deed, in sections 4,5,6,7,10, and 11, the approach to governance and details of structure, function and obligations apply. (Please refer to Destination Great Lake Taupō Trust Deed for full outline)

### **8.2 Membership**

Appointments have been made for a three-year period, but take into account the importance of continuity in terms of existing members. Two appointees will retire at the end of 2015/16 and be eligible for reappointment. Similarly two further appointees will retire at the end of 2016/17 and so forth. The Council has the ability to remove one or more Board members at any time should there be clear evidence of non-performance. The Council shall include in its selection panel an independent selector with relevant skills and experience. The Board may co-opt additional non-voting members at its discretion. (Co-opted members will not be eligible for meeting fees or expenses).

### **8.3 Reporting to Council**

For the financial year, proceeding the year when Council issues a new Long Term Council Community Plan, the Board shall deliver to Council recommended budgets required to deliver Council's contribution to those outcomes.

At least 5 months prior to the start of the financial year the Board shall deliver to the Council a report setting out its recommendations on the DGLT annual budget, as reflected in the business plan for that year.

After the end of each financial year, the board must deliver to Council and make available to the public, a report on the organisation's operations during that year. The Board shall also deliver to Council and make available to the public, the following statements: Comprehensive Revenue & Expense, Changes in Equity, Financial Position, Cashflows and Service Performance Results. This annual report needs to be completed within two months of the end of the financial year.

Within 2 months after the end of the first half of each financial year, the board must deliver to the Council an interim report on the organisation's operations during that half year.

The Board is obliged to prepare a statement of intent each year setting out its intended activities and objectives. It is also responsible for preparing an interim and annual report – the key elements of these reports being the reporting of performance against the accountabilities outlined in the statement of intent, along with financial information as per the accounting policies, set out in section 5 of this document.

This Statement of Intent is based on “Recommended Good Practice for the Governance of Regional Tourism Organisations” developed by Local Government New Zealand (February 2004).

## **9 APPENDIX ONE: TERMS AND DEFINITIONS**

RTO – Regional Tourism Organisation  
MBIE – Ministry of Business and Innovation  
CAM – Commercial Accommodation Monitor  
CAS – Conference Attendance Survey  
CDS – Conference Delegate Survey  
RTE – Regional Tourism Estimates  
RTI – Regional Tourism Indicators  
ECNI – Explore Central North Island

### **Marketing terminology**

Online	Transactions or marketing that takes place on a website
Digital marketing	All promotion and advertising that takes place either on websites, devices or within a screen environment
Mobile	Mobile phones and tablets that are connected to the internet
Responsive	Websites that respond to specific devices
Channels	The different places or ways that promotional material can appear
Direct spend	Can be sourced directly to specific businesses in relation to tourism
Indirect spend	Expenditure that comes as part of a tourists visit ie supermarket shopping but is not classed as tourism

Trade and Business Events – Travel agents, Wholesale and retail travel sellers and Airlines plus Conferences, Incentives and any business related event.