



DESTINATION GREAT LAKE TAUPŌ STATEMENT OF INTENT 2013/14

1. INTRODUCTION

Destination Great Lake Taupo (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 Taupo District Council (TDC) under the Trust Deed establishing the CCO.

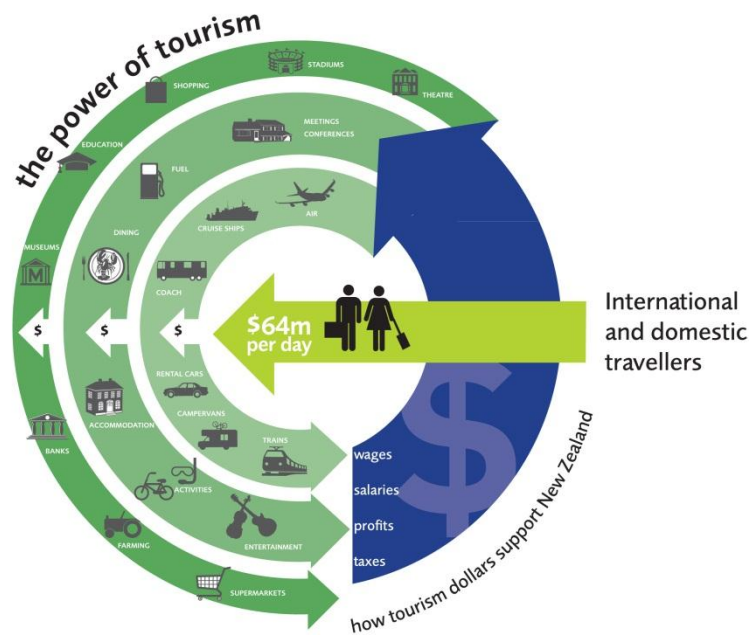
This Statement of Intent (SOI) sets out Destination Great Lake Taupo’s Strategic direction for 2013-2014 and is effective for the financial year. It illustrates how DGLT will contribute to Taupo District Council’s wider goals and will reflect the expectation of both Ratepayers and Industry and describes the context within which the organization 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 Destination Great Lake Taupo is to ensure that the greater Taupo region¹ is marketed as a visitor destination so as to maximize the long-term benefits of the Taupo regional economy. Its specific functions are to develop, implement and promote strategies for tourism as a wider Taupo region.

Importance of Tourism:

Tourism makes a significant contribution in terms of industry GDP of 16% - (defined as trade and hospitality)² towards the regional economic and social priorities for the Taupo District by providing employment including those where jobs may not otherwise exist. Tourism also promotes aspects of the district’s culture, people, heritage and geography, that differentiates it from other destinations thereby highlighting our regional identity.

1.1 The Power of tourism



Source: Tourism Industry Association of New Zealand

¹ Taupo region refers to the entire region incorporating Taupo, Turangi and Mangakino
² Source – Taupo District Economic Monitor – Trends to September Quarter 2012

- Tourism is one of New Zealand's largest export industries, earning \$9.6 billion or 15.4% of New Zealand's foreign exchange earnings (year ended March 2012)
- Tourism directly and indirectly contributes almost 9% of gross domestic product(GDP) for New Zealand
- Tourism directly and indirectly employs nearly one in ten New Zealanders – 186,900 total full-time equivalent jobs
- Tourism in New Zealand is a \$64 million per day industry. Tourism delivers \$26 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$38 million in economic activity every day
- Total tourism expenditure reached \$23.4 billion (year ended March 2012)

1.1.1 Current market context:

Nationally domestic travel is showing growth, with an increase in domestic expenditure of 11% to \$10.4 billion over the year ending September 2012, and an increase in all guest accommodation nights of 10% to 54 million nights. This is being driven by growth in the visiting friends and relatives (VFR) travel, up 19% on the previous year, as most of the growth in guest accommodation nights is coming from private homes (Source: Ministry of Business, Innovation and Employment (MBIE) Domestic Travel Survey).

New Zealand's top five inbound international markets are showing significant changes in travel behaviour. For the year ending September 2012

- The big growth in arrivals is coming from China, with a corresponding increase in stay days of 25% and total expenditure of 37%.
- Australia remains a strong contributor to inbound tourism, although their average length of stay and expenditure is dropping by 5% and 6% respectively.
- The main long haul markets of the UK and USA are still struggling, with arrivals and stay days down by 14% for the UK and 3% for the USA, although average expenditure is remaining fairly constant.
- The Japanese market is slightly different, although stay days are down by 5%, overall expenditure is up by 19%.
- Total visitor arrivals from all markets are up 2% to 2.595 million, and total expenditure is down 2% to 5.493 billion (Source: MBIE International Visitor Survey).

The New Zealand economy is still suffering the effects of the global financial crisis and also the high kiwi dollar. This is making overseas travel attractive to New Zealanders, and equally, travel to New Zealand is becoming less attractive to overseas travellers. In our largest international market, Australia, their high dollar is making travel to the USA very attractive, and in the recently released Roy Morgan Holiday Tracking Survey, the USA has displaced New Zealand as their preferred holiday destination.

Tourism also plays an integral part in the regional economy. Not only is tourism the largest employer of full time equivalent staff in the Taupo region, with 4500 full-time employees (FTE's), but it is also the second largest contributor to GDP, contributing \$252 million for the year ended September 2012. The direct and indirect spend is also a considerable contributor to the local economy, with the trickle-down effect spreading to local businesses not necessarily involved in tourism.

1.1.2 Moving forward

For the 2013/14 year DGLT's focus will remain strongly on growing the number of visitors and length of stay of the domestic market through targeting special interest areas that relate to our regional strengths; strengths which are identified in the DGLT strategy. Alongside key partners DGLT will develop targeted and timely joint venture marketing programmes based around these special interest

markets. DGLT will align itself with national brands that reinforce its brand values and share common objectives.

Internationally DGLT will remain focused on the “active traveller” ie: targeting international visitors that are already in NZ but whose itinerary can be influenced. Targeting those markets which identify with our key messages of being “naturally active” This will be driven primarily through a joint venture approach with local operators, regional and national partners both through on-going international marketing alliance (IMA) work, collaboration with the Upper North Island Strategic Alliance (UNISA), and working with Tourism New Zealand.

A continued strong presence in the online environment will be a key contributor to the regions success. On-going enhancement of, and investment in, GreatLakeTaupo.com is essential. An optimised, informative and fully functioning website is, after all, the most cost effective method of reaching both domestic and international visitors. Social media will also play a large part in the marketing mix, to connect with target niches in a more informal, direct manner. The website and social media activity will offer significant opportunities for joint venture activity, with local, regional and national partners.

2. OBJECTIVES – Principle objectives for 2013 -14.

Mission - To ensure we have a destination that remains relevant for visitors and reflects the values of its people and environment for years to come.

Building on what has already been achieved in past years, DGLT will look to deliver on the above mission through the following principle objectives:

2.1 Build a thriving tourism economy for the Great Lake Taupo Region

The primary focus of a Regional Tourism Organisation (RTO) is to deliver more visitors to the region 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.

A combination of the following strategic focuses will be adopted to ensure the RTO delivers on the objective to build a thriving visitor industry in the Lake Taupo region.

<i>Destination Marketing</i>	
PEOPLE	Build 'people capability' to ensure the industry remains sustainable both internally and externally
COLLABORATION & JOINT VENTURE	Join forces to leverage opportunities
SPECIAL INTEREST MARKETING PROGRAMMES	Be where our identified target markets are, and only there
BALANCE SEASONALITY³	Plan timely marketing programmes
<i>Destination Management</i>	
TELL OUR STORY	Build rich content that becomes our umbrella for all marketing
INFRASTRUCTURE	Build a mandate to be in the long term infra-structure planning and deliberations for the region.

2.2 Deliver effective stakeholder engagement and participation

On-going effective industry and stakeholder communication and consultation in the region is vital to ensuring that the region operates as a coherent whole. DGLT will continue to actively engage with operators and stakeholders throughout the strategy and marketing planning processes and their subsequent implementation. A schedule and plan for this is outlined in the DGLT Stakeholder Communications and Interaction Plan.

2.3 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. Building revenue streams across the organisation's key areas of strength i.e. iSITES, web and on-line, signage, advertising with a pay to play approach, will ensure we continue to build on the opportunities created to date.

The following will be adopted to ensure the RTO delivers on the objective to be fiscally responsible in the way it does business.

- **POLICIES AND PROCEDURES** – Develop and maintain 'The way we work'; business rules and operational guidelines
- **I-SITES** – Develop a tactical plan to increase commissions, retail sales and ticketing purchases, as well as finding new sources of revenue.
- **PAY TO PLAY** – Develop a number of pay to play options for operators to support targeted spend in their areas of interest.
- **PARTNERSHIPS** – Continue to seek out leverage opportunities with other groups.

³ Seasonality refers to high, shoulder and low season

3. NATURE AND SCOPE OF ACTIVITIES

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 re-direct strategies to meet changing customer needs and demands. In order to meet strategic goals a re-direction of funds may be appropriate. If any changes to this statement of intent are required a submission will be provided to council for approval.

A strong collaborative working relationship with Enterprise Great Lake Taupo, the economic development agency, Great Lake Taupo District Events, Lake Taupo Arts Trust and Erupt Events plus Towncentre Taupo (collectively known as 'The Hub') ensures DGLT have the opportunity to leverage local opportunity and be across all potential areas to cross pollinate resource and skill.

Outlined below are diagrams of the DGLT operating environment:

3.1 'The Hub' Concept – How we collaborate

Identity: A collection of agencies working for the Taupo District
Vision: To make the Taupo District a fantastic place to live, work, visit, play and invest
Goal: Attract people to the region who add to the economy

HUB MEMBERS	INDUSTRY PARTNERS	GOAL
Destination Great Lake Taupo	Tourism Operators/Hospitality Sector	Attract visitors to the region, Increase length of stay
Enterprise Great Lake Taupo	Business Community	Encourage new business and create jobs
Towncentre Taupo	Towncentre Taupo members	Locals & Visitors spending more in town
Events Capital	Event Organisers	Attract Event visitors to the region
Arts Trust (Erupt)		Attract Event visitors to the region

3.2 What we do at Destination Great Lake Taupo and what we do not do.

WHAT WE DO	WHAT WE DO NOT DO
<p>Plan and deliver regional tourism marketing programmes that grow the inbound visitor market to the Great Lake Taupo district jointly with operators</p> <p>Promote the region to the international market collaboratively. (Either with other RTO's or national tourism organisations)</p> <p>Provide tourism market information & 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 region</p> <p>Provide regional visitor information that enables our key markets to make decisions on</p>	<p>Market retail stores or act as direct marketers for specific tourism operators</p> <p>Attend consumer trade shows offshore as a stand-alone region</p> <p>Organise events and conferences within the region or work on event logistics</p> <p>Target businesses to invest in the region</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>holidays in Great Lake Taupo</p> <p>Operate i-SITEs within the Great Lake Taupo region</p> <p>Implement convention & incentive marketing</p> <p>Deliver trade and media familiarisations to build regional profile and opportunity</p> <p>Be involved in discussions about infrastructure and destination management projects</p> <p>Represent the region at national tourism trade shows</p> <p>Manage GreatLaketaupo.com and other digital marketing functions</p>	<p>Work exclusively with businesses, publications or operators excluding all others</p> <p>Manage or deliver online marketing on operator websites</p>
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3.3 How we will get there 2013 - 14

PILLARS	COMMENTARY
PEOPLE	Investing in building 'people capability' to ensure the industry remains sustainable both internally and externally
COLLABORATION & JOINT VENTURE	Joining forces to leverage opportunities
SPECIAL INTEREST MARKETING PROGRAMMES	<p>We will adopt a special interest marketing approach in all the marketing activity that we undertake for 2013-14 with the following pillars:</p> <p>WINTER – SKI/SNOW</p> <p>BIKE</p> <p>GOLF</p> <p>WEDDINGS</p> <p>YOUTH</p> <p>OUTDOOR</p> <p><i>(These have been selected in consultation with stakeholders)</i></p> <p>NB: The selection of these pillars is not meant to exclude other areas of interest, but to focus the resources and attention of DGLT to ensure positive outcomes. It is the intention of DGLT to consider additional pillars in all future work. These pillars along with the financials will be reviewed quarterly.</p>

4. PERFORMANCE AND OTHER MEASUREMENTS

DGLT will use a combination of qualitative and quantitative methods to measure success. These are set out in 4.1.

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)⁴ data for the measurement of trends and visitor stay information. Regional Tourism Indicators are being developed by the Ministry of Business Innovation and Employment (MBIE). However they are at the early stages of development so cannot be used as benchmarking measures. The intention is to develop a robust set of Destination IQ measures covering a range of indicators which over time will assist DGLT, partners and stakeholders with their strategic and tactical planning in the upcoming year.

4.1 Analysis of performance against principle objectives: Performance against the principle objectives shall be assessed using the following success measures.

Objectives	Measures of Success (Financial Year Ending June 2014 ⁵)
Build a thriving tourism economy	<ul style="list-style-type: none"> • 950,000 commercial guest nights as measured by CAM (YE June 2014) • Average Length of Stay as measured by CAM 1.71 (YE June 2014) • 30, 000 visits on average to www.greatlaketaupo.com as measured by Google Analytics • 80% willingness to recommend Taupo region in Annual Visitor Survey • Establish market size for 1 special interest group by YE June 2014
Commitment to effective stakeholder engagement and participation	<ul style="list-style-type: none"> • \$150,000 contributed from key visitor industry participants for DGLT JVs, (to include both cash and in-kind contribution) • Destination IQ project implemented • 85% Industry Stakeholders are satisfied with DGLT performance as measured by Annual Visitor Industry Survey • 50 separate stakeholder interactions per month across different mediums
Fiscal responsibility in the way we do business	<ul style="list-style-type: none"> • Increase net revenue (2.5% annual growth for commissions, advertising and retail profit margin) • Completed policies and procedures document – ‘The way we work’ by 30 July 2013

4.2 Anecdotal 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 2014 Industry Stakeholder Survey.

Objectives	Measure of success – What people will say about DGLT (Financial Year Ending June 2014)
Build a thriving tourism economy	They get things done They are leaders in what they do They invest in what counts They are getting results
Commitment to effective stakeholder engagement and participation	They listen to people They collaborate
Fiscal responsibility in the way we do business	They are responsible with money

⁴ CAM refers to a national data-set, monitoring commercial accommodation trends in New Zealand

⁵ Please note; measures of success shown may be subject to change before final approval of this SOI in June 2013, based on further analysis and economic change. Any changes require Council approval.

5. FINANCIAL DISCLOSURE

The Board has authority to govern Destination Great Lake Taupo under the terms of this Statement of Intent as delegated to it by Council. It seeks to manage its activities in 2013/14 within the base funding allocation provided by Council as in the attached budget.

Accounting policies and basis of preparation and compliance

Financial Statements are prepared for DGLT by the Taupo District Council in accordance with CCO requirements in the Local Government Act 2002 and any subsequent amendments using generally accepted accounting practice in New Zealand and therefore also comply with International Financial Reporting Standards. These are prepared using the historical cost and based on specific policies below.

The 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 Trust is a qualifying entity for differential reporting purposes as it has no public accountability and is not considered large. The financial statements are prepared so as to take advantage of all available differential reporting concessions, except that a Cash Flow Statement will be prepared. The reporting concession in relation to IAS 12 is also not applied.

The following accounting policies, which materially affect the measurement of results and financial position, are applied.

5.1 Income Taxation

The Trust uses the tax payable method to account for income tax.

Under this method income tax expense is recognised in the Statement of Comprehensive Income is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior periods.

5.2 Goods & Services Tax

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

5.3 Employee Entitlements

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

5.4 Financial Liabilities

Financial liabilities (trade payables, income in advance, loans, bonds and deposits) are initially recognised at fair value. These are subsequently recognised at amortised cost.

5.5 Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses in the periods in which they are incurred.

5.6 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.

5.7 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.

5.8 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.

5.9 Financial Assets

The Trust classifies its investments in the following categories:

(a) Financial assets or financial liabilities at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of comprehensive income.

(b) 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 income.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category, or not classified in any of the other categories.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition, and re-evaluates this designation at every reporting date. After initial recognition these investments are measured at their fair value. Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of comprehensive income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the statement of comprehensive income even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

5.10 Revenue

Revenue is measured at the fair value of consideration received.

The main sources of income for the Trust are joint venture income from the industry to support marketing initiatives, funding from Taupō District Council and income derived through the i-sites. Income is recognised in the period in which it becomes receivable. (Payment is received by cash, cheque, automatic-payment or direct debit)

5.11 Advertising costs

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

5.12 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 the 31 December 2012 the total Trust Equity comprised \$36,204 and the total assets were \$1,004,901. The resulting ratio is 3.6%.

5.13 Going Concern

DGLT 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 Taupo District Council that financial support and / or funding will be made available to ensure that the organisation can continue its current operations

5.14 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.

5.15 Information to be provided to shareholders

The Trust will provide the following statements to shareholders:

- 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

- Within two months of the end of the first half of the financial year the following statements: Comprehensive Income, Changes in Equity, Financial Position, Cashflows and Service Performance Results
- Within three months of the end of the financial year the following audited statements: Comprehensive Income, Changes in Equity, Financial Position, Cashflows and Service Performance Results plus a summary of how the Trust has fared against its objectives and prospects for the next financial year, and a report on the Trusts medium to long term plans.
- Within 2 weeks after each Board meeting, the Board shall make available to the public the minutes of the previous Board meeting.

5.16 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.

5.17 Value of settlor's investment

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

5.18 BUDGET FY 2014

The table below sets out the key areas of expenditure and our forecasts for income. Re-forecasting will be completed every quarter.

INCOME	BUDGET FY 14	Commentary
Joint Venture	\$ 150,000	Marketing joint ventures, ie: Central North Island partnerships with RTOs or other companies aligned with strategic goals.
Partnership advertising and memberships	\$ 113,000	Website partnership income, Visitor Guide income, Convention Bureau membership, eExplore Central North Island, District signage and other advertising.
iSITE commissions and advertising	\$ 404,000	All income from commission sales and advertising at the Taupo and Turangi i-SITES.
Conventions	\$ 67,000	Trade shows and Convention Planner income.
Total Income	\$ 734,000	
EXPENDITURE		
Salaries & related	\$ 912,240	This is made up of 11 FTEs and 8 part-timers including both Taupo and Turangi i-SITES <ul style="list-style-type: none"> - All salaries are in-line with RTONZ Bi-annual Benchmarking survey - As an RTO we sit below the national salary average.
General overheads	\$ 276,578	This includes RTO business and building management, plus new IT infrastructure.
Destination management	\$ 38,397	Tourism compliance memberships, Visitor research, Regional Tourism monitor, Destination IQ project
Joint Venture	\$ 389,000	Regional contribution to marketing programmes outside of campaigns.
General marketing and promotions	\$ 236,135	Mandatory regional advertising including Jasons, AA, Visitor Guide, Activity Pads, Other regional promotional activity.
Digital web	\$ 145,000	New website build, content production, CRM, SEO and SEM programmes, all on-line marketing.
Sales & Marketing i-SITES	\$ 5,600	Advertising.
i-SITES other	\$ 85,500	Compliance, software, maintenance and management
Trade & Media	\$ 53,000	Compliance trade shows, Trade and Media familiarisations and hosting.
Conventions	\$ 98,050	Convention Shows, Planner, Marketing and sales, Convene, Sales activity.
Board remuneration	\$ 42,000	This funds 6 x board members who meet each month to govern the management team.
TDC Indirect costs	\$ 202,500	Finance, Human Resources and payroll, Customer Services, Risk Management, Secretarial support, Building maintenance, A portion of rental charges.
Total Expenditure	\$ 2,484,000	
Funding requirement	-\$ 1,750,000	This funding is requested from Taupo District Council
Budgeted Funding	\$ 1,750,000	

6. OTHER DISCLOSURES

The following information will be made available:

- 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.
- Within 2 months after the end of the first half of each financial year, the Board shall deliver to Council a report on the organisation's operations during that half year.
- Within 3 months after the end of each financial year, the Board shall deliver to Council, and make available to the public, a report on the organisation's operations during that year.
- Within 2 weeks after each Board meeting, the Board shall make available to the public the minutes of the previous Board meeting.

7. GOVERNANCE STATEMENTS

7.1 Approach to governance

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

As determined by the Destination Great Lake Taupo Trust Deed, in sections 4,5,6,7,10,11 the following approach to governance and details of structure, function and obligations apply.

(The following commentary has been sourced directly from the trust deed including referencing⁶ to ensure all aspects of governance are outlined in full)

4. PURPOSES OF THE TRUST

Charitable Purposes

4.1 The trustees shall hold the trust fund upon trust to pay or apply in New Zealand the capital and income of the Trust Fund in such amounts, at such times, and subject to such terms and conditions as the Trustees, in accordance with the terms of this deed, shall decide, exclusively for all or any of the following purposes:

(a) To promote the Taupo District as a leading tourist and visitor destination by marketing the Taupo District and tourist and visitor attractions within the Taupo District.

(b) Support, promote, and assist in activities and projects which will increase the opportunities for employment in the tourism and visitor industries in the Taupo District.

(c) All things as are incidental or conducive to the attainment of the purposes described in clause 4.1(a) and (b).

4.2 For the avoidance of doubt the Trustees acknowledge:

(a) The Trust is a CCO but has not been established for the purposes of making a profit and is not intended to be a council controlled trading organisation under the LGA.⁷

(b) The Trust's purposes are for the benefit of people in the Taupo District.

⁶ The actual numbering system from the trust deed itself is used in this instance to ensure all cross-referencing remains intact.

⁷ Local Government Act 2002

(c) Their obligation to undertake the activities of the Trust in a manner which is not for the purpose of making a profit.

Means of Achieving Purposes

4.3 The Trustees may, in order to achieve the purposes of the Trust, in addition to all other powers vested in the Trustees:

(a) support, promote, and assist in activities and projects which will increase tourism in and visitors to the Taupo District;

(b) market the Taupo District to prospective visitors and tourists (both international and domestic);

(c) promote and support tourism operators operating in and from the Taupo District;

(d) establish and implement strategies that promote tourism in the Taupo District;

(e) liaise and foster relationships with Government agencies and local and regional bodies and other organisations; and

(f) collect and provide information of every description and provide expertise, professional help and knowledge to persons, societies, companies or other bodies operating in the tourism industry in the Taupo District.

Tangata Whenua

4.4 In achieving the purposes of the Trust, the Trustees shall, as appropriate, recognise the views and expectations of tangata whenua.

5. TRUSTEES

5.1 Number of Trustees

The Trustees shall number not less than five persons and not more than six persons. If at any time there are less than five (5) Trustees Council shall act so as to increase the number of Trustees to at least five (5) as soon as is reasonably practicable. The remaining Trustees shall be entitled to act until the number of Trustees is so increased and no act or decision of the Trustees shall be called into question on such account.

5.2 Term of Office

Subject to clauses 5.3, 5.4, and 7, Trustees shall retire three (3) years after the date of their appointment.

5.3 Cessation of Office of Trustee

A Trustee shall cease to hold office and shall be deemed to have retired if that Trustee:

(a) Resigns by giving notice in writing to the Secretary for the time being of the Trust; or

(b) Fails to attend three consecutive meetings of the Trustees without leave of absence, unless it appears to the other Trustees at their first meeting after the last of such absences that there is a proper reason in each instance for such non-attendance; or

(c) Becomes of unsound mind or subject to an order under the Protection of Personal and Property Rights Act 1988 or whose property is managed by a trustee corporation under section 32 of that Act, or otherwise becomes unfit or unable to act as a Trustee; or

(d) Becomes insolvent or commits an act of bankruptcy or is an undischarged bankrupt; or

(e) Dies; or

(f) Is removed from office under clause 7; or

(g) Ceases, in the opinion of the person or persons having the power of appointment of Trustees, to hold the office, skill, qualification or affiliation necessary to continue as a Trustee; or

(h) Has been convicted of a crime involving dishonesty (within the meaning of section 2(1) of the Crimes Act 1961) and has been sentenced for that crime within the last seven years; or

(i) Is convicted of an offence punishable by prison for a term of two years or more; or

(j) Has been convicted of an offence punishable by a term of imprisonment of less than two years and has been sentenced to imprisonment for that offence; or

(k) Is prohibited from being a director or promoter or being concerned or taking part in the management of a company under sections 382, 383 or 385 of the Companies Act 1993; or

(l) Is disqualified from being an officer of a charitable entity under section 31(4) of the Charities Act 2005; or

(m) Being a body corporate, is wound up, is in liquidation or receivership, or is subject to statutory management under Corporations (Investigation and Management) Act 1989.

5.4 Rotation

With effect from the end of the second financial year of the Trust, two Trustees (if there are at that time five (5) Trustees of the Trust) or three trustees (if there are at that time six (6) Trustees of the Trust), shall retire from office. In the absence of Trustees willing to retire, Trustees to retire will be selected by lot.

5.5 Reappointment

A Trustee retiring under clause 5.4 shall be eligible for reappointment.

5.6 Consequences of Retirement

A Trustee who has retired shall cease to be a Trustee immediately except for the purpose of carrying out the acts and deeds necessary for the proper vesting of the Trust Fund in the continuing and/or new Trustees, which acts and deeds shall be carried out at the expense of the Trust.

6. APPOINTMENT OF TRUSTEES

6.1 Signatories to be First Trustees

The persons named in this deed as Trustees shall be the first Trustees of the Trust.

6.2 Power of Appointment

The power of appointment of Trustees shall be vested in Council.

6.3 Appointment of Trustees

Persons shall be appointed as Trustees by Council.

6.4 Attributes of Trustees

The Trustees shall be appointed on the basis that they have identified skills, knowledge and/or experience based on the following attributes:

(a) Skills, knowledge and/or experience relevant to the purposes of the Trust;

(b) Appreciation of the wider public interest and ability to contribute positively to the achievement of the purposes of the Trust;

(c) Understanding of governance issues;

(d) High standard of personal integrity;

(e) Time available to undertake the duties of a Trustee;

(f) No conflict of interest.

7. REMOVAL OF TRUSTEES

7.1 Power of Removal

A Trustee may at any time be removed as a Trustee:

(a) By resolution of all other Trustees (following consultation with Council); or

(b) By Council.

7.2 Consequences of Removal

A Trustee who is removed from office shall cease to be a Trustee immediately except as to the acts and deeds necessary for the proper vesting of the Trust Fund in the continuing and/or new Trustees which acts and deeds shall be carried out at the expense of the Trust.

ADMINISTRATION OF THE TRUST AND REPORTING

10.1 Meetings

The Trustees shall meet to conduct business at such intervals as the Trustees may decide but not less frequently than six (6) times in each year. The Trustees may invite to such meeting whatever other person or persons as the Trustees may decide will assist with their deliberations.

10.2 Voting

Except as expressly provided otherwise by this deed any matter requiring decision at a meeting of the Trustees shall be decided by a simple majority of the Trustees personally

present and voting on the matter. In the event of an equality of votes the Chairperson shall not have a second or casting vote.

10.3 Resolution in Writing

A resolution in writing signed by all the Trustees shall be as valid and effectual as if it had been passed at a meeting of the Trustees. Any such resolution may consist of several like documents each signed by one or more Trustees.

10.4 Convening Meetings

The Chairperson, Secretary or any two Trustees may at any time give notice convening a meeting of the Trustees. Such notice shall be given by post, facsimile or email to each Trustee at their last known address, facsimile number or email address at least 7 days before the date of the proposed meeting unless compliance with such period of notice is modified or waived by all Trustees. The notice shall state the time and place of the meeting and, in efficient terms, the nature of the business to be transacted.

10.5 Quorum

The quorum for a meeting of Trustees shall be one half of the Trustees then holding office or such greater number adopted from time to time by a resolution passed by at least half, but not less than three, of the Trustees then holding office.

10.6 Minutes

Minutes of the proceedings of all meetings of the Trustees shall be recorded in a book or other permanent record to be kept for that purpose by the Secretary and shall be signed by the Chairperson of the meeting at which the minutes are confirmed. Every such minute purporting to be so signed shall be prima facie evidence of the matters recorded.

10.7 Meetings by Telephone

The contemporaneous linking together of a quorum of the Trustees and the Secretary by telephone (which may include a voice/visual link) shall constitute a meeting of the Trustees and the provisions of this clause as to meetings of the Trustees shall apply to such meetings provided the following conditions are met:

- (a) Each Trustee shall be entitled to at least two days' notice of such a meeting by telephone and to be linked by telephone for the purposes of the meeting.*
- (b) Each of the Trustees taking part in the meeting by telephone must be able to hear each of the other Trustees taking part during the whole of the meeting.*
- (c) At the commencement and conclusion of such meeting each Trustee must acknowledge his or her presence.*
- (d) A Trustee may not withdraw from such a meeting unless that Trustee has previously obtained the express consent of the Chairperson of the meeting to do so.*
- (e) A Trustee linked by telephone for the purposes of the meeting shall be conclusively presumed to have formed part of the quorum of such meeting throughout the meeting unless that Trustee obtains the express consent of the Chairperson to withdraw from such a meeting.*

10.8 Minute of Proceedings

A minute of the proceedings of a meeting by telephone under clause 10.7 shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified to be a correct minute by the Chairperson of the meeting.

10.9 Annual General Meeting

The Trustees shall within two months of the end of each financial year of the Trust hold an annual general meeting. The Secretary of the Trust shall give no less than 30 days' notice of the annual general meeting to the Trustees. The business to be transacted at the annual general meeting shall be:

- (a) The receipt and approval of the financial statements of the Trust;*
- (b) The confirmation of the remuneration of the Trustees, which shall be in accordance with Council's appointment and remuneration of directors' policy, adapted as necessary to the*

operating circumstances of the Trust;

(c) The consideration and approval of a report on the Trust's activities for the previous financial year;

(d) The election of a Chairperson and deputy chairperson under clause 11;

(e) Special business of which notice in writing has been given to the Secretary at least 21 days prior to the date of the meeting.

The Secretary shall circulate a written agenda (including all special business) to the Trustees at least 14 days prior to the date of the meeting.

10.10 Validity of Proceedings

All acts done by any meeting of Trustees or by any person acting as Trustee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Trustee or Trustees or that any Trustee was for any reason disqualified from holding office as Trustee or that there was accidental failure to comply with any of clauses 10.1 to 10.9 shall be as valid as if such Trustee had been duly appointed and was qualified to hold office as Trustee and the requirements of clauses 10.1 to 10.9, had been complied with.

10.11 Delegation of Powers

The Trustees may delegate to any committee of Trustees or employee or contractor to the Trust, such of the powers and functions of the Trustees as the Trustees may decide except the power to borrow or raise money or give security of whatever kind or to purchase property or to lend or advance money by whatever means and in respect of any such delegation:

(a) Any committee of Trustees or employee or contractor acting under delegated power shall act in accordance with the terms of this deed and, in the absence of proof to the contrary, shall also be presumed to be acting within the terms of the delegation;

(b) The Trustees may revoke wholly or partly any delegation of the powers or functions of the Trustees at any time;

(c) Subject to any directions given by the Trustees, any committee of Trustees or employee or contractor to which any powers of the Trustees have been delegated shall conduct its affairs as that committee or employee may decide; and

(d) The Trustees may provide restrictions within which or rules by which such delegated powers are to be exercised.

11. OFFICERS

11.1 Chairperson

The Trustees shall at their first meeting after the Operative Date elect one Trustee to act as Chairperson of the Trustees until the next annual general meeting of the Trust and at that annual general meeting shall elect one Trustee to act as Chairperson until the next annual general meeting, and so forth.

11.2 Deputy Chairperson

The Trustees shall at the first meeting of Trustees after the Operative Date elect one Trustee to act as deputy chairperson for the same term as the Chairperson. In the absence of the Chairperson the deputy chairperson shall have and may exercise all the powers of, and shall perform all the duties, of the Chairperson.

11.3 Temporary Chairperson

In the absence of the Chairperson and deputy chairperson, the Trustees present shall elect one of their number to chair any meeting of the Trustees.

11.4 Secretary

The Trustees shall appoint a Secretary who may be a full-time or part-time employee of the Trust or may be contracted to the Trust.

7.2 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 2012/13 and be eligible for reappointment. Similarly two further appointees will retire at the end of 2013/14 and the final two at the end of 2014/15. 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).

7.3 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.
- 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 is obliged to prepare a statement of intent each year setting out its intended activities and objectives. It is also responsible for preparing a half-yearly 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 what is set out in section 5 of this document:

'Financial Statements are prepared for DGLT by the Taupo District Council in accordance with CCO requirements in the Local Government Act 2002 and any subsequent amendments using generally accepted accounting practice in New Zealand and therefore also comply with International Financial Reporting Standards. These are prepared using the historical cost and based on specific policies below.

The 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 Trust is a qualifying entity for differential reporting purposes as it has no public accountability and is not considered large. The financial statements are prepared so as to take advantage of all available differential reporting concessions, except that a Cash Flow Statement will be prepared. The reporting concession in relation to IAS 12 is also not applied.'

7.4 Support Services

- Management and operational services for the group shall be provided by Destination Great Lake Taupo.
- 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 Taupo

7.5 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.

7.6 Significant Policies in Place for Accountability

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

8. CONTACT DETAILS

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New Zealand
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Email: info@greatlaketaupo.com

Chairperson and Trustees:

Kathy Guy (Chair)	027 449 4090	kathy@wairakei.co.nz
Andrea Blair (Deputy Chair)	021 821 293	a.blair@gns.cri.nz
Ray Salter	021 452 316	raysalter@xtra.co.nz
Sue de Bievre	021 775 530	sue@debstrategy.co.nz
David Wilks	021 895 228	david.wilks@xtra.co.nz
Dennis Christian	0274 763 276	dennis@flyingkiwi.com

Kathy Guy
CHAIRMAN

Approved by shareholder on (Date):

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For Taupo District Council

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).