



**DESTINATION  
GREAT LAKE TAUPŌ**

**Statement of Intent 2021-2024**



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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 (6 September 2010) establishing the CCO. DGLT is funded largely by a grant from TDC, on behalf of Taupō District ratepayers, along with industry and partnership contributions to various marketing initiatives.

This Statement of Intent (SOI) sets out DGLT’s strategic direction for 2021-2024, outlining the Regional Tourism Organization’s (RTO) priority objectives and performance measures.

While DGLT’s core focus is to promote the destination to attract more visitors, encourage them to stay longer and spend more, the organisation has an increasing advocacy and leadership role around management and development of the destination. Recognising the growing importance of sustainability, it is essential tourism not only brings benefit to the local economy but does so in a way that preserves and enhances our environment, our culture and local community whilst delivering an exceptional world class experience for our visitors.

## 2. The National Tourism Strategy

In 2019, Tourism Industry Aotearoa (TIA) released **Tourism 2025 and Beyond**, a strategic planning document designed to align the industry nationally towards growing tourism expenditure to \$50 billion by 2025. The framework places sustainability at its heart and is built on the foundation of kaitiakitanga (guardianship), manaakitanga (hospitality) and whanaungatanga (belonging).

The Ministry of Business, Innovation and Employment (MBIE) in partnership with the Department of Conservation (DOC) also released the **New Zealand – Aotearoa Government Tourism Strategy** in May 2019. The Government sees its role as one of stewardship ensuring that the whole tourism system is working effectively, helping to shape visitor demand, co-ordinate, facilitate and regulate activity and outcomes across the system.

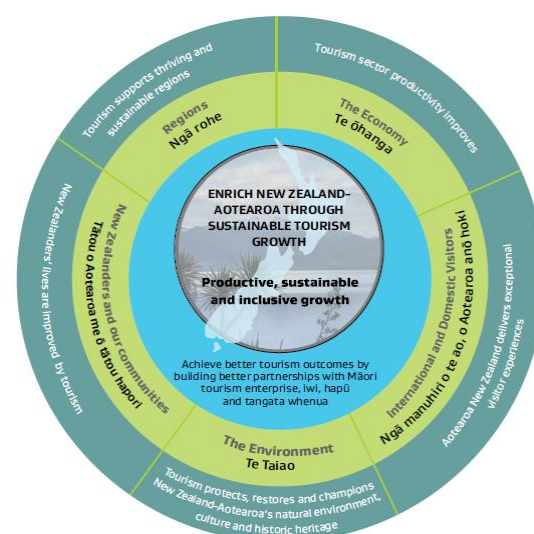
Governments goals for tourism are very much in line with TIA’s strategy. It is underpinned by a focus on enriching New Zealand-Aotearoa through sustainable tourism growth to significantly boost our economy, bring greater prosperity to our regions, protect and support our environment and improve New Zealanders quality of life and wellbeing.

TIA announced 5 joint priority areas for immediate action with government agencies to ensure a sustainable tourism future.

These are:

1. Sustainable growth
2. Improved data and insights
3. Building a sustainable tourism workforce
4. Destination management and planning
5. Carbon and climate change

### TOURISM 2025 & BEYOND A SUSTAINABLE GROWTH FRAMEWORK



Covid-19 has created significant and long-term impacts on the tourism industry, but it has also provided the opportunity to review the past and reimagine the future of tourism. The **Tourism Futures Taskforce** was set up in June 2020 and is a public/ private partnership to lead the thinking on the future of tourism in NZ.

The main purpose of the Taskforce is to advise and recommend what changes New Zealand can make to the tourism system, so that tourism enriches both New Zealand and the wellbeing of New Zealanders. As at February 2021 the Taskforce has yet to release its proposal.

### 3. New Zealand Tourism Outlook:

The recently released Tourism Satellite Account (YE Mar 2020) indicates that prior to COVID-19 tourism remained the number one contributor to the New Zealand economy delivering over \$41.9 billion<sup>1</sup> in revenue – an increase of 2.4% on the previous year. Of this, international visitors spent \$17.5 Bn while domestic visitors continued to underpin the tourism economy with over 60% of total spend. In addition, over 8% of the workforce was directly employed in tourism and tourism generated \$3.9Bln in GST of which \$1.8Bln came from international visitors.

The COVID-19 pandemic turned the New Zealand tourism sector on its head. As New Zealand's borders closed on 25 March 2020 the arrival of international visitors ceased overnight and total visitor spend dropped 90% the following month. Following the resumption of domestic travel in May 2020 there was an immediate uplift in expenditure although total visitor spend from March 2020 – October 2020 declined 32% on the same period last year (-\$5.7Bn)<sup>2</sup>.

Domestic visitation is largely driven by weekend travel outside the school and public holiday periods. Sustaining a viable tourism sector based around weekend visitation is extremely difficult for the industry and the challenge ahead is to continue to stimulate domestic spend across the entire week, and to also encourage Kiwis to disperse throughout the entire country as some regions have benefited much more than others post lockdown.

Almost a year after the arrival of COVID-19 international borders remain closed and the new COVID-19 variants that have emerged in the UK, South Africa, and Brazil highlight the difficult nature of the battle against the virus. Living, working, and trading conditions around the globe are still being heavily affected by the pandemic and the latest GDP data<sup>3</sup> shows that economic activity in most of the major economies is sitting between 2% and 6% below pre COVID-19 levels. Vaccination programmes have commenced in several countries however, production constraints and the logistics of setting up and rolling out mass immunisation mean that global vaccination will be a long process throughout 2021 and is likely to stretch into 2022.

While there is ongoing discussion regarding a Trans-Tasman travel bubble, the continued sporadic outbreaks in both New Zealand and Australia combined with the challenges of State borders opening and closing has created travel uncertainty within the local populations. There is no timetable or certainty of when this may happen or what the benefits might be in terms of visitor arrivals and visitor spend.

The ability to travel across the Tasman also poses additional pressure and competition on both Tourism NZ and the Regional Tourism agencies as Tourism Australia and individual States will target the Kiwi market with significantly larger marketing budgets.

Over the long term (2022 and onwards), it is expected that wider international travel will resume. However, the extent of this visitation will be highly dependent on the recovery of international aviation to New Zealand, safe and secure border controls, an effective vaccination roll-out and a willingness to travel and to receive visitors from key markets that remain heavily affected by the pandemic. There are no guarantees that travel will recover to pre COVID-19 levels over the period of this Statement of Intent.

Recognising the importance of tourism as an economic driver the Government announced a \$400M Tourism Recovery Fund in May 2020, which included funding Regional Tourism Organisations as a strategic tourism asset. In addition, Tourism New Zealand was also tasked to deliver a national campaign to encourage domestic travel across the country. This initiative launched in June 2020 and continues to focus on inspiring Kiwis to re-engage with the incredible experiences right on their doorstep by "doing something new" within their own country.

Following the Central Government election in October 2020, the industry has a new Tourism Minister. However, other than the previously allocated Tourism Recovery Fund no new policies or funding relating to tourism has emerged as at February 2021.

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<sup>1</sup> Source: Stats NZ – Tourism Satellite Account, March 2020

<sup>2</sup> Source: MRTE's – Oct 2020

<sup>3</sup> Source: Infometrics - Dec 2020

## 4. Taupō District Tourism Outlook:

Tourism is a major contributor to the overall economic and social fabric of the Taupō District. Prior to the Covid-19 pandemic it was the regions number one contributor to local GDP (estimated at 17.4%)<sup>4</sup> and the largest employment sector in the region, with over 6,600 full time equivalent employees (FTEs)<sup>5</sup> or 35% of the total workforce.

Visitors to the region contributed over \$612 million to the local economy YE Jun 2020<sup>6</sup>. Of this \$425m was contributed by domestic visitors and \$187m from international arrivals.

Our local tourism industry was severely impacted by the pandemic with businesses closed for lockdown and then many only partially operating up until the traditional busy Christmas and summer holiday period.

Our central location, reputation as an iconic Kiwi holiday destination and our early entry back into market saw the Taupō region bounce back better than many post lockdown with domestic spend up 38% from June – October (hitting a high of 64% in July) and total tourism spend up 12.7% on the same period last year. This placed the Taupō District in the top 7 performers across the country alongside Wairarapa, Hurunui, Whanganui, Coromandel, Gisborne and Northland. It is however important to recognise that this strong growth was from a low base over the slower months of winter and spring.

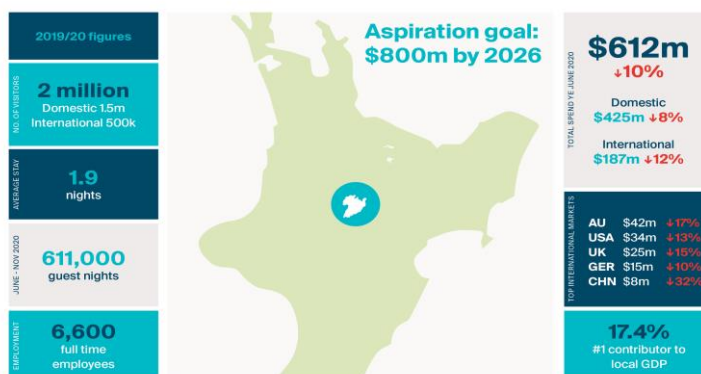
The Christmas and New Year break boosted the local economy with total regional spend showing growth in early January for the first time since the Labour weekend holiday in October 2020. The summer months of January and February have been good for some and not so good for others, as many operators feel the loss of international visitors to their businesses. Overall the growth in domestic visitors will not offset the loss in international visitor spend which contributed over \$136M to the District between Nov – Mar in 2019<sup>7</sup>.

International arrivals also provide a buffer to the nature of domestic travel which beyond the public and school holidays is primarily driven by weekend getaways or events. Without international visitors filling the midweek our challenge will be to encourage domestic visitors to not only engage more with paid activities, but to regularly take time out to travel during the week and across the seasons.

As our target market continues to be primarily domestic over the next 12 months, operators will need to adjust to this new normal for some time to come. It remains to be seen how many will do so successfully as we enter what is expected to be a significant slowdown at the end of summer.

DGLT will be operating in an extremely competitive environment as all regions target the same domestic audience. This will be intensified should a Tasman bubble open as the Australians vie for a share of these visitors and Kiwis look to re-engage their love of international travel. It will therefore be critical DGLT has the funds and capability to deliver targeted and compelling marketing campaigns to inspire potential visitors to the region.

### Statistics for the region as at YE Jun 2020 are as follows:



<sup>4</sup> Source: Infometrics – March 2019.

<sup>5</sup> Source: Infometrics – March 2019.

<sup>6</sup> Source: MRTE's – Oct 2020

<sup>7</sup> Source: MRTE's – Aug 2020

## 5. Taupō District Tourism Strategy – key objectives and activities for 2021

Following the impacts of Covid-19, the DGLT Board has reviewed the organisations strategic direction, our operational priorities and the resources required to meet our objectives for the next 12 months. As a result, it is critical that DGLT’s activity is highly focussed on the key activities that will make a difference to the tourism sector and our regional economy as we continue to negotiate the challenges of Covid-19.

It needs to be remembered that the two purposes of the Trust and therefore DGLT are:

- *To promote the Taupō District as a leading tourism and visitor destination by promoting our tourism and visitor attractions.*
- *Support, promote and assist in activities and projects which will increase the opportunities for employment in the tourism and visitor sector within the Taupō District.*

Our key priorities are:

- To grow the value of our local tourism economy through targeted marketing activity that attracts high value domestic and international visitors (once borders reopen), who disperse across our region and actively share their experience with others.
- To work with local iwi, government agencies and local stakeholders to develop a sustainable destination management plan which will outline a tourism vision for the future growth, preservation, and development of the Taupō District.
- Assist our local tourism industry to leverage campaign opportunities, build capability and support them to deliver an exceptional visitor experience across the entire customer journey.
- To operate an efficient and effective regional tourism organisation which delivers an excellent ROI for all stakeholders.

### 5.1 Grow the value of our local tourism economy.



Domestically we will continue to focus on specific target segments through the delivery of fully integrated marketing campaigns across traditional and digital platforms. We will continue to target prospects who travel for a passion (bike, hike, golf, fishing etc) through a series of brand response acquisition campaigns to build databases that can be retargeted. Our media activity will leverage this activity so that we can firmly establish the destination has ‘brag factor’ around these key experiences. We will develop a media communications strategy to keep these prospects inspired, keep them coming back and to encourage them to share their experience with others.

- Ensure regional content and messaging allows DGLT to leverage partnership campaign opportunities as and where possible. e.g., Tourism New Zealand “Do something new” campaign and a winter/spring collaboration with Visit Ruapehu and Ruapehu Alpine Lifts.
- We will work closely with our local industry and tourism partners (Explore Central North Island, Tourism NZ) to grow awareness of the Taupō District, making it a must stop destination on all North Island itineraries – for both domestic and international visitors as borders re-open.
- Continue to distribute our content in a compelling and easily consumable way through our online channels, our print collateral, and digital platforms.

## 5.2 Develop and implement a destination management plan for the Taupō District.

- We will continue to work alongside tourism stakeholders, central and local government agencies, and iwi to develop a vision and destination management plan that will articulate the future of tourism for the Taupō District.
- Existing strategic plans (including the Bay of Plenty Visitor Economy, The Next Big Thing, and the Taupō District Economic Strengthening Strategy) together with MBIE's new best practice Destination Management Guidelines will be used to guide the process.
- Ngati Tuwharetoa's Ngā Pou E Toru will be our guiding values for co-developing the Destination Management Plan and grow a Taupō District that is capable of sustaining the whole community in a way that creates a 'Destination of Excellence' for manuhiri, residents, the environment and economy.



## 5.3 Support and assist our local tourism industry to deliver an exceptional visitor experience.

- Effective stakeholder communication is vital to ensure that the district operates as a coherent and collaborative entity. The DGLT team will focus on meeting with industry through a regular calling schedule, quarterly industry updates and distribution of newsletters as and when required. Co-operative marketing activity will also seek to better leverage industry funds and in-kind contributions.
- Build capability of our local industry through the delivery of relevant workshops as needs are identified.

## 5.4 Operate an efficient and effective Regional Tourism Organisation that is focused on delivering an exceptional ROI for all partners and stakeholders.

- Be fiscally responsible in the way we do business. DGLT recognises the importance and responsibility of using ratepayer funds to deliver our annual programme of work. Regular tracking and reporting of all activity will ensure accountability and return on this investment remains a high priority across the entire operation.



## 6. Performance and Other Measurements

Performance against the principal objectives shall be assessed using the following measures.

Objective 1 – Grow the value of the local tourism economy.					
Strategic Priority	Data sources	Baseline data	YE 2021-22	YE 2022-23	YE 2023-24
Growth in tourism expenditure	<p>Monthly Regional Tourism Estimates (MRTE's)</p> <p><b>Tourism Electronic Card Transactions (TECT's)</b></p> <p><i>(See below for explanation on use of this new dataset.)</i></p>	<p>MRTE YE Jun 20: \$612M (-10%)</p> <p>Total expenditure including domestic and international spend</p> <p>TECT YE Dec 20: Domestic Spend only</p> <p>\$303 M (+9%) vs NZ -2%</p>	Maintain domestic spend	Maintain domestic spend	Maintain domestic spend
Objective 2 – Sustainably manage and develop the destination to create a 'Destination of Excellence'					
Strategic Priority	Performance Measures	Baseline	YE 2021-22	YE 2022-23	YE 2023-24
Develop a Destination Management strategy ensuring the balance of economic growth with the social, cultural and environmental well-being of the community.	Quarterly meetings of Te Ihirangi Leadership Advisory Group	Development of Te Ihirangi Destination Management Plan	Ongoing	Complete	Implementation
	Grow industry capability.	Industry workshops	Minimum 4 per year	Minimum 4 per year	Minimum 4 per year
	Product Development	Product Audit to identify product gaps. Identify and support growth opportunities.	Ongoing	Ongoing	Ongoing
	Social license - connect with residents.	Annual Community Sentiment Survey, brand and community workshops.	Ongoing	Ongoing	Ongoing
Objective 3 - Run an efficient and effective regional tourism organisation, strongly supported by the local tourism industry.					
Strategic Priority	Data source	Baseline data	YE 2021-22	YE 2022-23	YE 2023-24
Support for DGLT marketing initiatives	Measured by free of charge, in-kind or advertising support for marketing and famils activity. Participation in DGLT hosted activities.	2019/20: YE June: \$83,000	\$40,000	\$40,000	\$40,000
Stakeholder satisfaction.	Annual Industry Survey	2020: 76%	80% Industry satisfaction	80%	80%

### 6.1 Rationale for performance measures:

The 2021 SOI retains a performance measure around tourism expenditure. The purpose of this measure is to track spending as an overall measure of the economic benefit generated from tourism. With international borders expected to remain closed well into 2021-22, the historical data source provided by MBIE (Monthly Regional Tourism Estimates) are deemed no longer fit for purpose. MBIE have released the new TECT data from November 2020 as an interim measure. MBIE strongly advise that the total spend figures can not be compared to the MRTE's. They do not provide the total value of tourism to the region as they do not capture cash, online or pre-purchased tourism spend. They recommend to use the trend data only and have provided data back to 2018 to enable these comparisons.

For the purposes of this SOI we have included domestic spend only as our focus is on attracting more domestic visitors to the region to minimise the effect in the loss of spend from international arrivals.



The annual AA Domestic Travel Monitor has been discontinued and there is no longer an ability to measure domestic visitor satisfaction with the destination.

Measuring social license and the value the community places on tourism is a key focus of our Destination Management planning. A new annual Community survey will be developed and benchmarked for future years.

An additional measure is included to capture industry support for our activity. This includes in-kind support of our trade and media famils support, partnerships campaign contributions and advertising on DGLT platforms. Our 2020-21 target is an estimate of our expectations of the level of support that may be available as the industry recovers from the covid-19 pandemic.

As a result of COVID 19 and the suspension of key data sources and series, there is limited ability to set long run KPI's at this time. There may be an opportunity to develop more meaningful KPI's in the future, however this is dependent on high quality national data sources becoming available.

## 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 2020/21 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 Taupō district 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.

### 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.

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 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, 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.

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 considering 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 of 30 June 2020, the total Trust Equity comprised \$72,978 and the total assets were \$659,867. The resulting ratio is 11.06%.

## 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.

### Destination Great Lake Taupo

#### Projected Statement of Comprehensive Revenue & Expense

	Projected FY 21/22 Financials	Projected FY 22/23 Financials	Projected FY 23/24 Financials
<b>Income</b>			
Revenue from services provided	0	0	0
Grant received from Taupo District Council (Marketing)	1,779,636	1,820,568	1,860,620
Grant received from other government organisations	174,685	0	0
Interest income	0	0	0
<b>Total Revenue</b>	<b>1,954,321</b>	<b>1,820,568</b>	<b>1,860,620</b>
<b>Expenditure</b>			
Employee benefit expenses	486,720	497,915	508,869
Depreciation and amortisation	43,000	18,310	2,800
Management and administration expenses	112,950	113,933	114,895
Other operating expenses	1,311,651	1,190,410	1,234,056
<b>Total Expenses</b>	<b>1,954,321</b>	<b>1,820,568</b>	<b>1,860,620</b>
<b>Total Comprehensive Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other operating expenses is categorised as follows.

	Projected FY 21/22 Financials	Projected FY 22/23 Financials	Projected FY 23/24 Financials
Other operating expenditure			
Marketing & Advertising	1,222,291	1,098,995	1,140,630
Other	89,360	91,415	93,426
	<u>1,311,651</u>	<u>1,190,410</u>	<u>1,234,056</u>

## 7.22 Capital Expenditure Forecast

The amount of capital expenditure over the next three years has been determined as follows:

Year	\$	Purpose
2021/22	5000	IT equipment, furniture replacement
2022/23	5000	
2023/24	5000	

Any significant capital expenditure is funded from trust equity so comes at the expense of annual operating funding.

## 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	\$
2021/22	50,000
2022/23	50,000
2023/24	50,000

## 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 consider the importance of continuity in terms of existing members. The Council can 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.

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 an honorarium based on Destination Lake Taupō Trust decisions at the Annual General Meeting.

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 Board Performance and Accountability

- The Board will be responsible for setting an annual Statement of Intent each year and ensure the interim and annual reporting is delivered within the timeframes set out by the Taupo District Council and the Lake Taupo Trust Deed.
- The Chairman and Deputy Chairman will meet with the Mayor and Chief Executive Officer bi- monthly.
- The performance of the Board and its individual members will be reviewed on a biennial basis.
- Professional development training will occur annually, including but not limited to improving cultural competencies to support engagement with the District's mana whenua.

## 9. Contact Details

Destination Great Lake Taupō  
Level 1/32 Roberts Street  
P.O. Box 149  
Taupō 3351  
New Zealand

Telephone: 07 376 0400  
Email: [info@lovetapu.com](mailto:info@lovetapu.com)

Chairperson and Trustees:

Dennis Christian (Chairman)  
Torben Landl  
Cushla Clarke  
Tim Castle  
Nicola Harvey  
Andrew Te Whaiti



Dennis Christian  
CHAIRMAN

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

For Taupō 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).



## 10. Appendix One: Terms and Definitions

RTO – Regional Tourism Organisation  
TDC – Taupo District Council  
TIA – Tourism Industry Aotearoa  
DOC – Department of Conservation  
MBIE – Ministry of Business and Innovation  
MRTE – Monthly Regional Tourism Estimates  
ECNI – Explore Central North Island  
EGLT – Enterprise Great Lake Taupo

**Marketing terminology:**

Trade	Travel agents, travel wholesalers, Inbound Tour Operators, retail travel sellers and airlines
C&I / Business Events	Conference and Incentive, meetings, and any business-related events