



IT'S IN OUR NATURE

ANNUAL REPORT

TO 30 JUNE 2019

TĀPOI TE MOANANUI Ā TOI | TOURISM BAY OF PLENTY

(WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST)



CHAIRPERSON'S REPORT

I am pleased to introduce the Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty Annual Report 2018-2019. Each year when preparing the Chairperson's Report, I am staggered by just how much has been achieved and the impact tourism and the team of Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty have on our community. This is my fourth report and on reflection, the past year has seen the most significant impact and change. 2018-2019 was the year to 'Get Organised' under the Visitor Economy Strategy 2018-2028 and that is precisely what Kristin and the team have done.

Visitor spend in our sub-region reached \$1,082m for the year ending June 2019, representing an increase of 5.3% year on year and exceeds our target of \$1,059m and 4% growth per annum. The growth rate also exceeds the national average rate of 3.2% over the same period. During the 2018-2019 financial year, visitor spend in Tauranga exceeded visitor spend in Rotorua for the first time. Rotorua is regarded as New Zealand's tourism powerhouse and so this landmark moment further reinforces the strength of the visitor economy in Tauranga. Visitor spend in Tauranga for the year ending June 2019 grew 6% to \$845m, while spend in Rotorua grew 1% to \$825m. And even more phenomenal is that the growth in Te Moananui ā Toi | the Coastal Bay of Plenty is considerably higher than the national average growth.

Te Moananui ā Toi | The Coastal Bay of Plenty is a destination which is becoming more popular. With that popularity comes cause for greater destination management. Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty's first year as a Destination Management Organisation saw it become leaders, advocates and co-ordinators for the tourism industry and the community. To achieve this, the organisation grew its skillset across key areas. Pivotal hires were made in Research & Insights, Kaihautū - Māori Economy, and Partnerships Management. Strategic advances were made with the creation of a 3-year Destination Management Plan designed to focus the development of our visitor economy; now a central government requirement. Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty is well positioned to lead the development of destination management organisations in New Zealand.

Success like this doesn't happen in isolation. Collaboration with a raft of stakeholders has played a large part and with that in mind I would like to extend sincere thanks to our funding partners; Tauranga City Council, Western Bay of Plenty District Council and Whakatāne District Council. Additional key partners this year have been Tauranga Airport, Air New Zealand, Tourism New Zealand, Wellington International Airport, the Explore Central North Island collective, our neighbouring tourism partners and most importantly, our industry operators who invest their lives into creating lifelong memories for visitors to this great region. Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty was able to leverage these partnerships and local, national and international media to generate \$13.5m of public relations additional value in the year to June 2019.

This will be my final Annual Report and we also farewell Will Wilson and Colleen Te Arihi from the Board as we move into new challenges and opportunities in the visitor economy. I thank our partners, staff and the Trustees for their commitment and contributions toward establishment of an outstanding Destination Management Organisation.

Desmond Hammond
Chairman

Western Bay of Plenty Tourism & Visitors Trust
30 June 2019



CEO'S REPORT

After a year of considerable change and challenging what has been the norm, it is heartening to end the year in such a strong position as an organisation and as a region, exceeding our growth targets and national average growth.

Through the funding support of Councils and our valuable partnership with Air New Zealand, we were enabled to commence the Visitor Economy Strategy 2018-2028. The 2018-2019 financial year was the 'Get Organised' phase of this ten-year strategy and the past year has seen Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty significantly transform.

Under strong governance, Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty has commenced the move to be a Destination Management Organisation. A key aspect of that move has been the recruitment and appointment of key specialists in the area of Research & Insights, Kaihautū - Māori Economy, and Partnerships Management.

With the new focus and new skill sets, we evolved our role with a greater emphasis on the priority areas for our Annual Plan 2018-2019:

- Being insights led.
- Defining target markets.
- Leading destination development with the co-creation of a Destination Management Plan.
- Advocating and coordinating product development and investment.
- Emphasising partnerships and collaboration.
- Shifting our sales and marketing from broadcast to engagement and from transactional to strategic.
- Carving out a broader role in economic development projects and initiatives.
- Content rich and digitally focussed destination marketing.

As part of the 'Get Organised' phase, we completed several significant projects this year. This includes work with global place-making experts Destination Think! to co-create a Destination Management Plan. This process involved defining the Coastal Bay of Plenty's Place DNA™ through considerable community and industry consultation. We also undertook work to understand perceptions of our region amongst visitors and have undertaken a passionography project which has identified our target markets. This research has targeted Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty's focus to enable it to more strategically attract the right visitors for our community at the right times with the right messages.

The review of the future for Visitor Sales and Services in the Western Bay of Plenty affirmed our business model for visitor touchpoints and visitor service points in the future. The Review also identified key areas to develop and improve. While not within the 2018-2019 financial year, we were notified in July that our application for Provincial Growth Fund funding for 'Te Tomokanga', the proposed Welcome Centre and Cruise Hub in Coronation Park, was granted.

Since the commencement of a specific Māori Economy role in November 2018, immense gains have been made regarding Iwi and Hapū relationships. Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty has engaged with over half of the fourteen Iwi which comprise the Te Moananui ā Toi rohe. A result of this increasing dialogue has been cultural tourism product development. With support from Iwi, Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty has been able to build a functioning cultural tourism



operator group in Tauranga Moana and will be seeking to establish similar in the Western Bay of Plenty and Whakatāne Districts.

Of the 15 measures used to track Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty's progress, 13 of these were achieved. One of the outstanding measures is currently in progress as it is dependent on MBIE clarifying its data plan. This information has been delayed until later in 2019. The remaining outstanding measure is resident satisfaction where the result has fallen. Research is being completed to understand how best to engage with residents which should provide insights into opportunities to improve residents' satisfaction scores.

Domestic visitor spend in Te Moananui ā Toi | the Coastal Bay of Plenty for the year ending June 2019 was \$849m. This represents a growth of 3.9% compared to the same period last year, meeting the target growth rate of 3.7%. The national growth rate for the same period was 2.3%.

International visitor spend in Te Moananui ā Toi | the Coastal Bay of Plenty for the year ending June 2019 was \$233m. This represents a growth of 10.8% compared to the year ending June 2018, double the targeted growth rate and considerably higher than the national growth rate of 4.6%.

The financial summary shows an overall positive result of \$9,808 profit compared to the budget breakeven position. As per key performance indicators in the Statement of Intent, we have maintained a working capital ratio of not less than 1 (Actual 1.5) and equity ratio .5 (Actual .5).

I am proud of the region's leadership in this new frontier of destination management for New Zealand. This transformational move was acknowledged by Regional Tourism New Zealand in September 2018 when Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty won the inaugural Supreme Award. Since then I have also been invited to present our Destination Management Plan at various national and international conferences; we are seen as maverick leaders in this time of significant change within the sector. Thank you to our funders, Board, industry and the team at Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty for your continued commitment and passion for the visitor economy.

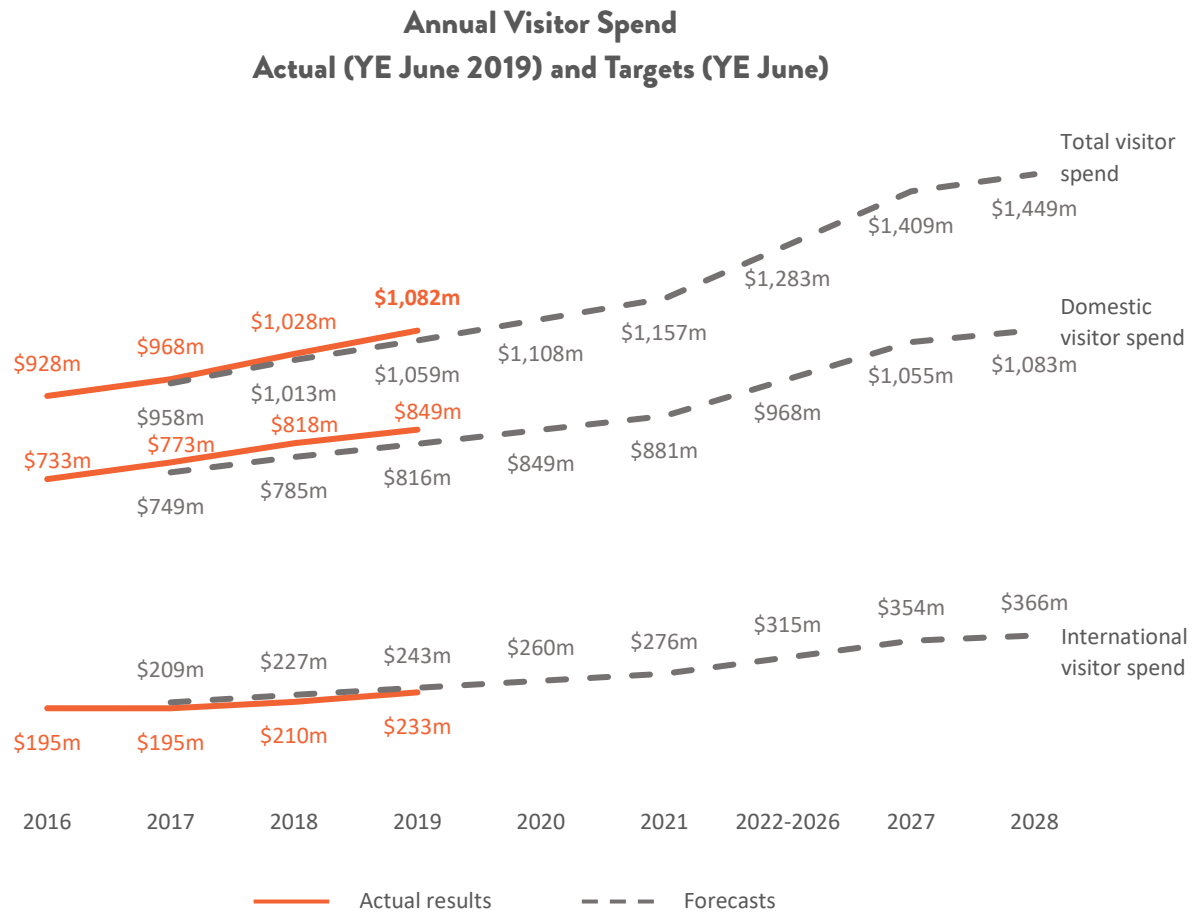
Kristin Dunne
Chief Executive
Tourism Bay of Plenty
30 June 2019

2018/19 ANNUAL HIGHLIGHTS

Exceeding Visitor Spend Targets

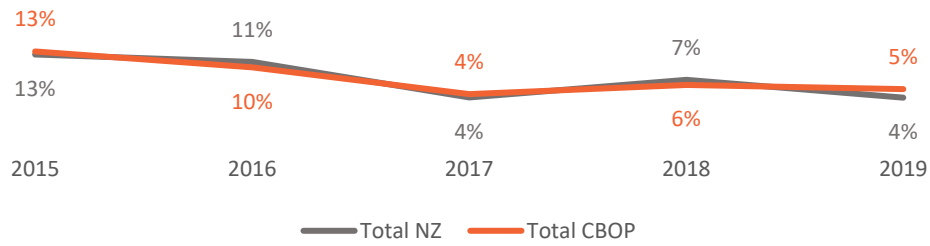
In the year ending June 2019, visitor spending in Te Moananui ā Toi | the Coastal Bay of Plenty continued to grow. Total spend in the region was \$1,082 million over this period, exceeding the target of \$1,059m. The level of growth of the domestic visitor market is slowing, while the international market performed strongly.

- Domestic visitor spend Te Moananui ā Toi | the Coastal Bay of Plenty grew 3.9% to \$849m.
- International visitor spend in Te Moananui ā Toi | the Coastal Bay of Plenty grew 10.8% to \$233m.
- Total visitor spend in Te Moananui ā Toi | the Coastal Bay of Plenty grew 5.3% to \$1,082m.
- Growth rate exceeds national average of 3.2%.

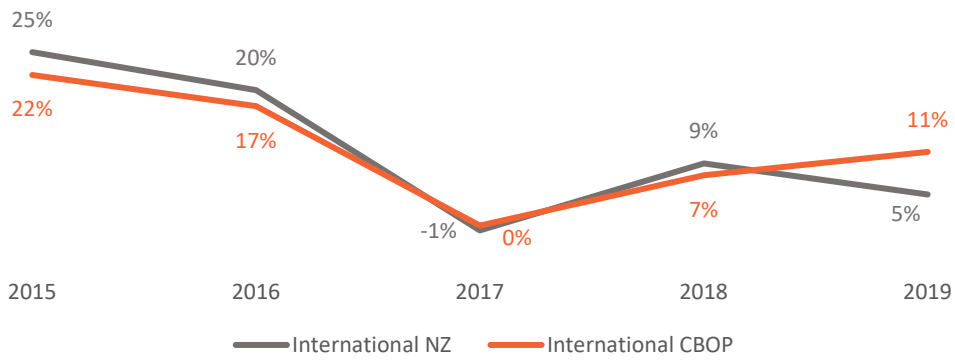


Visitor Spend Growth Comparison with national results (YE June)

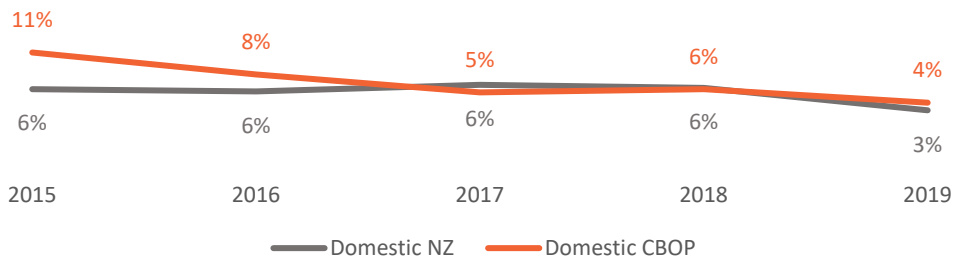
Change in TOTAL visitor spend over last five years



Change in INTERNATIONAL visitor spend over last five years



Change in DOMESTIC visitor spend over last five years

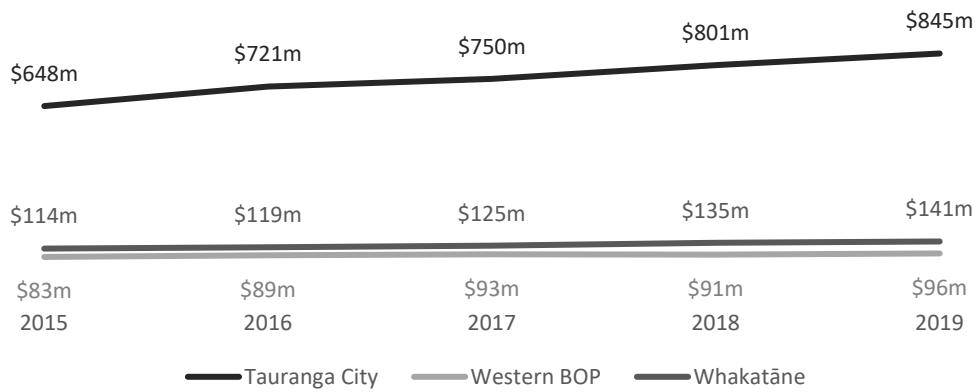




Visitor Spend per Territorial Authority Area
(YE June 2019)

Tauranga	Western	Whakatāne
Annual Visitor Spend	Annual Visitor Spend	Annual Visitor Spend
\$845	\$96m	\$141m
Proportion of Coastal BOP	Proportion of Coastal BOP	Proportion of Coastal BOP
78%	9%	13%

Visitor spend per TA over last five years



Major Project Progress

<p>Recruitment of key roles to enable the move to Destination Management</p>	<p>Destination Management Plan completed with Destination Think!</p>	<p>Approval of funding for Te Tomokanga</p>
<p>Established a Memorandum of Commitment with the Tauranga Moana Iwi</p>	<p>Air New Zealand partnership is delivering outstanding value for our region</p>	<p>RTNZ Supreme Award winner and 2018 Safest Place to Work Awards finalist</p>

Air New Zealand Partnership

- The newly developed Koru Lounge in the Tauranga Airport, with a capacity of 90 customers, is nearly twice the size of the previous lounge.
- The target to increase total seats into and out of Tauranga by approximately 80,000 seats was met. Over the past 12 months Tauranga airport saw an additional 80,445 seats added to the Air NZ schedule.
- An additional 10 one-way services were added per week on both the Tauranga-Auckland and Tauranga-Wellington routes.
- Continued co-marketing opportunities in Australia and domestically, including a JV with Wellington International Airport. The campaign contributed a 27% increase year on year for the Wellington-Tauranga route.
- Hosted Air New Zealand CEO, Regional Affairs Manager and Regional Relationship Executive.
- Commitment to showcase Tauranga and the Bay of Plenty in *Kia Ora* Magazine with a feature article. In December 2018, *Kia Ora* magazine featured a seven-page spread on Whakatāne.
- Marketing support and engagement with Ngāti Awa to promote White Island as an iconic tourism attraction and core tourism asset of the region.
- Air New Zealand supported the Groundswell conference in August 2018 with the provision of flights and promotional support. Support is confirmed for the 2019 Groundswell Conference.



Destination Marketing

- Supported Tourism New Zealand with the filming of the Bay of Plenty component of the global National Geographic campaign.
- Supported Tourism New Zealand with the Good Morning World 365-day consumer campaign which features four local tourism operators and their products.
- Along with the increased capacity and entry-level fare reduction, the Wellington campaign contributed to +27% seats sold YoY for the Wellington-Tauranga route during the campaign period.
- Coverage from 5 major domestic media and 176 stories reaching an Estimated Advertising Value of \$2,861,640.
- Coverage from 8 major international media and 422 stories reaching an Estimated Advertising Value of \$10,723,821.
- Partnered with Whakatāne to develop the Official Visitor Guide 2019 (previously Whakatāne District Council has produced their own). New format and new design.

Digital

- External Digital Marketing Audit & Strategy completed by Miles Partnership.
- Developed a Digital Marketing Strategy.
- Researched visitor preferences and determined new website needed. Agency selected for build in 2019-2020.
- Engaged Miles Partnership for Google DMO programme with over 100 operators involved. Views of Bay of Plenty images on Google increased from 200 to 87,000 in just two months.
- Digitally partnered with TripAdvisor.
- Hosted workshops and webinars for operators on newzealand.com and Google My Business.
- Unique website users increased by 17% compared the previous financial year.

- Instagram followers increased 31% to 10,015 during 2018-2019 financial year.
- Facebook followers increased 12% to 15,884 during 2018-2019 financial year.

Trade and Industry Development

- Extensive engagement with international wholesalers and travel agents focussed on driving shoulder season visitation and more recently highlighting regional Place DNA™ and target markets.
- Regional collaboration via ECNI to embrace opportunities for shared marketing and famil hosting in order to leverage greater storytelling and visitor dispersal.
- Partnered with Air New Zealand and Tourism New Zealand to highlight the Central North Island product and diversity while leveraging the organisations' vast networks.
- Participated in key international trade events (eXplore and TRENZ) which provide the opportunity for our trade-ready operators to meet key influencers and harness opportunities for inclusion in brochuring and trade itineraries.
- Developed a Tourism Toolkit which is a 'one-stop-shop' of information relevant to anyone wanting to enter into tourism or wanting to grow their tourism business.
- Provided mentoring and support to tourism operators which has enabled them to become trade-ready.
- Lead the ECNI collective and oversaw the marketing support of the ECNI administrator.

Destination Development

- Completed destination management strategy for the next three years; Te Hā Tāpoi | The Love of Tourism 2019-2022.
- Place DNA™ of the Coastal Bay of Plenty researched and uncovered by Destination Think!, and four target markets identified.
- Destination Think! undertook passionography research to understand target markets.
- Tourism forecasts for 2018-2028 were commissioned, delivered to interested parties and have been (and will continue to be) used for reporting purposes.
- Commissioned Tourism Sentiment Index (TSI) with Destination Think! to understand global perceptions of the Coastal Bay of Plenty as a tourist destination. Achieved good TSI score of +55 (above the medium for our competitive destination set of +53).
- Hotel valuation data commissioned and delivered to interested parties.
- Have formed a Māori tourism operators' group, comprising fledgling operators and some more established entities.
- Signed Tourism Industry Aotearoa New Zealand Tourism Sustainability Commitment and hosted one workshop with TIA in Tauranga.
- Actively involved in supporting the development of 13 products.

Stakeholder Engagement

- Continued building of relationships and collaborations at national, regional, local Government and Industry levels.
- Building foundations with iwi from Tauranga Moana, Whakatāne and in Te Urewera.
- Hosted 6 workshops, 2 full IAG meetings and 2 networking events, involving approximately 100 attendees.
- Actively engaged with mainstreet and community organisations.
- TBOP employee satisfaction score is above benchmark at 83%.
- TBOP Health and Safety Index score is 80% (Safe365), which is top percentile for New Zealand SME.
- Most (75%) Tauranga residents think Tauranga is a quality destination for visitors and businesses (YE June 2019).
- Toi Ohomai engagement and involvement with their Travel & Tourism School.
- Zespri International collateral collaboration.

Visitor Sales and Service Strategy

- Achieved funding for Te Tomokanga.
- Identified new Tauranga i-SITE location.
- Commenced implementation of new Sales and Service Model.
- Collaboration with TCC Bylaws & Parking Team, and the Transport Team working towards stronger H&S implementation for cruise operations.
- Successfully combined the Mount Maunganui i-SITE (previously located in Phoenix Carpark) with the Cruise ticketing office (i-TICKET). Mount Maunganui Satellite i-SITE is now located outside the Port of Tauranga passenger gate on Salisbury Ave.
- Welcomed 114 ships and 225,340 passengers during the 2018-19 cruise season, including 25 double ship days, 2 triple ship days and 8 overnight visits during the season.
- Of the passengers booked on tours through the i-PORT, 45% stayed local, 35% went to Rotorua, 8% visited Hobbiton, and the remaining passengers privately hired a vehicle.
- Successfully collaborated with Little Big Events to facilitate 3 local markets for cruise passengers (2 Little Big Markets and 1 Picnic in the Park).
- Collaborated with Little Big Events and Royal Caribbean Cruise Line to facilitate a Silent Disco at Picnic in the Park. Participants paid a gold coin donation and all donations were donated to the Mount Maunganui Lifeguard Service.
- Majestic Princess made her maiden voyage to New Zealand and Tauranga. A social media campaign encouraged thousands of locals to watch the ship depart from Pilot Bay on 5 October 2018.
- Collaborated with Tauranga Intermediate School Kapa Haka Group to farewell the first ship of the 2018-2019 cruise ship season.
- Hop on, hop off bus now includes the Historic Village, The Elms and Tauranga Art Gallery in its tour.



WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST

PURPOSE OF BUSINESS

The principle objective of Tourism Bay of Plenty is to promote the economic welfare and development of the region and its community through marketing and management that impacts on the region as a visitor and tourist destination.

LEGAL BASIS

Charitable Trust

STRUCTURE

The Trust comprises a Board of up to eight Trustees who oversee the governance of the Trust, a CEO who is responsible for the day-to-day operations of the Trust and reporting to the Trustees and 18 other staff who support the CEO in delivering the Trust's objectives. The Trustees are appointed by the Tauranga City Council and the Western Bay of Plenty District Council.

MAIN SOURCES OF CASH AND RESOURCES

Operating grants received from the Tauranga City Council, Western Bay of Plenty District Council and Whakatāne District Council are the primary sources of funding to the Trust. The Trust also earns revenue from commissions on sales of local and domestic products.

TRUSTEES

D. Hammond – Chairman (resigned 8 August 2019)
G. Keel
J. Hill
L. Cooney
W. Wilson (resigned 31 July 2019)
P. Moran

REGISTERED OFFICE

95 Willow Street
Tauranga

SOLICITORS

Holland Beckett
Tauranga

BANKERS

ASB
Tauranga

AUDITORS

Audit New Zealand



**STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 Actual	2019 Budget	2018 Actual
REVENUE				
Funding - Tauranga City Council		2,121,179	2,121,179	1,482,000
Funding - Western Bay of Plenty District Council		209,634	209,634	195,000
Funding - Whakatāne District Council		84,000	84,000	84,000
Retail sales		125,656	137,500	123,091
Finance Revenue		9,850	9,120	9,676
Other revenue	1	512,148	635,680	580,628
Total revenue		3,062,468	3,197,113	2,474,395
EXPENDITURE				
Cost of sales	2	78,474	83,700	72,861
Operating & Marketing	3	876,505	805,800	710,791
Administration & Overhead	4	467,655	495,762	420,418
Finance Costs		1,415	1,414	2,081
Employee benefit expenses	5	1,518,224	1,687,182	1,172,006
Trustee Fees		58,281	69,375	57,031
Depreciation and loss on sale of assets	11&12	52,105	53,880	65,359
Total expenditure		3,052,660	3,197,113	2,500,547
SURPLUS/(DEFICIT) before Tax	6	9,808	0	(26,152)
Taxation	7	-	-	-
SURPLUS/(DEFICIT) after tax		9,808	0	(26,152)
Other Comprehensive Revenue & Expense				
Other Comprehensive Revenue		-	-	-
Total Other Comprehensive Revenue & Expense		-	-	-
Total Comprehensive Revenue & Expense		9,808	0	(26,152)

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 Actual	2018 Actual
Net Assets/Equity at start of the year	413,019	439,171
Total comprehensive revenue and expenses	9,808	(26,152)
BALANCE AT 30 JUNE	422,827	413,019

The accompanying notes form part of these financial statements



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2019	2018
ASSETS			
Current assets			
Cash and cash equivalents	8	396,072	272,673
Investments	9	200,000	200,000
Debtors and prepayments	10	47,887	41,226
Inventories		23,353	41,779
Total current assets		<u>667,312</u>	<u>555,678</u>
Non-current assets			
Property, plant and equipment	11	196,398	226,245
Intangible assets	12	4,693	9,385
Total non-current assets		<u>201,091</u>	<u>235,630</u>
TOTAL ASSETS		<u>868,403</u>	<u>791,308</u>
LIABILITIES			
Current liabilities			
Creditors and accrued expenses	13	257,117	258,611
Employee benefit liabilities	14	179,132	95,898
Loans	15	832	9,947
Finance Leases	16	5,920	5,920
Total current liabilities		<u>443,000</u>	<u>370,376</u>
Non-current liabilities			
Loans	15	-	832
Finance Leases	16	2,575	7,081
Total non-current liabilities		<u>2,575</u>	<u>7,913</u>
TOTAL LIABILITIES		<u>445,576</u>	<u>378,289</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>422,827</u>	<u>413,019</u>
EQUITY			
Accumulated Funds		<u>422,827</u>	<u>413,019</u>
TOTAL EQUITY		<u>422,827</u>	<u>413,019</u>

The accompanying notes form part of these financial statements

Chairman:

Trustee

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	Actual	Actual
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of Funding - Tauranga District Council	2,121,179	1,482,900
Receipts of Funding - Western Bay of Plenty District Council	209,634	195,000
Receipts of Funding - Whakatāne District Council	84,000	84,000
Receipts from retail sales	125,656	123,091
Receipts from other revenue	512,148	578,623
Interest receipts	9,040	8,943
Dividend receipts	1,045	1,049
Interest payments	(1,415)	- 2,081
Payments to suppliers and employees	(2,626,564)	(2,132,425)
GST (net)	(279,305)	(252,547)
Net cash flow from operating activities	155,417	86,554
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Repayment of loans	(14,452)	(13,786)
Receipts from sale of fixed assets	-	603
Payments to acquire fixed assets	(17,566)	(9,336)
Net cash flow from investing & financing activities	(32,018)	(22,519)
ADD OPENING BANK ACCOUNTS AND CASH	472,673	408,638
CLOSING BANK ACCOUNTS AND CASH	596,072	472,673

The accompanying notes form part of these financial statements

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2019

ENTITY STATEMENT

Western Bay of Plenty Tourism and Visitors Trust is a Council Controlled Organisation (CCO), by virtue of the Councils' right to appoint the Board of Trustees. Governance is provided by the Trust Board as per the Trust Deed. The relevant legislation governing the Trust's operations includes the Local Government Act 2002. The financial statements of the Trust have been prepared in accordance with the provisions of section 68 and 69 of the Local Government Act 2002. The Trust is a public benefit entity for financial reporting purposes.

The principle objective of the Trust is to promote the economic welfare and development of the region and its community through marketing and management that impacts on the region as a visitor and tourist destination. The financial statements of the Trust are for the year ended 30 June 2019. The financial statements were approved by the Board of Trustees on 26 August 2019.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards on the basis that the Trust is not publicly accountable and expenses are between \$2 and \$30 million. These financial statements comply with Public Benefit Entity standards Reduced Disclosure Regime.

Measurement base

The financial statements have been prepared on a historical cost basis.

Changes in accounting policies

There have been no changes in accounting policies.

Functional and presentation currency

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.

Goods & Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST. GST is shown as a net amount in the cashflow.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ('use or return condition'). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised when the service is provided.

Interest and dividend revenue

Interest revenue is recorded as it is earned during the year. Dividend revenue is recognised when the dividend is declared.



Employee related costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

Advertising, marketing, administration and overhead costs

These are expensed when the related service has been received.

Lease expense

Operating leases

Lease payments are recognised as an expense on a straight-line basis over the lease term.

Finance leases

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. The lease is fully depreciated over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Investments

Investments are shares, term deposits, bonds, units in unit trusts, or similar instruments held by the entity.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Inventory

Inventory held for sale on a commercial basis is valued at the lower of cost or net realisable value. The cost of the inventory is determined using the weighted average method.

Property, plant, equipment

Property, plant, equipment is recorded at cost, less accumulated depreciation and impairment losses.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value basis on all property, plant and equipment, at rates that will write-off the cost of the assets to their estimated residual values over their estimated useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings (10% - 40%)

Computers and software (50% - 60%)

Buildings and leasehold improvements (10% - 25%)

Office equipment (8% - 67%)

Intangible Assets**Website Development:**

Website development costs are capitalised when it is probable that the expected economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Furthermore, the website must be shown to be capable of generating revenues, including direct revenues from enabling orders to be placed.

Amortisation:

Website costs are amortised on a diminishing value basis over the asset's useful life. Amortisation begins when the asset is available for use and ceases at the date when the asset is disposed of. The amortisation charge for each year is included with depreciation and recognised in the Statement of Comprehensive Income. The useful life and associated amortisation rate has been estimated as follows:

Website (50%)

Creditors and accrued expenses

Creditors and accrued expenses are recorded at their face value.

Employee Entitlements

A liability for employee costs payable is recognised when an employee has earned the entitlement. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date, using current rates of pay.

Loans

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year end that has not yet been paid.

Income Taxation

The Trust holds a tax exemption from the Inland Revenue Department in terms of section CW40 of the Income Tax Act 2007, as a local or regional promotional body.

Budget figures

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 2 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. Note that the classification of the expenses is different from the Statement of Intent as the employee costs are shown separately in the accounts.

Cashflow

Operating activities have been presented in accordance with the direct method.

Equity

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

Standards issued but not yet effective

PBE FRS 48 Service Performance Reporting, this will impact the entity from 2021 onwards but the entity has not yet assessed the impact of this standard on the way the entity reports.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018	
1 Other Revenue			
Industry Contributions	123,418	134,735	
Other Income	388,730	445,893	
	<u>512,148</u>	<u>580,628</u>	
2 Cost of Sales			
The write-down of inventory during the year was \$4,347 (2018: Nil). There have been no reversals of write-downs (2018: Nil).			
Opening Inventory	41,779	38,657	
Purchases	60,048	75,983	
Closing Inventory	(23,353)	(41,779)	
Total Cost of Sales	<u>78,474</u>	<u>72,861</u>	
3 Operating and Marketing			
Credit card charges	28,844	24,738	
Conference & Incentive Marketing	3,860	20,900	
Cruise Marketing and Operating	89,061	97,049	
Consumer Marketing	262,036	214,416	
Development & Research	307,060	81,803	
General and Other Marketing	185,644	271,885	
	<u>876,505</u>	<u>710,791</u>	
Note that the 2018 split of Consumer/Trade/General Marketing has been reclassified between these expenses.			
4 Administration and Overhead			
Audit Fees	21,600	21,054	
Cleaning & Security	19,355	19,117	
Rent	131,747	130,752	
Recruitment training & HR	89,034	50,088	
Repairs & Maintenance	5,569	4,380	
Vehicle	32,435	29,069	
Subscriptions	13,062	12,908	
IT expenses	33,637	31,992	
Telephone	14,476	13,386	
Electricity	16,601	16,688	
Other Administration & Overhead	90,139	90,985	
	<u>467,655</u>	<u>420,418</u>	
5 Employee Benefit Expenses			
Salaries and wages	1,477,240	1,139,243	
Employer superannuation contributions	38,928	30,220	
Other employee related costs	2,056	2,543	
	<u>1,518,224</u>	<u>1,172,006</u>	
6 Variance Budget to Actual			
INCOME	Actual	Budget	Variance
Retail Sales (Reduction in door count)	125,656	137,500	- 11,844
Other Revenue (Budgeted funding not received offset by reduced costs)	512,148	635,680	- 123,532
EXPENDITURE			
Operating & Marketing (contract costs instead of employee)	876,505	805,800	70,705
Administration & Overheads (Reduced legal expenses & reduced costs for combining Mount sites)	467,655	495,762	- 28,107
Employee Benefit Expenses (Staff vacancies for part of year & contract costs instead of employee)	1,518,225	1,687,182	- 168,957
Trustee Fees (vacancies on board for part of the year)	58,281	69,375	- 11,094
7 Taxation			
The Trust holds confirmation of a tax exemption under section CW 40 of the Income Tax Act 2007.			
8 Cash and Cash Equivalents			
Cheque Accounts	31,170	36,850	
Savings Accounts	363,802	234,523	
Cash on Hand	1,100	1,300	
	<u>396,072</u>	<u>272,673</u>	
9 Investments			
Term Deposit ASB Bank 1.92% for 1 month	200,000	200,000	

	2019	2018
10 Debtors and Prepayments		
Debtors	12,422	6,754
Accrued Income	-	234
GST	30,410	31,106
Prepayments	5,057	3,132
	<u>47,889</u>	<u>41,226</u>
Debtors and prepayments from exchange transactions	17,479	10,120
Debtors and prepayments from non-exchange transactions	<u>30,410</u>	<u>31,106</u>
	47,889	41,226

11 Property, Plant and Equipment

Name	Cost	Accum Dep	1-Jul-18	Purchases	Depreciation	Disposals	30-Jun-19
Total Computers & Software	63,323	49,084	5,790	13,611	7,854	0	11,547
Total Furniture & Fittings	120,144	70,166	43,727	740	7,759	0	36,708
Total Leasehold Improvement	245,560	91,123	154,437	0	22,048	0	132,388
Total Office Equipment	103,606	80,356	22,292	3,215	9,751	0	15,756
Total	532,633	290,729	226,245	17,566	47,413	0	196,398

Name	Cost	Accum Dep	1-Jul-17	Purchases	Depreciation	Disposals	30-Jun-18
Total Computers & Software	63,323	52,691	10,632	1,184	5,762	264	5,790
Total Furniture & Fittings	120,144	67,121	53,023	1,817	10,045	1,068	43,727
Total Leasehold Improvement	245,560	64,770	180,790	0	26,353	0	154,437
Total Office Equipment	103,606	74,566	29,041	6,335	12,397	687	22,292
Total	532,633	259,148	273,485	9,336	54,557	2,020	226,245

12 Intangible Assets

Name	Cost	Accum Dep	1-Jul-18	Purchases	Depreciation	Disposals	30-Jun-19
Website	53,000	43,616	9,385	0	4,693	0	4,693
Total	53,000	43,616	9,385	0	4,693	0	4,693

Name	Cost	Accum Dep	1-Jul-17	Purchases	Depreciation	Disposals	30-Jun-18
Website	53,000	34,229	18,771	0	9,385	0	9,385
Total	53,000	34,229	18,771	0	9,385	0	9,385

13 Creditors and Accruals

Creditors	134,019	146,418
Accrued Expenses	44,472	23,451
Funds received on behalf of tourism operators	78,625	88,742
	<u>257,116</u>	<u>258,611</u>
Creditors and Accruals from exchange transactions	257,116	258,611
Creditors and Accruals from non-exchange transactions	-	-
	<u>257,116</u>	<u>258,611</u>

14 Employee Benefit Liabilities

Accrued salaries and wages	119,820	51,048
Annual leave	59,312	44,850
	<u>179,132</u>	<u>95,898</u>

15 Loans: Lease Fitout 8 Wharf Street

Loan Munro Developments - Current	832	9,947
Loan Munro Developments - Non-current	-	832
	<u>832</u>	<u>10,779</u>

16 Finance Lease: Ricoh Photocopier

Finance Lease - Not later than 1 year	5,920	5,920
Finance Lease - Later than 1 year and not later than 5 years	2,575	7,081
	<u>8,495</u>	<u>13,001</u>

Finance leases are for photocopiers and printers. The net carrying amount of the plant and equipment held under finance leases is \$4,392 (2018 \$7,380).

Finance leases can be renewed at the Trust's option, the Trust does not have the option to purchase the assets at the end of the lease terms.

There are no restrictions placed on the Trust by any of the finance leasing arrangements.



	2019	2018
17 Capital and Operational Commitments and Operating Leases		
Non-cancellable operating leases as lessee:		
The Trust leases property, equipment and two vehicles in the normal course of its business. The following amounts relate to rental 8 Wharf Street, VW vehicle lease, Nissan vehicle lease and lease of Eftpos machines.		
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
Payable no later than one year	22,615	70,595
Later than one year, not later than five years	33,949	22,897
Later than five years	-	-
	56,564	93,492
18 Contingent Liabilities		
The Trust has no contingent liabilities		
19 Related Party Transactions		
The Trust received a significant amount of operating grants from the Councils to deliver its objectives as specified in the Trust Deed.		
Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship and/or on terms and condition no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.		
Key Management Personnel compensation		
Trustees		
Full-time equivalent members	7	6
Remuneration	58,281	57,031
Senior Management Team including CEO		
Full-time equivalent members	4	4
Remuneration	451,762	408,603
Total Full-time equivalent members	11	10
Total Remuneration	510,043	465,634
Due to the difficulty in determining the full-time equivalent for Trustees, the full-time equivalent figure is taken as the number of Trustees.		
20 Donations		
A donation was made to the Mauao Trust for \$3,336.65		
This is the amount received from Cruise ship passengers donated to stamp their passports.		
21 Financial Instruments		
Financial Instrument Categories		
FINANCIAL ASSETS		
Cash & Cash Equivalents	596,072	472,673
Debtors & Other Receivables	42,832	38,094
Total Financial Assets	638,904	510,767
FINANCIAL LIABILITIES		
Creditors & Other Payables	257,117	258,611
Loans	832	10,779
Finance Leases	8,495	13,001
Total Financial Liabilities at Cost	266,444	282,391
22 Events After Balance Date		
There are no significant events post balance date.		



Service Delivery Report July 2018-June 2019

Scope of Activity & Performance Framework

The activity outlined on the following page applies to the territorial boundaries covered by the Bay of Plenty Regional Tourism Organisation as recognised by Statistics New Zealand and covering the rateable areas of Tauranga City Council, Western Bay of Plenty District Council and Whakatāne District Council.

Activity and Performance Framework

KRA 1: Quality of life

The visitor economy enhances quality of life, by providing an enhanced visitor experience and increased amenity for visitors and residents alike.

Activity	Performance Measure	Data Source	Baseline	2018-2019 (Goal to June 2019)	2019-2020 (Goal to June 2020)	2020-2021 (Goal to June 2021)	Result to June 2019	Progress
VISITOR ECONOMY STRATEGY 2018-2028 (VES) Implement a Destination Management strategy ensuring the balance of growth with social, cultural and environmental well-being. Support Tauranga City Council to complete Stage Two of Alternative Funding Mechanisms Project.	Visitor spend growth of 4% per annum. Implementation of Year 1 of VES. Support completion of Stage Two of Alternative Funding Mechanisms project.	MBIE Regional Tourism Estimates. To be determined.	Visitor spend: \$994m (YE Dec 2017). VES 2018-2028 completed. Support completion of Stage Two of Alternative Funding Mechanisms project.	\$1,059m* Implement Year 1 of VES.	\$1,108m* Implement Year 2 of VES.	\$1,157m* Implement Year 3 of VES.	Total annual visitor spend in the Coastal Bay of Plenty was \$1,082m for the year ending June 2019, representing an increase of 5.3% compared to the year ending June 2018. These results exceed the June 2019 targets of \$1,059m and 4% growth per annum. The growth rate also exceeds the national visitor spend growth rate of 3.2% over the same period.	Achieved
CONNECT WITH RESIDENTS Measure and maintain community social licence with measurement of resident satisfaction and their likelihood to recommend the area to others to visit (Net Promoter Score).	Maintain scores of above 52. No Place Like Home (NPLH) implementation. Set-up of Resident Advisory Group (RAG).	TCC Residents' Survey: 1. Tauranga is a quality destination for visitors and businesses. 2. The tourism sector has a positive impact on the community. 3. Likelihood to recommend Tauranga as a holiday destination to friends and family.	1. Score of 80%* (Jan 2018). 2. Score of 77%* (Jan 2018). 3. Score of +52 (Jan 2018). *Baseline scores have changed as of December 2018 for measures 1 and 2, to reflect the % who agree with the statement. This is a more accurate measure and will be used going forward. Goals to June 2020 have changed accordingly.	1. Maintain score above 82%*. 2. Maintain score above 79%*. 3. Maintain score above +53**. NPLH Year 3 implementation. 3 x RAG meetings. **Target NPS scores for 2019-21 have been revised to represent more realistic targets.	1. Maintain score above 84%*. 2. Maintain score above 81%*. 3. Maintain score above +54**. NPLH Year 4 implementation. 3 x RAG meetings.	1. Maintain score above 85%. 2. Maintain score above 82%. 3. Maintain score above +55**. NPLH review and assess. 3 x RAG meetings.	1. Score of 75% agree (2018/19 FY). 2. Score of 69% agree (2018/19 FY). 3. Score of +39 (2018/19 FY). NPLH: Activity has continued, focus groups with locals have been conducted. Destination Think! is working with us to create a new Connect with Residents strategy. RAG meetings: As a result of the Passionography work, it has been determined that these will be called 'passion working groups'. These will occur once all passion insight sessions have been completed.	Not achieved
ENHANCE THE VISITOR EXPERIENCE Enhance the visitor experience and visitor satisfaction (as measured by a new Visitor Satisfaction Monitor) and visitors' likelihood to recommend the area to others (Net Promoter Score).	Implementation of a Visitor Satisfaction Monitor.	To be determined.	No current data.	Implementation of a Visitor Satisfaction Monitor. Provide fit-for-purpose Visitor Information Services.	Set targets for Visitor Satisfaction Monitor. Provide fit-for-purpose Visitor Information Services.	Set targets for Visitor Satisfaction Monitor. Provide fit-for-purpose Visitor Information Services.	Visitor satisfaction is now measured by the Tourism Sentiment Score (TSI) for Coastal BOP, which is +55 (YE June 2018). Next result will be available later this year. Commissioned Visitor Sales & Service Review to define the most efficient, effective and future-proofed sales and service model for TBOP.	Achieved
ENHANCE THE VISITOR EXPERIENCE Provide advocacy to Councils and the sector and support the tourism industry to be environmentally responsible to protect the sub-region for current and future generations.	Destination Development Plan with sustainable tourism plan and initiatives. Support implementation of the TIA Tourism Sustainability Commitment. Support Qualmark accreditation.	To be determined.	No current data. 62 Qualmark operators (June 2018).	Destination Development Plan with a sustainability focus. Launch TIA Tourism Sustainability Commitment to industry. Host 1 Qualmark workshop for operators.	Implement Destination Development Plan with a sustainability focus. Industry support the TIA Tourism Sustainability Commitment. Host 1 Qualmark workshop for operators.	Implement Destination Development Plan with a sustainability focus. Industry support the TIA Tourism Sustainability Commitment. Host 1 Qualmark workshop for operators.	Destination Think! draft Destination Management Plan completed and under implementation. Signed TIA Tourism Sustainability Commitment and hosted a workshop on this in Tauranga. Qualmark training completed.	Achieved
GROW CAPABILITY AND INCREASE SUPPLY Identify and promote tourism experiences and products that support the Western Bay of Plenty's unique cultural heritage and history.	Hapū and Iwi relationships developed. Memorandum of Understanding (MOU) with Iwi established.	Feedback from Hapū and Iwi.	Building relationships with Iwi. 1 new product development.	1 new product development or enhancement of existing product. MOU with Iwi developed.	1 new product development or enhancement of existing product. MOU with Iwi upheld.	1 new product development or enhancement of existing product. MOU with Iwi upheld.	Working with four fledgling Māori Tourism Operators in the process of starting their businesses, with at least one expected to launch in the next six months. MOU with 2 Tauranga Moana iwi achieved.	Achieved

KRA 2: Quality of economy

Grow the tourism industry and increase visitor spend in the WBOP sub region.

Attract visitors and new investment and create employment opportunities, contributing to a higher standard of living for all.

Support the development of tourism in the WBOP sub-region and enable investment.

Activity	Performance Measure	Data Source	Baseline	2018-2019 (Goal to June 2019)	2019-2020 (Goal to June 2020)	2020-2021 (Goal to June 2021)	Result to June 2019	Progress
<p>TARGET THE RIGHT VISITORS AT THE RIGHT TIME</p> <p>Creation of a demand and supply model and calendar to target high value visitors at peak season, and both high volume and high value visitors at off-peak seasons. Define target markets and niche propositions for more efficient marketing.</p>	<p>Creation of demand/supply research model.</p> <p>Creation of target markets and niche propositions.</p> <p>Support of Major Events Strategy.</p>	<p>Completion of projects.</p> <p>Support of 5 major events.</p>	No current data.	<p>Creation of demand/supply research model by December 2018.</p> <p>Creation of target markets and niche propositions by December 2018.</p> <p>Support of Major Events Strategy and 5 major events.</p>	<p>Stage 2 of demand/supply research model implementation.</p> <p>Implementation of target markets and niche propositions by December 2018.</p> <p>Support of Major Events Strategy and 5 major events.</p>	<p>Stage 3 of demand/supply research model implementation.</p> <p>Continued implementation of target markets and niche propositions by December 2018.</p> <p>Support of Major Events Strategy and 5 major events.</p>	<p>Scoping demand/supply model (delayed due to uncertainty around delivery of data at a national level from MBIE, once that data provision is confirmed (later 2019) we will determine the best approach).</p> <p>Four target markets identified by Destination Think!, with passionography research to understand these markets completed and reported at the end of July.</p> <p>Supported ten TCC events. Budget set 19/20 FY and a strategy being developed, which will help determine which events to support going forward.</p>	In progress
<p>DOMESTIC VISITOR ATTRACTION STRATEGY</p> <p>Direct to consumer marketing activity in Auckland, Waikato, Wellington and Christchurch. No Place Like Home Campaign to residents. Support strategic events that increase off-peak visitation, GDP and visitor growth.</p>	Increase domestic visitor spend by 3.7%.	MBIE Regional Estimates by Domestic.	\$785m (to Dec 2017).	Increase by 3.7%.	Increase by 3.7%.	Increase by 3.7%.	Domestic visitor spend in the Coastal Bay of Plenty for the year ending June 2019 was \$849m. This represents growth of 3.9% compared to the same period last year, meeting the target growth rate of 3.7%. The national growth rate for the same period was 2.3%.	Achieved
<p>INTERNATIONAL VISITOR ATTRACTION STRATEGY</p> <p>International trade and media activity in Australia and in partnership with eXplore Central North Island, Tourism New Zealand and regional agencies involved in international marketing.</p>	Increase international visitor spend by 5.3%.	MBIE Regional Estimates by International.	\$208m (to Dec 2017).	Increase by 5.3%.	Increase by 5.3%.	Increase by 5.3%.	International visitor spend in the Coastal Bay of Plenty for the year ending June 2019 was \$233m. This represents growth of 10.8% compared to the YE June 2018, double the targeted growth rate and considerably higher than the national growth rate of 4.6%.	Achieved
<p>CRUISE VISITOR ATTRACTION STRATEGY</p> <p>Increase spend from cruise visitation and improve passenger satisfaction with supply of visitor sales and service at Port of entry.</p>	Increase cruise spend by 3.4%.	MBIE Tourism Satellite Account.	\$59m (to June 2017).	Increase cruise spend by 3.4%. Continued implementation of Phase 1 of Cruise Model.	Increase cruise spend by 3.4%. Continued implementation of Phase 1 of Cruise Model.	Increase cruise spend by 3.4%. Implementation of Phase 2 of Cruise Model.	<p>Cruise activity spend in the Coastal Bay of Plenty for the year ending June 2019 was \$90m. This represents growth of 34.8% compared to the YE June 2018 results, which is in line with the 35% increase in ship visits.</p> <p>Phase 1 of cruise model is progressing well.</p>	Achieved
<p>ENHANCE THE VISITOR EXPERIENCE</p> <p>Continue to improve visitor information services with development of a Mount Maunganui Visitor Information Centre (VIC) presence, and development of an alternative Tauranga VIC location and with digital and unmanned services.</p>	<p>Funding for Mount Maunganui VIC.</p> <p>Business Case for Tauranga VIC.</p>	<p>Annual Plan funding allocated. External sources of funding pursued.</p>	VIC Mount Maunganui funding approved.	Funding achieved, and site approved. Commence detailed design.	Detailed design approved for build. Tauranga site business case approved.	<p>Commence build of VIC Mount Maunganui.</p> <p>Commence design for VIC Tauranga.</p>	<p>Application for funding approved, detailed design to commence next financial year.</p> <p>New location for Tauranga i-SITE confirmed.</p>	Achieved
<p>GROW CAPABILITY AND INCREASE SUPPLY</p> <p>Complete a co-created 10-year Destination Development Plan to grow the visitor economy. This Plan will enable public and private investment decisions and facilitate opportunities for investment, which will increase the number of new tourism experiences.</p> <p>Lobby for funding to support at least one of the priorities set out in the Bay of Connections' (BOC) Regional Growth Study (RGS).</p>	<p>Develop co-created Destination Development Plan.</p>	<p>Feedback from industry, residents and stakeholders.</p>	<p>Completion of Destination Development Plan by June 2019.</p> <p>Participate in BOC RGS Implementation Committee.</p>	<p>Completion of Destination Development Plan by June 2019.</p> <p>Participate in BOC RGS Implementation Committee.</p>	<p>Commence Phase 1 implementation.</p> <p>Participate in BOC RGS Implementation Committee.</p>	<p>Continue Phase 2 implementation.</p> <p>Participate in BOC RGS Implementation Committee.</p>	<p>Destination Think! Destination Management Plan completed.</p> <p>Participated in BOC RGS Implementation Committee and BOC review.</p>	Achieved
<p>GROW CAPABILITY AND INCREASE SUPPLY</p> <p>Assist existing and new potential tourism operators with mentoring and support to develop capability, particularly to become export ready.</p> <p>Work with the Industry Advisory Group (IAG) to identify gaps and opportunities. Work with Council staff to advocate for enablement of tourism product opportunities.</p>	<p>Hire product/experience development resource.</p> <p>Establish Industry Advisory Group (IAG).</p>	Industry Engagement Survey.	No current data.	<p>2 new export ready operators.</p> <p>2 x meetings of IAG per year.</p>	<p>4 new export ready operators.</p> <p>2 x meetings of IAG per year.</p>	<p>6 new export ready operators.</p> <p>2 x meetings of IAG per year.</p>	<p>2 new export ready operators: Clarence Hotel and Aeries Helicopters.</p> <p>3 IAG meetings held: 5 July, 21 Nov 2018 and 29 May.</p>	Achieved

KRA 3: Sound City Foundations

Collaborate with councils and other agencies.

Activity	Performance Measure	Data Source	Baseline	2018-2019 (Goal to June 2019)	2019-2020 (Goal to June 2020)	2020-2021 (Goal to June 2021)	Result to June 2019	Progress
INSIGHTS AND LEADERSHIP Provide leadership for tourism and support sustainable economic growth with effective leadership and implementation of the VES. TBOP will provide research insights to forecast the visitor economy and provide demand management of infrastructure and city services.	Implementation of Year 1 of VES.	2018-2019 6 Month and Annual Reports.	VES 2018-2028 completed.	Implementation of Year 1 of VES. Research and insights requirements scoped and commissioned by June 2019. Participation in annual planning with Councils.	Implementation of Year 2 of VES. Continued implementation of research and insights projects. Participation in annual planning with Councils.	Implementation of Year 3 of VES. Continued implementation of research and insights projects. Participation in annual planning with Councils.	Hired research and insights specialist. Tourism forecasts (2018-2028) commissioned and delivered to interested parties and used for reporting purposes. Hotel valuation data delivered to interested parties. Successful Annual Plan and Long-term Plan process with Councils.	Achieved
COLLABORATION AND PARTNERSHIPS Collaborate and maintain partnerships with other organisations to identify and leverage opportunities. Adhere to the principles of the Stakeholder Engagement and Communications Plan to ensure collaborative relationships with key stakeholders.	Stakeholder Engagement & Communication Plan delivery.	Councils' feedback – 6 Month and Annual Reports. Industry Engagement Survey.	Stakeholder Engagement & Communications Plan completed.	Year 2 implementation. Review and assess.	Year 3 implementation. Review and assess.	Year 4 implementation. Review and assess.	Continued implementation of Stakeholder Engagement & Communications Plan.	Achieved
GOVERNANCE BEST PRACTICE Prudent management of TBOP including risk and financial control, and compliance to regulatory and Code of Conduct frameworks.	Manage P&L to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.	Auditors' Report. TCC's and WBOPDC's feedback. MBIE Regional Tourism Estimates.	Annual Report 2016-17. Auditor's Report 2016-17.	Manage P&L to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.	Manage P&L to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.	Manage P&L to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.	P&L being managed to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.	Achieved

Independent Auditor's Report

To the readers of Western Bay of Plenty Tourism and Visitors Trust's financial statements and performance information for the year ended 30 June 2019

The Auditor-General is the auditor of Western Bay of Plenty Tourism and Visitors Trust (the Trust). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

the financial statements of the the Trust on pages 13 to 21, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expenditure, statement of changes in net assets/equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and

the performance information of the the Trust on pages 22 to 25.

In our opinion:

the financial statements of the the Trust on pages 13 to 21:

present fairly, in all material respects:

its financial position as at 30 June 2019; and

its financial performance and cash flows for the year then ended; and

comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and

the performance information of the Trust on pages 22 to 25 presents fairly, in all material respects, the the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the the Trust's objectives for the year ended 30 June 2019.

Our audit was completed on 26 August 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board is also responsible for preparing the performance information for the Trust.

The Board is responsible for such internal control as it determines is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to liquidate the the Trust or to cease operations, or has no realistic alternative but to do so.

The Board's responsibilities arise from the Local Government Act 2002 and the Trust Deed.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.

We conclude on the appropriateness of the use of the going concern basis of accounting by the Trust and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 11, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

B H Halford
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand