STATEMENT OF INTENT

TOURISM BAY OF PLENTY

2018-2019 to 2020-2021
1. Our Regional Brand Story

Ours is a place of positive energy; a rich coastal paradise blessed with raw potential.

Where cultures embrace and the natural generosity of our people is as abundant as our fertile land and open seas.

A place of discovery – our ingenuity, determination and bold thinking connect us to the world. A landing place.

A launch pad.

The Bay of Plenty – a place for you.
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2. Purpose of Statement of Intent

In accordance with section 64 (1) of the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Western Bay of Plenty Tourism and Visitors Trust (TBOP) for the next three years. This SOI sets out TBOP’s strategic framework, activities and performance measures, as the basis of organisational accountability.

TBOP acknowledges the Enduring Statement of Expectations (ESE) and Letter of Expectation (LOE) from Mayor Brownless and Mayor Webber. These clearly articulate the focus areas for TBOP that will contribute to advancing the Western Bay of Plenty’s economic prosperity.

3. About Tourism Bay of Plenty

TBOP is incorporated under the Charitable Trusts Act (1957) and is a not-for-profit entity established to promote the Western Bay of Plenty sub-region (WBOP) as a visitor and tourist destination. TBOP is a Council Controlled Organisation (CCO) and accountable to Tauranga City Council (TCC), Western Bay of Plenty District Council (WBOPDC) and by a separate Memorandum of Understanding (MOU) with Whakatāne District Council (WDC).

3.1 Purpose of Tourism Bay of Plenty

TBOP’s role is to support the Councils’ aspiration for Tauranga to be an internationally competitive city, for the benefit of the wider coastal region and its communities. Both Councils have encouraged TBOP to consider how we contribute to the community outcomes for Tauranga and the wider coastal region. These community outcomes are to ensure Tauranga and the WBOP:

- Are well planned, with a variety of successful and thriving compact centres.
- Are inclusive, safe, resilient and healthy.
- Have predictable travel times and transport choice.
- Protect and enhance the natural environment.
- Attract businesses, people and visitors.

3.2 Principal Objective

TBOP takes the leading role in sustainable growth of the WBOP visitor economy and management of the destination. TBOP’s vision is to “share our love of the Bay of Plenty with the world” and our mission is “to grow the visitor economy for the benefit of our community.” Working towards Tauranga becoming an internationally competitive city requires a focus on three areas to support community well-being:
1) Quality of life.
2) Quality of economy.
3) Sound city foundations.

These outcomes will be supported through:
- Increased collaboration.
- Strong partnerships with Tangata Whenua.
- Maintaining financial sustainability.
- Improving the quality of the information we use.
- Better understanding city dynamics.

3.3 Role of Tourism Bay of Plenty

TBOP has identified four strategic priorities that collectively will grow demand for the destination whilst enhancing the visitor experience and increasing investment and supply. These priorities are based on a platform of stakeholder engagement and partnership, and sound governance principals. These strategic priorities will be executed under the Western Bay of Plenty Regional Brand Story which defines the unique and compelling attributes of our region. The four strategic priorities are:
- Target the right visitors at the right time.
- Connect with residents.
- Enhance the visitor experience.
- Grow capability and increase supply.

The diagram on Page 6 summarises the Strategic Framework we operate from. This diagram reflects our growing role as Destination Managers – to manage, develop and plan growth, while considering environmental, social and cultural interests. We also need to ensure we preserve the region’s unique identity and that our visitor related development is coordinated with residents’ interests.
3.4 Destination Management

\[\text{Destination Management:} \]

\[\text{“Is the strategic and sustainable management of visitor-related development, coordinated with resident interests, to preserve a region’s unique identity. We will bring stakeholders together and work collaboratively to transform the region’s set of attractions, activities and services into a cohesive and compelling travel experience.”} \]
3.5 Tourism Bay of Plenty’s Strategic Framework
4. Governance

TBOP is a CCO of the Tauranga City and Western Bay of Plenty District Councils. TBOP Board and Management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards.

The TBOP Board of Trustees is appointed by the Councils to govern and direct TBOP’s activities. The Board is accountable to the Councils for the financial and non-financial performance of TBOP. The Board works collaboratively with the Councils to ensure a “no surprises” relationship.

4.1 The Role of the Board of Tourism Bay of Plenty

The Board of Trustees is responsible for the direction of TBOP. This responsibility includes:

- Develop and oversee the implementation of TBOP’s Visitor Economy Strategy 2018-2028 (VES).
- Advocacy and stakeholder management.
- Approving annual plans, budgets and the SOI.
- Enterprise Risk and Health and Safety systems, policies and controls.
- Monitoring financial performance and achievement of the strategic initiatives and SOI objectives.
- Appointment and monitoring of the performance and remuneration of the CEO.
- Integrity of management information systems and policies.
- Assessment of business opportunities and business risks.
- Compliance with relevant law.
- Reporting to the Councils.

The Trustees operate under the TBOP Code of Conduct and the Tauranga City Council Code of Conduct for Directors Appointed by Council to Council Organisations.

The Trustees delegate the day-to-day operation of TBOP to the Chief Executive Officer (CEO) of TBOP who reports regularly to the Board.
4.2 Tourism Bay of Plenty Trustees

As of 30th of June 2018, the TBOP Board comprises the following trustees:

- Desmond Hammond (Chairperson)
- Colleen Te Arihi
- Gwendoline Keel
- Laurissa Cooney
- Peter Moran
- Will Wilson

4.3 Reporting to Councils

4.3.1 Communication Protocol

The Chairperson, Board members and officers of TBOP will adhere to the following communication protocols with the Councils, in addition to the formal reporting requirements:

- A bilateral “no-surprises” approach.
- Consultation with the Councils prior to external release of significant changes and/or developments.
- Early notification and collaboration on the management of risks and issues.
- Appraise the performance of the TBOP Board of Trustees at a minimum of every 18 months.

4.3.2 Statement of Intent

The draft SOI for the ensuing financial year will be provided by TBOP to the Councils by 1 March each year. The final SOI, incorporating any feedback from the Councils, will be provided by 30 June each year.

The draft SOI provides a three-year view which is consistent with the ESE and identifies:

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

4.3.3 Reporting

TBOP has adopted 30 June as its balance date.

4.3.4 Six Month Report

By 28 February, the Trustees shall deliver to the Councils an unaudited report containing the following information in respect of the six months under review:
• Statement of Financial Performance disclosing revenue and expenditure and comparative prior period and budget figures.
• Statement of Financial Position.
• Progress towards Non-Financial Performance Targets.
• A commentary on the financial and non-financial results for the first six months and a forecast for these results for the full year.

4.3.5 Annual Report

By 31 August, the Trustees shall deliver to the Councils a draft Annual Report, and by 30 September a final version of the Annual Report, including audited financial statements, in respect of that financial year, containing the following information:
• Chairman’s and CEO’s reports.
• Audited financial statements for that financial year including Statement of Financial Performance and Statement of Financial Position and Changes in Equity.
• Notes to the financial statements including accounting policies.
• Service Delivery Report summarising TBOP’s performance against the SOI goals and objectives.
• Independent Auditor’s report on the financial statements and non-financial performance measures.
5. Activity and Performance Framework
6. Financial Performance Targets and Measures

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

7. Accounting Policies

Financial statements will be prepared in accordance with Tier 2 Public Benefit Entity Accounting Standards.

The accounting policies that have been adopted are detailed in the company’s Annual Report.

7.1 Asset Management

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

7.2 Ratio of Consolidated Funds

If the Trust is wound up everything reverts to the Councils (to be held in trust for similar purposes). TBOP intends to keep the equity ratio equal to or above 0.5:1.0. The ratio is calculated as: equity divided by total assets.

7.3 Estimate of Commercial Value

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

7.4 Transactions Between Related Parties

Transactions between the Councils and TBOP will be conducted on a wholly commercial basis.
7.5 Distribution to Shareholders

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

8. Funding Principles

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

- Sustained private sector funding (both in cash and in kind) is a tangible and critical demonstration, both to the tourism business sector and to the ratepayer, of the fact that the role, contribution and partnership of TBOP is valued.

- The private/public sector co-funding model demonstrates to the community and to local government the existence of a partnership which can achieve sound economic outcomes.

- The private/public sector co-funding model is essential to maximise the potential for leveraging local government funding in the Western Bay of Plenty sub-region.

9. Significant Decisions

TBOP will not undertake any activity of a nature or scope not provided for in this SOI without prior approval of the Councils. Specifically, prior approval would be required for TBOP to:

- Form any subsidiary entity.

- Purchase shares in any other entity.

- Dispose of any significant assets e.g. land or buildings.

- Purchase any significant assets e.g. land or buildings.
10. Compensation from Local Authority

TCC and WBOPDC intends to purchase services from TBOP over the long term and agrees to the level of funding on a rolling three-year basis aligned to the three-year Business Plan of TBOP.

The Councils acknowledge TBOP’s growing role in Destination Management and so have granted additional funding through TCC’s 2018 Long Term Plan (LTP). Through the LTP, TBOP presented a strategic plan, the VES, which included additional funding requirements.

The services for the next three years are currently forecast, as per the table below.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>TCC</td>
<td>$2,121,179</td>
<td>$2,186,290</td>
<td>$2,254,005</td>
</tr>
<tr>
<td>WBOPDC</td>
<td>$209,634</td>
<td>$212,988</td>
<td>$216,396</td>
</tr>
<tr>
<td>Total</td>
<td>$2,330,813</td>
<td>$2,399,278</td>
<td>$2,470,401</td>
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</table>

*TCC’s figures include funding for Visitor Information Centres.

*As per the VES, the 2018-2019 budgets have been calculated at the national benchmark of 0.21% of total annual visitor spend (calculated as a Territorial Authority proportion from year end visitor spend results as at April 2017) and applied to the VES visitor expenditure forecasts.

The payments will be made quarterly in advance on receipt of a GST invoice, with payments one and two each being 30% of the annual sum, and payments three and four each being 20% of the annual sum.
WESTERN BAY OF PLENTY TOURISM & VISITORS TRUST

**BUDGET**

<table>
<thead>
<tr>
<th></th>
<th>2018/19</th>
<th>2019/20</th>
<th>2020/21</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding - Tauranga City Council</td>
<td>2,121,179</td>
<td>2,186,290</td>
<td>2,254,005</td>
</tr>
<tr>
<td>Funding - Western BOP District Council</td>
<td>209,634</td>
<td>212,988</td>
<td>216,396</td>
</tr>
<tr>
<td>Funding - Whakatâne District Council</td>
<td>84,000</td>
<td>84,000</td>
<td>84,000</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>137,500</td>
<td>137,500</td>
<td>137,500</td>
</tr>
<tr>
<td>Other Revenue (includes industry contributions)</td>
<td>644,800</td>
<td>644,800</td>
<td>644,800</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>3,197,113</td>
<td>3,265,578</td>
<td>3,336,701</td>
</tr>
<tr>
<td><strong>Less Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>83,700</td>
<td>83,700</td>
<td>83,700</td>
</tr>
<tr>
<td>Operating &amp; Marketing</td>
<td>2,363,533</td>
<td>2,431,998</td>
<td>2,503,121</td>
</tr>
<tr>
<td>Administration &amp; Overheads</td>
<td>696,000</td>
<td>696,000</td>
<td>696,000</td>
</tr>
<tr>
<td>Depreciation &amp; Amortisation</td>
<td>53,880</td>
<td>53,880</td>
<td>53,880</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>3,197,113</td>
<td>3,265,578</td>
<td>3,336,701</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td></td>
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<td></td>
<td>0</td>
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**11. Termination**

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

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

[Signature]
Chair
Tourism Bay of Plenty

[Signature]
Chief Executive
Tourism Bay of Plenty
### 12. Glossary of Terms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>BOC</td>
<td>Bay of Connections</td>
</tr>
<tr>
<td>CCO</td>
<td>Council Controlled Organisation</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>ECNI</td>
<td>eXplore Central North Island</td>
</tr>
<tr>
<td>ESE</td>
<td>Enduring Statement of Expectations</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GST</td>
<td>Goods and Services Tax</td>
</tr>
<tr>
<td>IAG</td>
<td>Industry Advisory Group</td>
</tr>
<tr>
<td>KRA</td>
<td>Key Result Area</td>
</tr>
<tr>
<td>LOE</td>
<td>Letter of Expectation</td>
</tr>
<tr>
<td>LTP</td>
<td>Long Term Plan</td>
</tr>
<tr>
<td>MBIE</td>
<td>Ministry of Business, Innovation and Employment</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NPLH</td>
<td>No Place Like Home campaign</td>
</tr>
<tr>
<td>NPS</td>
<td>Net Promoter Score</td>
</tr>
<tr>
<td>P&amp;L</td>
<td>Profit and Loss</td>
</tr>
<tr>
<td>Qualmark</td>
<td>New Zealand tourism’s official mark of quality</td>
</tr>
<tr>
<td>RAG</td>
<td>Resident Advisory Group</td>
</tr>
<tr>
<td>RGS</td>
<td>Regional Growth Study</td>
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<tr>
<td>SOI</td>
<td>Statement of Intent</td>
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<td>TBOP</td>
<td>Tourism Bay of Plenty</td>
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<tr>
<td>TCC</td>
<td>Tauranga City Council</td>
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<tr>
<td>TIA</td>
<td>Tourism Industry Aotearoa</td>
</tr>
<tr>
<td>TNZ</td>
<td>Tourism New Zealand</td>
</tr>
<tr>
<td>TSA</td>
<td>Tourism Satellite Account</td>
</tr>
<tr>
<td>VES</td>
<td>Tourism Bay of Plenty’s Visitor Economy Strategy 2018-2028</td>
</tr>
<tr>
<td>VIC</td>
<td>Visitor Information Centre</td>
</tr>
<tr>
<td>WBOP</td>
<td>Western Bay of Plenty sub-region</td>
</tr>
<tr>
<td>WBOPDC</td>
<td>Western Bay of Plenty District Council</td>
</tr>
<tr>
<td>WDC</td>
<td>Whakatāne District Council</td>
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