



-2017/18 - 2019/20-
Statement of Intent





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 Letter of Expectation (LOE) from Mayor Brownless and Mayor Webber, which has clearly articulated the focus areas to which TBOP will contribute to deliver on our role in 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 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 separate Memorandum of Understanding (MOU), Whakatāne District Council (WDC).

3.1 Purpose of Tourism Bay of Plenty

Through promoting the growth of a vibrant visitor economy, TBOP's role is to support the Councils' vision of becoming:

- A region with heart and soul;
- A region of great places, spaces and environments; and
- A talented and innovative region full of opportunity.

The benefits of an enhanced visitor economy extend beyond the direct economic impacts that increased visitor numbers bring. A region attractive to visitors also attracts residents, students, migrants and investment, in turn providing jobs and an improved standard of living. In this way, the visitor economy underwrites much of the amenity of the Western Bay of Plenty sub-region (WBOP) that benefits visitors and residents alike.

3.2 Principal Objective

TBOP takes the leading role in growing visitor demand for the WBOP through targeted interventions that increase destination awareness and intent to visit, length of stay and spend.

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."

3.3 Role of Tourism Bay of Plenty

TBOP acknowledges the Enduring Statement of Expectations (ESE) and annual Letter of Expectation (LOE) which identify five focus areas that are core to delivering our purpose and objective.

- Economic
- Social
- Cultural
- Environmental; and
- Governance.

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 a high level 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. They 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 5 summarises the Strategic Framework we operate from.

Share
our love of
the Bay of Plenty
with the world

Grow the visitor economy for the
benefit of our community

GOVERNANCE BEST PRACTICE



GOVERNANCE BEST PRACTICE

REGIONAL BRAND STORY

Compelling Attributes And Competitive Advantages

TARGET RIGHT VISITORS AT RIGHT TIME

- International and Domestic Visitor Attraction Strategy
- Demand Generation Calendar

CONNECT WITH RESIDENTS

- Social licence to grow tourism
- Involved and informed market
- Civic pride

ENHANCE THE VISITOR EXPERIENCE

- Destination management focus
- Develop visitor proposition
- Cultural and environmental sustainability
- Industry growth and skills development

GROW CAPABILITY AND INCREASE SUPPLY

- Infrastructure requirements to meet demand and grow sustainably
- Investment attraction and new product development

Measurement

- 4% growth rate p.a.
- Visitor value (yield) at peak
- Visitor value and volume off peak
- ROI

- No Place Like Home Campaign delivery
- Residents Survey
- Website and social media engagement
- VFR market growth

- Visitor Experience Survey
- Industry Engagement Survey
- Visitor Experience Plan delivery

- Visitor Information Centre delivery
- Regional Growth Study
- Industry Engagement Survey

Measurement

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:

- Approving strategic plans, budgets and the SOI
- Enterprise Risk and Health & 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 1 June 2017, the TBOP Board comprises the following trustees:

Des Hammond (Chair)

Tania Bui (Vice-Chair)

Oliver Moorcroft

Peter Moran

Will Wilson

Colleen Te Arihi

Jussara Bierman

Gwendoline Keel

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 Half Yearly Report

By 28 February, the Trustees shall deliver to the Councils an unaudited report containing the following information in respect of the half year 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 Statement of Intent goals and objectives
- Independent Auditor's report on the financial statements and non-financial performance measures.

5. Activity and Performance Framework

Activity	Performance Measure	Data Source	Baseline	2017/18 Goal to June 18	2018/19 Goal to June 19 Assumes adoption of VES 2018-2028	2019/20 Goal to June 20 Assumes adoption of VES 2018-2028
KRA 1: Grow the tourism industry and increase visitor spend						
TARGET THE RIGHT VISITORS AT THE RIGHT TIME Creation of demand generation calendar to target value at peak, volume and value off-peak. New brand proposition launched.	Increase overall and off-peak visitor spend by 3.3%	MBIE Regional Tourism Estimates	\$901m (to Dec 2016)	Increase by 3.3%	Increase by 4%	Increase by 4%
INTERNATIONAL VISITOR ATTRACTION STRATEGY International trade and media activity in Australia, Americas, UK, and India in partnership with TNZ, Air NZ, ECNI and regional agencies involved in international relations.	Increase international visitor spend by 3.7%	MBIE Regional Estimates by International	\$197m (to Dec 2016)	Increase by 3.7%	Increase by 5.3%	Increase by 5.3%
DOMESTIC VISITOR ATTRACTION STRATEGY Direct to consumer marketing activity in Auckland, Waikato, Wellington and Christchurch, and Australia. 'No Place Like Home' Campaign to residents.	Increase domestic visitor spend by 2.9%	MBIE Regional Estimates by Domestic	\$704m (to Dec 2016)	Increase by 2.9%	Increase by 3.7%	Increase by 3.7%
KRA 2: Support tourism development and encourage investment						
ENHANCE THE VISITOR EXPERIENCE Commence a Destination Management strategy that balances interest of visitors, service providers and the community and balances growth with environmental and cultural sustainability.	Increased visitor satisfaction, measured by a new Visitor Experience Survey.	Visitor Experience Survey.	No current data. New data source required.	New data source targets to be set.	New data source targets to be set.	New data source targets to be set.
ENHANCE THE VISITOR EXPERIENCE New VIC Mount Maunganui to service FIT and cruise visitors, planning towards a new Tauranga VIC. Implementation of Visitor Experience Plan including digital information delivery.	Funding for Mount Manganui VIC. Business Case for Tauranga VIC.	Annual Plan and Long-Term Plan funding allocated. External sources of funding pursued.	VIC Mount Maunganui i-SITE approved for Annual Plan Consultation.	Funding achieved. Detailed designs approved for build.	Commence build of new VIC in Mount Maunganui. Agree on location of VIC in Tauranga CBD.	Tauranga CBD VIC Business case completed.
GROW CAPABILITY AND INCREASE SUPPLY Lobby for funding to support Regional Growth Study priorities. Infrastructure planning to meet demand and grow sustainably via the Regional Growth Study. Partner with Priority One on investment attraction and new product development. Partner with International Education and education institutes on skills requirements.	Regional Growth Study priorities implemented. Regional Growth Study delivery.	Regional Growth Study. Regional Growth Study delivery.	Regional Growth Study completed. Regional Brand Story developed.	Funding for 1 Regional Growth Study priority. Regional Brand Story implemented.	Implementation of 1 Regional Growth Study priority. Regional Brand Story implemented.	Activation of at least 2 Regional Growth Study priorities. Regional Brand Story implemented.
GROW CAPABILITY AND INCREASE SUPPLY Assist existing and new potential tourism operators with mentoring and support to develop capability particularly to become export ready. Establish Industry Advisory Group (IAG)	Industry Growth Programme developed. Establish Industry Advisory Group.	Industry Engagement Survey.	No current data. New data source required.	2 new export ready operators. 2 x meetings of IAG per year.	4 new export ready operators. 2 x meetings of IAG per year.	6 new export ready operators. 2 x meetings of IAG per year.
KRA 3: Partnership and collaboration locally, regionally and nationally						
REGIONAL BRAND STORY - compelling attributes and competitive advantages told consistently by multiple agencies.	Regional Brand Story developed.	Visitor Experience survey. Industry Engagement survey.	Regional Brand Story developed.	Regional brand story launch.	Year 2 implementation.	Year 3 implementation.
CONNECT WITH RESIDENTS - increase social licence to grow tourism, increase civic pride and create an involved and informed residential base.	No Place Like Home Campaign implemented.	Residents Survey.	No Place Like Home Campaign year 2.	No Place Like Home Year 3.	Review and assess.	No Place Like Home continuation.
MAJOR EVENTS COLLABORATION - support strategic events that increase off-peak visitation, GDP and visitor spend growth.	Support of 5 Major Events per annum.	TCC Major Events team feedback.	Support Major Events Strategy development with TCC.	Year 1 implementation support	Year 2 implementation support.	Year 3 implementation support.
WBOP STAKEHOLDER COMMUNICATION PLAN - implement Stakeholder Communication Plan to ensure collaborative relationships with key stakeholders.	WBOP Stakeholder Communication Plan delivery.	Councils' feedback – 6 month & 12 month reports. Industry Engagement Survey.	Stakeholder Communication Plan implemented.	Year 2 implementation.	Year 3 implementation.	Year 4 implementation.
KRA 4: Support our unique cultural heritage						
REGIONAL BRAND STORY (RBS) Support our unique cultural heritage through bi-cultural story telling at all touch points.	TBOP Board Representation. Regular Iwi communications. Iwi involvement in VES and RBS.	Iwi feedback.	TBOP Board Representation. Regular Iwi communications. Iwi involvement in VES and RBS.	TBOP Board Representation. Regular Iwi communications. Iwi involvement in VES and RBS.	TBOP Board Representation. Regular Iwi communications. Iwi involvement in VES and RBS.	TBOP Board Representation. Regular Iwi communications. Iwi involvement in VES and RBS.
GROW CAPABILITY AND INCREASE SUPPLY Partner with Iwi on infrastructure planning, investment attraction and new product development.	TBOP Board Representation. Regular Iwi communications. Iwi involvement in VES and RBS.	Iwi feedback. New products developed.	Building relationships with Iwi. 1 new product development.	1 new product development.	1 new product development.	1 new product development.
KRA 5: Environmentally responsible for current and future generations						
ENVIRONMENTALLY RESPONSIBLE TOURISM INDUSTRY Partner with Regional Council, Iwi, DOC, Conservation Board and industry to champion sustainable growth whilst protecting natural assets.	Development/input into a sustainable tourism plan and initiatives.	Commence development of an Environmental Charter. Increase no. of Qualmark operators.	88 Qualmark businesses.	Commence development of an Environmental Charter. Increase no. of Qualmark operators to: 92	Commence development of an Environmental Charter. Increase no. of Qualmark operators to: 95	Commence development of an Environmental Charter. Increase no. of Qualmark operators to: 100
KRA 6: Governance Best Practice						
VISITOR ECONOMY STRATEGY Complete the Visitor Economy Strategy 2018-2028 (VES) to move the organisation from destination promotion to destination management and participate fully in the Long-Term Planning processes of Councils. ALTERNATIVE FUNDING MECHANISMS RESEARCH PROJECT Lead an investigation into alternative funding mechanisms, including from within the tourism sector, including stages to complete this work.	Draft VES 2018-2028 completed for consultation. Commence study using Fresh info. External consultants.	Feedback from the Councils. Feedback from industry and stakeholders.	Draft VES 2018-2028 released for consultation. First stage of research project approved (\$30k).	Gain buy-in for VES and participate in the Councils' LTP processes. Commence stage 1 of research project from July.	VES approved and adopted into LTPs of the Councils. Commence stage 2 of research project (if funded).	Implementation of VES with the Councils. Implement findings from funding project (if funded).
Prudent and effective leadership to ensure long term visitor economy growth through Destination Management strategy 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.	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.	Manage P&L to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.

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 .5:1. 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 next Long-Term Plan (LTP) will take effect from 1 July 2018, and as one of the main strategic documents for both TCC and WBOPDC, the planning process will take place throughout 2017 and early 2018. TBOP will participate fully in these processes with both TCC and WBOPDC and will present a strategic plan which will include additional funding requirements. We acknowledge the Councils' request to lead an investigation into alternative funding streams from within the tourism sector. TBOP requested additional funding through the TCC internal submission process to fund the first stage of this study, which will be approved 28 June.

However, we now indicate a likely request for additional funding of TBOP as part of the LTP process.

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

Funder	2016/2017	2017/18	2018/19	2019/20
TCC	\$1,425,582	\$1,482,000	\$2,094,930	\$2,128,448
WBOPDC	\$190,000	\$195,000	\$209,643	\$212,997
Total	\$1,615,582	\$1,677,000	\$2,304,573	\$2,341,445

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

****As per the Visitor Economy Strategy 2018-2028 (VES) future budgets have been estimated 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 Forecast. These figures are estimates only and will be confirmed during the Long-Term Plan process.***

****Future budgets also include an estimated CPI/ inflation rate of 1.6%.***

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.

Note: TBOP has merged the contracts delivering the VIC and TBOP services on behalf of TCC.



Western Bay of Plenty Tourism and Visitors Trust

Budget for 2017/18

REVENUE

Funding - Tauranga District Council	\$1,482,000
Funding - Western Bay of Plenty District Council	\$195,000
Funding - Whakatāne District Council	\$84,000
Retail sales	\$137,500
Other revenue (mostly industry contributions)	\$580,470
Total revenue	\$2,478,970

EXPENDITURE

Cost of sales	\$83,700
Operating & Marketing	\$1,784,664
Administration & Overhead	\$578,146
Depreciation and amortisation	\$62,460
Total expenditure	\$2,508,970

SURPLUS/(DEFICIT) after tax	(\$30,000)
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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:

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Chair
Tourism Bay of Plenty

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Chief Executive
Tourism Bay of Plenty

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Mayor
Tauranga City Council

.....
Chief Executive
Tauranga City Council

.....
Mayor
Western Bay District Council

.....
Chief Executive
Western Bay District Council

12. Glossary of Terms

CCO	Council Controlled Organisation
CEO	Chief Executive Officer
ECNI	eXplore Central North Island – 8 North Island RTOs
ESE	Enduring Statement of Expectations
FIT	Free Independent Traveller
GST	Goods and Services Tax
i-PORT	Port based Visitor Information Centre
i-SITE	Visitor Information Centre
KPI	Key Performance Indicator
KRA	Key Result Area
LOE	Letter of Expectation
LTP	Long-Term Plan
MBIE	Ministry of Business, Innovation and Employment
MOU	Memorandum of Understanding
NZ	New Zealand
P&L	Profit and loss
Qualmark	Tourism New Zealand’s official quality assurance organisation
SOI	Statement of Intent
TBOP	Tourism Bay of Plenty
TCC	Tauranga City Council
TNZ	Tourism New Zealand
VES	Visitor Economy Strategy 2018-2028
VIC	Visitor Information Centre
WBOP	Western Bay of Plenty sub-region
WBOPDC	Western Bay of Plenty District Council
WDC	Whakatāne District Council