



**DESTINATION
GREAT LAKE TAUPŌ**

Statement of Intent 2024-2027

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1. Executive Summary

Destination Great Lake Taupō (DGLT) is a Council Controlled Organisation (CCO) for the purposes of the Local Government Act 2002. It has no subsidiaries and is a not-for-profit organisation.

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

Tourism continues to deliver strong economic and social benefits to the Taupō region, delivering an exceptional ROI for ratepayer's investment into the sector. In the 2023-24 financial year, DGLT has received \$2.1M in grant funding from Taupō District Council. For every dollar spent in attracting visitation to the region, domestic and international visitors have contributed \$800¹ in direct and indirect spend back into the local economy. Tourism remains the number one employment sector across the region (32% of all filled jobs) ahead of Forestry and Agriculture and contributes a significant 19%² share of the regions GDP.

Unlike many destinations, the Taupō region performed well during the pandemic. For many domestic visitors this period provided a welcome reintroduction to a destination they had not visited for some time, and the region continued to reap the benefit as we exited the pandemic. Although domestic visitors remain our most important source of arrivals (contributing over 78% of total visitor expenditure over the last 12 months), latest results indicate a declining visitor spend as cost-of-living pressures, and an uncertain economic and geopolitical climate translate into volatility of demand.

International visitation to New Zealand has bounced back more quickly than initially expected and the Taupō region has seen a strong return of visitors especially from Australia and the USA where connectivity is at all-time highs and the strength of the US dollar makes New Zealand a very appealing proposition.

Technology has played an important role in our marketing strategy. It has positioned the organisation and region as a leader in attracting domestic visitors, with guest nights sitting significantly higher³ than our neighbouring Central North Island competitors. With domestic visitation starting to slow our focus is to now leverage the gains we have made, continue to use cutting edge marketing solutions to drive inspiration and conversion and to ensure the organisation has the resources, leadership, and stakeholder support to maximise our competitive advantage.

While DGLT's core focus is to promote the destination to attract more visitors, the organisation has an advocacy and leadership role around management and development of the destination. It is essential tourism not only brings benefit to the local economy but does so in a way that preserves and enriches our environment, our culture and local community whilst delivering an exceptional world-class experience for our visitors.

Our priorities for the 2024-2027 period are to:

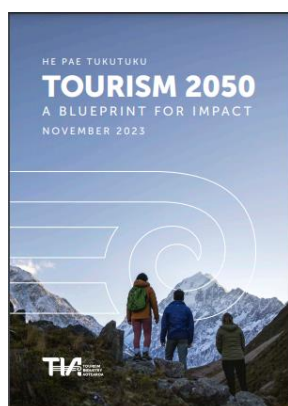
- Build on the success of our technology driven marketing strategy
- Leverage the increased interest in the region as a holiday and business events destination
- Provide an advocacy and leadership role in the management and development of our destination.
- Operate an efficient and effective Regional Tourism Organisation that is focused on delivering an exceptional ROI for all partners and stakeholders.

¹ MSH Aotearoa 2024

² MSH Aotearoa 2024

³ Accommodation Data Programme – November 2023

2. The National Tourism Strategy



In November 2023, Tourism Industry Aotearoa (TIA) released Tourism 2050: A Blueprint for Impact, which lays out its ambitions and gives direction to the future of tourism in New Zealand. Central to the blueprint is the vision to enrich Aotearoa New Zealand, where a flourishing tourism ecosystem supports thriving businesses, delivers world-class experiences, contributes to New Zealand’s communities, and protects our environment. The success of the Tourism 2050 Blueprint relies on a united approach, with industry, government, and businesses all committing to transformative actions.

A summary of Tourism 2050’s blueprint can be found [here](#)

3. New Zealand Tourism Outlook

Four years since the onset of the pandemic, the global tourism landscape faces a new set of challenges. Like businesses in many other industries, New Zealand tourism operators are navigating challenging economic conditions while adapting to new and evolving consumer travel trends and behaviours post pandemic.

With the full re-opening of international borders mid-2022, New Zealand's tourism sector saw an impressive revival outpacing initial predictions. While recent months have shown a softening in domestic travel, the return of international visitors is now sitting at approximately 75% of pre-pandemic levels with a strong upswing projected during the upcoming peak tourist season (Q423 - Q124). The significant air capacity out of America and the reopening of China earlier this year, have given a boost to visitor volumes.

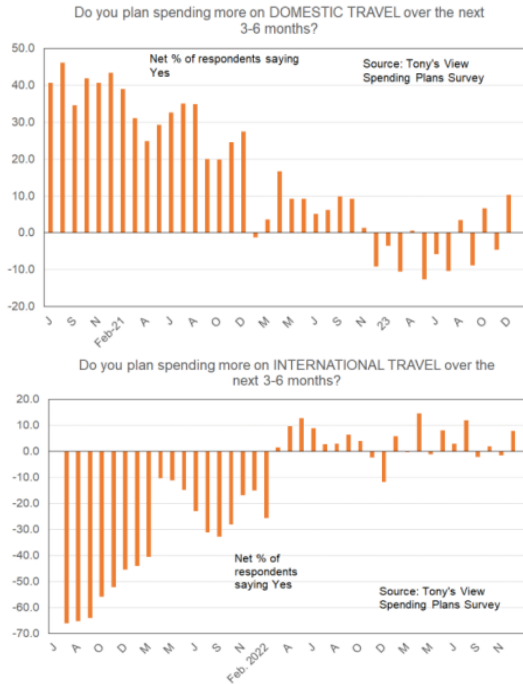
The International Visitor Survey Quarter 3 results (July- September 2023) highlight the strong uptake in a holiday to Aotearoa. Spend from all international visitors totalled \$1.83 billion in the September 23 quarter (up 75% on SPLY) with holiday makers spending \$1.04B (up 121%) and those visiting friends and family \$377M⁴. Over 50% of arrivals were from Australia, followed by the USA and UK. Airline capacity also continues to increase with North American connections particularly strong with direct services into Los Angeles, San Francisco, Houston, Dallas, Chicago, New York, Hawaii, and Vancouver.

While the recovery of tourism in New Zealand following the pandemic has been remarkable and demand has proved resilient in the face of increasing economic headwinds, some uncertainty now looms for the sector. A backdrop of slowing economic growth, tighter financial conditions and global uncertainty is expected to weigh on the tourism sector in the short-term. Cost of living pressures are likely to linger in the face of rising interest rates while the volatile geopolitical landscape adds some unease to consumer travel confidence.

Despite these headwinds, recent surveys do indicate sectors of the tourism market continue to grow at a faster rate than the broader NZ economy, with intention to travel volatile but currently remaining high. The data⁵ indicates that although New Zealanders are cutting back on discretionary spending elsewhere, we’re simply unwilling to give up the share of our wallet we dedicate to travel.

⁴ Source: [MBIE: International Visitor Survey Quarter 3 Dec 2023](#)

⁵ Source: Tony Alexander Consumer Spending Survey Dec 23



4. Taupō District Tourism Outlook:

Tourism is a major contributor to the economic and social fabric of the Taupō District, with total visitor expenditure contributing \$752M⁶ to the local economy (+5% on pre-Covid).

Although domestic spend is still up 19% on pre-Covid levels, it has now started to decline with spend down 9% on the same period last year⁷. International spend is up 192% to \$159M⁸, reaching approximately 75% of pre-Covid expenditure. The region is welcoming visitors from across the globe with Australia and the USA our two most important international source markets.

Following a strong start to the summer with many operators reporting record numbers, visitor arrivals have returned to a more usual pattern, with school holidays, events and weekends the main drivers of domestic visitation. Our commercial Business Events (BE) venues have continued to receive good enquiry leading into the new calendar year.

Much like many parts of the country, our tourism operators are experiencing significant pressure from increasing operational costs, a lack of residential housing for working holiday staff and the recent resurgence in Covid-19 cases is also impacting operational efficiencies.

5. Taupō District Tourism Strategy

⁶ MBIE MRTE's – Year ending October 2023

⁷ MBIE MRTE's – Year ending October 2023

⁸ MBIE MRTE's – Year ending October 2023

DGLT's activity is focused on the key activities and destination values that deliver on our purpose to 'share, love and care for our place'. With an increasing responsibility to manage our destination as well as promote it, our activity aims to ensure tourism enriches not only our economy, but also our community, environment, and culture for the benefit of future generations.

Our key priorities are:

- Visitor attraction – domestic, international and Business Events.
- Maximise our technology-driven marketing strategy.
- Provide an advocacy and leadership role in the management and development of our destination.
- Operate an efficient and effective Regional Tourism Organisation that is focused on delivering an exceptional ROI for all partners and stakeholders.

5.1 Visitor Attraction.



Domestic visitors are the backbone of our visitor sector and will remain our key priority. Our domestic marketing strategy is focussed on the use of leading-edge technology and marketing automation to target visitors who travel for a passion (bike, hike, golf, fishing). Nurtured email and digital campaigns, EDM's and the regular release of fresh and compelling content drives high engagement with our platforms. In addition

to our passion groups, we will continue to target families, couples, and friends– especially mid-week and through shoulder season periods. A reduced 2024/25 budget will significantly impact our visitor attraction campaign activity. DGLT will not have the budget to undertake major domestic marketing campaigns and will revert to base-line digital marketing. This will result in a decline in visitation to lovetapo.com and a subsequent drop in referrals to operators over time.

International trade awareness of the destination is at an all-time high, with many inbound tour operators now seeking to include the region in their international itineraries. We will continue to build close relationships with our trade partners, assist our operators to become 'trade ready', support and leverage Tourism New Zealand opportunities and build knowledge of the destination through in market training and famils where budget permits. Our international marketing activity will be supplemented by cash on hand to ensure our growing international markets are resourced accordingly. Key markets for DGLT will continue to be North America, USA, UK/Europe, and Australia with South East Asia / India been a secondary consideration.

The organisation will explore alternative cost-effective methods to create content, collateral and imagery for all markets. Where possible contracted content and campaign creation will be moved in-house and effective procurement practices employed in an effort to reduce costs including use of local businesses where appropriate.

The destination has a growing reputation as a place to do business. Following a review of the Business Events Partnership Group the number of members now stands at 20. In line with the BE (Business Events) strategy completed in 2023 our focus for 2024-2025 will be further attracting and influencing high value conference & incentive groups through targeted sales calls, famils & trade shows. We will continue to develop new business events relationships with key BE decision makers, whilst fostering existing relationships to inspire and motivate lead generation as budget allows. Budget constraints may prevent DGLT from attending “Meetings” - the key trade event for the Business Events sector.

5.2 Build on the success of our technology driven marketing strategy.

Our website lovetaupo.com is the call to action for all marketing activity. Our strategy has been to drive prospective visitors to the site to not only be inspired but to also generate referrals to our regional tourism businesses. Our paid and earnt communications strategy and the delivery of targeted ‘nature campaigns’ using our marketing automation platform (Hubspot) has delivered exceptional results. Lovetaupo.com is now the third highest destination website in the country for organic pageviews. It has also delivered over 280,000⁹ referrals to our operators’ websites. The website is now 5 years old and requires both a platform upgrade and significant enhancement in functionality. Our reduced grant from Taupo District Council will not cover this upgrade and we will access our equity funds to complete this essential piece of work over the next 12 months.

Our ‘always on’ campaigns will continue to leverage the interest in the destination, looking to constantly improve engagement through delivering compelling and relevant content to our potential visitor’s inbox.

5.3 Provide an advocacy and leadership role in the management and development of our Destination.

We will support the ongoing collaboration with Iwi and Hapū to build effective partnerships through a shared aspiration of working together for the benefit of both mana whenua and the wider tourism sector. This will include supporting Iwi and Hapū-led cultural product development, providing opportunities for Iwi and Hapu to share their stories and the ongoing support of an Iwi led initiative to develop employment pathways into the sector.

DGLT acknowledges the partnership with Taupō District Council and will endeavour to further develop a working relationship at both an operational and governance level. Increased collaboration across all aspects of destination promotion and destination management will ensure the aspirations of both community and visitors are met.

DGLT acknowledges the significant value and importance of the Mana Whakahono co-governance agreement developed jointly by Taupō District Council and Ngāti Tūrangitukua. DGLT’s involvement and efforts in the development of the relationship with Ngāti Tūrangitukua will be guided by the key principles set out in Part A of the Mana Whakahono. The partners commit to the following principles under this Mana Whakahono:

⁹ Lovetaupo.com google analytics YE Dec 2023

- Acknowledgement of Ngāti Tūrangitukua as mana whenua over Ngāti Tūrangitukua rohe;
- Recognition of and respect for Te Tiriti o Waitangi and its principles, including partnership, active protection and participation;
- Recognition of and respect for the tikanga and kawa of Ngāti Tūrangitukua;
- Acknowledgement of and respect for the role and responsibilities of the Council under legislation, with an understanding that those roles and responsibilities may change over time;
- The need to operate in a manner that respects the individual autonomy, mandate and authority of each of the Partners;
- A commitment to building a strong and enduring relationship based on respect, good faith and open and honest communication, and
- A commitment to a genuine partnership.
- Grow our understanding of the history of mana whenua recognising their seminal historical Treaty of Waitangi settlement with the Crown

DGLT will continue to work in partnership with Amplify and TDC to attract tourism investment into the region, including the development of a 4-5 star hotel.

Our partnership with the Making Trax Foundation will support the development and promotion of Inclusive Tourism products and itineraries to ensure the destination welcomes all visitors.

We will actively support tourism businesses and operators (including hospitality and accommodation sectors) to enhance their capability to deliver exceptional experiences consistent with the values of the destination. This will include providing capability building workshops and training opportunities in partnership with other entities such as Amplify, Town Centre Taupō and the Taupō Business Chamber. The number of workshops will be reduced for the 2024/25 Financial year due to budget constraints.

Effective stakeholder communication is vital to ensure that the district operates as a coherent and collaborative entity. The DGLT team will focus on meeting with industry through a regular calling schedule, quarterly industry events, regular updates on our industry portal, and distribution of newsletters as and when required.

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

DGLT recognises its fiscal responsibility when using ratepayer funds to deliver our annual programme of work. Regular tracking and reporting of all activity will ensure accountability. Return on this investment remains a high priority across the entire operation.

The health and wellbeing of employees is highly valued, and we will ensure the provision of a safe and supportive environment in compliance with the Health and Safety at Work Act 2015. Fostering a positive spirit and a resilient workplace culture is a priority. We recognise the importance of championing the strength of employees to create a team of innovative and courageous self-starters, who take ownership and responsibility for delivering exceptional results.

We will undertake proactive risk management encompassing the identification, analysis and response to risk factors that can impact the future wellbeing, planning, and management of the destination.

With an increasing responsibility around the management of the destination, it will be necessary to review current resourcing to ensure the organisation is fit for purpose and is effectively and successfully able to deliver on our stated intentions.

6. Performance and Other Measurements

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

Objective 1 – Grow the value of the local tourism economy.					
Strategic Priority	Data sources	Baseline data	2024-25	2025-2026	2026- 2027
Growth in tourism expenditure	MRTE's	MRTE's YE June 2024	Retain domestic spend. Grow international spend to 100% of pre-Covid level of \$210M (measured by MRTE's YE Jun 2019)	Grow total spend by 2%	Grow total spend by 2%
Objective 2 – Sustainably manage and develop the destination to create a 'Destination of Excellence' where tourism enriches our community, culture, environment, and economy.					
Strategic Priority	Performance Measures	Baseline	2024-25	2025-2026	2026- 2027
Implement a Destination Management strategy ensuring the balance of economic growth with the social, cultural, and environmental well-being of the community.	Quarterly meetings of Te Ihirangi Governance Group	Continue implementation of Te Ihirangi Destination Management Plan	Limited activity	Ongoing	Ongoing
	Grow industry capability.	Industry workshops	2 workshops	TBC	TBC
	Fill product gaps through new product development.	Work with Amplify and Iwi to identify new product development opportunities.	Ongoing	Ongoing	Ongoing
	Social license - connect with residents.	Biannual community sentiment survey – survey completed May 2024.	N/A	May 2026	N/A
Objective 3 - Run an efficient and effective regional tourism organisation, strongly supported by the local tourism industry.					
Strategic Priority	Data source	Baseline data	2024-25	2025-2026	2026- 2027
Support for DGLT marketing initiatives	Measured by free of charge, in-kind or advertising support for marketing and famils activity. Participation in DGLT hosted activities and campaigns.	YE June 2023: \$102,312	\$85,000	\$90,000	\$90,000
Stakeholder satisfaction	Annual Industry Survey	2019: 67% 2020: 76% 2021: 82% 2022: 83% 2023: 93%	85%	85%	\$102,312%

6.1 Rationale for performance measures:

The 2024-2027 SOI retains a performance measure around tourism expenditure. The purpose of this measure is to track spending as an overall measure of the economic benefit generated from tourism. With international borders re-opened in 2022 and the resumption of the International Visitor Surveys, MBIE reinstated the Monthly Regional Tourism Estimates. In July 2023, Stats NZ (Data Ventures) was selected to supply the MRTEs starting from November 2023 for September 2023 data.

In February 2024, MBIE advised the provision of the MRTE data has been suspended and we are currently awaiting further notice on future data reporting. The Monthly Regional Tourism Estimates (MRTEs) provide estimates of regional monthly expenditure that indicate tourism's contribution to the national and regional economies. The MRTEs estimates are based on Tourism Electronics Card Transaction (TECT), Tourism Satellite Account (TSA), and International Visitor Survey (IVS) data. More information on the MRTE's can be found [here](#).

For the purposes of this SOI our marketing priorities will remain primarily focused on the domestic market, however we will undertake some trade activity in our key offshore markets of UK/Europe, USA, and Australia. The Tourism Export Council estimates international visitation will continue to grow year on year with arrivals reaching pre-covid levels by 2025.

Measuring social license and the value the community places on tourism is a key focus of our Destination Management planning. A biannual Community Survey will be conducted to monitor sentiment in June 2024.

An additional measure is included to capture industry support for our activity. This includes in-kind support of our trade and media famils, partnership campaign contributions, participation in DGLT campaign activity and membership of our Business Events Partnership Group. This group has been reviewed and numbers have been halved which is reflected in the target for in-kind support.

7. Financial Disclosure

7.1 Reporting entity

The Trust is a legal entity. The Board has authority to govern Destination Great Lake Taupō (DGLT) under the terms of this Statement of Intent as delegated to it by Council. It seeks to manage its activities in 2023/24 within the base funding allocation provided by Council as in the attached Statement of Comprehensive Revenue and Expense.

7.2 Accounting policies and basis of preparation and compliance

These Prospective Financial Statements have been prepared for Destination Great Lake Taupō in accordance with the Local Government Act 2002 and therefore also comply with Accounting Standard PBE IPSAS for not-for profit organisations. The primary objective of the Trust is to promote the Taupō District to the domestic and international visitor markets with the specific intention of growing visitor arrivals, spend and dispersal, rather than making a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of Accounting Standard PBE IPSAS for not-for-profit organisations.

The prospective financial statements are prepared using the historical cost basis except for certain classes of asset and liability which are recorded at fair value. These are detailed in the specific policies below.

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements. The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

7.3 Goods & services tax

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

7.4 Revenue recognition

All grants (including the grant from Taupō District Council) and bequests received, including non-monetary grants at fair value, shall be recognised when there is reasonable assurance that:

- the entity will comply with the conditions accounting to them; and
- the grants will be received.

Grants and bequests, other than those related to assets, shall be recognised as revenue over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grants and bequests of assets are recognised as revenue when control over the asset is obtained.

Any grants and bequests received without conditions are recognised when control over the asset is obtained.

If there are obligations in substance to return any grants or bequests if conditions of the grant are not met, then the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue.

The main sources of exchange revenue for the Trust are joint venture revenue from the industry to support marketing initiatives.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from any services rendered is recognised in proportion to the stage of completion of the transaction at the balance date. The stage of completion is assessed by reference to surveys of work performed.

Interest revenue is recognised as it accrues, using the effective interest method.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

7.5 Leases

Leases in which substantially all the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

Operating lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, to produce a constant periodic rate of interest on the remaining balance of the liability.

Financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on hedging instruments that are recognised in the Statement of Comprehensive Revenue and Expense. The interest expense component of finance lease payments is recognised in the Statement of Comprehensive Revenue and Expense using the effective interest rate method.

7.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short term highly liquid investments with maturities of three months or less.

7.7 Financial Assets

The Trust classifies its investments as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive revenue and expense.

7.8 Trade receivables

Trade receivables are recognised at their cost less impairment losses.

A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

7.9 Property, Plant, and Equipment

Property, plant, and equipment consist of operational assets, which include office equipment, furniture and fittings, computer equipment, and machinery. These assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property, plant or equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be reliably measured.

All the Trust's assets are classed as non-cash generating, that is they are not held with the primary objective of generating a commercial return.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit.

Depreciation has been provided on a straight-line basis on all plant and equipment. Depreciation is provided at rates calculated to allocate the asset cost over the estimated useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of asset	Estimated useful life	Depreciation rates
Office equipment	4-10years	13.33% - 25%
Furniture and fittings	2-10 years	10% - 50%
Computer equipment	4 years	25%
Machinery	4 years	25%

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

7.10 Financial liabilities

Short term creditors and other payables are recorded at their face value.

7.11 Employee entitlements

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

Retiring gratuities and long service leave where there is actual entitlement is accrued at actual entitlement using current rates of pay. In addition, there is an actuarial assessment of value for which entitlement has not yet been reached. This assessment uses current rates of pay considering years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value.

Superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

7.12 Interest-bearing borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

7.13 Income Taxation

The IRD has confirmed the Trust is exempt from income tax under sections CW 40 of the Income Tax Act 2007.

7.14 Advertising costs

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

7.15 Equity

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

7.16 Balance-sheet ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As of 30 June 2023, the total Trust Equity comprised \$410,266 and the total assets were \$718,954. The resulting equity to asset ratio was 57%. Projected ratios are included below.

7.17 Going Concern

The Trust consider that the continued adoption of the going concern assumption for the preparation of this financial report is appropriate. This conclusion has been reached having regard to assurances from the Taupō District Council that financial support and / or funding will be made available to ensure that the organisation can continue its current operations.

7.18 Distributions to shareholders

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

7.19 Procedures for the purchase and acquisition of shares

The Board will give approval before the Trust subscribes for, purchases, or otherwise acquires share in any company or other organisation, which is external to the group.

7.20 Value of settlor's investment

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

7.21 Projected Statements of Comprehensive Revenue & Expense

Destination Great Lake Taupo			
Projected Statement of Comprehensive Revenue & Expense			
	FY 24/25	FY 25/26	FY 26/27
Income			
Revenue from services provided	33,000	33,000	33,000
Grant Revenue from Taupo District Council	1,692,918	2,158,470	2,201,639
Interest Income	18,000	18,000	18,000
Total Revenue	1,743,918	2,209,470	2,252,639
Expenditure			
Employee benefit expenses	786,600	802,332	818,379
Management and Administrative expenses	158,946	170,625	177,338
Marketing & advertising	755,800	951,000	968,400
Destination management	39,600	60,432	61,152
Trade events	147,600	183,192	192,176
Total expenditure	1,888,546	2,167,581	2,217,445
Total Operating Surplus / (deficit)	(144,629)	41,889	35,195
Depreciation & Amortisation	36,018	43,500	39,000
Net Surplus / (deficit)	(180,647)	(1,611)	(3,805)

7.22 Capital Expenditure Forecast

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

Year	\$	Purpose
2024/25	6,000	IT equipment, furniture replacement
	150,000	Website upgrade
2025/26	6,000	IT equipment, furniture replacement
2026/27	6,000	IT equipment, furniture replacement

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

7.23 Funding

Destination Great Lake Taupo			
Projected Funding			
	FY 24/25	FY 25/26	FY 26/27
Operating Surplus / (deficit) (before Depn / Amort)	(144,629)	41,889	35,195
Capital Expenditure	(156,000)	(6,000)	(6,000)
Total Cash Required	(300,629)	35,889	29,195
<i>Funded by:</i>			
Cash on Hand	(300,629)	35,889	29,195

7.24 Projected Balance Sheet

Destination Great Lake Taupo			
Projected Statement of Financial Position			
	FY 24/25	FY 25/26	FY 26/27
Total Equity	250,592	248,980	245,175
Assets			
Current Assets			
Cash & Cash Equivalents	228,437	288,462	320,756
Trade Debtors	2,750	2,750	2,750
Prepayments	30,000	30,000	30,000
Total current assets	261,187	321,212	353,506
Non-Current Assets			
Intangible Assets	131,250	93,750	56,250
Property, Plant and Equipment	9,167	9,167	13,667
Total non-current assets	140,417	102,917	69,917
Total Assets	401,603	424,128	423,423
Liabilities			
Current Liabilities			
Trade Payables	101,012	125,148	128,248
Employee Entitlements	50,000	50,000	50,000
Total current liabilities	151,012	175,148	178,248
Total Liabilities	151,012	175,148	178,248
Net Assets	250,592	248,980	245,175
Equity to Asset ratio (E/A)	62%	59%	58%

7.25 Projected Cashflows

Destination Great Lake Taupo			
Projected Statement of Cashflows			
Cash flows from operating activities			
Receipts from customers	33,583	33,000	33,000
Receipts from Taupo District Council operating grant	1,692,918	2,158,470	2,201,639
Finance revenue	18,000	18,000	18,000
Payments to suppliers	- 1,111,714	- 1,341,113	- 1,395,966
Payments to employees	- 786,600	- 802,332	- 818,379
Net cash flow from operating activities	- 153,813	66,025	38,295
Cash flows from investing activities			
Purchase of property, plant and equipment	- 6,000	- 6,000	- 6,000
Purchase and development of intangibles	- 150,000	-	-
Net cash flow from investing activities	- 156,000	- 6,000	- 6,000
Net increase (decrease) in cash held	- 309,813	60,025	32,295
Add cash at start of year	538,249	228,437	288,462
Cash, cash equivalents, and bank overdrafts at the end of the year	228,437	288,462	320,756

7.26 Other financial matters

DGLT utilises services, as per the Shared Service Level Agreement, from the Taupō District Council for which we pay the following:

Year	\$
2024/25	50,000
2025/26	55,000
2026/27	60,000

8. Governance Statements

8.1 Approach to governance

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

As determined by the Destination Great Lake Taupō Trust Deed, in sections 4,5,6,7,10, and 11, the approach to governance and details of structure, function and obligations apply. (Please refer to Destination Great Lake Taupō Trust Deed for a full outline of its provisions).

8.2 Membership

Appointments to the Board have been made for a three-year period; but consider the importance of continuity in terms of existing members. The Council can remove one or more Board members at any time should there be clear evidence of non-performance. The Council shall include in its selection panel an independent selector with relevant skills and experience. The Board may co-opt additional non-voting members at its discretion. (Co-opted members will not be eligible for meeting fees or expenses).

8.3 Reporting to Council

For the financial year, proceeding the year when Council issues a new Long-Term Council Community Plan, the Board shall deliver to Council recommended budgets required to deliver Council's contribution to those outcomes.

At least 5 months prior to the start of the financial year the Board shall deliver to the Council a report setting out its recommendations on the DGLT annual budget, as reflected in the business plan for that year.

After the end of each financial year, the Board must deliver to Council and make available to the public, a report on the organisation's operations during that year. The Board shall also deliver to Council and make available to the public, the following statements: Comprehensive Revenue & Expense, Changes in Equity, Financial Position, Cashflows and Service Performance Results. This annual report should be completed within two months of the end of the financial year.

Within 2 months after the end of the first half of each financial year, the board must deliver to the Council an interim report on the organisation's operations during that half year.

The Board is obliged to prepare a statement of intent each year setting out its intended activities and objectives. It is also responsible for preparing an interim and annual report – the key elements of these reports being the reporting of performance against the accountabilities outlined in the statement of intent, along with financial information as per the accounting policies, set out in section 5 of this document.

Within 2 weeks after each Board meeting, the Board shall make available to the public the minutes of the previous Board meeting.

The final Statement of Intent will be published for public access from 1 July of each year.

8.4 Support Services

Management and operational services for the Board shall be provided by Destination Great Lake Taupō.

Board members will be paid an honorarium based on Destination Lake Taupō Trust decisions at the Annual General Meeting. Board expenses will be funded directly by Destination Great Lake Taupō.

8.5 Guidance and Resources

The CCO will conduct itself in accordance with its Trust Deed, its annual statement of intent and the provisions of the Local Government Act 2002.

8.6 Board Performance and Accountability

- The Board will be responsible for setting an annual Statement of Intent each year and ensure the interim and annual reporting is delivered within the timeframes set out by the Taupō District Council and the Lake Taupō Trust Deed.
- The Chairman and Deputy Chairman will meet with the Mayor and Chief Executive Officer bi-monthly and include a formal discussion of performance measure progress.
- All board members will endeavour to meet with the elected members and key TDC staff frequently, but at least twice per year formally.
- The General Manager will meet with TDC representatives monthly. A reporting template is to be developed to ensure performance measures are updated at these meetings.
- The performance of the Board and its individual members will be reviewed on an annual basis.
- Professional development training will occur annually, including but not limited to improving cultural competencies to support engagement with the mana whenua of the region.

9. Contact Details

Destination Great Lake Taupō
Level 1/32 Roberts Street
Taupō 3351
New Zealand

Email: kiaora@loveTaupō.com

Chairperson and Trustees:
Kiri Atkinson-Crean (Chair)
Simon Jolly
Tom Loughlin
Hayden Porter

Kiri Atkinson-Crean
Chair

Approved by shareholder on: (Date): 26/06/2024



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For Taupō District Council

This Statement of Intent is based on “Recommended Good Practice for the Governance of Regional Tourism Organisations” developed by Local Government New Zealand (February 2004).

10. Appendix One: Terms and Definitions

RTO – Regional Tourism Organisation

TDC – Taupō District Council

TIA – Tourism Industry Aotearoa

DOC – Department of Conservation

MBIE – Ministry of Business, Innovation and Employment

MRTE – Monthly Regional Tourism Estimates

TECT – Tourism Electronic Card Transactions

ECNI – Explore Central North Island – a marketing alliance between 8 neighbouring RTO's within the central North Island including Coromandel, Hamilton Waikato, Hawkes Bay, Rotorua, Taupō, Ruapehu, Tairāwhiti - Gisborne, Bay of Plenty

Amplify – the Economic development Agency for Taupō District

STAPP – Strategic Tourism Assets Protection Programme – funding granted to RTO's by MBIE as part of the Covid-19 Tourism Recovery package

Trade: Travel agents, travel wholesalers, Inbound Tour Operators, retail travel sellers and airlines

C&I / BE: Conference and Incentive, meetings, and any business-related events