



2016-17 ANNUAL REPORT

ANNUAL REPORT

YEAR ENDED 30th JUNE 2017

WESTERN BAY OF PLENTY TOURISM AND VISITOR TRUST



2016-17 ANNUAL REPORT

Major Project Highlights

Tourism Bay of Plenty and over 200 regional stakeholders including Tourism New Zealand and Air New Zealand, collaborated to create our region's Brand Story.

From this Story, Tourism Bay of Plenty developed new branding and a new brand proposition: 'It's In Our Nature'.

In partnership with the RTOs and Councils of Tauranga City, Western Bay of Plenty District, Whakatāne District, Kawerau District, Ōpōtiki District, Taupō District, Rotorua Lakes and MBIE, Tourism Bay of Plenty contracted a consultant who facilitated regional stakeholder meetings in order to develop sub-regional growth strategies which identify infrastructure gaps and funding options.

Launched No Place Like Home locals campaign. The intention of the campaign is to harness the ambassadorial capability and opportunity of all residents so they share their love of the Bay and enhance the experience their visiting friends and relatives have while they're in the region.

The Visitor Economy Strategy 2018-2028 has been developed to provide a long-term plan and deliver on Tourism Bay of Plenty's economic aspiration to create a \$1.45 billion visitor economy by 2029.

Cruise

Visitor spend up 2.5% to \$41 million.

Successfully implemented operator led change to Shore Excursion Sales and Service Model.

Upgraded the seasonal Cruise facility on the Port of Tauranga to better service the visitor needs of cruise passengers.

The Bay of Plenty welcomed its first two overnight cruise ships.

Our Vision

Tourism Bay of Plenty's vision is "to share our love of the Coastal Bay of Plenty with the world" and our purpose is to "grow the visitor economy for the benefit of our community".

Exponential growth has meant TBOP's previous goal to be a \$1 billion industry by 2030 has been revised.

Statistical estimates based on current growth trends indicate the region's visitor economy will produce \$1 billion in visitor spend by 2019.

TBOP's economic aspiration is to be a \$1.45 billion industry by 2028.

Visitor Spend to YE June 2017

Total visitor spend up 10% to \$950 million.

Domestic visitor spend up 6% to \$730 million.

International visitor spend up 24% to \$220 million.

Average off-peak and shoulder season monthly visitor spend up 41% to \$69 million.

Tauranga i-SITE

Secured \$4 million of Tauranga City Council funding to design and build a fit-for-purpose Visitor Information Centre on Coronation Park, Mount Maunganui to service both visitors and cruise passengers to our region.

The site will be built and in place for the 2019-20 cruise ship season.

Marketing and Public Relations

Engagement with local, national and international media has resulted in \$4.3 million in public relations value for the year end June 2017.

Engaged Olympians Gemma McCaw (nee Flynn) and Luuka Jones, musicians Tiki Taane and Ria Hall, and Black Caps Captain Kane Williamson as regional stakeholders for the No Place Like Home locals campaign.

Partnered with Air New Zealand in Australia for Sydney, Melbourne, Brisbane, Perth and the Gold Coast flights to Tauranga with 175% increase in sales.

Tourism New Zealand North Island Touring campaign investment of \$25,000 resulted in a 60% increase in sales and exposure within a \$900,000 spend campaign in Australia.

Partnered with Tourism New Zealand and Nikon Cameras in their 360 degree film global marketing campaigns.

The Bay of Plenty featured in Disney blockbuster Pete's Dragon resulting in significant exposure.

Air New Zealand brought three North American social media influencers with combined follower numbers in excess of 1.6 million to the Bay of Plenty which has resulted in great international coverage.

Crew from Brazilian TV show 'Camera Record' filmed the Bay of Plenty for a one-hour episode on New Zealand, reaching 37 million people with an estimated PR value of \$15 million.

Supported Paradox: Tauranga Street Art Festival through partnership with the Tauranga Art Gallery and Tourism New Zealand. Tourism Bay of Plenty achieved a total of 49 articles with a reach of 19.5 million and EAV of \$76,860.

Trade and Industry

The Bay of Plenty was marketed at New Zealand's largest tourism trade show, TRENZ. Along with key tourism operators, Tourism Bay of Plenty also marketed the region offshore through face-to-face engagement with over 1,500 wholesalers throughout Australia, North and South America, India and Singapore.

Tourism Bay of Plenty has continued to work closely with Tourism New Zealand, Air New Zealand and eXplore Central North Island partners to grow relationships and support the tourism industry in market.

Tourism Bay of Plenty has engaged with a number of potential new tourism operators and continues to support product development in the region.

bayofplentynz.com and Social Media

Increase of 74.7% new visitation to 285,125 to June 2017.

Facebook followers increased 50%.

Instagram followers increased 521%.

Financial

Income \$24,262 over budget

Expenses \$65,834 under budget

Net Loss \$90,096 less than budget

The organisation is in a good financial position with a strong balance sheet.



2016-17 ANNUAL REPORT

CHAIRMAN'S REPORT

I am pleased to introduce the Tourism Bay of Plenty 2016/2017 Annual Report.

Tourism is a major contributor to our regional and national economy. Tourism contributes \$950m annually into the Western Bay of Plenty sub-region economy and remains a major contributor to local prosperity. Data gathered by Tourism Bay of Plenty during the past year has given us an improved insight of just how significant the visitor economy is to all of us who reside and work in the sub-region. The latest statistics we have reveal that the sub-region received more than 3.12m visitors, comprising 1.38m day visits and 1.74m overnight visits. The overnight visitors generated 5.34m bed nights at an average of 3.07 nights per visit. These visitors created direct employment for 7,980 residents representing 7.3% of all employment in the sub-region. Approximately one third of visitor spend was paid to employees servicing these visitors through salaries and wages (\$313m). The statistical indicators suggest that visitor growth will continue over the long term at a more sustainable pace than recent spectacular growth rates and if our Visitor Economy Strategy is realised the tourism industry will be worth \$1.45b annually by 2028. In the year ending June 2017, 3.6m international visitor arrivals were recorded in New Zealand. Auckland was the largest international destination (2.4m arrivals) and remains the predominant touchdown point for visitors to our country. Auckland is within a comfortable drive of the Bay of Plenty and is consequently the source for our much sought after international visitor growth.

In addition to implementing our tactical campaigns and driving far reaching communications and media exposure, 2016/2017 has been a year of preparation – forward planning the next ten years; identifying infrastructure gaps based on forecast figures and securing funding to develop a fit-for-purpose Visitor Information Centre which can service the needs of 250,000 cruise passengers and crew, 3.12m visitors, and our residents.

The organisation has maintained financial prudence while operating well below the national average of .21% of visitor spend funding contribution. In addition, Tourism Bay of Plenty has engaged with local, national and international media resulting in \$4.3 million in public relations value for the year end June 2017.

Significant milestones have been achieved and foundations built which will benefit the industry and community. Our local resident Campaign 'No Place Like Home' has launched and continues to grow. We have developed our Regional Story and as a result also refined our brand proposition and logo. We've worked in partnership with our nearby RTO friends to develop a Regional Growth Study, we've consulted with numerous industry and community stakeholders to redraft the cruise passenger business model and we've also sought input and funding for a purpose-built Visitor Information Centre. Additionally, we have featured in the TNZ Global Campaign (shot from Mauao and White Island), partnered with Air New Zealand and Tourism New Zealand in campaign activity in Australia, featured in a Disney blockbuster, hosted many media and trade famils and hosted several industry updates, presentations and educationals to more than 2,500 people. It has been a busy year.

Our aspiration of being a \$1.45b industry by 2028 requires continued strategic focus and enhanced industry collaboration and support. This will be the focus of the Board and team of Tourism Bay of Plenty.

I wish to thank Anne Blakeway, Janine Hellyer and Michelle Malcolm for their commitment and contribution to the Tourism Bay of Plenty Board over the past three years and welcome Gwen Keel, Jussara Bierman and Colleen Te Arihi into their new roles. As always, the contributions made by Oliver Moorcroft, Will Wilson, Peter Moran and Tania Bui were huge and I am grateful for their dedication. I sincerely appreciate all their efforts and commitments.

Des Hammond

Chairman

Western Bay of Plenty Tourism and Visitor Trust

30 June 2017

A handwritten signature in blue ink, appearing to read "Des Hammond", written over the printed name and date.



2016-17 ANNUAL REPORT

CEO'S REPORT

Having been CEO for just over one year it is timely to reflect on the milestones and achievements of the past twelve months. It has been a busy but rewarding year, which has seen strategic foundations built for the future, greatly improved levels of industry and stakeholder engagement and meaningful partnerships created which are adding enormous value and leverage to our marketing spend.

Total annual visitor spend to June 2017 is \$950m. This figure represents 9.7% growth and means that, on average, \$2.6m is spent in our region each day because of tourism. I am particularly pleased to see off-peak spend increase significantly by 41%, with industry feedback that they have had a much more buoyant shoulder and winter season. A core focus moving forward is continuing to build our international market and we are off to a good start with international visitor spend having grown 23.6% to YE June 2017, to \$220m. Our domestic market is the envy of many regions with visitor spend totalling \$730m to YE June 2017. We know that many domestic visitors stay with family and friends which is why this year's launch of our local's campaign 'No Place Like Home' is so important.

Our marketing and public relations campaigns continue to punch well above their weight in driving awareness and preference for the Bay of Plenty. Partnerships with Tourism New Zealand and Air New Zealand have been pivotal in providing 'money can't buy' international exposure for the region. A key development to secure these important partnerships has been the development of our Regional Story and competitive points of difference.

In consultation with over 200 stakeholders the Regional Story was authentically written for the Bay of Plenty to sit within the New Zealand story framework. As a result of this work we also refined our brand proposition and logo. 'It's in our nature' speaks volumes – we are a place rich in natural assets and landscapes, and a place where visitors are welcomed open heartedly.

Along with securing funding for a purpose-built visitor focussed Visitor Information Centre in Mount Maunganui, Tourism Bay of Plenty also worked with industry to refine the Cruise Sales and Service Model. We will continue to put visitor interests first to deliver the best possible welcome experience for our visitors and cruise passengers within the new purpose-built facility in 2020.

A core focus this year has been on developing the Visitor Economy Strategy 2018-2028 – a plan to ensure we realise our collective vision, mission and economic aspirations. This Strategy calls on Tourism Bay of Plenty to move beyond destination promotion, to destination management. We will be continuing the conversation with industry and our Council partners on the importance of this plan to realising increased visitor spend, employment and the value of the visitor economy in our region.

The efforts by the Tourism Bay of Plenty team this year have been enormous. I wish to sincerely thank each one of them for their dedication and professionalism. Tourism Bay of Plenty continues to deliver outstanding value for the tourism sector - working prudently within a limited budget and capitalising on every opportunity to maximise exposure.

I am incredibly proud of our team and of our region and we look forward to continuing to share our love of the Bay of Plenty with the world, and growing the visitor economy for the benefit of our communities.

Kristin Dunne
CEO
Tourism Bay of Plenty
30 June 2017

Kristin Dunne



2016-17 ANNUAL REPORT

WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST

TRUST DIRECTORY AS AT 30 JUNE 2017

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 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 14 other full time staff who support the CEO in delivering the Trust's objectives. The Trustees are appointed by the Tauranga City Council and the Western Bay Council.

MAIN SOURCES OF CASH AND RESOURCES

Operating grants received from the Tauranga City Council, Western Bay Council and Whakatane 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
T. Bui - Deputy Chair
G. Keel
C. Te Arihi
J. Bierman
O. Moorcroft
W. Wilson
P. Moran

REGISTERED OFFICE

95 Willow Street
Tauranga

SOLICITORS

Holland Beckett
Tauranga

BANKERS

ASB
Tauranga

AUDITORS

Audit New Zealand



2016-17 ANNUAL REPORT

WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 Actual	2017 Budget	2016 Actual
REVENUE				
Funding - Tauranga City Council		1,548,615	1,419,361	1,206,107
Funding - Western Bay of Plenty District		190,000	190,000	185,500
Funding - Whakatane District Council		84,000	84,000	50,000
Retail sales		125,028	140,000	118,805
Finance Revenue		10,582	17,500	18,094
Other revenue	1	392,192	475,294	464,250
Total revenue		2,350,417	2,326,155	2,042,756
EXPENDITURE				
Cost of sales	2	80,726	85,200	68,663
Operating & Marketing	3	631,782	679,246	591,495
Administration & Overhead	4	409,302	416,796	364,928
Finance Costs		1,333	346	901
Employee benefit expenses	5	1,158,016	1,185,960	1,061,299
Trustee Fees		69,375	69,375	20,820
Depreciation and loss on sale of assets	11&12	79,788	59,232	52,218
Total expenditure		2,430,321	2,496,155	2,160,324
SURPLUS/(DEFICIT) before Tax	6	(79,904)	(170,000)	(117,568)
Taxation	7	-	-	-
SURPLUS/(DEFICIT) after tax		(79,904)	(170,000)	(117,568)
Other Comprehensive Revenue & Expense				
Other Comprehensive Revenue		-	-	-
Total Other Comprehensive Revenue & Expense		-	-	-
Total Comprehensive Revenue & Expense		(79,904)	(170,000)	(117,568)

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	2017 Actual	2016 Actual
Net Assets/Equity at start of the year	519,075	636,643
Total comprehensive revenue and expenses	(79,904)	(117,568)
BALANCE AT 30 JUNE	439,171	519,075

The accompanying notes form part of these financial statements

7
Handwritten signature and initials in blue ink.



2016-17 ANNUAL REPORT

WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017	2016
ASSETS			
Current assets			
Cash and cash equivalents	8	208,638	237,138
Investments	9	200,000	300,000
Debtors and prepayments	10	127,158	49,653
Inventories		38,657	53,807
Total current assets		<u>574,453</u>	<u>640,598</u>
Non-current assets			
Property, plant and equipment	11	273,485	176,845
Intangible assets	12	18,771	37,542
Total non-current assets		<u>292,256</u>	<u>214,387</u>
TOTAL ASSETS		<u>866,709</u>	<u>854,985</u>
LIABILITIES			
Current liabilities			
Creditors and accrued expenses	13	288,385	206,643
Employee benefit liabilities	14	101,587	93,671
Loans	15	9,947	9,947
Finance Leases	16	5,920	4,869
Total current liabilities		<u>405,839</u>	<u>315,130</u>
Non-current liabilities			
Loans	15	10,778	20,725
Finance Leases	16	10,921	55
Total non-current liabilities		<u>21,699</u>	<u>20,780</u>
TOTAL LIABILITIES		<u>427,538</u>	<u>335,910</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>439,171</u>	<u>519,075</u>
EQUITY			
Accumulated funds		<u>439,171</u>	<u>519,075</u>
TOTAL EQUITY		<u>439,171</u>	<u>519,075</u>

The accompanying notes form part of these financial statements

Chairman:

Trustee

8
4/17



2016-17 ANNUAL REPORT

WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	2017 Actual	2016 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of Funding - Tauranga District Council	1,548,615	1,206,107
Receipts of Funding - Western Bay of Plenty District	190,000	185,500
Receipts of Funding - Whakatane District Council	84,000	50,000
Receipts from retail sales	125,093	118,805
Receipts from other revenue	413,221	419,913
Interest receipts	13,711	15,506
Dividend receipts	1,343	1,517
Payments to suppliers and employees	(2,160,538)	(1,854,297)
GST (net)	(184,854)	(154,533)
Net cash flow from operating activities	30,591	(11,482)
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Repayment of loans	(15,253)	(14,815)
Receipts from sale of fixed assets	1,174	-
Payments to acquire fixed assets	(145,012)	(77,758)
Net cash flow from investing & financing activities	(159,091)	(92,573)
ADD OPENING BANK ACCOUNTS AND CASH	537,138	641,193
CLOSING BANK ACCOUNTS AND CASH	408,638	537,138

The accompanying notes form part of these financial statements

9



2016-17 ANNUAL REPORT

WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30TH JUNE 2017

ENTITY STATEMENT

Western Bay of Plenty Tourism and Visitor Trust is a Council Controlled Organisation (CCO), by virtue of the Council's 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 LGA. 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 2017. The financial statements were approved by the Board of Trustees on 30 August 2017.

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

The 2016 financial statements were prepared in accordance with PBE SFR-A (PS) Public Benefit Entity Simply Format Reporting - Accrual (Public Sector). The 2017 financial statements were prepared in accordance with Tier 2 Public Sector Public Benefit Entity Standards.

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.

Cashflow

Operating activities have been reported in accordance with the indirect method.

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.



2016-17 ANNUAL REPORT

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%)



2016-17 ANNUAL REPORT

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 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Equity

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



2016-17 ANNUAL REPORT

WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016	
1 OTHER INCOME			
Industry Contributions	89,333	88,091	
Other Income	<u>302,859</u>	<u>376,159</u>	
	392,192	464,250	
2 COST OF SALES			
The write-down of inventory during the year was \$4,300 (2016: Nil) There have been no reversals of write-downs (2016: Nil).			
Opening Inventory	53,807	66,142	
Purchases	65,576	56,328	
Closing Inventory	<u>(38,657)</u>	<u>(53,807)</u>	
Total Cost of Sales	80,726	68,663	
3 OPERATING & MARKETING			
Credit card charges	15,753	16,783	
Conference & Incentive Marketing	17,787	30,710	
Cruise Marketing and Operating	89,497	85,241	
Domestic Marketing	264,383	243,852	
International Marketing	155,177	142,260	
General and Other Marketing	<u>89,185</u>	<u>72,649</u>	
	631,782	591,495	
4 ADMINISTRATION & OVERHEAD			
Audit Fees	20,032	19,860	
Cleaning & Security	18,543	16,816	
Rent	116,457	126,398	
Recruitment training & HR	80,524	28,587	
Repairs & Maintenance	2,490	4,670	
Vehicle	25,992	23,686	
Subscriptions	11,375	9,106	
IT expenses	35,670	25,450	
Telephone	21,324	18,268	
Electricity	16,534	17,791	
Other Administration & Overhead	<u>60,360</u>	<u>74,296</u>	
	409,302	364,928	
5 EMPLOYEE RELATED COSTS			
Salaries and wages	1,128,342	1,039,880	
Employer superannuation contributions	27,083	20,795	
Other employee related costs	<u>2,591</u>	<u>624</u>	
	1,158,016	1,061,299	
6 VARIANCE BUDGET TO ACTUAL			
INCOME	Actual	Budget	Variance
Funding TCC (Extra unbudgetted income received for new iport roof)	1,548,615	1,419,361	129,254
Retail Sales (Sales exceeded 2016, budget over optimistic)	125,028	140,000	- 14,972
Other Revenue (Commissions, corporate sponsorship and rental income all reduced)	392,192	475,294	- 83,102
EXPENDITURE			
Operating & Marketing (costs reduced where able to contra the reduced income)	631,782	679,246	- 47,464
Employee Costs (Digital marketing and C&I roles not filled for the full year)	1,158,016	1,185,960	- 27,944
Depreciation and amortisation (Higher costs due to iport roof)	79,788	59,232	20,556
7 TAXATION			
The Trust holds confirmation of a tax exemption under section CW 40 of the Income Tax Act 2007			
	2017	2016	
8 CASH AND CASH EQUIVALENTS			
Cheque Accounts	28,031	9,832	
Savings Accounts	179,507	226,206	
Cash on Hand	<u>1,100</u>	<u>1,100</u>	
	208,638	237,138	
9 INVESTMENTS			
Term Deposit ASB Bank 3.1% for 3 months	200,000	300,000	



2016-17 ANNUAL REPORT

	2017	2016
10 DEBTORS AND PREPAYMENTS		
Debtors	121,686	39,092
Accrued Income	578	726
Prepayments	<u>4,894</u>	<u>9,835</u>
	127,158	49,653
Debtors and prepayments from exchange transactions	127,158	49,653
Debtors and prepayments from non- exchange transactions	<u>-</u>	<u>-</u>
	127,158	49,653

11 PROPERTY, PLANT AND EQUIPMENT

1 July 2016 to 30 June 2017

Name	Cost	Accum Dep	1-Jul-16	Purchases	Depreciation	Disposals	30-Jun-17
Total Computers & Software	59,641	43,351	16,290	3,682	9,339	0	10,632
Total Furniture & Fittings	93,923	60,296	33,627	27,168	7,256	516	53,023
Total Leasehold Improvement	149,976	43,989	105,987	108,724	25,429	8,492	180,790
Total Office Equipment	92,003	71,061	20,942	20,686	11,083	1,504	29,041
Total	395,543	218,698	176,845	160,260	53,107	10,513	273,485

1 July 2015 to 30 June 2016

Name	Cost	Accum Dep	1-Jul-15	Purchases	Depreciation	Disposals	1-Jul-16
Total Computers & Software	46,732	37,149	9,583	15,102	8,395	0	16,290
Total Furniture & Fittings	88,611	54,715	33,896	5,312	5,581	0	33,627
Total Leasehold Improvement	149,976	32,059	117,917	0	11,930	0	105,987
Total Office Equipment	85,703	60,225	25,478	6,300	10,836	0	20,942
Total	371,022	184,148	186,874	26,714	36,742	0	176,845

12 INTANGIBLE ASSETS

1 July 2016 to 30 June 2017

Name	Cost	Accum Dep	1-Jul-16	Purchases	Depreciation	Disposals	30-Jun-17
Website	53,000	15,458	37,542	0	18,771	0	18,771
Total	53,000	15,458	37,542	0	18,771	0	18,771

1 July 2015 to 30 June 2016

Name	Cost	Accum Dep	1-Jul-15	Purchases	Depreciation	Disposals	1-Jul-16
Website	7,999	7,982	17	53,000	15,461	14	37,542
Total	7,999	7,982	17	53,000	15,461	14	37,542

	2017	2016
13 CREDITORS AND ACCRUALS		
Creditors	68,395	93,884
Accrued Expenses	22,781	26,930
GST	28,259	22,435
Income received in advance	100,000	-
Funds received on behalf of tourism operators	<u>68,950</u>	<u>63,394</u>
	288,385	206,643
Creditors and Accruals from exchange transactions	260,126	184,208
Creditors and Accruals from non-exchange transactions	<u>28,259</u>	<u>22,435</u>
	288,385	206,643
14 EMPLOYEE COSTS		
Accrued salaries and wages	51,138	53,269
Annual leave	<u>50,449</u>	<u>40,402</u>
	101,587	93,671
15 LOANS: Fitout 8 Wharf Street		
Loan Munro Developments - Current	9,947	9,947
Loan Munro Developments - Non-current	<u>10,778</u>	<u>20,725</u>
	20,725	30,672



2016-17 ANNUAL REPORT

	2017	2016
16 FINANCE LEASE: Ricoh Photocopier		
Finance Lease - Not later than 1 year	5,920	4,869
Finance Lease - Later than 1 year and not later than 5 years	<u>10,921</u>	<u>55</u>
	16,841	4,924

Finance leases are for photocopiers and printers. The net carrying amount of the plant and equipment held under finance leases is \$12,300 (2016 \$2,972)

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.

17 CAPITAL AND OPERATIONAL COMMITMENTS AND OPERATING LEASES

Non-cancellable operating leases as lessee:

The Trust leases property, equipment and a vehicle in the normal course of its business. The following amounts relate to rental 8 Wharf Street, VW 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	64,035	55,430
Later than one year, not later than two years	59,201	52,000
Later than two, not later than five years	<u>2,884</u>	<u>47,667</u>
	126,120	155,097

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	8	8
Remuneration	69,375	20,820

Senior Management Team including CEO

Full-time equivalent members	4	4
Remuneration	403,902	428,383

Total Full-time equivalent members	12	12
Total Remuneration	473,277	449,203

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 Mount Maunganui Surf Lifesaving Club for \$4547.39.

This is the amount we received from Cruise ship passengers donated to stamp their passports.

21 FINANCIAL INSTRUMENTS

Financial Instrument Categories

FINANCIAL ASSETS

Cash & Cash Equivalents	408,638	537,138
Debtors & Other Receivables	<u>122,264</u>	<u>39,818</u>
Total Financial Assets	530,902	576,956

FINANCIAL LIABILITIES

Creditors & Other Payables	288,385	206,643
Loans	20,725	30,672
Finance Leases	<u>16,841</u>	<u>4,924</u>
Total Financial Liabilities at Cost	325,951	242,239

22 EVENTS AFTER BALANCE DATE

There are no significant events post balance date.

15
Handwritten initials



2016-17 ANNUAL REPORT

Service Delivery Report July 2016-June 2017

Scope of Activity & Performance Framework

The activity described below 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.

KRA 1: Grow the tourism industry and increase visitor spend

What the measure tells us	Performance Measure	Data Source	2015/2016 Results to June 16 (Baseline)	2016/2017 Goal to June 17	Current Result – June 17	Result
Are we on track for reaching our vision of \$1 billion by 2030?	Increase overall visitor spend by 3.7%	MBIE Regional Tourism Estimates	\$866m	\$898m	\$950m MBIE RTE June 2017 - a 9.7% increase.	Achieved
Are we growing the TAs that we represent proportionately?	Increase TCC TA Visitor Spend by 3.7%	MBIE Regional Tourism Estimates by TA	\$620m	\$642m	\$725m MBIE RTE June 2017 - a 16.9% increase.	Achieved
Are we growing the TAs that we represent proportionately?	Increase WBOPDC TA Visitors Spend by 3.7%	MBIE Regional Tourism Estimates by TA 3.7%	\$121m	\$128m	\$93m MBIE RTE June 2017, an increase of 6.9% from baseline of \$87m as RTE changed during the FY.	Achieved
Are we growing the TAs that we represent proportionately?	Increase WDC Visitors Spend by 3.7%	MBIE Regional Tourism Estimates by TA	\$122m	\$127m	\$132m MBIE RTE June 2017 - an 8.1% increase.	Achieved
Are we growing our share of international market share spend?	Increase international visitor spend by 4%	MBIE Regional Estimates by International	\$178m	\$186m	\$220m MBIE RTE June 2017, a 23.6% increase. Marketing internationally in conjunction with our partners TNZ, Air NZ and ECNI over the past year has continued to create awareness and help push into shoulder months.	Achieved



2016-17 ANNUAL REPORT

Are we growing our share of international market share volume?	Grow visitation by 4%	Data source not yet available	Data source not yet available	Data source not yet available	There is no data source in New Zealand yet which measures visitation numbers. We are still trying to improve data source options.	While there is no data source, international spend has increased by 23.6% which implies we will have achieved 4% international growth.
Are we growing our share of domestic market share spend?	Increase domestic visitor spend by 3.35%	MBIE Regional Tourism Estimates	\$687m	\$707m	\$730m MBIE RTE June 2017 – a 6.3% increase.	Achieved
Are we growing our share of domestic market share volume?	Increase domestic share volume by 3%	Data source not yet available	Data source not yet available	Data source not yet available	There is no data source in New Zealand yet which measures visitation numbers. We are still trying to improve data source options.	While there is no data source, domestic spend has increased by 6.3% which implies we will have achieved 4% domestic growth.
Are we increasing off-peak and shoulder season spend?	Increase our off-peak and shoulder season visitation by 5%	MBIE Regional Tourism Estimates	\$49m/month	\$51.5m/month	\$69m average monthly shoulder and off-peak spend (July-Nov 2016 and Mar-June 17) MBIE MRTE to June 2017, a 41% increase.	Achieved
Are we improving visitor information services through digital services?	Increase traffic to website and referrals to industry. Completion of: Trade, Media, Venues, Photo Library sub-sites.	Google Analytics	Website traffic to March 2016: 264,779 74.8% new visitation	Increase 10% to 291,256	Website traffic to June 2017: 285,125. The goal of growing our website visitors by 10% in 16/17 was not achieved due to the Web Manager's role being vacant for 7 months. 74.7% new visitation.	Not Achieved
Are we growing our consumer and trade databases?	Increase Facebook followers Instagram, Twitter, eDM	Facebook, Instagram and Twitter analytics	Facebook: 7396 Twitter: 2016 Instagram: 921	Facebook: 11,154 Twitter: 3024 Instagram: 1382	Facebook: 11,126 (+3,730) Twitter: 2462 (+446) Instagram: 5718 (+4,797)	Achieved

17

KRA 2: Support tourism development and encourage investment

What the measure tells us	Performance Measure	Data Source	2015/2016 Results to June 16 (Baseline)	2016/2017 Goal to June 17	Current Result - June 17	Result
CRUISE: Are we growing our share of the Cruise industry and delivering a world class visitor experience that supports local businesses and encourages independent return visitation?	Engage with Cruise lines, Port of Tauranga, Operators, Council to ensure visitor satisfaction.	Cruise New Zealand Research. TBOP sales analysis.	9% growth in passenger arrivals. 35% growth in visitors taking local tours. Voucher sales have experienced YOY growth of 40%.	Develop Visitor Experience Plan Develop Welcome Back Pack Engage with local stakeholders to ensure successful overnight experience for locals.	Successfully implemented operator led change to Shore Excursion Sales and Service Model. Welcomed first two overnight cruise ships.	Achieved
BUSINESS EVENTS: Are we marketing the region as a business events destination to both domestic and international markets?	Compete in the 10:30, 31:60 and 61:100 PAX category for conference, convention, meeting, seminars, incentives and tradeshows.	Conference Activity Survey	Market Share 4% 48-hour response to enquiry	Market Share 5% 24-hour response to enquiry	Achieved 4% of market share based on CAS data. 24-hour response not achieved. Response time data not fully available, improved measures in progress. No designated resource for managing and growing this market.	Not Achieved
MAJOR EVENTS SUPPORT: Do we have good working relationships with events staff and the events industry and are we a partner for helping to attract and promote major drawcard events?	Provide assistance to promote 5 x major events out of region using on-line marketing budget and channels		Promotion of 5 x Major Events per annum. Attendance at 6 weekly Event stakeholder meetings.	Promotion of 5 x Major Events per annum. Attendance at 6 weekly Event stakeholder meetings.	Our biggest success in supporting Major Events can be attributed to Paradox: Tauranga Street Art Festival. Through partnership with Tourism New Zealand, TBOP achieved a total of 49 articles, with a reach of 19,469,715 and EAV of \$76,860. We continued to support all other Major Events with online and social media promotion, and use of the Tauranga i-SITE Light Box when required.	Achieved
VIC: Are we helping to drive the value of the visitor economy by providing	Drive the value of the visitor economy by providing outstanding		Qualmark Rating 89% Door Counts 111,225	Qualmark Rating 89% Door Counts 122,400	Percentage results are no longer provided by Qualmark and	Not Achieved



2016-17 ANNUAL REPORT

<p>outstanding and fit for purpose visitor information services?</p>	<p>visitor experience at the visitor centre</p>		<p>Retail Sales \$120,049 Voucher Sales \$236,550</p>	<p>Retail Sales \$132,054 Voucher Sales \$291,000</p>	<p>certification is instead pass or fail. The i-SITE passed its certification on 21/10/2015 so this goal has been achieved. New assessment system in progress. Door Counts 119,477 Retail Sales \$125,028 Voucher Sales \$254,940 Retail sales up on last year however, down on budget. Voucher sales down on budget but made up by reduced expenditure and overall, we met budget.</p>	
<p>Are we advocating for and facilitating opportunities for investment in tourism that will grow the visitor economy?</p>	<p>Increase the knowledge and capability of existing operators and encourage investment in new product development.</p>		<p>28 export ready operators increase to 30. 1 new tourism operation per annum. Participation in Regional Growth Study with Priority One.</p>	<p>Delivery of the Industry Growth Programme. Delivery of the Regional Growth Study. New KPIs set.</p>	<p>Industry Growth Programme was reassessed and instead we engaged with a number of potential new operators such as Sail Catamaran, Arataki Trails and Kiwi Jet Boat Tours and continue to do so. Regional Growth Study has been achieved to time targets. KPIs have been set for the 17/18 FY as per SOI.</p>	<p>Not Achieved</p>



2016-17 ANNUAL REPORT

KRA 3: Collaborate with Councils and Other Agencies

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result - June 17</i>	<i>Result</i>
Are we collaborating with key partners, networks and stakeholders to increase marketing leverage and collaboration?	Completion of Stakeholder Engagement and Communications Plan and implementation of Management System		4 x operator forums. Participation in Regional groups: ECNI, Cycle TMN, RTONZ Monthly/quarterly meetings with key partners/agencies as per stakeholder engagement plan.	Develop a detailed plan which lists all stakeholder groups, meetings, events and communications activities required to support profile and growth. KPIs set.	Frequent and scheduled meetings and communications with stakeholders to ensure consistent collaboration and communication.	Achieved

KRA 4: Promote experiences and products which support our unique cultural heritage

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result - June 17</i>	<i>Result</i>
Are we identifying and promoting multi-cultural tourism experiences and events?	Facilitate regular outcome focussed meetings with iwi, the iwi collective, Maori Business Assoc. & Maori Tourism NZ			Active incorporation of iwi within the organisation including at Strategy meetings.	Iwi invited to all Strategy meetings.	Achieved

KRA 5: Support industry to be environmentally responsible for current and future generations

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result - June 17</i>	<i>Result</i>
Are we supporting tourism operators to maintain Qualmark status/ Have we identified operators that might qualify for Environmental awards?	No. of Qualmark operators		87 Qualmark businesses	90 Qualmark businesses	81 Qualmark businesses. There have been some changes to Qualmark introduced half way through the financial year which has impacted on number of Qualmark businesses being rationalised until they are reassessed under the new system.	Not Achieved



2016-17 ANNUAL REPORT

Major Project 1: Insights Development

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result – June 17</i>	<i>Result</i>
Are we being insight lead and able to confidently report the performance and value of tourism to stakeholders with a clear understanding of value and volume metrics?	Develop a robust platform for measuring visitor numbers, visitor spend, origin of visitor, visitor flow and any other information which clarifies who, where, how and when visitor activity occurs	MBIE, Stats NZ, Qrious, Marketview, Colmar Brunton and more		Monthly reporting of visitor value, volume, flow, type and accommodation preference monthly from October 2016.	Consistent monthly reporting of visitor value, volume, flow, type and accommodation preference monthly.	Achieved

Major Project 2: Brand Proposition Redevelopment

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result – June 17</i>	<i>Result</i>
Have we defined our region's proposition to international and domestic visitors that is compelling, competitive and enduring?	Define our region's tourism proposition to all visitors		Stakeholder workshops held to understand any USPs or positioning preferences.	Launch proposition. Comprehensive rollout of new collateral, merchandise, key messages and support material within 6 weeks of launch.	Launched the Regional Brand Story at TRENZ trade show in May 2017 with a newly branded stand.	Achieved

Major Project 3: Visitor Experience Plan

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result – June 17</i>	<i>Result</i>
VIC Project: Are we providing outstanding visitor information services at key touch points?				Business case developed	VIC funding approved and we are actively engaged in the next steps for design.	Achieved
i-PORT Project				Refurbishment.	Refurbishment completed: Upgraded the seasonal Cruise facility on the Port of Tauranga grounds to better service the needs of cruise passengers.	Achieved

21

Are we engendering civic pride to encourage the VFR market to stay longer, spend more and spread positive word of mouth?	Engender civic pride among our locals, encourage VFR to stay longer, spend more and spread the positive news further		A 3-year strategy and social media plan is in development.	Develop and adhere to the Stakeholder Engagement and Communications Plan. Implement Year 1 of Comms Plan.	Year 1 of Stakeholder Engagement and Communications Plan adhered to.	Achieved
--	--	--	--	---	--	----------

Major Project 4: Industry Growth Programme

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result – June 17</i>	<i>Result</i>
Are we providing mentoring and support for businesses to become market/international trade ready and develop sustainable capability?	Work with economic development individuals and agencies to encourage business growth within the tourism sector		Meetings held with ASB and Chamber of Commerce to develop a strategy.	Partner with no less than 2 existing tourism organisations to provide support as appropriate.	Have continued to work closely with Tourism NZ, Air NZ and eExplore Central North Island partners to grow relationships and support in market. Results confirm the relationship alliances.	Achieved

Major Project 5: Regional Growth Study

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result – June 17</i>	<i>Result</i>
Are we collaborating with our regional partners to determine gaps and opportunities to grow our visitor economy collectively?	Collaborate with the wider central North Island RTOs as well as our collective stakeholders to determine gaps and opportunities to grow our visitor economy collectively.			KPIs to be set dependant on MBIE response to proposal.	The KPIs are to prioritise the top three infrastructure projects, and to achieve funding for one of those three in the 2017/18 year. The draft forms of the sub-regional Studies have been completed, and we are now waiting on the consultant to complete the overarching regional Study.	Achieved

The way we work

<i>What the measure tells us</i>	<i>Performance Measure</i>	<i>Data Source</i>	<i>2015/2016 Results to June 16 (Baseline)</i>	<i>2016/2017 Goal to June 17</i>	<i>Current Result – June 17</i>	<i>Result</i>
Are we living the values of TBOP?			Values set with Xone.	Staff Reviews/ Feedback.	Staff feedback indicates the values are largely being adhered to.	Achieved
Are we adhering to the no surprises policy with staff,				Feedback from Councils.	'No surprises policy' adhered to, as per Council's feedback.	Achieved



2016-17 ANNUAL REPORT

industry and funders?						
Have we ensured we have met our compliance and regulatory obligations on time and in a professional way?		Annual Audit.		Audit Confirmation. Council Feedback.	Compliance and regulatory obligations met on time and in a professional way, as per the Auditor and Council's feedback.	Achieved
Do we have good, collaborative working relationships with appropriate organisations?				Stakeholder Feedback.	Good, collaborative working relationships are had with all stakeholders, as per their feedback.	Achieved
Are we adhering to the Code of Conduct and ensuring compliance to Health & Safety obligations?		Risk Management Framework.	Risk Management Framework in development.	Measure & monitor.	Code of Conduct and Health & Safety obligations complied with as per Risk Management Framework. Risks are identified, reviewed and monitored on an ongoing basis as outlined in Sections 10 to 15 of the Policy.	Achieved
Are we managing budgets and resources to run the organisation in an efficient and effective manner and demonstrating prudent financial management?	Manage budgets to P&L forecast. No surprises.	TBOP Monthly Management Reports. 6 monthly & 12 monthly reports. Audit.	Manage budgets to P&L forecast. No surprises.	Manage budgets to P&L forecast. No surprises.	Budgets managed with no surprises to P&L forecast.	Achieved



2016-17 ANNUAL REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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 2017

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 Trust on pages 7 to 15, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in 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 Trust on pages 16 to 22.

In our opinion:

- the financial statements of the Trust present fairly, in all material respects:
 - its financial position as at 30 June 2017; 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 New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime;
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2017.

Our audit was completed on 30 August 2017. 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 Trustees and our responsibilities relating to the financial statements and performance information, we comment on other information and we explain our independence.



2016-17 ANNUAL REPORT

Basis for 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 Trustees for the financial statements and performance information

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

The Trustees are responsible for such internal control as they determine 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 performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Trustees intend to wind up the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from clause 13.2 of the Trust Deed of the Trust.

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

Our objectives are to obtain reasonable assurance about whether the financial statements and 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 performance information.

For the budget information reported in the financial statements and 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 performance information.



2016-17 ANNUAL REPORT

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 risk of material misstatement of the financial statements and 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 Trustees.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees 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 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 performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees 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.

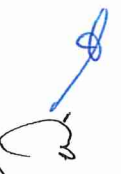
Our responsibilities arise from the Public Audit Act 2001.

Other information

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 6, but does not include the financial statements and performance information, and our auditor's report thereon.

Our opinion on the financial statements and 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 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 performance information





2016-17 ANNUAL REPORT

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 in our capacity as auditor, we have no relationship with, or interests in, the Trust.

A handwritten signature in black ink, appearing to read "B Halford".

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

