

## Destination Wairarapa Council Report 30 September 2015

### Financials YTD 31 August 2015

- August is the first report under the new model with Osbourne Group
- The financial statements are attached and summarised below:

Destination Wairarapa						
Profit & Loss Summary						
	31 August 2015			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Revenue</b>	\$33,689	\$59,199	-\$25,510	\$118,032	\$118,498	-\$466
<b>Expenditure</b>						
Corporate Support	\$24,506	\$27,415	\$2,909	\$45,841	\$58,228	\$12,387
Marketing	\$15,027	\$18,384	\$3,357	\$33,925	\$36,368	\$2,443
i-SITEs	\$3,180	\$16,026	\$12,846	\$15,577	\$40,652	\$25,075
<b>Total Expenses</b>	<b>\$42,713</b>	<b>\$61,825</b>	<b>\$19,112</b>	<b>\$95,343</b>	<b>\$135,248</b>	<b>\$39,905</b>
<b>Net Surplus/Deficit</b>	<b>-\$9,024</b>	<b>-\$2,626</b>	<b>-\$6,398</b>	<b>\$22,689</b>	<b>-\$16,750</b>	<b>\$39,439</b>

- Still a few tweaks to the terminologies in the P&L are being made with Osborne Group
- Total Expenses are correct but categorising each line entry is still being caught up with from our end. We know expenses to be correct as everyone has been paid.
- Total Revenue is correct but is missing a few line entries which we are still sorting out with Osborne Group and how their system should account for them.

The wash up is we are ahead of budget YTD

### More Visitors, Staying Longer & Spending More

#### Overview

#### Visitor Arrivals

A very strong summer and May has helped preserve Wairarapa's results for the year ending June 2015. The Wairarapa's guest arrivals fared well compared to our feeder market set but a decline in the length of stay saw a drop in guest nights against the set.

Into July and the feedback we receive from operators is not matching the statistics. Operators in general are saying nothing but growth and our own booking engine had 65% booking growth over winter.

Credit Card spend data shows that six of the past 12 months have had record credit card transactions at accommodation providers. This does not include online transactions.

While the CAM monitors just the largest 39 properties in the Wairarapa, there is growing evidence that for the Wairarapa to grow its visitor nights a new 100 room hotel is required in the south of the region. Our largest accommodation providers are full when they can be full and we need another large property to add to the peak time inventory.

<b>Commercial Accommodation Monitor</b>					
Statistics New Zealand	<b>12 Months Ending July 2014 v 2015</b>				
	Wairarapa	Greater Wellington	Hawkes Bay	Taupo	National
<b>Guest Arrivals</b>					
2015	108,952	1,186,516	465,209	530,927	17,551,414
2014	110,359	1,101,242	442,562	533,727	16,883,880
Variance	-1.3%	7.2%	4.9%	-0.5%	3.8%
<b>Guest Nights</b>					
2015	210,175	2,557,511	1,019,439	999,210	35,599,693
2014	224,393	2,377,146	947,273	963,435	33,805,336
Variance	-6.8%	7.1%	7.1%	3.6%	5.0%
<b>Occupancy</b>					
2015	21.0%	63.1%	35.3%	38.7%	40.8%
2014	22.4%	58.4%	33.2%	36.8%	38.8%
Variance	-1.4	4.7	2.1	1.9	2.0
<b>Length of Stay</b>					
2015	1.85	2.16	2.19	1.88	2.03
2014	1.87	2.16	2.14	1.81	2.00

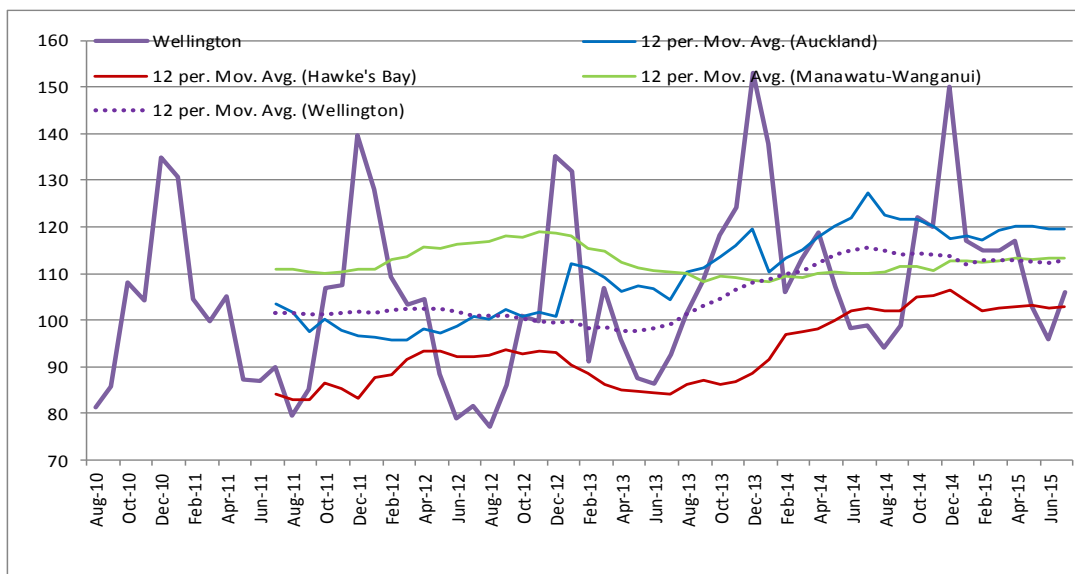
Note: Greater Wellington excludes Wellington City

### Visitor Spend

This data measures indexed spend growth against the average month in 2008 and monthly transaction volumes.

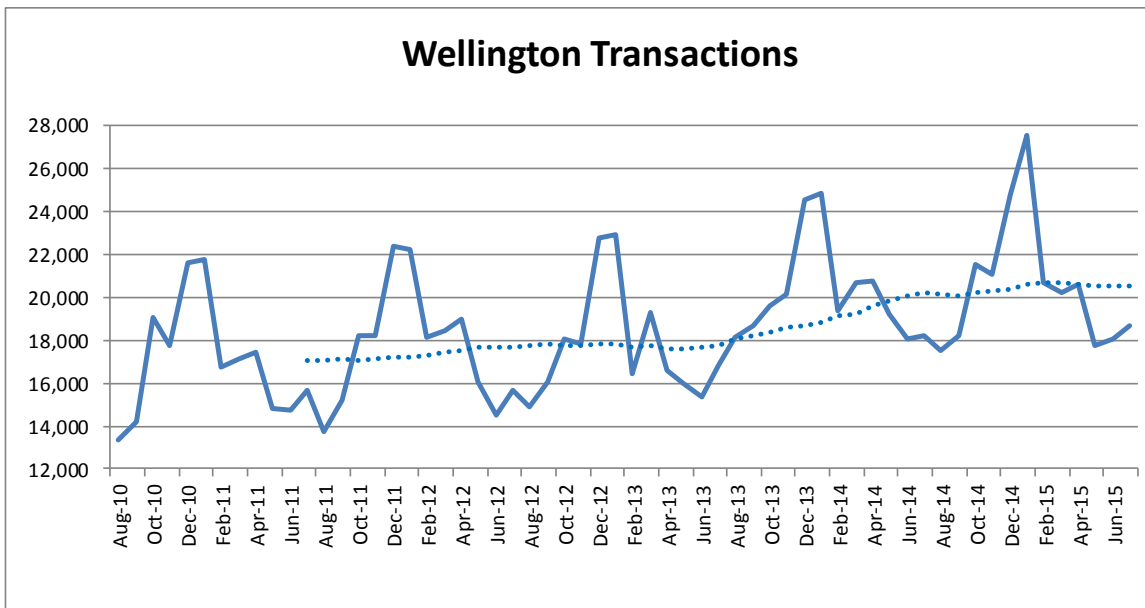
### Domestic Level of Spending

- July was a record spend month along with record spend from Auckland, Hawkes Bay and Wellington
- Manawatu was just one percentage point off equalling July spend 2012



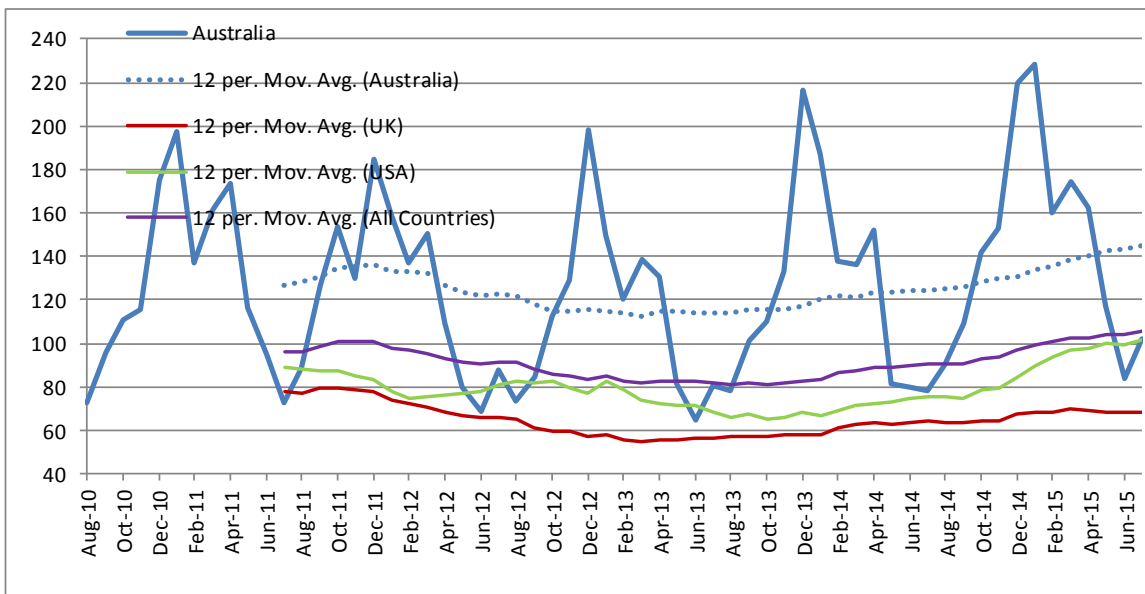
### Domestic Volume of Transactions

- Canterbury, Hawkes Bay and Wellington all had record transaction levels in July
- Encouraging that Auckland had record spend but not record transactions



### International Level of Spending

- The results of June continue with each of the major markets and China achieving record transaction levels in July
- Eleven of the past 12 months have produced record international transaction levels:
  - China and the USA have had 9 and 10 months respectively, of the past 12 as record transactions
  - Australia has hit 11 record transaction months
  - The UK has improved to five record transaction months



## Winning Conferences

In conjunction with the TNZ Business Events Team:

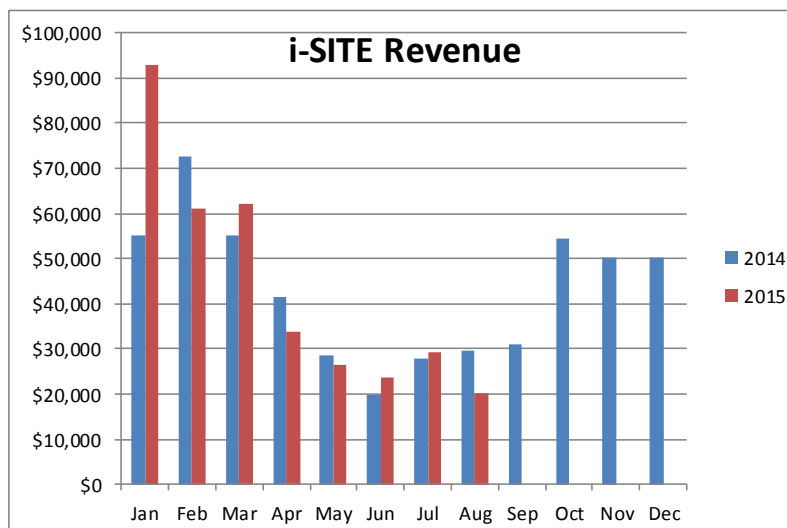
- Three international conferences are being worked on for pitching; brewing, agriculture and aircraft

175 Commonwealth Judges arrived in the Wairarapa by train for a day of sightseeing and spending. Stonehenge, Kahikatea Gardens and Tirohana for lunch on the southern tour. Pukaha, The Woolshed, Aratoj, Vintage Aviator and Copthorne for lunch on the northern tour. Returned to Wellington with Transit.

## i-SITE Visitor Centres

### Highlights:

- **i-SITE Total Sales**
  - i-SITE Visitor Centre gross revenue for YE August 2015 (\$535,221) was up 6.9% on the previous 12 months.



## Marketing to Arriving Travelers:

### Established Products and Markets

#### Classic New Zealand Wine Trail (CNZWT) & Australia:

Attended planning meet for Spring Campaign we'll partner in with PWT for Australia. Tourism NZ will be a 50% funder.

### Trade

This was an intensive period for trade training and mega-famils, reflecting the massive numbers of travel sellers/decision makers Tourism NZ are now bringing in to the country. This includes emerging markets: China, South East Asia and India. We're very fortunate to be in a positive and smart relationship with Positively Wellington Tourism as we are always paired with them to undertake this training.

- South East Asian trade training – training frontline travel sellers in CHCH with Tourism NZ.
- Indian Trade training in Hamilton– managers/senior travel sellers brought to NZ for the Cricket World Cup. We also hosted a famil visit from part of the group subsequently

- North American trade training in Queenstown.
- Chinese Trade training in Auckland – large group of young front travel sellers. We were fortunate to be able to access a Mandarin speaking staff member from PWT who lead the training sessions very effectively. We also hosted a famil visit from part of the group subsequently
- In the lead up to TRENZ we were fully stretched with famils from sellers from Denmark, India, Japan, Thailand, the UK and Australia. We have never had this volume of TRENZ buyers in region before – increase was due to TRENZ being located in Rotorua this year. PWT encouraged as many buyers as possible to drive up via us.
- Attended a 2 day Tourism NZ/ ITOC trade day with one on one appointments with inbounders - this is an RTO only event of enormous importance.

### **Domestic Marketing**

Nichola has settled in well. Her video skills are being utilized and have enabled us to develop content for our site and Facebook.

A substantial amount of our activity in this period was in the development and delivery of the Wairarapa Winter Cool campaign: designed to attract winter visitation including accom bookings.

Campaign included videos, a partnership with Fly Palmy and Air New Zealand and media visits by both Fairfax and the NZ Herald journalist. Campaign has a conversion element 'book online or at an I-SITE and receive a free block of Schoc Chocolate.

**Please see attached power point for a summary of the campaign.**

Significant results were:

- Our most successful competition ever with 3450 entries including 10% from Aucklanders . These names are now in our database.
- All promotion was designed to drive traffic to our website – traffic more than doubled compared to the same period last year which is outstanding.
- 1 June to 25 August bookings on our website during the choc promo are up 65% for booking volume and 62% for revenue. 93 vouchers have been issued.

The campaign made full use of all our marketing assets and included videos made especially e.g.

<http://www.wairarapanz.com/see-and-do/amalgamated-helicopters>

We worked hard to ensure locals saw that we'd undertaken the campaign:

[http://www.nzherald.co.nz/wairarapa-times-age/news/article.cfm?c\\_id=1503414&objectid=11495793](http://www.nzherald.co.nz/wairarapa-times-age/news/article.cfm?c_id=1503414&objectid=11495793)

Other activity in this period:

- Hosted a Platinum Group marketing meeting
- Nichola co-ordinated a regional effort exhibiting at the Palmerston North Lifestyle Expo. Over 700 new names were gathered for our database.
- Our campaign activity supported Balloons over Wairarapa, a Mother's Day promo for Martinborough Hotel and the new Chocol'Art Festival including others

- Meet with number of operators to provide guidance – includes Tea Retreats and Orui Walk and The White Swan.
- Co-ordinated participation in a regional Grab One promotion

#### **Online/Social:**

- As at June 30<sup>th</sup> we had likes on 13,162 likes our Wairarapa page. We continue to develop our own content to share with a focus when possible on our own videos.

#### **Media**

Busy hosting period! In one single weekend we had two sets of Australian bloggers in the region.

- Terrific cycle trail story piece ran in the Waikato Times and has also been syndicated in the Nelson Mail, Manawatu Times and Marlborough Express and Southland times – we hosted her at Easter.

<http://www.stuff.co.nz/travel/destinations/nz/67788873/Seeing-Wellington-from-a-bike-seat>

- <http://www.heraldsun.com.au/travel/world/theres-wine-cheese-and-country-charm-galore-just-outside-of-new-zealands-capital/story-fnjvddo-1227394495337>

Results also achieved in Indonesian magazine, Australia Gourmet Travel, Let's Travel magazine NZ and the Woman's Weekly travel feature.

#### **Product Development**

- South Coast Transport Operator
- Café on the Rimutaka Cycle Trail
- Brown Tourist Signs for East Taratahi Road vineyards

#### **Operator Development**

- Website development sessions in September

**David Hancock**  
**General Manager**

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# Management Report

Destination Wairarapa Inc.

31 August 2015

Prepared by Osborne Group



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# Profit & Loss

## Destination Wairarapa Inc. For the month ended 31 August 2015

### Summary

\*Rimutaka Cycle Trail Total \$20,101

	Aug-15	YTD
<b>Income</b>		
Accommodation Commission	4,333	4,526
Bookit	59	175
Grants - CDC	4,417	8,833
Grants - MDC	-	66,560
Grants - SWDC	28,866	15,847
Interest Income	303	733
Interest Received	16	16
Membership	130	7,267
Other Revenue	49	50
Ticket Commission	-	336
Tourism Products	13	43
Travel Sales	112	112
<b>Retail Sales</b>		
Retail Sales	386	11,374
Less Cost of Sales	(879)	(8,748)
<b>Total Retail Sales</b>	<b>(492)</b>	<b>2,625</b>
<b>Total Income</b>	<b>37,806</b>	<b>107,124</b>
<b>Gross Profit</b>	<b>37,806</b>	<b>107,124</b>
<b>Less Operating Expenses</b>		
KiwiSaver Employer Contributions	831	831
<b>Corporate</b>		
ACC Levies	1,317	1,317
Accounting Fees	3,083	6,167
Audit Fees	57	91
Bank Fees - ANZ	231	260
Board Members Expenses	-	105
Depreciation	1,613	3,226
Equipment Rental	91	182
Fringe Benefit Tax	-	(2,456)
Information Technology	106	884
Insurance	400	800
Interest Expense	1,021	2,054
Kitchen Supplies	24	45
Lighting & Power	154	289
Merchant & BNZ Bank Fees	213	441
Office Supplies incl. Furnishings	506	1,493
Personnel incl. Training	-	53

# Profit & Loss

	<b>Aug-15</b>	<b>YTD</b>
Rent & Rates	1,696	2,851
Salaries, corporate	14,980	23,298
Subscriptions & Membership	650	3,319
Telecom incl Mobiles	743	1,468
Vehicle Leases	544	1,088
Vehicle Operating Costs	558	1,202
<b>Total Corporate</b>	<b>27,986</b>	<b>48,177</b>
<b>i-SITE</b>		
Electricity	333	1,135
Kitchen Supplies	19	49
Office Supplies incl Furnishings	109	308
Photocopier	115	261
Rent & Rates	1,895	3,789
Telecom	418	820
Wages	12,714	28,739
<b>Total i-SITE</b>	<b>15,603</b>	<b>35,101</b>
<b>Marketing</b>		
Advertising	-	268
CNZWT Marketing	-	2,500
Conferences	5,100	5,100
Contract staff	3,440	7,740
Distribution	767	1,578
Domestic Marketing	255	706
Exhibitions & Events	1,487	1,421
Media	130	743
Rimutaka Cycle Trail	-	5,000
Rimutaka Cycle Trail (Star) (2707)	-	(2,065)
Trade	82	82
Web Site & E-Marketing	200	786
<b>Total Marketing</b>	<b>11,461</b>	<b>23,858</b>
<b>Total Operating Expenses</b>	<b>55,881</b>	<b>107,967</b>
<b>Net Profit</b>	<b>(18,075)</b>	<b>(843)</b>

# Balance Sheet

## Destination Wairarapa Inc. As at 31 August 2015

31 Aug 2015      31 Aug 2014

### Assets

	31 Aug 2015	31 Aug 2014
<b>Bank</b>		
ANZ - Operational (00)	88,787	-
ANZ - Savings (01)	143,149	-
BNZ Account	18,107	-
<b>Total Bank</b>	<b>250,043</b>	-
<b>Current Assets</b>		
Accounts Receivable	(4,607)	-
Inventory - I Sites	1,080	-
Petty Cash - Martinborough	200	-
Petty Cash - Masterton	353	-
Undeposited Funds	15,377	-
<b>Total Current Assets</b>	<b>12,403</b>	-
<b>Fixed Assets</b>		
Furniture & Equipment	89,967	-
Less Accumulated Depreciation on Furniture & Equipment	(61,545)	-
Motor Vehicle	49,352	-
Less Accumulated Depreciation on Motor Vehicles	(13,016)	-
<b>Total Fixed Assets</b>	<b>64,758</b>	-
<b>Total Assets</b>	<b>327,204</b>	-

### Liabilities

	31 Aug 2015	31 Aug 2014
<b>Current Liabilities</b>		
Accounts Payable	22,092	561
ANZ Credit Card - B Hyde	(1,739)	-
ANZ Credit Card - D Hancock	(2,181)	-
Audit Provision	15,104	-
BNZ Trust Account (Commission)	8,836	-
Bonus Accrual	1,250	-
GST	205	(73)
Held in Trust	1,597	-
Holiday Pay Liability	27,767	-
Membership - August 2015	6,354	-
Membership - December 2015	6,354	-
Membership - November 2015	6,354	-
Membership - October 2015	6,354	-
Membership - September 2015	6,354	-
PAYE Payable	(4,196)	-
Rounding	1	-
Salaries - Holiday Pay	5,169	-
Unpresented cheques	3,288	-
<b>Total Current Liabilities</b>	<b>108,962</b>	<b>488</b>

# Balance Sheet

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	31 Aug 2015	31 Aug 2014
<b>Non-Current Liabilities</b>		
Toyota Finance Loan 4	24,519	-
Toyota Finance Loan 5	23,642	-
<b>Total Non-Current Liabilities</b>	<b>48,161</b>	<b>-</b>
<b>Total Liabilities</b>	<b>157,124</b>	<b>488</b>
<b>Net Assets</b>	<b>170,080</b>	<b>(488)</b>
<b>Equity</b>		
Asset Replacement Reserve	40,000	-
Contingency Reserve	70,000	-
Current Year Earnings	(843)	(488)
Retained Earnings	60,923	-
<b>Total Equity</b>	<b>170,080</b>	<b>(488)</b>

# Aged Receivables

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## Destination Wairarapa Inc. August 2015

	Current	July	June	May	Older	Total
<b>Receivables</b>						
Carterton District Council	5,079	5,079	-	-	-	10,158
Dale Keith	150	-	-	-	-	150
South Wairarapa District Council	-	(14,971)	-	-	-	(14,971)
Tranzit Coachlines	56	-	-	-	-	56
<b>Total Receivables</b>	<b>5,285</b>	<b>(9,892)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,607)</b>
	-114.7%	214.7%	0.0%	0.0%	0.0%	

# Aged Payables

## Destination Wairarapa Inc. August 2015

	Current	July	June	May	Older	Total
<b>Payables</b>						
CINZ	748	-	-	-	-	748
Copthorne Hotel	94	-	-	-	-	94
Department of Conservation	177	-	-	-	-	177
Eventfinda	230	-	-	-	-	230
Genesis Energy	560	-	-	-	-	560
Geographx	72	-	-	-	-	72
Infusion	38	-	-	-	-	38
Inland Revenue	7,200	-	-	-	-	7,200
Jason's (2013) Ltd	825	-	-	-	-	825
K J Farman	1,720	-	-	-	-	1,720
Kiwimaps	87	-	-	-	-	87
Martinborough Lions Club	49	-	-	-	-	49
Masterton Trust Lands Trust	-	-	-	-	561	561
Mobilcard	632	-	-	-	-	632
NSB Marketing	58	-	-	-	-	58
Osborne Group	1,150	-	-	-	-	1,150
Pain & Kershaw Grocery	21	-	-	-	-	21
Paymark	43	-	-	-	-	43
Peppers Parea Martinborough	149	-	-	-	-	149
Positively Wellington Tourism	5,941	-	-	-	-	5,941
RICOH	714	-	-	-	-	714
Schoc	404	-	-	-	-	404
The Sign Factory	495	-	-	-	-	495
Warehouse Stationary	125	-	-	-	-	125
<b>Total Payables</b>	<b>21,531</b>	-	-	-	<b>561</b>	<b>22,092</b>
	<b>Current</b>	<b>July</b>	<b>June</b>	<b>May</b>	<b>Older</b>	<b>Total</b>
<b>Total Expense Claims</b>	-	-	-	-	-	-
<b>Total</b>	<b>21,531</b>	-	-	-	<b>561</b>	<b>22,092</b>
	97.5%	0.0%	0.0%	0.0%	2.5%	