

Extra-ordinary Whangarei District Council

Notice of Meeting

A extra-ordinary meeting of the Whangarei District Council will be held in the Council Chamber, Forum North, Whangarei on:

**Wednesday
29 June 2011
1.30 pm**

Committee

His Worship the Mayor (Chairperson)
Cr C B Christie
Cr S J Deeming
Cr A J Edwards
Cr S M Glen
Cr P R Halse
Cr J S Jongejans
Cr G M Martin
Cr B L McLachlan
Cr S L Morgan
Cr K J Sutherland
Cr W L Syers
Cr M R Williams
Cr J D T Williamson

1. Council Controlled Organisation Statement of Intent Whangarei Tourism Trust

Reporting officer Kylie Welford (Financial Accountant)

Date 27 June 2011

Vision, mission and values

Providing management information for innovation and excellence.

Local Government Act 2002 – The four well-beings

Cultural Working with the community to promote tourism.

Economic Partnering with others to provide community and commercial facilities

Environmental Providing services while respecting the environment.

Social No direct link.

Executive Summary

Section 64 of the Local Government Act 2002 requires a Council Controlled Organisation to prepare a Statement of Intent that complies with Clause 9 of Schedule 8. Council has three Council Controlled Organisations which are required to provide Statement of Intents.

The following Statement of Intent is attached:

Whangarei Tourism Trust Statement of Intent 2011/2012.

The Statement of Intent has been reviewed for appropriateness in relation to the delivery of services, management and governance of the organisation. A review was also completed for compliance to the Local Government Act 2002.

Future direction

The Trust has determined that the administrative functions of the Trust be delegated to the Whangarei District Council, this is synonymous with Council's strategy to increase focus on Economic Development.

The Trust is currently in the process of reviewing it's future direction.

Recommendation

That the information be received.

Attachment

[Whangarei Tourism Trust Statement of Intent 2011/2012](#)

Whangarei Tourism Trust

Statement of Intent 2011/2012

Introduction	Whangarei Tourism Trust Forum North P.O Box 9023 WHANGAREI
Accountant	Russell Turner P.O Box 1249 Whangarei
Auditor	Audit New Zealand Private bag 1165 Auckland
Chairperson	Shelley June Deeming 09 432 3779
Manager	Cheryl Lee
Trustees	Shelley June Deeming Jeroen Siebe Jongejans Mervyn Rhys Williams Warwick Leslie Syers Judith Anne Thompson Peter John Gleeson

The Whangarei Tourism Trust (WTT) was established in 1990 for the purpose of marketing and promoting tourism within and for the benefit of the district administered by Whangarei District Council.

WTT is a Council Controlled Organisation (CCO) as defined in s.6 of the Local Government Act 2002.

1 Role of the Trust

- 1.1** The Whangarei Tourism Trust is the manager of Whangarei District Promotions;
- 1.2** The Whangarei Tourism Trust is the manager of Claphams Clocks – The National Clock Museum and Quay Info – Town Basin Information Centre;
- 1.3** The Whangarei Tourism Trust is the manager of the Whangarei i-site Visitor Centre at Tarewa Park.

2 Objectives

- 2.1** To promote Whangarei District as a tourism destination;
- 2.2** To work closely with the tourism operators in the district to maximise tourism opportunities;
- 2.3** To increase the number of visitor nights to the district;
- 2.4** To provide visitor information at the two information centre sites at a consistently high level in accordance with the requirements and observations of best practice associated with the national standards of i-sites;

- 2.5 To increase the number of patrons to Claphams Clocks – the National Clock Museum;
- 2.6 To facilitate cooperation and collaboration among tourism sector operators in the district;
- 2.7 To provide the tourism sector operators with a conduit for communication with funding and regulatory organisations at the district, regional and national levels.

3 Approach to Governance

- 3.1 Whangarei Tourism Trust is governed by a Board of Trustees appointed by the Whangarei District Council;
- 3.2 The number of trustees is no less than three and no more than six;
- 3.3 The board meets monthly or as required to consider management and financial reports and to make decisions for the prudent management of the trust;
- 3.4 All trustees are guided by the Trustee Amendment Act 1988, the Local Government Act 2002, and any other legislation which has a direct bearing on the trust from time to time;
- 3.5 Trustees are also guided by the requirements of the trust deed and the agreements with the Whangarei District Council.
- 3.6 The trustees receive no remuneration for their duties as trustees.

4 Nature And Scope Of Activities To Be Undertaken

The nature of the activities of the Whangarei Tourism Trust is to ensure provision of the following - develop and enhance tourism and tourist activities in the District and to provide visitor services to the traveling public. Some of these activities are non-commercial. Some are of a commercial nature intended to offset their costs of providing visitor services.

Non-Commercial

- 4.1 To prepare and implement a strategy for the promotion of the district's tourism assets;
- 4.2 Collate visitor information applicable to the Whangarei District in order to facilitate the promotion of the district as a tourist destination with a view to increasing visitor numbers to the district;
- 4.3 Co-operate with the Council if so requested to promote any special project or event which the Council believes will be of benefit to the district;
- 4.4 Liaise with tourism operators in the District;
- 4.5 Represent the District on national tourism organisations;
- 4.6 To manage Claphams Clock – The national Clock Museum in accordance with the Deed of Gift (1961) by which the Clapham's collection was vested in the Council for its control and care.

Commercial

- 4.7 Manage Claphams Clocks – The National Clock Museum in such a manner as to require minimum financial support from the council;
- 4.8 Manage the retail, hospitality, advertising and booking services associated with information services located at Tarewa Park and Quay Info – The Town Basin Information Centre in a businesslike manner.

5 Trustees Funds/Total Assets Ratio

5.1 This ratio indicates the level of gearing or external funding of the business of the enterprise.

In this context, trustees' funds consist of the retained earnings of the trust including annual grants from the Whangarei District Council.

Total assets consist of all the bank accounts, tangible and non tangible assets of the trust. The trustees funds/total assets ratio of the trust is 1 : 1.7.

6 Accounting Policies

The Whangarei Tourism Trust is incorporated in New Zealand and is domiciled in New Zealand. It is controlled by the Whangarei District Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

The forecast financial statements included in this Statement of Intent has been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). For the purposes of financial reporting the trust is designated as a public benefit entity

The forecast financial statements has been prepared in accordance with (NZ GAAP), applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The Trust meets the criteria for a small entity defined in the Framework for Differential Reporting and all available exemptions have been applied.

The forecast financial statements are prepared on an historical cost basis and all figures are presented in New Zealand Dollars (NZD). The Trust does not transact in foreign currency.

Donations

Where material assets are acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue in the statement of financial performance.

Government Grants

Grants and subsidies are recognised as revenue in the statement of financial performance at fair value when any conditions attached to the grants have been met. Grants received where conditions are not yet met are included as income in advance until conditions of the grant are satisfied.

Sale of Goods

Products held for sale are recognised when the product is sold to the customer.

Interest

Interest income shall be recognised using the effective interest rate method.

Dividend Income

Dividend income shall be recognised when the shareholder's right to receive payment is established.

Operating Leases

Payments made under operating leases are recognised in the statement of financial performance on a straight-line basis over the term of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

Trade and other receivables

Trade and other receivables are recognised at amortised cost less provision for doubtful debts (impairment). A provision for impairment 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 receivable. The amount of the provision is the difference between the carrying amount and the present value of the estimated future cash flows accounted for using the effective interest method.

Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost. Any write down of the value on hand is recognised in the statement of financial performance.

Property plant and equipment

Due to the public benefit entity status of the Whangarei District Council group, the group has elected to account for revaluations of property, plant and equipment on a class of asset basis

Property, plant and equipment are shown at historical cost or valuation less accumulated depreciation and impairment losses. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset.

Depreciation is provided on all property, plant and equipment. As permitted by differential reporting exemptions depreciation is calculated using depreciation rates in accordance with the Income Tax Act. The depreciation rates used for major classes of property, plant and equipment are as follows:

Office Equipment	14.4%DV	– 60%DV
Leasehold Improvements	4%DV	– 39.6%DV
Furniture & Fittings	18%DV	– 26.4%DV

The residual value and useful life of an asset is reviewed, and adjusted if applicable at each financial year-end.

Intangible assets

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. The carrying value is cost less accumulated amortisation and accumulated impairment losses.

Software costs are amortised over their estimated useful lives (48% DV) and the amortisation charge for each period is recognised in the statement of financial performance.

Impairment

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance. Impairment losses on revalued assets offset any balance in the asset revaluation reserve with any remaining impairment loss being posted to the statement of financial performance.

Employee benefits

Liabilities for annual leave are accrued at the full amount owing at the pay period ending immediately prior to the balance sheet date. Liabilities for accumulating short-term compensated absences (e.g., sick leave) are measured as the amount of unused entitlement accumulated at the pay period ending immediately prior to the balance sheet date that the entity anticipates employees will use in future periods in excess of the days that they will be entitled to in each of those periods.

Goods and Services Tax

All amounts are shown exclusive of goods and services tax (GST) with the exception of payables and receivables which are stated inclusive of GST.

Income Tax

The Trust is claiming exemption from income tax under Sections CW34 and CW35 of the Income Tax Act 2004.

Budget figures

The figures included in this Statement of Intent have been prepared using accounting policies that are consistent with those adopted by the Trust for the preparation of the annual financial statements.

Estimated and assumptions

The preparation of these forecast financial statements requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimated.

Estimates and underlying assumptions are regularly reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Changes in Accounting Policies

There are no changes in accounting policies.

8 Provision of Information

- 8.1 The trust shall provide a three monthly report to council as to its business and the manner in which the business has been undertaken;
- 8.2 Such three monthly reports shall extend not only to the activities undertaken in the performance of the roles and responsibilities of the trust, and also on the performance of the trust in terms of its business plan, produced annually;
- 8.3 The trust shall provide council with audited copies of its accounts and an annual report of its activities for the past year, and of its projected activities for the for the coming year with such reports being provided within four months after the trust's financial year;

9 Funding

The board of Whangarei Tourism Trust seeks compensation from Whangarei District Council for the shortfall of annual outgoings of the trust as budgeted. Further compensation may be sought for specific project which are agreed to by both parties from time to time.

10 Commercial Value

The board of WTT acknowledges that there is no commercial value accruing to WDC as represented by General Funds shown in the trust's most recent financial report. This is because under the trust deed the assets must be disposed of to a similar not-for-profit organisation.

11 Other Matters

The Trust resolved, at a General meeting on 24th February 2011, to discontinue the management of the activities and to delegate the administration functions of same to the Whangarei District Council or other nominee.

All staff employment has been transferred to the Whangarei District Council. Whangarei District Council is now administering the Whangarei Tourism Trust operations.

Because the Trust is still in the process of delegating administrative functions to Whangarei District Council and investigating disestablishment options, financial implications cannot be determined until a later date.