

CCO – ROTORUA
ECONOMIC DEVELOPMENT
LIMITED
TRADING AS
DESTINATION ROTORUA
Q2 REPORT

July 2019 – December 2019

FY20 Q2 Highlights

- **KPM performance** on track across all 7 key measures
- Financial performance remains **on or ahead of budget**, with a balanced year-end position forecast
- Multi-day conferences continue to perform well, contributing \$10.16m in visitor spend
- RED supported a **successful funding application** for a fulltime **Education to Employment** resource connecting industry and students.
- In late 2019 RED submitted a **Business Attraction & Relocation** proposal to become the permanent home of the new NZ Institute of Skills & Technology.

FY20 Financial Performance

	YTD Actual	Budget	Variance
Total revenue	\$3,434,242	\$3,447,993	\$-13,751
Total cost of sales	\$3,001,431	\$3,109,454	\$-108,023
Gross profit	\$432,810	\$338,539	\$94,271
Total OPEX	\$430,498	\$463,566	\$-33,068
Net profit / loss before tax	\$2,312	\$-125,027	\$127,339

- A close focus on costs and **improved retail and commission revenue in Q2** rectified a \$60K negative variance to budget in Q1
- Total OPEX is **\$33,068 below budget** due to underspend in two cost codes. To be addressed by end of Q3.

Economic Development – current projects

SCION - RED continues to engage closely with Scion, with a Memorandum of Understanding on how the two organisations can work together nearing completion

Film Industry – Film BOP's Waiariki studio project continues to take shape. As well as funding assistance RED is providing connections and introductions to local contacts for operational and governance positions.

Elements of Success – Formerly known as the High Performance Institute, RED is continuing its support of the Accelerate program which is helping to build capability for SMEs.

Championing Food Provenance – RED is working on feasibility assessments of innovative food growing solutions to further work on low nitrogen land use opportunities.

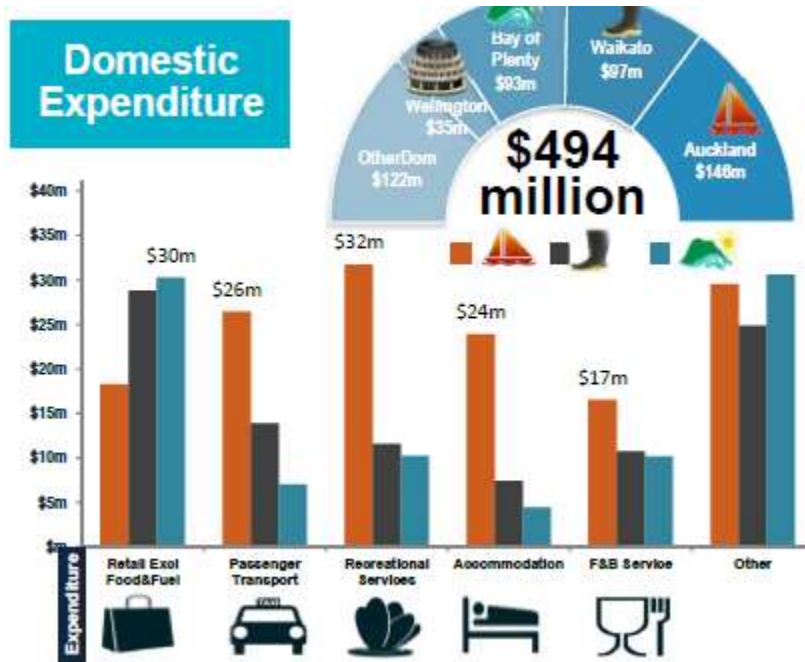
Matariki Indigenous Food Week – RED co-ordinating the opportunity to showcase local food provenance.

Sustainable Business – Working with the Rotorua Sustainable Charter to develop a program that supports the development of sustainable business capability. We are partnering with the Chamber of Commerce to run a series of events, which will address sustainable packaging, housing and transport & logistics solutions.

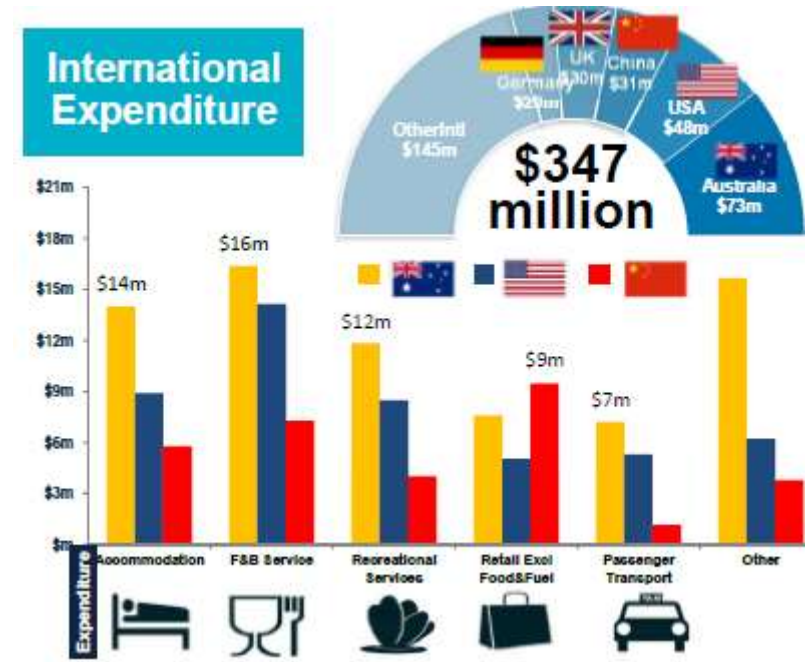
Future priorities

- **AirNZ Domestic JV** – RED is working with Air New Zealand on a nationwide domestic campaign planned to run from 25 March – 19 April 2020
- **Crankworx** – RED is once again managing and hosting the Crankworx Media Centre.
- **Tech Week 2020** – preparations are underway for this year's edition of the event, planned for 18-24 May

Visitor Economy



\$841m
visitor
expenditure



- Softening in international arrivals in the second half of the year was offset by a stronger domestic market, which increased to 59% of overall visitor expenditure