



Te Rāhui Rēhia o Kaiteretere

Kaiteriteri

Recreation Reserve



Pūrongo ā-Tau 2019

ANNUAL REPORT 2019

CONTENTS

Rārangi Upoko

Performance	4
Chair / CEO Report	6
Vision, Mission, Values	11
Annual Plan	12
Guest Services - improved systems management and increased occupancy	15
Operations - attention to detail in maintenance and housekeeping	19
Kaiteriteri Store - delivering value to visitors and community	23
Food and Beverage - establishing the new product	27
Kaiteriteri Mountain Bike Park - managing the risks from fire	31
Whakapakoko	35
Community and Environment	37
Governance	44
Financial Report	46
Directory	62



PERFORMANCE

Te Hua Mahi



Kaiteriteri Store

\$2.14m
REVENUE



Kai & GoneBurgers

\$2.16m
REVENUE



Camp & Apartments

\$2.45m
REVENUE

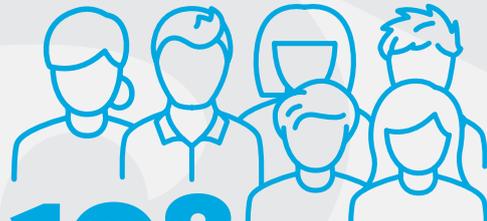


Concessions & Sundry

\$113k
REVENUE



46 Full-time
EMPLOYEES



108 Peak season
EMPLOYEES



**Cleaning products,
waste & consumables**

\$218k
EXPENDITURE



**Events, community &
marketing promotions**

\$140k
INVESTMENT



**Kaiteriteri
Mountain Bike Park**

\$49k
INVESTMENT



**Maintenance of beach,
grounds & assets**

\$205k
INVESTMENT

CHAIR / CEO REPORT

Te Pūrongo a te
Heamana me te
Tumu Whakarae





2019 was a very good year for the Kaiteriteri Recreation Reserve, both financially and through the successful execution of many exciting initiatives that are a feature of the Reserve’s relatively unique social enterprise model.

Although our summer was very busy, shoulder seasons have been extended and we are now heading towards being a robust four-season destination thanks to the hard work of the Reserve’s leadership team, staff and community partners. Climatic impacts again affected our operations but this year it was fire and not the storms and flooding that marked 2018. Such events are only going to be more frequent, reinforcing the importance of sustainable operations and thorough planning for resilience and civil defence.

FINANCIAL PERFORMANCE

The Reserve is an entirely self-funding Crown entity, so a financially successful business operation is essential in order to perform and meet our obligations to the Crown and Iwi. Weather as always plays a role in results and the peak summer season was characterised by long, sunny, dry days with little precipitation. At one point it could be said that the weather was “too” hot and was keeping some people indoors and away from the beach, seeking shelter from the harsh sun. The Reserve still primarily caters to the domestic market, and as a gateway to the Abel Tasman National Park, it also attracts a high proportion of overseas tourists travelling with concession operators on daily or longer visits into the Park.

With capital projects and major refurbishing of the restaurant completed in the previous year, FY 2018 – 19 focused on systems, staff training, service, partnerships, environmental operations and marketing, with all being initiated, implemented, monitored and measured. These were areas of business that had been identified as holding potential for improvement and the overall execution of the Reserve’s strategic planning contributed to the excellent result.

Combined net profit (excluding depreciation and disposal of assets) for the three business groups was up 5% on budget at \$1,274,632 and up 43% on last year’s result. When combining concession revenue and additional wider Reserve expenditure, the net result was up 19% on budget and up 99% on last year. It should be noted however that last year’s results were impacted by the restaurant’s refurbishment and rebranding programmes instigated early in the 2018 FY.

Income for all three business groups was above budget and considerably up on last year’s actuals.

	2019 (\$)	Budget	2018 (\$)
Store	2,143,355	1,959,100	1,927,183
Camp	2,450,149	2,321,082	2,264,552
Restaurant	2,158,483	2,124,000	1,915,654

The result is an output of good operating discipline during the busy summer season plus the product development and marketing throughout the year especially targeted at shoulder and winter periods.

This has also assisted with positive cashflow for longer periods. Cashflow tracked higher and extended further out in the year before dipping during our quieter months. A marked difference to previous years.

Kaiteriteri Store

Of all the business groups, the store is most affected by seasonality and the lack of residential population. It is however open throughout the year, providing a great community resource and facilitating staff retention. Last year's result was good, and this year's result is even better which is very commendable. Total sales at \$2,143,355 are up 11% on last year and up on budget by 9.4% due to good buying, value and better assets to reduce queuing. GP has been lifted to 36% against last year's 35% and expenditure, including wages relative to sales, has been well controlled. The costs to income ratio of 29% sits well against the budgeted 31% and is better than last year's 30%. The net result before depreciation is a surplus of \$181,601.

Guest Services and Operations

Efforts to extend the visitor season has seen an increase in planned activities. Mountain biking, events, meetings and conferences forms our strategy to deliver sustainable income and mitigate profit variability by reducing the duration and extent of the traditional low season. Strong demand for our apartments coupled with dynamic pricing models across all covered accommodation has helped deliver a record income of \$2,450,149 which is a 6% increase on budget and up 8% on last year. Much work was completed remediating sites and improving facilities. Expenditure sits at \$1,777,493 which is on budget and up by 2% on last year. A net result before depreciation of \$905,299 is 17% up on budget and 18% above last year. A great result through hard work by management and all team members.

Food and Beverage

The restaurant has just completed its first full year of trading in its current branded and operational format and has made significant gains over the previous year. The focus for this year was on the customer experience and expenditure control with improvements seen in both due to the efforts of the team. There are still some variables and finetuning to be considered around workflows, communications and some systems. Income at \$2,158,483 is above budget by 2% and above last year by 13%. The net result before depreciation is a surplus of \$183,374. While GP at 63% is above last year's 62%, it is down on the budgeted 65% due in the main to cost variability.

This is the highest level of F&B income in the Reserve's history. Expenditure to sales for the year is at 54% which is an improvement on last year's 62% but is still above the budgeted 51%. Driving this result were wages, consumable purchases and repairs and maintenance. The building blocks for optimum F&B performance are in place and notwithstanding wider issues around labour shortages, weather and food costs, the guest experience will further improve with amendments to the operating model, training and front of house leadership. The Board and CEO are of the view that the Reserve is now in a better position to further capitalise on the rebranding and refurbishment of the restaurant.

RESERVE MANAGEMENT

The Reserve had intended to implement a significant new QHSE system during FY 2018-19 but it was determined that further research was required and a very capable system, Mango-Live, will be implemented from November 2019. As a 24 hour, 7 day a week multi-faceted business, much emphasis is placed on staff and visitor H&S. Ongoing work at a strategic level with the H&S Business Leaders Forum has provided the Reserve with better tools and knowledge, particularly in the areas of risk analysis, hazard mapping, controls and wellbeing. Outside of the very unfortunate death of one of our long-standing guests due to natural causes, no serious incidents or accidents occurred. Further support around people and culture has also been provided through the work done by our HR partners Intepeople.

2019 saw the implementation of important HR and financial software TimeDock and Xero. The ongoing Xero project is quite substantial and will greatly improve the Reserve's financial functions. Allied to this, is work facilitated by Malloch McClean around KPIs and dashboarding for improved management reporting. TimeDock is a time recording system that provides more efficient and accurate recording of hours for payroll and other HR requirements. All staff were surveyed in November with great feedback received in the areas of culture, purpose and direction, communication, team work, management, learning and development, reward and recognition, customer focus and job satisfaction.

Concession fees were reviewed as part of a wider project by the Department of Conservation, with increases coming into effect in November 2019. The Reserve received \$113,000 in concession income in FY 2018-19. All revenue from concessionaires is invested back into the Reserve, including amounts paid by Spark New Zealand, Vodafone and 2Degrees.

Tourism concessionaires are an important part of the Reserve's destination ecosystem and include:

- Abel Tasman Sea Shuttles and Kaiteriteri Kayaks
- Wilsons Abel Tasman
- Abel Tasman Eco Tours
- Abel Tasman Sailing Adventures
- Abel Tasman Soul Ltd
- Waka Abel Tasman
- Kiwi Journeys
- Wheelwoman
- Whenua Iti
- Mot Bike Co Ltd
- Watersports Kaiteriteri Ltd
- Abel Tasman Aqua Taxi
- Coffee and Cruise Absolute Adventures Ltd
- Gravity Nelson Ltd.

RESERVE DEVELOPMENT

The Reserve has successfully implemented initiatives to sustainably extend shoulder periods and deliver a credible winter offer. It has done so through a mix of dynamic pricing, targeted promotions, events, community partnerships, the growth of mountain biking assets and working with Reserve based concessionaires. Bookings of our conference facilities have increased, and this will only improve with better scheduled planning well in advance of availability.

It was great to be acknowledged by HAPNZ during their annual conference as the Reserve won the TIA award for Innovation in Sustainability. Further to this, a baseline environmental report by Davidson Environmental was completed surveying Kaiteriteri Estuary, the tidally flushed lagoon, Kaiteriteri Beach, the tidal channel seaward of the main bridge, the rocky coastline around Kaka Point, streams and adjacent terrestrial fringes. This provides a solid foundation of knowledge for future restoration and for the environmental partnerships we have with Tasman Bay Guardians and other local community groups.

MARKETING AND PARTNERSHIPS

In recognition of the importance of marketing and communications, the Reserve employed a dedicated Marketing Manager rather than outsourcing all marketing support to third parties. Ali Kimber joined the management team and brings a broad suite of skills with a particular interest in social media and digital. In addition, the Reserve partners include HotHouse Creative and WaltersPR for specific creative and communications support plus Capstone, Holiday Parks Association New Zealand (HAPNZ), Nelson Regional Development Agency (NRDA), Extraordinary Experiences and Tasman Bay Promotions Association (TBPA) for destination activity. Work throughout the year has focused on regular updates of the Kaiteriteri and Mountain Bike Park websites, plus ongoing search engine optimisation and digital promotions. We have also made further progress in enhancing relationships with trade and online travel agents in order to better support Capstone in their work with our Guest Services team.



We take a leadership approach to community engagement and worked with local members and others to fulfil our vision and enhance the Kaiteriteri experience. Over \$140,000 was invested into environmental, sports, event and community partnerships plus promotions, campaigns and marketing. This is core to our engagement strategy and reflects the true social enterprise model of the Reserve.

OUTLOOK

2020 will be a significant year as we invest in the development of a spatial masterplan for the Reserve, anchored around sustainability and resilience. This is certainly a key focus by the Minister for Conservation. This plan will involve thorough consultation and will account for Reserve-wide environmental restoration, biodiversity, large scale landscaping, vehicles and parking, boardwalks, signage and interpretation, disability access and civil defence planning. From a sustainability perspective, we will be looking at supply chain, waste, recycling, energy plus other economic, environmental, visitor and community variables. Ongoing engagement with Ngāti Rārua, Te Ātiawa and Ngāti Tama will be critical, particularly for the restoration of Kaka Point Historic Reserve. We also seek to achieve third party accreditation and are evaluating ISO 9001, ISO 14001, Enviromark and B-Corp.

In addition to this large project, the Reserve will be directing its capital expenditure into improving our camp amenities, including rebuilding Block One so that it better serves our guests with new kitchen, toilet, shower and recreation facilities. We will be looking at better staff accommodation plus renovating our storage and work areas for the improvement of our washing and drying capabilities with the view to moving onto cashless systems.

We would like to express our thanks and appreciation to all team members employed on the Reserve, management, the Board, partners and suppliers. Although a Crown entity, we receive no funding from the government and 100% of the profits from our business groups are invested back into the Reserve. It is this guardianship and social enterprise model that makes the Kaiteriteri Recreation Reserve a special place.



Chair
Chris Hawkes



CEO
David Ross



VISION, MISSION, VALUES

Moemoeā, Whāinga, Uara

VISION

Kaiteriteri Recreation Reserve is acknowledged as New Zealand's premiere coastal outdoor recreation destination.

MISSION

Deliver a unique and inspiring experience for all visitors through the provision of exceptional family orientated recreation, cultural, conservation, accommodation, hospitality and retail facilities. Our values are enhanced through long term partnerships with iwi, Department of Conservation and our local community.

VALUES

Quality – The pursuit of ever greater quality and excellence in customer service.

Integrity – Relationships are based on integrity and respect.

Innovation – Success is built on innovation rather than convention.

Team – One team.

Kaitiakitanga – Guardianship, protection and preservation.



ANNUAL PLAN

Mahere ā-Tau





ACHIEVE OUR VISION THROUGH FOCUSED LEADERSHIP AND TEAMWORK

Reserve Strategy

- Three year strategic roadmap reviewed and updated.
- Annual plan completed.
- Strategy, annual plan and budgets approved and presented to all staff.

STRATEGIC FOCUS ON SUSTAINABILITY, RESTORATION AND RESILIENCE

Reserve Development

Strategic

- SRR requirements and framework developed.
- F&B development – dining offer and customer service.
- Guest services development – booking system fully integrated with dynamic pricing model.
- Retail development – value offers and improved merchandising.
- Mountain Bike Park – Reserve integration.
- QHSE – Prosper reviewed and requirements further identified.
- QA – ISO9001 requirements identified and critical paths established.
- QA – H&S key initiatives identified from Business Leaders Forum.

- Environment – zones scoped including Kaka Point, Estuary, Mountain Bike Park.
- Environment – partnerships and critical paths established.

Partnerships

- DOC – compliance to management plan and legislation.
- Tourism – worked with NRDA, TIA and TNZ to drive growth in shoulder and winter seasons.
- Community – improved communication and engagement with the Reserve.
- Sustainability – SBN and other businesses engaged.

MAXIMISE OPERATIONAL PERFORMANCE TO MEET CUSTOMER NEEDS AND DELIVER WHAT WE PROMISE

Reserve Management

People

- All staff have a clear understanding of the Reserve's vision, plans and policies with an emphasis on Values.
- Customer and guest service standards completed.
- Recruitment – planning and training schedules completed.
- Leadership and team planning completed.

Capability and Performance

- NewBook management system – full capability review completed.
- Foodstuffs SAP system better optimised for improved stock requirements.
- Management reporting – weekly and monthly reporting including reforecasts completed.
- Annual Report designed, developed and completed.
- Qualmark completed.
- Project management system reviewed.

Pricing and Policy

- Direct and trade pricing completed for Kaiteriteri Reserve Apartments.
- GS policies completed, communicated and visible.
- Pricing completed for other Reserve accommodation offers.
- Capstone contract renewed.
- Restaurant menus and pricing completed.

Business Unit Infrastructure Improvements

- Restaurant deck and renovation completed.
- Scheduled camp upgrades including site remediation completed.
- Mountain Bike Park trails maintained and developed.

INNOVATIVE ACTIVITY TO DRIVE GROWTH AND EFFECTIVELY POSITION THE KAITERITERI EXPERIENCE

Marketing

Brand

- Reserve brand protocols established and documented.
- New coffee brand and collateral completed.
- Signage audited.
- Signage updated, replaced and implemented.

Digital

- Social media plan established.
- Website improvements – booking integration, live communications, donations.

Media and Industry

- Networked with consumer and trade media – digital and print.
- Networked with key focus groups and individuals with influence.
- Communications strategy implemented including press releases managed and distributed.
- Developed a momentum of product reviews within key media channels.
- Selective advertising and editorial.
- Product placed within appropriate media and industry sectors.
- Tourism and trade shows attended for measurable sales and communications purposes.

Business Unit Support

- Provided planned and scheduled support to business units in line with Reserve Development.
- Provided dedicated marketing support to Kaiteriteri Mountain Bike Park.
- Supported CEO and CFM with preparation of the Annual Report.

Promotions

- Implemented joint promotion and social media campaigns – community local / regional / national.
- Article, forum and vlog marketing.
- Direct database marketing.

Events

- Implemented comprehensive events programme that provides ROI and delivers on communications objectives.

Sponsorships

- Leveraged the Reserve's support for maximum exposure and ROI.

GUEST SERVICES

Ngā Ratonga Manuhiri

**IMPROVED SYSTEMS MANAGEMENT
AND INCREASED OCCUPANCY**



Rachelle Parkins, in her first year as Guest Services Manager, has brought strong leadership and a great deal of hotel management, systems and pricing experience to the Reserve with the specific objective of enhancing the guest experience.

The Reserve has eight premium apartments, 17 cabins, over 400 powered campsites and two rooms for conferences facilities. With revenue, at \$2.45 million, exceeding budget by 6% and last year's result by 8%, Rachelle's strategies, the efforts of her team and the partnership with Capstone have been very successful.

Specific activity included improving dynamic pricing across apartments and introducing it to cabins, setting up advance purchase rates, better marketing with conference promoters including Nelson Venues, distribution of trade rates and working through Tourism New Zealand's Explore platform for deals that are specifically aimed at international travel agents, product managers and media travelling to New Zealand in their own time. A key priority has been developing shoulder and winter business and this has been reflected in the result. Additional important partnerships include HAPNZ, NRDA and Extraordinary Experiences.

KAITERITERI RESERVE APARTMENTS

The majority of our guests stay in our campground in either a caravan, motorhome or tent and camping contributed to 61% of accommodation revenue. A mandate of the Reserve is still to provide affordable, fun, family camping for New Zealanders. Our Guest Services team worked tirelessly to provide our guests with great, attentive service, in busy conditions, while

being fair and consistent with our transparent and long-standing policies. Our booking system, NewBook, was used to get the NEWBIE messenger bot up and running on the website which enabled additional Q&A service. The campground also greatly benefited from initiatives such as the 'Kids Stay Free' promotion and the Lift Off event in October. Finally, the team handled the passing of long-time guest Steven Sanford very well under very difficult circumstances. Steven's family expressed their gratitude for our support on that sad day and also for the service and iwi blessing that we organised.

Nationality	2019	2018
New Zealand	536	521
Australia	43	37
China	9	7
Asia other	11	7
USA	30	28
UK	41	63
Germany	17	29
Europe	44	50
Other international	23	24
Unknown	85	129
Total	839	895

BOOKINGS REPORT

Source	Total bookings	Average revenue per booking (\$)	Average length (nights)	Booking source (%)
Walk in	5,269	100.42	3	37.07
Return client	2,285	382.89	24	16.27
Phone	1,437	191.66	3	10.23
Booking.com	1,294	218.14	2	9.21
Kaiteriteri website	1,275	233.27	4	9.08
Email	836	173.07	3	5.95
NewBook Online	698	295.79	5	4.97
Agents	393	273.83	2	2.79
Expedia	213	239.87	2	1.51
Staff	134	172.59	32	0.95
i-SITEs	115	70.66	2	0.81
Other	51	200.90	4	0.36
Other information centre	12	150.50	2	0.08
My Bookings Ent	11	65.45	1	0.07
i-SITE Nelson	8	96.13	2	0.05
Facebook	5	223.60	3	0.30
Jasons guide	5	120.00	1	0.30
Total	14041			



TEAM MEMBER PROFILE

Claire Wilson

GUEST SERVICES SUPERVISOR



Claire has been on the team for three years and her previous career was as a registered nurse, so she loves people interaction with plenty of patience and empathy.

Since starting on the Reserve and amongst other tasks, Claire has been involved in helping improve the Reserve's booking systems and was a member of the team that implemented NewBook. She has also contributed to finetuning policies for the betterment of the guest experience. The Reserve's updated operating systems have enabled us to modernise business

processes and allow more space for innovation and product development.

Claire's husband, four children and wider family are all engaged in the tourism industry throughout the Abel Tasman. Claire lives locally and boats are a family passion, so trips "up the bay" when possible are always welcome.

"I get great pleasure seeing people relaxing and enjoying their holiday, or in winter their peace and quiet in such a beautiful place".



OPERATIONS

Ngā Mahi

**ATTENTION TO DETAIL IN
MAINTENANCE AND HOUSEKEEPING**



Activity for the Operations team is split into three key components.

Firstly, planning and executing significant build, repair and maintenance programmes prior to the peak season and throughout the rest of the year so that the Reserve looks good and functions well at all times. Secondly, to ensure that our guests receive the highest levels of cleaning and housekeeping service so that their experience is positive. Thirdly, Dennis Petch, our Operations Manager, leads the Reserve’s H&S Committee where together with all team members, hazards are appropriately evaluated, mapped and controlled. Dennis works with the CEO not only for compliance purposes but also from a strategic perspective so that we get better at digging deeper and setting clear expectations when it comes to H&S and wellbeing.

In terms of expenditure on camp and accommodation operations, the Reserve spent \$1,777,493 which was on budget for the year. A considerable amount of time was spent remediating campsites and over 32 tonnes of soil was used to improve their surface and drainage. 320 tonnes of sand were shifted during our annual (sometimes twice a year) beach remediation due to storms and erosion. In addition, our cabins received major improvements including new external

paint schemes. The Reserve has a rigorous schedule of plumbing, electrical and IT maintenance to enable us to safely cater for the thousands of visitors we host. To help us with this, the Reserve works in partnership with Flash Electrical and Bell Computers. From a cleaning perspective, the Reserve received very good feedback from guests which is testament to the preparation, organisation and dedication of Jeanette Hoffman and her housekeeping team. Specific attention was paid to chemical storage and usage for wellbeing and sustainability purposes.

This year we did not experience weather events like last year’s Cyclones Fehi and Gita. We did however have significant fire risk and the team worked very well to ensure all staff, guests and visitors adhered to the temporary restrictions due to this heightened risk. The Reserve has plans in place to respond to earthquake, tsunami, fire and viral outbreaks and is in advanced discussions with emergency services to better position the Reserve as a civil defence hub which will require further investment in assets and processes. The team is also looking forward to implementing a significant programme of works to improve camp buildings, including a major amenity block rebuild, throughout 2020 and 2021.



TEAM MEMBER PROFILE

Ray Reardon

GROUNDS AND MAINTENANCE SUPERVISOR



Ray was born and bred in a little town in the King Country (main island of NZ!)

His first job on leaving school was with the Waitomo District Council as a sexton and then in the Council-owned local abattoir. He spent the next twenty years working as a Contracts Officer for the Council. Fifteen years ago, he made the decision to move south and was employed by the Nelson City Council on their maintenance contract. He held the position of Roothing Officer for three years before moving across to MWH who had the contract with the Tasman District Council to manage their infrastructure. Ray was employed as their Engineer Representative

for the roading contracts and this was home for the next five years before moving to Fulton Hogan as a Supervisor.

After thirty years working on roading infrastructure projects, in 2019 Ray decided to move into the role of Grounds and Maintenance Supervisor at the Kaiteriteri Recreation Reserve which gives him a great opportunity to apply all his skills in this unique outdoor environment. Ray's partner Bronwyn also works on the Reserve across maintenance, housekeeping and guest service roles. Both Ray and Bronwyn are very much valued for their experience, know-how and sense of humour.



TEAM MEMBER PROFILE

Jeanette Hoffman HOUSEKEEPING SUPERVISOR



Jeanette grew up in the Otago area and has worked in hospitality and tourism industries for the past 25 years, both in New Zealand and Australia.

She spent most of her years living in Lake Wanaka managing motels and backpackers. Jeanette moved to the Tasman region in September last year to take on the position of the Reserve's Housekeeping Supervisor.

Jeanette has significantly contributed to the effectiveness of the Reserve's housekeeping team by bringing good leadership, planning and

implementation skills to the role. Housekeeping and cleaning are critical aspects of the Reserve's operations and they are reflected directly through guest satisfaction, wellbeing and safety.

"I feel honoured to be living and working at Kaiteriteri and learning about this amazing part of New Zealand. I enjoy interacting with staff and customers and making positive changes for the reserve".

Jeanette's interests are photography and travel and she is looking forward to all the experiences that her time at Kaiteriteri will offer.



KAITERITERI STORE

Te Toa o Kaitereterē

DELIVERING VALUE TO
VISITORS AND COMMUNITY



The Kaiteriteri Store is a community asset that, despite wide seasonality variances, trades throughout the whole year to provide choice and value to guests, visitors, residents and those that work in or near Kaiteriteri. It offers a wide range of grocery, tourism, hardware and soft-goods products with pricing aligned to Foodstuff's On The Spot Express guidelines.

Financially the Store has had an excellent year due to the operating discipline of its management team. Total revenue for FY 2018-19 was 11% above last year and 9.4% above budget. Gross profit increased on the year previous and came in at 36% which was indicative of good cost control and purchasing decision making. The cash surplus for the year (excluding depreciation) was \$181,601 which exceeded budget by 21% and exceeded last year by 41%. Although it was a long hot summer, these results can be attributed to the hard work by the whole Store team. In the 90 days between December and February, the Store handled 308,533 items of which 107,042 were grocery units. In the full 12-month period, the Store handled 496,500 items so during the peak

quarter of the year, the Store managed 62% of the year's stock items. This indicates just how significant the summer period is to the Store's performance.

A key focus for the year ahead is replacing many of the Store's refrigeration assets as existing models have struggled to perform under sustained hot conditions. From a sustainability perspective we employ a dedicated team on a full year basis and this retention is certainly valued. The Store has removed plastic bags and will be implementing a thorough supply chain review as part of the Reserve's 2020 sustainability and resilience programmes. In addition to reviewing vision and strategy we will look to maximise efficiencies across handling, stocking bulk lines and the merchandising and promotion of grocery and other lines.

DEPARTMENT SALES COMPARISON

Department	Sales FY 2018-19	% of Sales	Sales FY 2017-18	% of Sales
Alcoholic RTDs	\$10,814	0.5%	\$8,772	0.4%
Bakery	\$25,236	1.1%	\$16,965	0.8%
Beer	\$112,921	4.7%	\$92,155	4.3%
Tourist lines	\$200,241	8.3%	\$139,400	6.5%
Butchery	\$24,646	1.0%	\$19,403	0.9%
Café	\$161,713	6.7%	\$124,945	5.8%
Dairy	\$164,700	6.9%	\$150,307	7.0%
Frozen	\$248,265	10.3%	\$229,913	10.7%
General merchandise	\$179,605	7.5%	\$217,532	10.1%
Grocery	\$762,115	31.8%	\$694,898	32.3%
Produce	\$60,304	2.5%	\$49,415	2.3%
Product services	\$62,401	2.6%	\$53,522	2.5%
Seafood	\$9,152	0.4%	\$10,634	0.5%
Service delicatessen	\$96,769	4.0%	\$87,572	4.1%
Spirits	\$2,947	0.1%	\$3,722	0.2%
Tobacco	\$169,234	7.1%	\$154,284	7.2%
Wine	\$108,333	4.5%	\$97,715	4.4%
Customer transactions	202,476		188,021	
Average spend	\$11.83		\$11.44	



TEAM MEMBER PROFILE

Grant Butler

STOREMAN



Grant fulfills one of the most important roles on the Reserve as it spans Store operations, H&S and F&B loading dock safety.

He is responsible for the team that controls the safe, smooth and efficient delivery of goods from trucks and other vehicles and accounts for those goods into storage. In addition, Grant works across all the Store's role capacities during winter months which gives him an invaluable understanding of the whole retail operation.

Originally from Dunedin, Grant moved up to this region when he was in intermediate school

and despite spending most of his time in the Nelson Tasman area, he will only support the Highlanders! Grant has had multiple roles spanning merchandising, sales, deliveries and inwards goods. He worked with Goodman Fielder for over eight years and just before coming to Kaiteriteri, had regional responsibilities in the electricity sector.

"I've always liked coming out to Kaiteriteri to enjoy the area on motorbikes with friends. Now that I work here, I appreciate the scale and volume of operations, particularly over the summer months. It's a busy store and I enjoy leading my team to help things run as smoothly as possible".



FOOD AND BEVERAGE

Te Kai me te Inu

**ESTABLISHING
THE NEW PRODUCT**



FY 2018 - 19 was the first full year of trading for the restaurant with its new branded products and refurbishment.

It was a record year in terms of revenue with \$2,158,483 sitting at 2% above budget. Although gross profit was slightly below budget, 63% is still a reasonable achievement given some of the cost variability. The net result at \$183,374, excluding depreciation, was a significant improvement on previous years but was still impacted by purchasing and some repairs.

The focus for the year however was on the guest experience and with that in mind the operation ran a full table service model. Although this provided close interaction with guests, it also placed a lot of pressure on the sourcing of appropriate numbers of staff to make it work as designed. We were relatively fortunate in our ability to recruit staff in what is a very challenging hospitality employment environment, however the model can be improved. In 2020 we will instead run a daily counter service model but will have table service on the higher end evening offer in the dining room. With appropriate supporting assets and

systems in place, this will achieve better consistency and timing of service, particularly during peak periods and will also ensure that the service is appropriate to the product type.

Kai offers a quality, locally sourced, affordable menu and is supported through key partnerships with Pomeroy's coffee and Hop Federation beer. It received a coveted Beef and Lamb Award for its food which is a testament to the efforts of manager Grant Dicker and his team. GoneBurgers has proved to be very successful, particularly in its alignment with our mountain bike park and our burgers have developed a huge reputation. We will also be improving our ability to communicate with our takeaway customers through the installation of widescreen TVs. We have yet to release Origin, our premium sustainable offer, and will aim to do so in 2020. This will be based on specific sustainable sourcing, stories and unique guest experiences.



15,622
SCOOPS
OF CHIPS



28,261
FLAT
WHITES



4,410
HUMPTY
BURGERS



506
BEEF FILLET
MEALS



3,496
NEW YEAR'S EVE
TRANSACTIONS



61%
FOOD
SALES



38%
BEVERAGE
SALES



ORIGIN
SUSTAINABLY SOURCED DINING EXPERIENCES



TEAM MEMBER PROFILE

Ranjeet Singh

FRONT OF HOUSE SUPERVISOR



Ranjeet's first trip to Kaiteriteri was in mid-January 2017 and was only supposed to be a quick weekend trip.

He was so touched and felt immediately connected to the place that when he drove at dawn to Kaiteriteri and saw the beautiful sunrise, he decided he wanted to live and work here.

Ranjeet's first role at Kai was as head Barista and his skills and dedication led him to becoming a Duty Manager and overseeing the GoneBurgers

operation. F&B at Kaiteriteri can be a very pressured environment complete with the challenges of serving large volumes of guests with seasonal flows but there is a constant sense of satisfaction knowing all the efforts are not just for a private business but for the broader Reserve and community as a whole.

"I grew up in a Sikh culture and a sense of serving community has always been of great joy for me. Having extensively travelled most of New Zealand in the past five years, Kaiteriteri has been my favourite place".



KAITERITERI MOUNTAIN BIKE PARK

Te Papa Eke Pahikara
Maunga o Kaitereterē

**MANAGING THE
RISKS FROM FIRE**





The Kaiteriteri Mountain Bike Park is approaching its 10th anniversary and has taken many years of hard work, operational planning, environmental planning, community engagement and volunteer activity to develop it into the world class park it is today.

It is accredited by the US based International Mountain Bike Association's as a Gold Level Ride Centre. The Kaiteriteri Recreation Reserve greatly appreciates the voluntary commitment and contribution by members of Kaiteriteri Mountain Bike Park Incorporated. Volunteer hours for the year totalled around 1,000 which is a fantastic amount.

FOREST FIRES

The Tasman region experienced unprecedented forest fires in 2019 and on the 6th February a state of emergency was declared. Due to the significant risk of fire, the mountain bike park closed on the 7th February and reopened with vigilance on the 25th February. The park was monitored on a daily basis and the Reserve worked with Fire and Emergency NZ (FENZ) around monitoring and communications of the BUJ index. In addition to recreation access in the region, the fires affected mountain bike hire and guiding businesses, putting many of them under pressure including those operating at Kaiteriteri under concession agreements. The Reserve is fortunate to have an active management programme and could restrict and manage our closure periods better than other areas. It is however a salient reminder of the impacts of climatic events. We have been further engaging with FENZ around risk mitigation and their Recreation Area Fire Management Plan which is centred around

reduction, readiness, response and recovery. Specific aspects of their plan involve developing:

- A work plan map showing where signage is to be placed, access types and capabilities.
- Map boards showing track layout, facilities, firefighting hazards and resources.
- Signage giving location of safe area.
- Trigger levels for what signage to use when risk elevates.
- Activity, access, patrol trigger points dependent on fire risk.
- Pre-response notifications.
- Response procedures and access control.
- Notification processes.
- Evacuation procedures.
- Vegetation management plans along high-risk areas.
- Enhanced safe areas.
- Welfare management of evacuated people.
- Landowner information sharing.
- On-site firefighting capabilities and responses.
- Post fire process for risk assessment and reinstatement of access.

HAPNZ-TIA AWARD FOR INNOVATION IN SUSTAINABILITY

In July 2018, the Kaiteriteri Recreation Reserve received the Tourism Industry Aotearoa (TIA) sponsored award for Innovation in Sustainability at the Holiday Parks Association New Zealand (HAPNZ) annual conference. The award was recognition for hard work done by the Committee and the Reserve in the following areas:

Economic Sustainability – The Park is free to enter and can be accessed every day of the year. It is one of our platform products designed to address the seasonality which is prevalent in tourism and visitation in the Nelson Tasman region. From an economic perspective, our focus is on attracting more visitors and events to the region throughout the year and generating benefits for the Reserve, our guests and the local economy.

Environmental Sustainability – The Park is part of the Kaiteriteri Recreation Reserve and sits in a native bush landscape. It is mandated under legislation through a management plan to ensure environmental, historical and conservation protection. Sensitive network planning and design reduce negative user conflict and environmental impacts within the bike park.

Host Community Sustainability – A group of dedicated volunteers from the local community help run the park, maintain the trails, look after the environment and manage events. We sustain staffing levels through winter by developing product and leveraging our other business groups. This allows us to recruit and retain high quality employees who anchor the Reserve's capability and facilitate the opportunities for growth.

Visitor Sustainability – We are one of the major attractions in the region that transcends seasonality through its position as an integrated product within the wider Reserve's offering and a provider of high-quality year-round trail-based recreation and events.

PARK MAINTENANCE AND DEVELOPMENT

The MBIE-funded work on the Great Taste Trail components of the Kaiteriteri Mountain Bike Park were completed with the focus on improving access off Martin Farm Road with boardwalk, signage and interpretation. The Reserve is a key partner of the Great Taste Trail and an important destination en-route. Motueka High School pupils also assisted building boardwalks on the southern side of Easy Rider. Through the much-appreciated work of Gary Donaldson and Andrew Spittal, the new Estuary Pathway was built from the Martin Farm entrance around the estuary via Witel's Walk and through to the Reserve. This is a fantastic shared pathway for cyclists and pedestrians.

Managed by the Committee, additional activity in the park included tree clearance on Halfpipe, grooming the new Stephen's Bay access trail, Trapdoor flyover, skid site clearance, GST track clearance and tree felling on Upper Corkscrew. A new one-way downhill trail north of Ziggy was marked out for an intermediate grade volunteer build. This new track, named Cheeky Weka, was completed and GoneBurgers will develop a new kids burger in honour of it. We have also assessed a new advanced downhill line between Jaws and Corkscrew and are looking to expand Shady Hub.



TEAM MEMBER PROFILE

Ross Maley

KAITERITERI MOUNTAIN BIKE PARK MANAGER



Ross Maley manages the Kaiteriteri Mountain Bike Park, ensuring the tracks are fit to ride 365 days a year.

Ross grew up in Motueka attending Motueka High School before seeing the world. Returning home in 1991 he worked at Toad Hall and as an orchard contractor before joining the Department of Conservation in 2002 as a Ranger. Ross is experienced in restoration, weed and pest control and of course, track building.

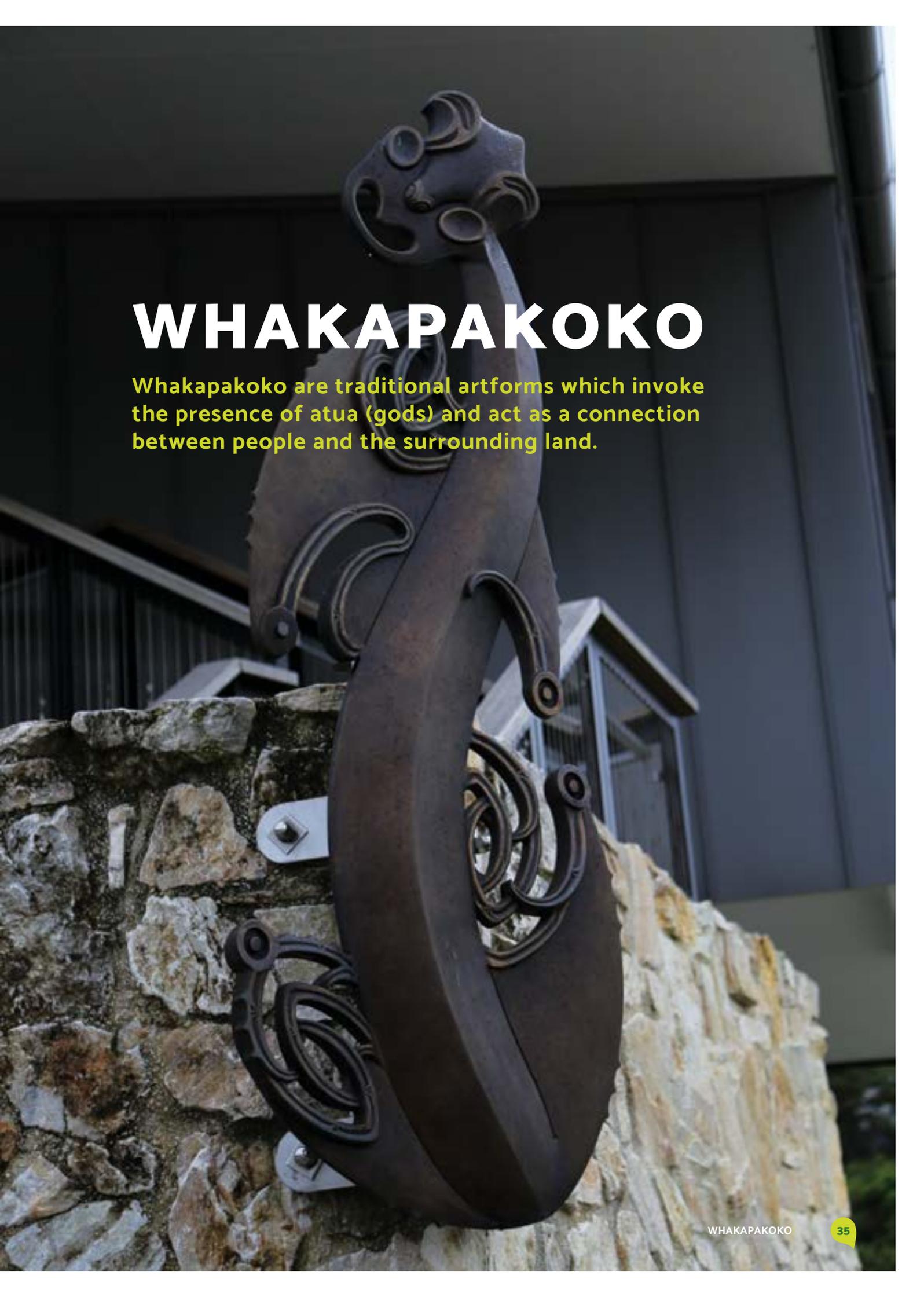
Ross has been building tracks and managing volunteers in the Park since its inception in 2009.

He has driven the focus on KMBP being a family friendly park with tracks for all abilities. With gorgeous wife Sarah and three young children, Ross has always had them and their peers in mind making the park fun and challenging to ride.

Ross has been pivotal in establishing the one-way network of tracks, and with the support of the KMBP committee continues to pursue new and exciting developments that will keep KMBP at the forefront of New Zealand's great mountain bike parks.

"Kaiteriteri is my happy place and I'm proud to contribute".





WHAKAPAKOKO

Whakapakoko are traditional artforms which invoke the presence of atua (gods) and act as a connection between people and the surrounding land.



Pre-dawn on Waitangi Day 2019, a bronze sculpture known as a whakapakoko, designed by renowned artist Rangi Kipa, was unveiled and blessed at Kaiterere by Wakatū Incorporation’s whānau, community and Reserve staff. Throughout 2018, Wakatū celebrated 40 years since the establishment of their incorporation and the artwork celebrates their special connection to this area. Unveiled by Rānui Young (Ngāti Rārua) and Wakatū’s chairman Paul Morgan, the design references the swirling waters of Kaiterere. Ngāti Rārua, Te Ātiawa, Ngāti Tama and Ngāti Koata are all associated with Wakatū, and representatives were present at the ceremony.

“Kaiterere was the site of negotiations in 1841 between our tapūna and Captain Wakefield of the New Zealand Company to agree the settlement of the Whakatū, Motueka, Mōhua districts and what became known as the Nelson Tenth. It was appropriate to unveil the sculpture on Waitangi Day, a day to reflect on our past and look forward to our future. Kaiterere is a popular beach and this sculpture is a reminder to everyone who comes here of an important moment in history. It represents the coming together of two cultures on one land and the migration of many people to Whakatū and Te Taihū. While this taonga reminds us about our past, it is also symbolic of discussions that are still ongoing today,” explains Paul Morgan.

Rōpata Taylor, General Manager Manaaki at Wakatū and a member of the Reserve’s Board stated “Whakapakoko are traditional artforms which invoke the presence of atua (gods) and act as a connection between people and the surrounding land. Many people are unaware of the layers of Māori history in this region and these taonga are one way of making our history and stories more visible”.

This sculpture joins other taonga throughout the region including carved waharoa at Te Puna o Riuwaka and two installed at Anchorage and Medlands in the Abel Tasman National Park.



COMMUNITY AND ENVIRONMENT

Hapori me te Taiao

**SUPPORTING OUR COMMUNITY,
HOSTING GREAT EVENTS AND
PROTECTING OUR ENVIRONMENT**





The Kaiteriteri Recreation Reserve ensures that our large parcel of historic land and beach environment is managed to the highest standards.

We work very closely with the Department of Conservation (DOC), iwi, conservation partners, local schools, community and guests to ensure best practice implementation. In 2019 the Reserve's environmental partnership work was recognised through a special merit award from Predator Free New Zealand and HAPNZ.

TASMAN BAY GUARDIANS AND BROOKLYN SCHOOL

Tasman Bay Guardians (TBG) is the regional provider trust for the nationally recognised aquatic educational programmes Experiencing Marine Reserves (EMR) and Whitebait Connection (WBC). The Northland based, Mountains to Sea Conservation Trust (MTSCT) founded and oversees these programmes, endorsing Tasman Bay Guardians for delivery. Tasman Bay Guardians sources funding and resources from the Kaiteriteri Recreation Reserve for the provision of programmes and associated community events. They also work with us to highlight and implement environmental actions and predator control on land and within the marine space.

In 2019 we helped Tasman Bay Guardians by providing funding for both WBC and EMR programmes to be delivered through Brooklyn Primary School. Brooklyn School's action was the Mana Whaitaki event held at Kaiteriteri for Seaweed. This event was a huge

success not only for the school students helping run the stations but for the students attending from other schools in the area. This annual event will also look at using the NIWA community science data app which is just up and running. Students will be able to add their field trip data via the app, helping gather national data. The WBC programme is also used for surveying inanga spawning sites, with action around habitat protection and improvement.

Tasman Bay Guardians has also become the regional provider for the Sustainable Coastlines Litter Project, gathering data via a beach litter audit which identifies litter type and issues related to that particular beach. The data is uploaded onto a national technical platform. We have a registered site on our Kaiteriteri foreshore which requires monitoring at least four times a year.

BLUE PENGUIN PROTECTION

The Kaiteriteri Recreation Reserve works with our community, guests, Tasman District Council and DOC to protect Blue Penguins and prevent their predation by dogs and other species. Nesting sites are located along the coastline from Mārahau to Tapu Bay and in the long term a cohesive conservation strategy encompassing this coastal stretch is essential for the wellbeing of the species. In the short term, a focus on the Honeymoon Bay, Breaker Bay, Kaiteriteri – Little Kaiteriteri, Dummy Bay, Stephens Bay and Tapu Bay stretch is required.

The Reserve and local community, led by Linda Jenkins, has focused its efforts on signage, communications, engagement and trapping programmes. Our provision of 40 nesting boxes in safe locations has assisted breeding pairs in raising their young by reducing the threat of dogs digging out burrows. Locating additional nesting boxes in the bush adjacent to the beach at each end of Little Kaiteriteri also provides additional protection to penguins nesting in those areas. Signage has been placed throughout the Reserve, in our facilities and in surrounding environments.

Stoat and rat trapping programmes have also been implemented. Traps have been placed in specific locations supported by engagement with guests and community through our Facebook page. In addition to our work with the community, restoration and trapping forms part of our wider cultural responsibilities and engagement with Ngāti Rārua and Te Ātiawa Ki Te Tau Ihu (Te Ātiawa), Ngāti Tama Ki Te Tau Ihu (Ngāti Tama) and Ngāti Apa.

PREDATOR CONTROL

The Kaiteriteri Mountain Bike Park's trapping programme started in 2014 and we make use of the cycle track network and park users to check the traps. The intention is to offset the negative effects of human activity in the bush and enhance the experience of park users. Predator trapping is also used to provide an education opportunity for school groups working on, or using, the tracks. The trap lines enclose about 90 hectares of largely native bush, plus an estuary providing protected habitat for Banded Rail. There are currently 150 traps in place. The traps are checked by volunteers who contributed over 300 hours during the year.

During the 2018/19 year we caught 13 stoats and 75 rats (12 and 88 the previous year). The highest catches were along the track that forms part of the Great Taste Trail into Kaiteriteri and this is also the track that has the heaviest visitor use. Since set up we have trapped 80 stoats and 275 rats. Bird life has increased with prolific Tui, Bellbird, Fantail, Quail and Weka as well as Robin and occasional NZ Falcon and Kea. There are also a number of Giant Snails (Powelliphanta) in one area. It is very likely that much of this activity is the result of a reduced predator population.

KMBP 12 month catches 2018/19

The June figure indicates an increase of predators associated with the beech mast year.

	Stoats	Rats
July	1	9
August	1	9
September	0	11
October	3	4
November	0	4
December	0	6
January	2	5
February	3	0
March	1	2
April	0	2
May	1	4
June	1	19



RESEARCH, SURVEY, MONITORING

In preparation for our historic landscape scale, spatial management plan, Davidson Environmental has recently completed an ecological report on Kaiteriteri Estuary, Beach and Kaka Point Historic Reserve. This ensures we have accurate scientific information and data including:

- Existing biological information.
- Habitat mapping and benthic characterisation.
- Birds, fish and invertebrates.
- Identification of ecological features and values.
- Summary of threats to ecological values and assessment of vulnerability.
- Assessment of estuary representativeness and ecological status.

EVENTS

The Kaiteriteri Recreation Reserve supported, hosted and managed many significant events throughout FY 2018 – 19. These events are an important component of the Reserve's unique offer and they also attract more customers and guests during shoulder and winter periods.

Kaiteriteri Weekender

The Kaiteriteri Weekender is owned and managed by the Reserve and Kaiteriteri Mountain Bike Park Inc. It is an annual fundraiser and an important part of the regional mountain biking event calendar. Held in April over two days, it involves a six-hour relay event followed by an Enduro and Whip-off. This year we also had a post event big screen movie night featuring some epic riding and bike-pack rafting. Separate to the Weekender, we continued to run the weekly winter Phat Night races which are very popular with the local riding community and included evening burgers and beers at GoneBurgers.





Lift Off Abel Tasman

Sponsored and hosted by the Reserve, balloons arrived from all over New Zealand to take part in what was a world first hot air balloon night glow on a beach. They were choreographed to music, with each balloonist operating their burners to create a stunning choreography of flames. The festival, held on Labour weekend, also featured skydiving and live entertainment. Especially commissioned for the Lift Off Abel Tasman Festival, the new 3,000m³ Abel Tasman balloon, complete with Reserve branding amongst other sponsors, was officially blessed on the first day of the event.

Abel Tasman Coastal Classic and Kaiteriteri Gold Half Marathon / 10km

Owned and managed by Nelson Events, the Reserve sponsors and hosts these two great athletic events which not only attracts many athletes and families but showcases Kaiteriteri and the beautiful Abel Tasman National Park during the months of October and March.

Waka Te Tasman

We have a long and proud history of supporting and hosting Kaiteriteri's annual Waka Ama event run by the Motueka Waka Ama club in November. This is a spectacular weekend of outrigger action with strong culture, heritage and values.

Summer Events Series

Managed on behalf of the Reserve by Sport Tasman, this series is held every January during the peak summer period and is designed to provide our guests with complimentary activities and entertainment. The series includes Kaiteriteri's Got Talent, a sandcastle competition, orienteering, beach games and a movie night. In addition, there are separate summer events managed by third parties including Beach Volleyball, One-Shot Golf (Motueka Rotary) and the Beach Family Fun Day.

K2M

The inaugural Nelson Airport K2M event was held in May and is owned and managed by John McIntyre. The Reserve is a partner and hosted the start of the longer biking and running legs between the Kaiteriteri Mountain Bike Park through to Mapua via the Great Taste Trail. This event proved very successful and the Reserve is looking forward to the addition of a kayaking leg at Kaiteriteri in 2020.

Mid-Winter Swim and Duck Race

The Reserve is proud to support Riwaka School's main fundraising event which is held every year at Kaiteriteri between June and August.

ATHLETE PROFILE

Raewyn Morrison PROFESSIONAL MOUNTAIN BIKER



Rae Morrison is a professional mountain biker from Nelson and is currently ranked 1st in New Zealand, 1st in Australasia and 8th in the world.

Rae is sponsored by a number of companies including the Kaiteriteri Mountain Bike Park where she loves riding and promoting. Rae travels the globe for six months every year competing in the Enduro World Series and rides for Liv Racing.

"I used to be a physiotherapist until I took a year off to travel and race my bike around the world. After a good season and some good results, I was picked up by a team and made the switch from physio to professional athlete as my day job. I love this lifestyle

and I am still blown away that I get to travel the world and have been able to turn my passion into a job".

Results 2019

- 1st Phoenix Enduro, Christchurch
- 1st TDS Enduro, California
- 1st Dodzy Memorial Enduro, Nelson
- 2nd Megavalanche, France
- 2nd and 3rd Sea Otter Enduro and DH, California
- 6th Enduro World Series round 6 and 8, Whistler and Zermatt
- 8th Overall Enduro World Series 2019





GOVERNANCE

Mana Whakahaere



CHRIS HAWKES - Chair

Being on the Board of the Kaiteriteri Recreation Reserve is a unique and truly satisfying experience. I particularly value contributing to an organisation that is considerably different and not readily emulated elsewhere. People, health and safety, well-being, sustainability, financial stability, environmental restoration, cultural and historical factors are key elements we consider on an ongoing basis. Working with the Board and senior executive staff members who have skills, passion, initiative and a best practice business mind set is very rewarding and stimulating. I am committed to our vision of being the premiere coastal outdoor recreation destination in New Zealand.



TIM KING - Deputy Chair

As a lifetime resident of the Nelson region Kaiteriteri has always been part of my life, visits to the beach and school camps both as a child and as a parent. Great place to take visitors to show off our fantastic area and start to many adventures in Abel Tasman. More recently a great weekend destination for mountain biking. It's a privilege to be involved in the running of such an iconic location where all the proceeds are reinvested to improve the experience and meet the challenges of increasing numbers of visitors and residents.



JOY SHORROCK

Kaiteritere has been my children's favourite swimming spot growing up. It is a safe place for our families and my community has enjoyed the many activities on the Reserve. With the recent developments we aim to provide improved services for the many visitors. There is more upgrades to come as we continue to complete the re-development. Food is a culture we want to be proud of so I hope you have had the opportunity to try out the new menu. It has been an honour to work with the Board members and staff who work extremely hard to ensure Kaiteriteri continues to be a great destination. Nga mihi Kia koutou.



ROPATA TAYLOR

My connection to Kaiteriteri is synonymous with my identity, as a member of the Iwi of these lands. It is a great privilege, often challenging, to contribute to the sustainable development of the reserve whilst retaining the special character of Kaiteriteri. I am very proud of the work completed on the reserve, and look forward to seeing the investment in design and infrastructure increase the quality of the visitor experience with this very special place. Kaiteriteri reflects much of what local people cherish about our iconic landscape, myself included.



MARIA FILLARY

I feel privileged to be serving on the Kaiteriteri Recreation Reserve Board whose mission is to provide affordable family recreation opportunities. I love that that the reserve offers something for everyone. I know this to be true with my own family, we love biking in the mountain bike park, playing at the playground and exploring the beach. I'm looking forward to being a part of the next phase of planning to connect all parts of the reserve and to ensure the values of the reserve are forefront so future generations can continue to enjoy all that the Kaiteriteri offers.



TERRY KREFT

Our many holidays at Kaiteriteri have always been some of my most special family memories and now our children are giving their children the opportunity to enjoy this naturally beautiful spot that is unique in New Zealand. As a Board member, I see an opportunity to give back to the community and environment that I enjoy living and recreating in. I want to ensure the natural beauty of this environment is maintained and enhanced and that as many people as sustainably possible can fully enjoy and afford this very special and uniquely beautiful destination. All profits earned from our various revenue streams are spent to effectively achieve this.



MARK TOWNSEND

Kaiteriteri resonates for me as an active family destination. I have fond memories water skiing around the bay as a child and later recreating with my own family swimming at the beach, jumping off the bridge at high tide, competing against each other at mini golf, zooming down the flying fox, or riding mountain bikes down JAWS! Lots of fun equals lots of energy to burn at this stunning location. As the local Department of Conservation representative on the Board, I'm keen to ensure the local Kaiteriteri coastal and estuarine environment is managed in a sustainable way with natural aesthetic appeal. Stage 1 and 2 of the recent re-development project is complete and I am now looking forward to contributing to Stage 3 - the landscaping of the beach frontage, car parking and estuary to enhance this iconic location.

FINANCIAL REPORT

Pūrongo Pūtea

FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2019

The Reserve Board is responsible for the preparation of these financial statements and the judgements used in them.

The Board is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board, these financial statements for the year ended 30 June 2019 fairly reflect the financial position and operations of the Kaiteriteri Recreation Reserve Board.



Chris Hawkes
Chairman



Tim King
Deputy Chair

29 November 2019

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2019

REPORTING ENTITY

The Kaiteriteri Recreation Reserve Board as defined in Section 2 of the Reserves Act 1977, is appointed to manage the Kaiteriteri Reserve, Motueka and is a Crown entity in terms of the Public Finance Act 1989.

These Financial Statements encompass the following activities of the Kaiteriteri Recreation Reserve Board:

- Camping Ground Operations
- General Store Operations
- Kai Café Operations
- Harbour and Beach Administration
- Mountain Bike Park.

The Recreation Reserve consists of 243 hectares of Crown Land of which the camp occupies approximately 13 hectares. The balance of the area is tidal estuary and bush covered hills.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with The External Reporting Board (XRB) Public Benefit Entity (PBE) Accounting Standards Reduced Disclosure Regime (RDR) – Tier 2. The Reserve Board has applied these standards as it is considered a Public Sector public benefit entity with a reporting period starting on 1 July 2018 and total expenses are greater than \$2 million and less than \$30 million and is not publically accountable.

MEASUREMENT BASE

These financial statements have been prepared on the basis of historical cost. These financial statements have been prepared in terms of Section 88 of the Reserves Act 1977.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and section 41 of the Public Finance Act 1989. For this purpose the board has designated itself as a public benefit entity.

The information is presented in New Zealand dollars.

SPECIFIC ACCOUNTING POLICIES

a. Plant, Property and Equipment

All plant, property and equipment assets other than land, which is not depreciated, are stated at cost less accumulated depreciation and impairment.

Depreciation of assets is calculated on a straight line basis so as to allocate the cost of the assets, over their estimated useful lives as follows:

- Land improvements: 12 – 67 years
- Buildings and fittings: 8 – 50 years
- Shop complex: 3 – 50 years
- Vehicles and motorised plant: 5 – 15 years
- Plant and equipment: 4 – 25 years
- Office equipment: 2 – 12 years
- Café / bar: 3 – 50 years.

b. Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis of accounting, except for debtors and creditors which are prepared on a GST inclusive basis.

c. Inventories

Inventories are stated at the lower of cost, determined by using the FIFO method or net realisable value.

d. Financial Instruments

The Board is party to financial instrument arrangements as part of its everyday operations. These financial instruments include accounts receivable and payable, cash and investments.

Investments are classified as held to maturity. They are measured at amortised cost using the effective interest method, i.e. interest is accounted for as it is earned.

The following methods and assumptions were used to value each class of financial instrument.

- Accounts receivable are recorded at expected realisable value.
- Financial instruments (including short-term deposits) are recorded at the lower of cost or market value.
- Shares in and deposits with Foodstuffs (South Island) Ltd are recorded at the value at which they were issued as rebates by Foodstuffs. The fair value of the shares is not known. They are not publicly traded and the Board does not have access to the information necessary to reliably estimate fair value.
- All other financial instruments, including cash and bank and accounts payable are recognised at their fair value.
- Interest is accounted for using the effective interest method.

e. Taxation

Kaiteriteri Recreation Reserve Board is a public authority in terms of the Income Tax Act 2007 and is therefore exempt from paying income tax.

f. Budget Figures

The budget figures are those approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

g. Employee Entitlements

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

h. Revenue

1. Goods Sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of good can be estimated reliably, and there is no continuing management involvement of with the goods

2. Services

Revenue from services is recognised to the extent that the service has been performed.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

CHANGES IN ACCOUNTING POLICIES

All policies have been applied on bases consistent with those used in previous years. There have been no changes to accounting policies other than disclosures required under PBE Tier 2.



STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2019

2018 (\$)	Notes	2019 (\$)	2019 Budget (\$)
Revenue			
1,927,183	Store	2,143,355	1,959,100
2,264,552	Camp	2,450,149	2,321,082
139,804	Reserve	113,310	102,720
1,915,654	Cafe	2,158,483	2,124,000
6,247,193	Total revenue	6,865,295	6,506,902
6,252,989	Total operating expenditure	6,476,706	6,228,867
64,729	Total finance expenses	55,115	60,000
(70,524)	Net surplus for year	333,474	218,035
-	Other comprehensive income	-	-
(70,524)	Total comprehensive income	333,474	218,035



STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

2018 (\$)		2019 (\$)	2019 Budget (\$)
9,512,646	Equity at 1 July	9,442,122	9,442,122
	Total comprehensive income for the year		
4,190	Store	71,671	39,432
529,295	Camp	672,656	541,609
(493,945)	Reserve	(483,056)	(555,054)
(110,064)	Café	72,203	192,048
(70,524)	Total comprehensive income	333,474	218,035
9,442,122	Equity at 30 June	9,775,596	9,660,157

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

2018 (\$)		Notes	2019 (\$)	2019 Budget (\$)
Current assets				
15,102	Goods and services tax		10,913	15,000
49,400	Cash and cash equivalents		334,841	192,891
58,211	Accounts receivable		8,855	40,000
45,731	Foodstuff – deposits	2	44,636	45,000
234,926	Stock on hand	3	239,429	208,000
403,370			638,674	500,891
Non-current assets				
55,689	Foodstuff pref shares	4	60,260	53,504
9,972,919	Plant, property and equipment	5	9,623,556	9,645,762
10,028,608			9,683,816	9,699,266
10,431,978	Total assets		10,322,490	10,200,157
Current liabilities				
443,189	Bank overdraft		–	–
141,204	Accounts payable – employee		181,622	140,000
99,726	Accounts payable – supplier		85,916	100,000
305,737	Deposits in advance		279,355	300,000
989,856			546,894	540,000
989,856	Total liabilities		546,894	540,000
9,442,122	Equity – accumulated comprehensive revenue and expense		9,775,596	9,660,157
10,431,978	Liabilities and equity		10,322,490	10,200,157

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

2018 (\$)		2019 (\$)	2019 Budget (\$)
Cash flows from operating activities			
<i>Cash was provided from:</i>			
6,318,391	Receipts from customers	6,811,703	6,473,050
129	Interest received	362	200
2,052	Dividends received	2158	2,000
(20,933)	GST (net)	8,826	2,514
6,299,639		6,823,049	6,477,764
<i>Cash was applied to:</i>			
3,616,214	Payments to suppliers	3,792,223	3,584,586
2,229,252	Payments to employees	2,220,680	2,171,164
64,729	Bank finance expenses	55,115	60,000
5,910,195		6,068,017	5,815,750
389,444	Net cash inflow from operating activities	755,032	662,014
Cash flows from investing activities			
<i>Cash was provided from:</i>			
52,062	Reducing Foodstuffs investment	64,134	44,666
52,062		64,134	44,666
<i>Cash was applied to:</i>			
547,850	Purchase of plant, property and equipment	90,536	120,000
547,850		90,536	120,000
(495,788)	Net cash outflow from investing activities	(26,402)	(75,334)
-	Cash flows from financing activities	-	-
-	Net cash inflow from financing activities	-	-
(106,344)	Net increase / (decrease) in cash held	728,630	586,680
(287,444)	Add cash at start of year	(393,788)	(393,788)
(393,788)	Balance at end of year	334,842	192,891
<i>Comprising:</i>			
49,400	Cash and cash equivalents	334,842	192,891
(443,188)	Bank overdraft	-	-
(393,788)		334,842	192,891



STATEMENT OF COMMITMENTS AND CONTINGENCIES

FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT OF COMMITMENTS

No commitments exist for the year ended 30 June 2019 or the previous year.

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

No contingent liabilities or assets existed for the year ended 30 June 2019 or the previous year.



NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2019

1. EXPENDITURE BREAKDOWN

2018 (\$)		2019 (\$)	2019 Budget (\$)
Operating expenditure			
1,953,118	Direct purchases	2,158,425	1,964,452
2,215,471	Wages	2,261,097	2,169,960
351,241	Management and board fees	332,303	343,784
226,226	Repairs and maintenance	177,988	205,266
120,308	Marketing and sponsorship	140,077	158,000
917,979	Other expenses	948,627	940,248
456,832	Depreciation	453,744	447,157
11,817	Loss on asset disposal	4,445	-
6,252,989		6,476,706	6,228,867

2. FOODSTUFFS DEPOSITS

Deposits are non-transferable with variable interest rates ranging between 0% and 2.70%.

(2018 0% – 2.95%) These relate to purchase rebates.

3. INVENTORY

No stock has been pledged as security for liabilities, or are subject to retention of title clauses.

4. FOODSTUFF SHARES

Shares are non-transferable redeemable preference shares with a face value of \$1.00 each. These relate to purchase rebates.

5. PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

	Land	Land improvements	Buildings and fittings
Cost			
Balance at 1 July 2017	383,184	1,556,538	5,468,740
Additions	-	20,892	7,780
Disposals	-	-	-
Balance at 30 June 2018	383,184	1,577,430	5,476,520
Balance at 1 July 2018	383,184	1,577,430	5,476,520
Additions	-	-	18,373
Disposals	-	-	(15,131)
Balance at 30 June 2019	383,184	1,577,430	5,479,762
Accumulated depreciation and impairment losses			
Balance at 1 July 2017	-	568,031	1,014,262
Depreciation expense	-	54,041	127,342
Loss on disposal	-	-	-
Balance at 30 June 2018	-	622,072	1,141,604
Balance at 1 July 2018	-	622,072	1,141,604
Depreciation expense	-	53,704	125,536
Accumulated depreciation on disposal	-	-	(8,650)
Balance at 30 June 2019	-	675,776	1,258,490
Carrying amounts			
At 1 July 2017	383,184	988,507	4,454,478
At 30 June 2018	383,184	955,358	4,334,916
At 1 July 2018	383,184	955,358	4,334,916
At 30 June 2019	383,184	901,654	4,221,272

	Retail complex	Vehicles and motorised plant	Plant and equipment	Office equipment	Café / bar	Total
	2,517,747	192,653	866,368	112,642	2,197,716	13,295,588
	47,699	-	15,882	30,162	421,802	544,217
	-	-	(3,189)	-	(114,064)	(117,253)
	2,565,446	192,653	879,061	142,804	2,505,454	13,722,552
	2,565,446	192,653	879,061	142,804	2,505,454	13,722,552
	29,918	1,391	10,322	12,679	38,966	111,649
	-	(12,444)	(5,365)	-	-	(32,940)
	2,595,364	181,600	884,018	155,483	2,544,420	13,801,261
	197,187	152,460	787,972	67,128	610,131	3,397,171
	124,903	7,639	33,444	13,091	96,372	456,832
	-	-	(2,104)	-	(102,266)	(104,370)
	322,090	160,099	819,312	80,219	604,237	3,749,633
	322,090	160,099	819,312	80,219	604,237	3,749,633
	109,930	7,616	30,337	15,386	111,235	453,744
	-	(12,444)	(2,074)	(2,504)	-	(25,672)
	432,020	155,271	847,575	93,101	715,472	4,177,705
	2,320,560	40,193	78,396	45,514	1,587,585	9,898,417
	2,243,356	32,554	59,749	62,585	1,901,217	9,972,919
	2,243,356	32,554	59,749	62,585	1,901,217	9,972,919
	2,163,344	26,329	38,947	59,878	1,828,948	9,623,556

6. FIXED ASSETS

The land on which the café is situated, on the beach front, along with land on Martins Farm Road has been gazetted to form part of the Recreation Reserve and is owned by the Crown. Although this land, is not owned by the Reserve Board, it is included as an asset as the Board financed both purchases and has the use and control of them. The Crown land (including the above two properties and the additional 181.28 hectares), managed by the Reserve Board has a current rateable valuation of \$12,500,000 (2018 \$12,000,000).

7. FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which potentially subject the Board to credit risk principally consist of bank balances, accounts receivable and investments.

Maximum Credit Risk Exposure

Maximum exposures to credit risk at balance date are:

	2018 (\$)	2019 (\$)
Loans and receivables		
Cash and cash equivalents	49,400	334,841
Trade and other receivables	58,211	8,855
Foodstuffs deposits	45,731	44,636
Financial liabilities measured at amortised cost		
Trade payables	99,726	85,916
Borrowings	443,189	-
Financial Instruments available for sale		
Shares	55,689	60,260

No collateral is held on the above accounts

Significant Concentrations of Credit Risk

Principally any risk is in respect of cash and bank, and accounts receivable.

The Board is required under the Crown Entities Act to invest in debt securities that satisfy a rating by Standards and Poor's rating of not less than A-. BNZ holds an AA- rating.

There are no major concentrations of credit risk with respect to accounts receivable.

8. FINANCIAL INSTRUMENTS

Interest Rate Risk

Liabilities

Bank overdraft \$nil (2018 \$443,189).

Interest rate 10.71% (2018 10.93%).

Assets

The investment assets are on call accounts with interest rates ranging from 0.10% to 2.70% (2018 0.10% to 2.95%).

Investment values

Fixed deposit investments as stated in the Statement of Financial Position, include interest accrued to balance date of \$nil.

9. RELATED PARTIES

Board member T King is Deputy Mayor of Tasman District Council.

During the year, the Board was involved in various transactions with Tasman District Council, these included the payment for water, rubbish, sewerage services and annual operating licenses. These were at rates no more favourable than other similar entities.

10. KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration paid during the year:

	2018 (\$)	2019 (\$)
Six paid Board members	32,809	47,797

The Board consists of seven members – one represents the Department of Conservation and is not paid by the Reserve.

	2018 (\$)	2019 (\$)
Six full-time paid management positions	525,651	570,711

During the 2019 year, six people in total held these six positions (2018 – seven people held six positions).

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAITERITERI RECREATION RESERVE BOARD'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The Auditor-General is the auditor of Kaiteriteri Recreation Reserve Board (the Reserve Board). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, of the Reserve Board on his behalf.

OPINION

We have audited:

- the financial statements of the Reserve Board on pages 46 to 58, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expenses, statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion:

- the financial statements of the Reserve Board on pages 48 to 58:
 - » present fairly, in all material respects:
 - its financial position as at 30 June 2019; 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 Public Benefit Entity Accounting Standards Reduced Disclosure Regime.

Our audit was completed on 29 November 2019. 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 Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

BASIS FOR OUR 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 audit opinion.

RESPONSIBILITIES OF THE BOARD FOR THE FINANCIAL STATEMENTS

The Board are responsible on behalf of the Reserve Board for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of the Reserve Board for assessing the Reserve Board's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Reserve Board, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Reserves Act 1977, Crown Entities Act 2004 and the Public Finance Act 1989.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, 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.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Board approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

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 risks of material misstatement of the financial statements, 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 Reserve Board's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reserve Board'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 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 Reserve Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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 Board are responsible for the other information. The other information comprises the information included on pages 1 to 47 and 62, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements 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 Reserve Board 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 Reserve Board.



John Mackey

Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand



DIRECTORY

BOARD OF DIRECTORS

Chris Hawkes (Chair)
Tim King (Deputy Chair)
Joy Shorrock
Maria Fillary
Ropata Taylor
Terry Kreft
Mark Townsend

SECRETARY

Nicola Bensemman

SENIOR MANAGEMENT

David Ross (Chief Executive Officer)
Nicola Bensemman (Commercial Finance Manager)
Rachelle Parkins (Guest Services Manager)
Dennis Petch (Operations Manager)
Rick Bensemman (Kaiteriteri Store Manager)
Grant Dicker (Restaurant Manager and Executive Chef)
Ali Kimber (Marketing Manager)
Ross Maley (Kaiteriteri Mountain Bike Park Manager)

REGISTERED OFFICE

Kaiteriteri Recreation Reserve
5 Kaiteriteri Sandy Bay Road,
Kaiteriteri 7197
New Zealand
Tel (03) 527 8010
info@krr.co.nz
www.experiencekaiteriteri.co.nz
www.bikekaiteriteri.co.nz

AUDITOR

Audit New Zealand (on behalf of the Auditor-General)

SOLICITORS

McFadden McMeeken Phillips
187 Bridge Street, Nelson 7010

BANKERS

Bank of New Zealand
181 High Street, Motueka



experience

Kaiteriteri

.co.nz



Te Rāhui Rēhia o Kaitereterē

Kaiteriteri

Recreation Reserve



Reserve Apartments
Reserve Camp
Kaiteriteri Store

