

ROGER WELLINGS

**“Investment Challenges and Opportunities
in the ~~Pacific~~ Solomon Islands”**

MY BACKGROUND + MY TONGA JOURNEY

- **10 YEARS AS AN ACCOUNTANT**
- **25 YEARS AND GROWING TO 60 STAFF SELLING HOLIDAYS TO THE SOUTH PACIFIC TO OVER 25000+ AUSTRALIANS EACH YEAR**
- **SOLD MY BUSINESS TO HOUSE OF TRAVEL NEW ZEALAND**
- **FORTUNATE ENOUGH TO NOT NEED A FULL TIME JOB**
- **SO DECIDED TO DEVELOP TONGA'S FIRST MAJOR FIRST CLASS RESORT (NOT MY MONEY – UNFORTUNATELY I'M NOT THAT RICH)**
- **4 YEARS, MANY CHALLENGES, SO MUCH LEARNT - NOW SO CLOSE**
- **TARGET FOR BUILDING TO START EARLY 2018**

SOLOMON ISLANDS

**"SO MUCH POTENTIAL
SO SOME TALK BUT MORE ACTION PLEASE"**



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- What is the problem?
- What is the cause of the problem?
- What are the possible solutions to the problem?
- What solution do you suggest?

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IS THERE A NEED/PROBLEM/CHALLENGE?

YES – NO MORE CONSULTANTS REPORTS PLEASE – WE ALREADY KNOW

Holiday Visitors '000's

COUNTRY	2004	2005	2006	2010	2013	2014	2015	2016
SOLOMONS						5	6	7
TONGA			22	15	18	18	17	23
SAMOA	29	33	42	49	45	46	52	57
VANUATU	48	48	53	81	89	86	64	71

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ROGER - WHAT SOLUTION DO YOU SUGGEST?

A major international brand name first class beachfront resort property, with a stage 1 of 140 rooms, will at 75% occupancy generate 10,000 plus new holiday visitors and will be the catalyst for a giant leap forward in the Solomon Islands tourism industry.

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IS THERE AN OPPORTUNITY FOR SUCH A PROPERTY ?

For opportunity we should read – will such a resort be “*a commercially viable and financially rewarding*” opportunity?

Before we proceed further should we get a specialist consultant to give us a report?

PLEASE NO!!! – Other countries in the South Pacific have already proved a resort like this is “a viable opportunity” over and over again – Let’s just do it.

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IT HASN'T HAPPENED YET – SO THERE MUST BE CHALLENGES/PROBLEMS? – YES BUT **ONLY 3!**

1. THE MONEY

Waiting for or actively trying to find the right investor, with US\$20 million spare cash, is a huge challenge and the chances we will are very slim.

2. THE RIGHT SUITABLE SITE

3. THE “PERSON” TO MAKE IT HAPPEN

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THE MONEY SOLUTION

Assuming The Project Will Be Commercially Viable (It Will Be) Who Are The Equity and Debt Funders?

- 1. Equity: Solomon Islands National Provident Fund**
- 2. Equity: Local Businesses With a Government Investment Taxation Incentive.**
- 3. Debt: Syndicate of Local Banks**

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THE SITE SOLUTION

This is a challenge but this is where it must be:

- It must be on the main island ideally within 20+ minutes, by road, of Honiara, on a beach and enough land to have a large resort pool, every room an ocean view and room for expansion.
- It will be the big brother that feeds the little brother outer island resorts.
- Possibly the biggest challenge but we must find a way.

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THE “PERSON” SOLUTION – WHAT DO THEY DO?

The project from start to completion. In a way this most important challenge to overcome – pulling it all together.

Here’s the site. The architect. The room design. The other facilities design. The total resort layout. The interior design. The brand name hotel management company. The total project cost. The project returns. The funding sources. The shareholder agreements. The builder contracts. The marketing plan. The resort open and operating.

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THE CRITICAL IMPORTANCE OF SOLOMON AIRLINES TO THE SOLUTION

WHAT COMES FIRST

- * Chicken OR Egg ?
 - * Resort Site OR Resort Finance ?
 - * Airline Seats OR Hotel Rooms ?
-
- One of the biggest financial winners from achieving what I have outlined is Solomon Airlines. The impact on their bottom line can be huge.
 - They are vital to playing their part in convincing equity investors that this is a viable project and worth the risk.

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THE CRITICAL IMPORTANCE OF THE GOVERNMENT TO THE SOLUTION



The two key Ministries are:

- Ministry of Culture and Tourism
- Ministry of Finance and Treasury

"These Ministries jointly need to clearly understand and agree with what we are trying to achieve - so that when we have commercially logical and reasonable requests – their attitude is come to us and we will quickly review and if we agree WE WILL MAKE IT HAPPEN"

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SO FOR "MORE ACTION PLEASE"
WHERE DO WE GO FROM HERE?

What I have outlined is **STAGE 1** for the plan for a huge leap forward in Tourism and that is all we should concentrate on.

STAGE 2 is next years seminar.

Once the site is secured construction (and the start of marketing) can begin 12 months later.

I would welcome the opportunity to contribute as I believe what has taken me 4 years in Tonga would take 1 year in the Solomons.