
From: Nicola Greenwell <nicola@waikatonz.com>
Sent: Monday, 22 April 2024 6:25 pm
To: haveyoursay
Cc: Helen Beever
Subject: RE: Long Term Plan - Submission from Hamilton & Waikato Tourism
Attachments: HWT Submission to Waitomo LTP 2025-35 22 April 2024.pdf

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Apologies for the incorrect attachment – take 2!
Thank you
Nicola

From: Nicola Greenwell
Sent: Monday, April 22, 2024 4:39 PM
To: haveyoursay@waitomo.govt.nz
Cc: Helen Beever <Helen.Beever@waitomo.govt.nz>
Subject: Long Term Plan - Submission from Hamilton & Waikato Tourism

Good afternoon

I have attempted to make an online submission for the LTP however there is nowhere to add a pdf...hence emailing.

Please find attached Submission to the Waitomo District Long Term Plan

Full Name Nicola Greenwell
Organisation Hamilton & Waikato Tourism
Phone 078430056
Address 201 Airport Road, RD 2 Hamilton
Postcode 3282
Email nicola@waikatonz.com

I wish to speak YES

Look forward to hearing from you and confirming presentation time at the Hearing on 28 May.

Regards
Nicola

Nicola Greenwell
Chief Executive
Hamilton & Waikato Tourism

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www.waikatonz.com



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22 April 2024

2025-2035 Long Term Plan
Waitomo District Council
Te Kuiti

Tēnā koutou katoa

Hamilton & Waikato Tourism (HWT) provides this submission to encourage Waitomo District Council to reconsider funding levels for the Regional Tourism Organisation (RTO) for the 2025-35 Long Term Plan and retain at the current level.

HWT is the Regional Tourism Organisation for Waitomo; along with neighboring districts of Hamilton city, Waikato, Waipā, Ōtorohanga and Matamata-Piako. Recent research confirmed total combined funding for Hamilton & Waikato Tourism from our six partnering councils is significantly lower when compared to the other 30 Regional Tourism Organisations throughout the country. Per capita, the funding we receive through Service Level Agreements places us 28th out of the 31 RTOs.

While there is strong case and evidence to support a request for additional funding, we are not seeking any funding increase in this LTP, despite the fact our buying power has been severely impacted by rising costs over the last three years.

Tourism is very important for the region and Waitomo district, with visitors contributing \$101million to the Waitomo district economy for the year to October 2023 – \$37million of this is from international visitors, and \$65million from domestic visitors. This is \$277,000 of new money injected into your economy each day.

Hamilton & Waikato Tourism's role is to grow tourism revenue through attracting more visitors to Waitomo and the mighty Waikato who stay longer and spend more. We do this by raising awareness, changing perceptions and building demand in target markets. We aim to attract domestic and international visitors and increase their length of stay and expenditure through effective destination marketing, development, and management activity.

Hamilton & Waikato Tourism promotes Waitomo and the mighty Waikato, and the tourism businesses within it, as a preferred destination for domestic and international business, events and leisure travellers and provides leadership in regional product and event development, investment, and sector capability.

As passionate ambassadors of Waitomo and the region, Hamilton & Waikato Tourism aims to ensure visitors are aware of and enjoy the wide variety of experiences and places on offer, in turn contributing to economic, social, environmental and cultural benefits for the community.

There is clear value and benefit from collaborating with neighbouring districts. Waitomo and each district need each other to leverage the diverse visitor experiences and services to offer a compelling visitor experience. Partnering with HWT is proven to be a strong collaboration model ensuring the region is represented efficiently and effectively.

Working under a private-public partnership model, funding from partner councils enables HWT to undertake core activities including regional product development, sector capability building and the promotion of the region to leisure and Business Events visitors, media and the travel trade. When a project is appropriate, we work alongside and collaboratively with other regional entities: Te Waka, Creative Waikato, Waikato Screen, etc.

Tourism has the ability to actively benefit the community across the four wellbeing pillars – social, environmental, cultural and economic. Also increasing the profile of Waitomo through HWT’s activities and channels is not only good for visitors – it is an important attractor for people who may want to invest, work and live in your district.

Supporting the sustainability of our visitor economy is not a luxury; it’s a necessity. The region cannot afford to lose visitor spend. We know with the right messaging, marketing, and mahi, tourism is an industry that adds value to the towns, districts, region and communities. If we take our foot off the accelerator now, long term damage will be done, and it will take more money and a very long time to catch up lost ground.

We need our regional and local leaders to understand and acknowledge the contribution of tourism to Waitomo and the mighty Waikato, and to recognise attracting visitors is a sound investment of ratepayer dollars. If funding is reduced, we will not be able to offer the level and breadth of current services. Cuts will be inevitable, which will result in less tourism revenue, less employment and a less prosperous Waitomo. At the very least, we request our current funding to remain unchanged to be able to stay competitive with other regions in New Zealand.

The HWT Board and HWT Shareholder are clear the indicated 60% reduction in funding will result in significantly less services from HWT, resulting in materially less tourism revenue into Waitomo district. Likewise, the HWT Board and Shareholder agree any contribution below \$70,000 is not viable and would not provide any impact for the district visitor sector. Therefore, minimum contribution is \$70,000.

Therefore, the recommendation in our submission is to reinstate funding to the level of the last three years so Waitomo’s tourism offer is able to be maintained at a compelling and competitive level.

Throughout the Long Term Plan process we have encouraged people to have their say, make a submission. It is therefore very concerning Waitomo’s intention to reduce funding to HWT is not mentioned in the LTP consultation documents, anywhere! This does not seem to be a fair and reasonable approach when consulting with the ratepayers who benefit from the visitor sector in Waitomo district.

On behalf of the board and management of HWT, we thank you for your consideration and urge reconsideration of the Long Term Plan budget for HWT.

Yours sincerely



Richard Leggat
Chairman
Hamilton & Waikato Tourism



Nicola Greenwell
Chief Executive
Hamilton & Waikato Tourism

Attached

- Submission to Long Term Plan
- Letter of Support – Tourism Industry Aotearoa TIA
- Letter of Support – Tourism New Zealand
- Letter of Support – Australasian Society of Association Executives
- Letter of Support – Explore Central North Island
- Letter of Support – Tourism Media Group

Submission to Waitomo District Council Long Term Plan 2025-2035

- Regional Tourism Organisation – nice to have
 Regional Tourism Organisation – must have

Hamilton & Waikato Tourism (HWT) is the official tourism organisation for the Waikato region. Our role is to attract domestic and international visitors and increase length of stay and expenditure through effective destination marketing, development, and management activity. HWT promotes Waitomo and the Waikato as a preferred destination for domestic and international business, events and leisure travellers and provides leadership in regional product and event development, investment, and sector capability. As passionate ambassadors of the region, HWT aims to ensure visitors enjoy the wide variety of experiences and places throughout the mighty Waikato, in turn contributing to economic, social, environmental and cultural benefits for the community.

HWT is funded through a public/private partnership with the region's tourism industry and six local authorities including Waitomo, Hamilton city, Matamata-Piako, Ōtorohanga, Waikato and Waipā. Funding is provided for services agreed to within a signed Service Level Agreement. This submission is made to the Long Term Plan to continue current funding through to 2035.



Our request

Waitomo District Council LTP indicates a 60% reduction in funding. Any reduction in funding will directly impact deliverables and service delivery. Reduction in funding directly impacts the services we are able to provide to the visitor sector. Less resources = less services. Less services will inevitably lead to less visitors. Less visitors equals less visitor spend in our communities. This will impact communities across Waitomo and the mighty Waikato.

In the 12 months ended October 2023 visitors spent \$1.9billion in our region; of this \$101million is in Waitomo district. This equates to \$277,000 of new money being spent in the district each day. This is at risk should the RTO be unviable, or activities seriously diluted. By making the decision to shave just \$42,000 from your budget, you put visitor expenditure in your district at risk. (SOURCE: MBIE [Month Regional Tourism Estimates](#))

While we acknowledge the council finances need addressing and 'tough decisions' need to be made, our submission to Waitomo District Council urges reconsideration of funding allocation to the Service Level Agreement with Hamilton & Waikato Tourism. The HWT Board is clear the current proposed 60% reduction in funding will materially reduce the services we provide.

HWT Board and our Shareholder agree any council contribution below \$70,000 is not viable and would not provide any impact for the district visitor sector. Therefore, minimum contribution is \$70,000. This has potential therefore to be an "in" or "out" decision for Waitomo District Council.

Introduction

1. Tourism Waikato was disestablished in 2006 when Hamilton City Council withdrew funding to secure the V8 Supercars event. This resulted in a significant decline in domestic and international visitor expenditure, a drop in overnight stays, lack of national and international tourism profile and destination marketing.
2. Hamilton & Waikato was re-established 1 July 2011. HWT is the Regional Tourism Organisation (RTO) for the mighty Waikato region. The core purpose of HWT is to promote the region as an appealing destination to international and domestic visitors in order to generate economic benefits for the region and its communities.
3. We understand the economic climate is tough and councils need to make savings in operating expenses. We therefore avoided requesting additional or increased funding. If funding can be maintained at current levels we will need to reduce some activity, given the impact of inflation on costs over the last three years, but overall, we believe we can be an active and effective RTO.
4. We understand savings need to be made. However, given the current funding amount for HWT is just **0.015%** of the council forecast operating budget the saving the proposed cut provides has minimal impact on your operating expenses but a very large impact on HWT's viability. We propose the indicated reductions as part of the LTP are too great and must be reconsidered.

Value of Tourism to our economy

5. Visitors spend \$1.9billion in our region; this means \$5.1million each day is added to our regional economy, and as stated earlier \$101million is going directly to Waitomo district.
6. We achieve 6.3% market share of visitor spend across the country. With reduced activity from HWT, if the market share should drop just half a percent, this would mean \$149million less spent in the region per annum; or \$400,000 dollars less per day.
7. Data tell us 12,200 people are employed directly within the visitor sector in our region. On average, for every \$151,254 visitors spend, this equates to one job. Therefore, if our visitor spend reduces by \$149million, this has potential to impact 985 jobs in our community!
8. Similarly, 10% of New Zealand's Business Events are hosted in our region. This is 720 events hosting 94,400 delegates. If our market share should drop, the impact on venues, accommodation, event services etc would be negative.
9. Tourism is an important contributor to the region, not only in terms of the direct expenditure and employment generated, but also in terms of the broader economic development platform it provides. For example, the experience someone has in a region strongly influences their perception of that region as a place to live, work, study or invest. This applies to both visitors and residents.



Value of Tourism to Waitomo district

10. Visitors spent over \$101 million in Waitomo YE October 2024 - \$37 million from international manuhiri and \$65 million from New Zealanders.

11. During 2023, 124,300 guest nights were enjoyed in commercial accommodation – occupancy rate of 47%.

12. The mighty Waikato is well known for three key 'hero' experiences – Hobbiton Movie Set, Hamilton Gardens and Waitomo Village. Waitomo images feature prominently on much of our work, across all markets. We recognise and celebrate all aspects of Waitomo village experiences, above and below ground.

13. Fresh and wastewater utilities are provided in Waitomo Village by your latest tourism operator – THL.

14. Tourism operators are rate payers and employers in your district. If the operators business situations weakens due to weakened RTO provisions, this will impact on your communities. Tourism is part of the community and provides many benefits.

15. Central Government tourism funding has been provided to Waitomo district over the past few years. These developments have been justified through visitation and are of benefit to your residents. In most cases, the RTO added advice and input into the applications and letters of support provided to strengthen your applications:

- a. Tourism Infrastructure Fund – support through the RTO = \$672,500
 - i. Enlarging the public toilets at Mokau
 - ii. Installation of public toilets at Kiritehere and Waikawau
 - iii. Safety enhancements to Legends Walkway with Te Kuiti Legends sculptures
 - iv. Safety upgrade to walking tracks across Brook Park to summit of Motakiora
 - v. Improvements to Mokau toilets
- b. Responsible Camping Fund = \$480,400
 - i. Cooking and bathroom facilities at Te Kuiti and temporary toilet facilities at Mokau
 - ii. Two responsible camping wardens and operational costs of toilets and rubbish facilities

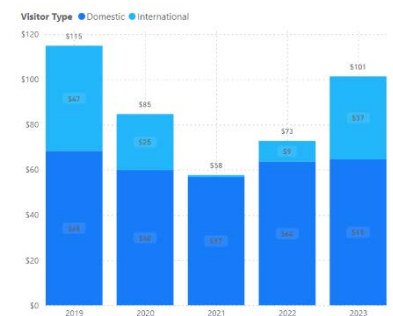
Examples of additional value the RTO has provided to Waitomo district

16. The COVID-19 global pandemic has been devastating for many sectors – the visitor sector in particular. Those relying more on international visitors suffered a much longer 'tail' of effects. Waitomo district, the Waitomo Village in particular, will take quite some time to rebuild businesses to their former glory. Our team supported your tourism operators throughout lockdown phases – advice, connecting them to business advisors, assisting with government funding applications, being an ear for them.

17. When Central Government provided Covid recovery funding through RTOs to stimulate tourism as an economic enabler, we provided additional bespoke support specifically for Waitomo operators:

- a. Domestic Campaign – Waitomo Weekends – specific Waitomo campaign to highlight all the activities on offer there. This campaign ran through January and February 2022.
- b. Government provided wellbeing assistance to some destinations with ongoing effects of low international visitor numbers, but neglected Waitomo in that package. We therefore allocated funding from RTO funding received from government to provide EAP Services for our Waitomo village-based operators.

Total Visitor Spend (\$M) - YE Oct '23



18. Recent projects delivered by the RTO of benefit to Waitomo district by utilising the central government Covid recovery funding to RTOs:
- Waikato to Taranaki Way – a curated map and itinerary for an easy, self-driving journey along the west coast of the North Island from Port Waikato to Paritutu in Taranaki. The itinerary recommends a number of activities and attractions in the Waitomo district, to discover local stories and facts, places of cultural significance, and stunning views along the way.
 - Tiaki in Waitomo explores the important mahi being undertaken by tourism operators in Waitomo to ensure the experiences they offer actively care for people and place, through a series of engaging videos and articles. By showcasing these stories, we help inspire other locals, manuhiri and industry alike to embrace Tiaki. Six operators and Waitomo District Council were included in the written and video case study series. This project generated great media coverage including King Country News, tourism publications, Tourism Export Council (international) and videos were included on Air New Zealand's global Inflight Entertainment system (from Feb 2024). Tiaki Promise decals were provided to Waitomo businesses for display/promotion and custom Tiaki Promise decals were designed and provided for Waitomo District Council to use on rubbish bins across the district. This project was so successful that Hamilton City Council have now commissioned the team to replicate this in Kirikiriroa.
 - We have recently begun work to develop a digital online experience within Te Kuiti. This is work in progress along with the Waitomo District Council team.
19. Due to HWT having strong events capability, the team are the Lead Entity for the Thermal Explorer Regional Events Fund. This fund has provided assistance to the Waitomo Trail Event hosted in your district. This is only accessible through the RTO – if there was to be no RTO, then central Government funding like this may not be available.
20. Assistance to the visitor sector when weather incidents occur. During the weekends of the Auckland Floods and Cyclone's Hale and Gabrielle in January 2023:
- the Visitor Sector Emergency Advisory Group was activated by MBIE – Waitomo visitor sector was represented by the RTO during these meetings.
 - We became aware reinstatement of State Highway 37 was not a high priority for Waka Kotahi and while Waitomo operators were able to host visitors, visitors were not able to get there. We connected with Waka Kotahi and were able to elevate this work and had the road open the next day.
 - Government provided Cyclone Recovery Funding but excluded Waikato. After much lobbying for our region by your RTO, MBIE clarified that, indeed, Waikato businesses could apply for business support. We are aware a number of our visitor operators successfully applied.
21. If the RTO was not well resourced, or in fact not there, council will need to have a plan to deliver some of the above advocacy, support and services to your visitor businesses.

What residents say

22. Research carried out surveyed what our residents consider to be the benefits of tourism, and the challenges tourism brings to their community. 85% of our residents acknowledge they experience benefits from tourism, including more businesses, more employment, inspiration to travel domestically, and a greater variety of goods/services available.
23. Waitomo residents identified the key benefits of tourism delivering enhanced profile or identity of my local area, more local businesses opening or being able to stay open, and greater opportunities for employment. They also said the community is more vibrant and a friendly place to live due to tourism.

Helping to achieve your goals

24. The tourism industry delivers to the goals outlined in the previous, and this, Long Term Plan
- A prosperous district
 - A district that cares for the environment
 - A district for all people
 - A district that values culture

COMMUNITY OUTCOMES



A prosperous district



A district that cares for its environment



A district for all people



A district that values culture

The visitor sector provides vibrancy of place; provides jobs and therefore prosperity. The visitor sector is also the “shop front” to attract investors and people who may look to move to Waitomo for work or investment.

Comparative funding for other RTOs

25. Research conducted comparing funding to each of New Zealand’s RTOs by population indicate we are 28th out of the 31 RTOs, at our current funding levels. While we do all we can, it is a fact we compete with the other 30 RTOs for visitors, especially domestic visitors, and even on current funding we are pushing uphill. The proposed funding cut strongly suggests Waitomo does not value the tourism dollar relative to other NZ districts.
26. Regional Tourism Organisations compete for visitors, events and conferences. If HWT is not funded appropriately, we will not be able to remain competitive in the NZ tourism sector.

Result of reduced funding

27. Payment towards HWT activity is by way of Service Level Agreement, ie: HWT provides a service for our six council. This is not a grant nor a handout. The RTO delivery these services on behalf of the partnering council. Without sufficient payment to conduct these services each council will need to have plans to deliver a number of these specialist tasks in-house or forgo them completely.
28. The reduction by Waitomo District Council of \$42,000 is a relatively small budget amount for your operating expenses, 0.015%. While the impact for HWT and Waitomo tourism operators is major.
29. HWT Board and our Shareholder agree any contribution below \$70,000 is not viable and would not provide impact for the district visitor sector. Therefore, minimum contribution has been set at \$70,000. This has potential to become an “in” or “out” decision for Waitomo District Council.
30. With other partnering councils also reducing by significant amounts, the current proposals have the potential to result in an approximate 40% reduction of budget. This will massively weaken the competitiveness of the RTO and our effectiveness.
31. When changes affect the visitor market, the RTO is there to provide expertise, support and guidance. This could be with negative incidents, ie: global pandemic, cyclone damage; or with positive changes, ie: new development/investment; or assisting maximising the impact of significant events, ie: FIFA Women’s World Cup. A well-resourced RTO is here to support the sector through these times. Current proposed funding means the RTO would not be resourced sufficiently to assist during these times.
32. As Waikato Regional Airport Limited (WRAL) is HWTs shareholder, the WRAL board will make the ultimate decision on whether the organisation and work is viable to continue or disband the RTO function.

Conclusion

33. HWT thanks Waitomo District City Council for its support over the past 12 years.
34. Looking forward, the region needs tourism growth to increase the prosperity and living standards of its people. We can only do this by continuing a collaborative and long-term strategic approach, led by an appropriately funded and resourced Hamilton & Waikato Tourism.
35. Reduced funding will result in reduced services from HWT, with significant negative impacts on the sector and community.
36. **HWT would like to request to speak to this submission at the LTPs hearings.**
37. All enquiries should be made to Nicola Greenwell, CE of Hamilton & Waikato Tourism. Email nicola@waikatonz.com or phone 07 843 0056.

Recommendation

38. Waitomo District Council continues its partnership with Hamilton & Waikato Tourism in collaboration with other Waikato based councils;
39. Waitomo District Council elected members to reconsider funding of Hamilton & Waikato Tourism;
40. Waitomo District Council commits investment to Hamilton & Waikato Tourism to the same level as currently invested (\$72,338) with annual CPI increases in the Long Term Plan 2025-35; and
41. If Waitomo District Council decide to reduce contributions below the \$70,000 threshold, please reconsider and reconsider again. The impact on the Waitomo visitor economy would be substantial.

Thank you for the opportunity to submit to Waitomo District Council's draft Long Term Plan 2025-35.



Richard Leggat
Chairman



Nicola Greenwell
Chief Executive

~~Regional Tourism Organisation – nice to have~~
Regional Tourism Organisation – must have

Appendix – quick facts, data and insights

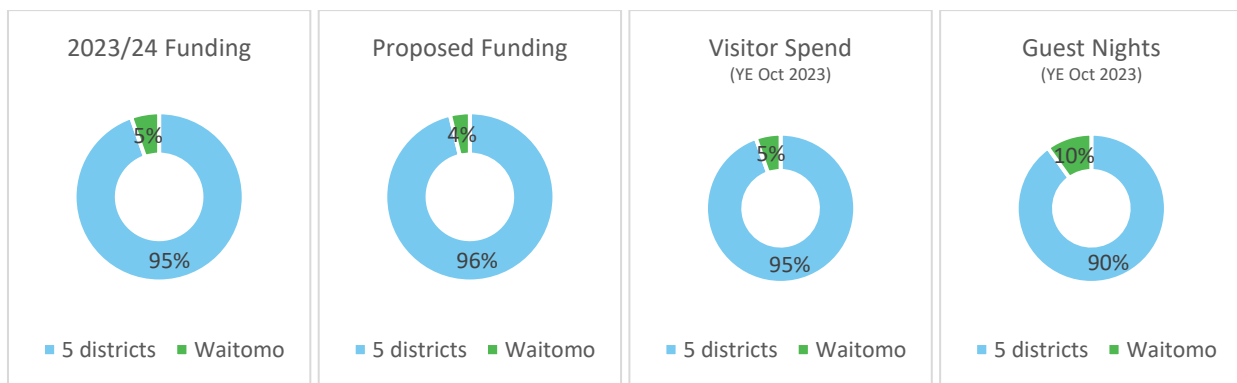
Visitors contribute \$101 million to Waitomo’s economy – a return of \$1,402 for each dollar contributed by Waitomo DC to HWT’s work. While no concise measure to indicate how much of this is due to the RTO’s work – if we assume as low as 3% - our activity directly contributes \$3 million – for an investment of just \$72,000.

(Source: [MBIE Monthly Regional Tourism Estimates](#))

Proposed funding across the six partnering councils results in a smaller budget than the initial budget when HWT was re-established in 2011.

We are the only RTO with six contributing councils (every other RTO has less than this). We have the 4th largest city in our region. We are a large region, and yet... our funding per person compared to other RTO’s – we are 28th out of 31 RTOs. Overall, HWT receives \$3.44 per person across the region.

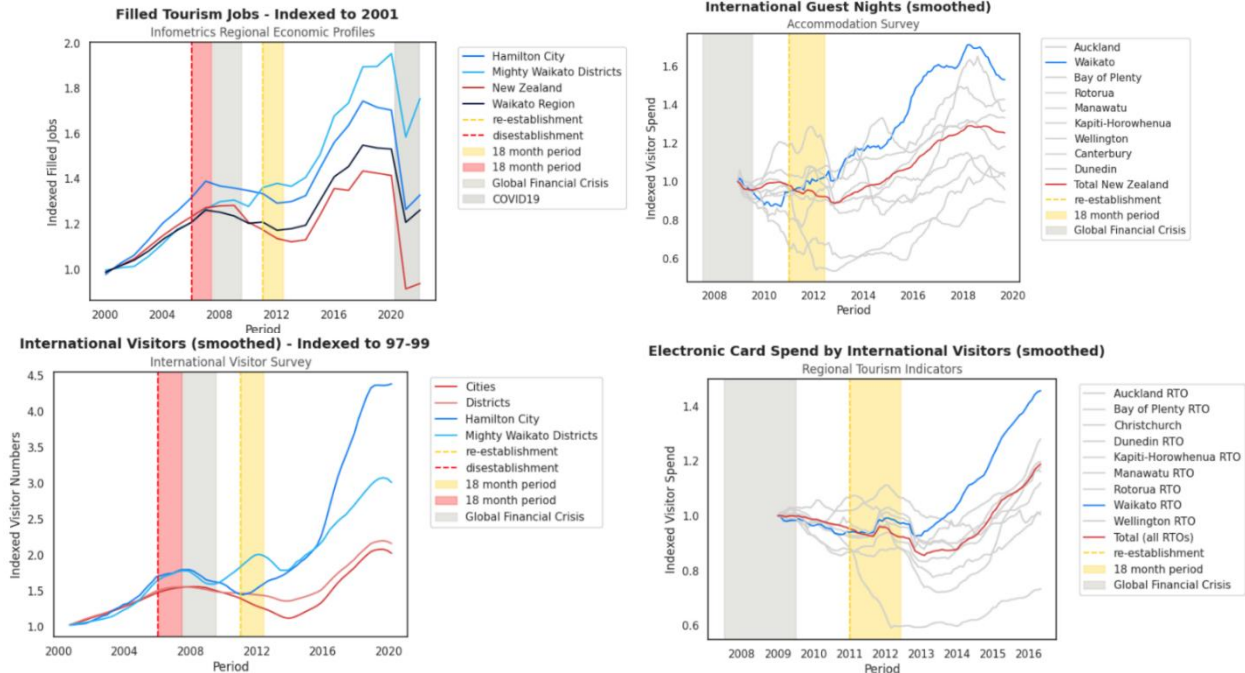
(Source: [RTNZ Project Tōnui](#))



The abstract, often unseen, support provided by the HWT team:

- Cyclone Gabrielle – Government provided Cyclone Recovery fund which omitted Hamilton and Waikato. HWT successfully advocated on behalf of the operators who suffered damage and had to close for weeks in order to repair such damage.
- Covid-19 Global Pandemic – hours and hours of work supporting our sector navigate the new rules and government subsidies. Provided many webinars on cash flow management, business plans, resilience, digital activations and many more subjects. Instigated the “mighty Local” activations, providing information to our local community at the various ‘alert’ levels.

Waikato Tourism disbanded in 2006. There was no RTO in our region for 5 years. Visitation, guest nights, visitor spend and jobs decreased during this period. We have seen increases in all since the re-establishment of HWT.



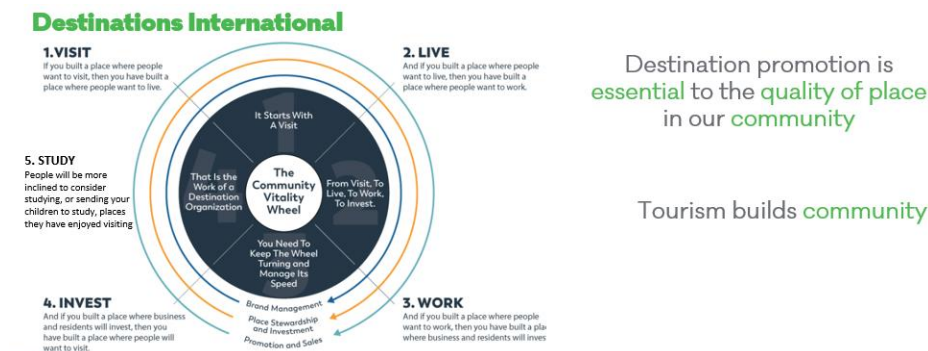
In 2019 tourism was number 1 export earner for NZ at \$41 billion. While the sector has suffered due to the Covid-19 pandemic, 2023 Tourism Satellite Account shows visitor sector contribution to NZ of \$38 billion. Recovery post-covid is very strong. Tourism is expected to once again claim the Number 1 export earner title very soon.

(Source: [Tourism Satellite Account 2023](https://rtnz.org.nz/project-tonui/))

Case Study: a video that showcases the impact of reduced RTO activities: [What happens when you cut a destination’s marketing budget? The story of Colorado Tourism – a cautionary tale](#). The report can be found [here](#).

Case Study: report from US Travel Association – [“What’s at Stake When Destinations Stop Marketing: The Power of Travel Promotion”](#)

Quote from **Stephen England-Hall** during early part of Covid-19 global pandemic. At the time, Stephen was CE of New Zealand Tourism: *“Tourism New Zealand continued to keep the New Zealand brand alive in other international markets to keep New Zealand’s destination brand present in the minds of our audience and avoid ‘going dark’.... A year of not promoting a destination could mean up to three years of trying to recover that lost ground, amid intense competition from other countries for tourists.”*



Waikato NZ
5 April at 10:16

There's always an exciting range of events happening around the Waikato - from great concerts and gigs to family-friendly shows and thrilling sports events.

Check out all upcoming events here: <https://bit.ly/3Q42nAK>

Waikato NZ
8 March

Underground or on the ground, there's much to explore in the world-famous Waitomo region. Explore the stunning underground world with glowworms, stalactites, and stalagmites or enjoy zany adventure activities like blackwater rafting and abseiling. Above ground, there's hiking, scenic limestone outcrops, charming country towns and much more.

Not to miss:

- Waitomo Glowworm Caves, Aranui Cave & Ruakuri Cave
- The Lost World, Waitomo Adventures Ltd
- Legendary Black Water Rafting Co.
- Spellbound Glowworm and Cave Tours, Waitomo NZ
- Waitomo Caves Museum and Discovery Centre
- Piripiri Cave Walk and much more

Plan your Waitomo adventure here: <https://bit.ly/3wQq0r>

WAIKATO EVENTS APRIL 2024

The Last of Summer Carnival
Claudelands Events Centre, Hamilton

NZDRA Dragon Boat Nationals
Lake Karapiro, Waipa

Aromax Kiwi Walk & Run Series
Hamilton Gardens, Hamilton

The Great NZ Muster
Main Street, Te Kuiti

Six Extinctions
Waikato Museum, Hamilton

Grins Night of Champions
Cambridge Raceway, Waipa

Madagascar The Musical
Clarence St Theatre, Hamilton

Long Course Weekend
Mighty River Domain, Waipa

Avis Magic V Mg Mystic - Hobbiton Movie Set Cup
GLOBOX Arena, Claudelands, Hamilton

Outings At Woodlands
Woodlands Estate, Gardenton

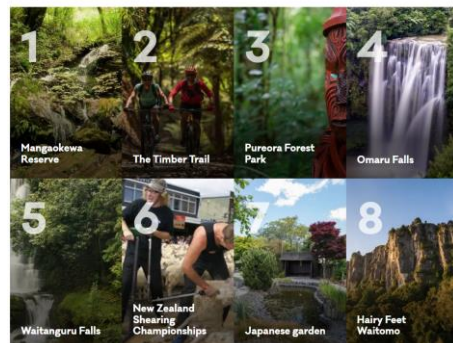
Dragon 50th Anniversary Tour
GLOBOX Arena, Claudelands, Hamilton

ANZAC Day across the Waikato

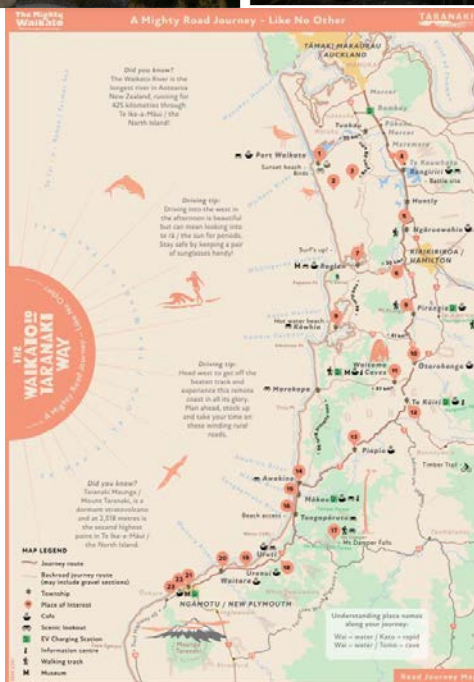
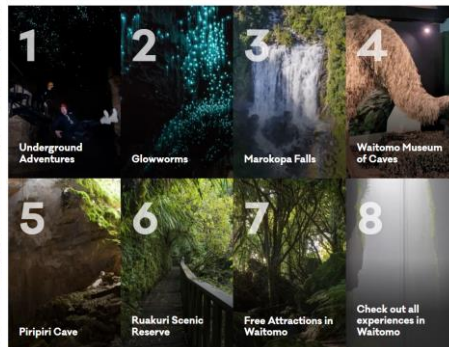
Tainui Waka Kapa Muka Festival 2024
GLOBOX Arena, Claudelands, Hamilton

For more events and information visit: www.waikato.com/events

Top Things to do in Te Kuiti, Maniaiti / Benneydale and Piopio



Top Things to do in Waitomo





9 April 2024

Nicola Greenwell
Chief Executive
Hamilton & Waikato Tourism

By email: nicola@waikatoz.com

Kia ora

Long-term Plans 2024-2034 for Waikato Councils: TIA Submission

Tourism industry Aotearoa welcomes the opportunity to set out the importance of continued Council investment into the tourism-related functions carried out by Hamilton & Waikato Tourism.

Key feedback

TIA views tourism as being an enormously beneficial contributor to people and place. The tourism and hospitality industry is integral to our national identity; when it thrives, so does New Zealand. It brings economic diversity, resilience, generates jobs and fosters regional prosperity while showcasing our cultural richness and timeless experiences, fostering pride and social connectivity both locally and globally.

Across New Zealand, local government is under immense pressure. TIA recognises this pressure, and the difficult decisions Councils are tasked with making. Notwithstanding this, we submit that funding for core tourism activities by Councils is an investment in the economic health and future prosperity of the towns, cities and region of the Waikato, an investment that will generate a healthy return on investment (ROI).

It is our understanding that tourism functions of Hamilton & Waikato Tourism are signalled as reducing in the long-term planning processes of the six Councils.

Given what the international evidence base tells us, we believe it is important to treat Council spend in these tourism functions as an investment, and not a cost. This spend will generate a dividend in the form of increased economic activity, increased Council revenues, more and better jobs, and increased vibrancy across the city. During this period of slowing economic growth and increasing headwinds, enabling buoyant tourism activity is a logical and prudent step for Councils to take.

TIA recommends that:

Each of the six Councils who collaborate and partner with Hamilton & Waikato Tourism ensure that funding provision for the Service Level Agreement is retained and maintained in their Long-term Plans so that the wider Waikato region can accrue its return on investment in these tourism functions.

Tourism Industry Aotearoa

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With around 1,300 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA is sharply focused on ensuring the sustainable future of the industry, and this is clearly articulated in our key guiding documents and programmes. These include the tourism industry's strategic framework, *Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku, and the industry's sustainability platform New Zealand Tourism Sustainability Commitment - He kupu taurangi kia toitū ai te tāpoitanga.*

Tourism 2050 has ten Actions, one of which is 'Address Industry Funding' which includes local government funding for tourism. It is a priority for TIA that substantive progress is made in this area, and sustaining Council funding levels form part of this.

The tourism industry

Tourism is the movement of people to places where they don't normally live to 'do, see, visit or experience'.

In the year to March 2023 (the latest data point we have) tourism expenditure was \$37.7 billion, and with tourism making up 11.4% of exports and supporting 11.3% of New Zealand's employment.¹ Since then, further recovery has taken place as tourism works to restore its position alongside Dairy as New Zealand's largest export earning sectors.

The Waikato region received \$1.9b of international and domestic spending in the year to October 2023.² It hosted 1.3 million guest nights per year, or 3.3% of New Zealand's total guest nights.³ As such, tourism plays an important role within the region.

Nature of this submission

TIA recognises that the Regional Tourism Organisation of the Waikato region, Hamilton & Waikato Tourism, is supported and funded by six City or District Councils – Hamilton, Waipa, Waikato, Waitomo, Otorohanga and Matamata Piako.

This makes it important that the contributions from each Council are in place to ensure that Hamilton & Waikato Tourism has the capacity and critical mass to drive the growth and development of tourism in your region.

As such, this submission is designed to inform each of the six Councils about the importance of sustaining tourism functions as a driver of economic and social well-being in each of the Council areas and across the region.

Tourism spend is an investment

Council spending on tourism activities such as destination marketing and events promotion is widely considered to be an investment, not a cost.

As an investment, resources spent in these areas generate a return over and above the direct cost, and that is why countries and cities around the world invest in these functions. Generally, for every \$1 invested in the local visitor economy there is a direct return for the funding party, such as the local government entity, and with a larger benefit for businesses and people working in the local economy. This is the globally accepted rationale for destination marketing and events attraction activities.⁴

¹ Tourism Satellite Account, YE March 2023, Stats NZ, February 2024.

² Monthly Regional Tourism Estimates, YE October 2023, MBIE, 2023.

³ Data Accommodation Data, YE February 2024, MBIE, 2024

⁴ There is extensive literature on the Return on Investment from destination marketing. However, there is a vast number of ways ROI can be calculated depending on the methods used. What is common is that the ROI is invariably positive, and usually strongly positive. In analysis by Oxford Economics for the World Travel and Tourism Council (WTTC) the following ROIs were cited: Visit Denmark: ROI 16:1, Visit Scotland: ROI 20:1; Australia's 'A Different Light campaign': ROI 64:1; Canada Tourism Commission: ROI 38:1; Visit California: ROI of between 25:1 and 200:1 depending on target market.

In cases where such funding has been withdrawn, the consistent outcome is a discernible decline in tourism activity and, over time, reinstatement of the funding, followed by a gradual period of catch up. The case study evidence shows that when tourism related investment is cut, visitor spending starts reducing immediately and continues to decline. Fortunately, there are not too many of these case studies because funding reductions are quite rare which indicates that the boost generated from this type of investment is recognised and valued.

The Colorado example is widely held as the classic case study.⁵ When Colorado's \$12m tourism marketing budget was cut to zero in 1993, annual visitor spending reduced by \$1.4b initially and then to \$2b annually. State and local taxes fell by \$134m. With reinstatement of funding to \$17m in 2006, the advertising spending of \$10.7m generated an additional \$2.1b of visitor spend and additional tax revenue of \$139m. For the State funder, for every dollar it spent, it received an additional \$12.96 of tax revenue. A 13:1 return.

Similarly, in 2013 the San Diego Tourism Authority had its budget reduced by 83%, down from \$28m to \$4m.^{6 7} Over the following year, this rapidly impacted the performance of the San Diego hotel industry, with room demand, occupancy and price levels all trailing other regional and national destinations that had maintained funding. As funding was returned, the market position was restored reasonably quickly.

Events play a very important role in creating demand of high value visitors, and as a lever for tackling hard-to-address issues such as seasonality or time-of-week fluctuations. This elevates the benefits from investing in programmes that attract events and particularly those that can provide a boost to fill what would be an otherwise quiet period. Through having an ability to attract events, regions can create a more even and predictable demand pattern that can sustain businesses and the jobs that they create.

TIA submits that, in line with international evidence, the Councils that support and enable Hamilton & Waikato Tourism to ensure there is sufficient base funding for tourism functions in the interest of gaining both the return on investment and the intangible place-making and community benefits that will accrue from this expenditure.

Conclusion

Thank you for the opportunity to express our views and we would be most happy to expand on any points raised in this submission.

Please do not hesitate to get in contact if you have any queries. Bruce Bassett can be contacted on 021 609 674 or bruce.bassett@tia.org.nz.

Ngā mihi,



Rebecca Ingram
Chief Executive

⁵ <https://acrobat.adobe.com/link/review?uri=urn%3Aaid%3Ausc%3AUS%3A5f329423-2212-352a-91b4-718798f774c2#pageNum=1>

⁶ https://www.sandiego.gov/sites/default/files/tmd_tourismeconomics072916.pdf

⁷ https://www.ustravel.org/sites/default/files/media_root/document/POTP_Negative_Case_Studies.pdf



18 March 2024

Kia Ora Nicola

Thank you for your request to Tourism New Zealand for a letter of support to assist in your discussions with your funders around securing ongoing funding to enable you to continue to work effectively with our organisation. As New Zealand's National Tourism Organisation we are responsible for promoting New Zealand as a visitor destination in key markets overseas and our relationship with all the 31 Regional Tourism Organisations (RTOs) across Aotearoa including Hamilton & Waikato Tourism is critical.

To ensure tourism benefits New Zealand we target visitors from key international markets. Once here, it's important our visitors have a great experience, so we also guide them on travelling safely and caring for our home, people and culture.

To do these successfully we rely on having a close relationship with each RTO to ensure that we are closely aligned to their own specific regional identity and community desires, which are outlined in their current destination management plans. Without this close relationship our own marketing and operational plans cannot accurately reflect the diversity that exists across New Zealand, especially in local communities such as in Hamilton and Waikato.

Our role is to ensure that tourism contributes to a sustainable and productive future across:

- **Economy** The tourism economy thrives and grows adding incremental value to the New Zealand economy and its assets.
- **Nature** Tourism restores, maintains and nourishes the environment for the intergenerational benefit of New Zealand.
- **Culture** The tourism story and experience preserve and enhance our values, culture and heritage; the makeup of our identity.
- **Society** People in and part of tourism communities thrive through jobs, shared knowledge, and physical and mental well-being.

Our activity is carefully focused on several key markets around the world and a select group of consumers within those key markets. This is so we get the maximum yield for the tourism industry including operators across Hamilton and Waikato.

We work offshore to encourage our target market, those 'Actively Considering' New Zealand to book, visit more of our regions and do more during their time here. In a very competitive international market, our work with Hamilton & Waikato Tourism is critical to ensure that we can connect with local operators across the region.

As well as marketing to consumers, our trade training, marketing and media programme is designed to ensure that those who sell New Zealand have the knowledge and understanding to do so well. This includes our work in the business events area that provides business-specific funding and support for international conferences. Working in partnership with Hamilton & Waikato Tourism gives us the ability to connect the region to these audiences.

Nga mihi

Rene de Monchy
Chief Executive

Support Paper: The Essential Role of Regional Tourism Bureaus in Supporting New Zealand's Association Conferences and Events

Introduction

The Australasian Society of Association Executives (AuSAE) New Zealand, representing a vibrant community of chief executives and senior leaders from professional associations and trade associations across Aotearoa New Zealand. Our members are at the forefront of professional development, economic growth, and community wellbeing and underscores the urgent need to maintain or increase core funding for regional tourism organisations, specifically focusing on Hamilton and Waikato Tourism (HWT). This advocacy is driven by the looming threat of significant funding cuts across several councils, jeopardising the foundational support for our regional tourism and event-hosting capabilities. . This paper champions the critical need to sustain, if not increase, core funding for regional tourism bureaus.

The Value of Associations to Regional Economies

Membership bodies significantly boost regional economies through conferences and events, far beyond mere financial injections. These gatherings serve as catalysts for economic, social, and educational development, leaving a lasting positive impact on host regions. Our partnership with Hamilton and Waikato Tourism has been pivotal in elevating the region's profile, leading to a succession of business opportunities and securing the association community's business in an unparalleled manner.

Strategic Partnership with Hamilton and Waikato Tourism

Our collaboration with HWT has proven instrumental in enhancing the visibility and attractiveness of the Hamilton and Waikato region to the association sector. Together, we've positioned the region as a top destination for conferences and events, generating direct economic benefits and solidifying industry relationships. This partnership has facilitated memorable experiences for attendees and created substantial business opportunities, contributing to the region's economic vitality and expansion.

Impact of Funding Cuts

The substantial funding cuts proposed from the six councils places this valuable partnership in jeopardy. Such cuts threaten to dilute HWT's efforts and could inadvertently shift the association community's focus to other regions for their events. The forthcoming decision by our shareholder on whether to continue or dissolve HWT, followed by the board's decisions on operational focuses, presents a concerning outlook for the future of regional tourism and our collective endeavours.

The Critical Nature of Continued Support

The potential downscaling or cessation of HWT's activities would not only be a loss for the Hamilton and Waikato region but also for the wider association community that AuSAE represents. The unique synergy between AuSAE and HWT has been a cornerstone of our mutual success, delivering enhanced professional development opportunities, economic benefits, and community engagement to the region.

Conclusion

The partnership between professional and trade associations and regional tourism organisations, exemplified by AuSAE and Hamilton and Waikato Tourism, is vital for the prosperity of regional economies and the association sector. We advocate for sustaining or enhancing funding for these organisations to ensure the continued success of such partnerships. As AuSAE New Zealand, we urge councils, and stakeholders to recognise the extensive benefits of these collaborations and to act decisively in support of our communities' and regional economies' future.

Urgent Call to Action

In light of these challenges, our collective voice must be heard louder than ever. We must unite to support the sustainability of HWT and similar entities, ensuring their continued invaluable contributions. The potential disappearance of such organisations would not only impact current operations but also diminish the region's future potential for economic and professional development in hosting association events.

Brett Jeffery/CAE – General Manager New Zealand

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explore Central North Island

Thermal Explorer Highway / Pacific Coast Highway / Volcanic Loop



17 April 2024

Tēnā Koe

RE: Submission on 2024-34 Long Term Plan

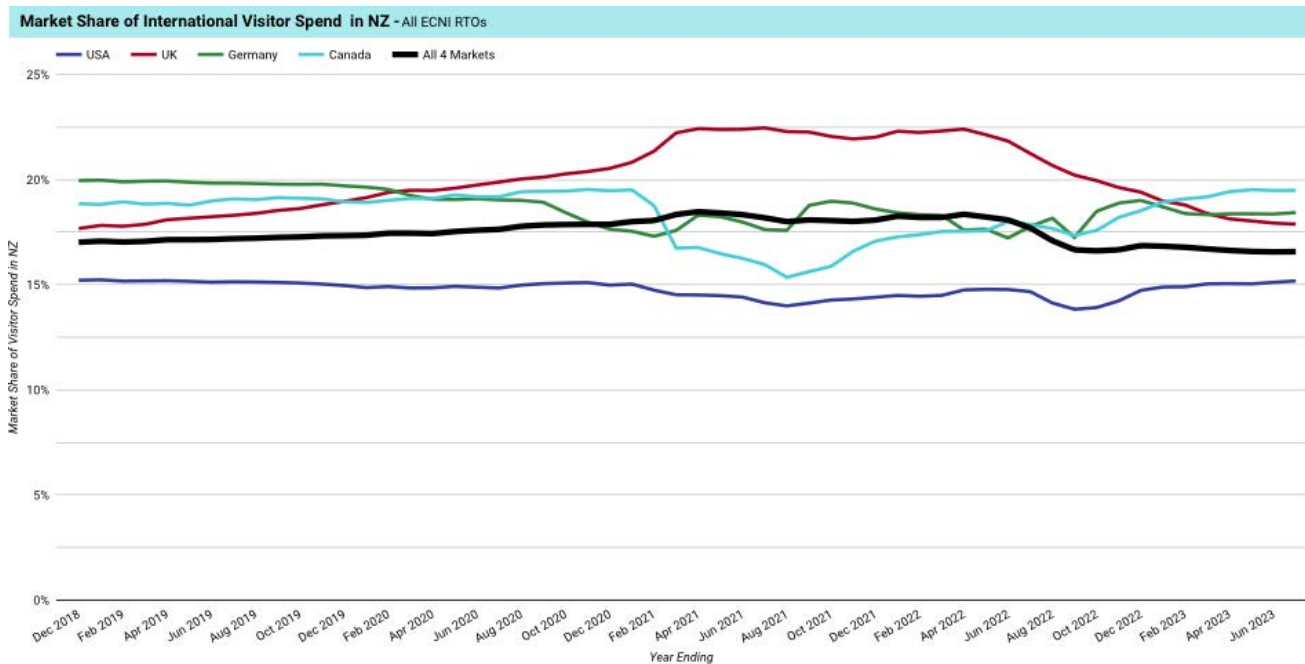
We are writing regarding the proposed changes in funding, contained in the draft 2024-34 Long Term Plan (LTP), for your Regional Tourism Organisation (RTO), Hamilton & Waikato Tourism. As a collective of eight RTOs who form the Explore Central North Island (ECNI) marketing alliance and make up a large portion of the North Island, we have significant concerns about the proposed changes.

ECNI is a central North Island collaboration between Destination Hauraki Coromandel, Tourism Bay of Plenty, Visit Ruapehu, Destination Great Lake Taupō, Rotorua NZ, Hamilton & Waikato Tourism, Activate Tairāwhiti, and Hawke's Bay Tourism who come together to market ourselves. We promote the three main touring routes through the central North Island; [Pacific Coast Highway](#), [Thermal Explorer Highway](#) and the [Volcanic Loop](#). In addition, we provide a number of specific itineraries through the eight regions of ECNI to assist both domestic and international travellers and industry members, to experience some of New Zealand's beautiful sights and activities. As a collective we host and attend trade training events in NZ and internationally, keeping Travel Buyers up to date with product offerings from central North Island tourism businesses for their clients traveling to NZ. Our collective voice is strong as we continue to drive and increase demand for North Island visitation.

The primary focus for ECNI is achieving growth in the key long haul western markets of North America and UK/Europe. For the year ending July 2023, international visitor expenditure for these key markets exceeded pre-Covid levels at \$209.49million across the ECNI regions. Following a summer season where we have experienced strong growth in the North American market, this figure will have increased significantly, underlining the value of tourism to your local communities and benefit of the ECNI partnership. The following table provides additional detail on the market growth for ECNI.

All ECNI RTOs - International Visitor Spend				Market Growth				Post-COVID Recovery		
Market	Year Ending July			% change 2022-23				Pre-COVID YE Jul-19	% recovered Jul 2023	
	2021	2022	2023	RTO		NZL			RTO	NZL
USA	\$20.56M	\$25.84M	\$102.94M	+298.4%		+284.9%		\$77.61M	133%	132%
UK	\$32.70M	\$31.78M	\$75.45M	+137.4%		+182.1%		\$77.00M	98%	100%
Germany	\$1.50M	\$1.02M	\$16.73M	+1543.9%		+1485.5%		\$32.77M	51%	55%
Canada	\$2.13M	\$2.29M	\$14.37M	+526.7%		+474.3%		\$15.03M	96%	94%
All 4 Markets	\$56.90M	\$60.93M	\$209.49M	+243.9%		+267.3%		\$202.40M	104%	107%
Other Intl	\$71.86M	\$74.43M	\$278.28M	+273.9%		+271.7%		\$287.00M	97%	97%
Total Intl	\$128.76M	\$135.36M	\$487.77M	+260.4%		+270.0%		\$489.40M	100%	101%

From both an international and domestic perspective, tourism is a highly competitive sector. At a national level New Zealand must compete strongly to secure a small share of the total international tourism market and once a visitor has decided on New Zealand as their next destination, regions compete fiercely for a visitor’s time and money. In a New Zealand context, the larger metropolitan centres and those with an international airport are at a distinct advantage, with much larger marketing budgets and more opportunities to partner with airports and airlines. ECNI pools resource and has been very effective at maintaining market share across the target markets, as detailed in the following graph.



The proposed funding reduction in the draft LTP will jeopardise Hamilton & Waikato Tourism ongoing participation in ECNI. As discussed above, the ECNI partnership allows the 8 regions to compete successfully, as evidenced through market share and visitor expenditure, against the larger gateway regions that have significantly larger budgets. Put simply, each RTO’s investment in ECNI delivers excellent value for money as funds and resource allocated is boosted 8 times through the partnership. Any RTO not contributing will cease to be part of the partnership, will no longer appear in itineraries and marketing activity, and understandably lose market share.

It is important to highlight that the proposed reduction in funding will result in a very significant economic contraction, that will require significantly greater investment to reverse once enacted. There are a range of international case studies that demonstrate how even well-known destinations can suffer when they fail to promote themselves. One of the most relevant examples is Colorado, which shut down its travel promotion program in 1993 by cutting the states promotion budget from US\$12 million to zero almost overnight. The consequences were immediately felt as follows:

- Within one year, Colorado slipped from first place to 17th place in the summer resort category.
- By 1997, Colorado's overall share of the U.S. leisure market plummeted by 30%.
- Visitor spending fell dramatically, creating an immediate loss in revenues of US\$1.4 billion, which increased to US\$2.4 billion by the late 1990s.
- As a consequence, state and local tax receipts dropped by US\$134 million between 1993 and 1997.
- In 2000, the state opened the Colorado Tourism Office with a US\$5 million annual budget, which increase to US\$19 million in 2006 following a demonstrated return on investment of more than 12:1.
- The head of the Colorado Tourism Office in 2011 was quoted "Our lesson to [the state of] Washington is that it's been 18 years since we went dark in 1993, and we still haven't gotten back it the national market share we had."

Any reduction in the modest funding provided to Hamilton & Waikato Tourism will result in a significant economic contraction as competing regions secure market share. Once lost, this is difficult to regain and will require substantial new investment beyond the amount saved in the proposed cuts.

Tourism plays a pivotal role in the economic, social, and cultural fabric of New Zealand. Beyond the iconic landscapes and attractions that draw international visitors, tourism offers an opportunity for local communities to showcase their unique heritage, traditions, and natural wonders. Tourism fosters a sense of pride and identity among locals, encouraging preservation and stewardship of natural and cultural assets. Overall, tourism not only drives economic growth through visitor expenditure and employment but also creates vibrancy and a destination that is a great place to live, work and do business.

On behalf of Explore Central North Island



Andrew Wilson

Chief Executive RotoruaNZ and Chair Explore Central North Island

Destination Hauraki Coromandel, Tourism Bay of Plenty, Visit Ruapehu, Destination Great Lake Taupō, Rotorua NZ, Hamilton & Waikato Tourism, Activate Tairāwhiti, and Hawke's Bay Tourism.

Paul Hailes
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19 April 2024

To whom it may concern

I do not support the proposed LTP reduction in Hamilton & Waikato Tourism's budget, and instead would support Council maintaining its current level of funding for the organisation.

I have worked in the business events industry for 25 years, most recently publishing the business events magazine Meeting Newz and organising the Business Events Expo. We work with all bureaus and tourism organisations across New Zealand and have had a fantastic working relationship with HWT over these years.

Our magazine and expo provide opportunities for regions across New Zealand to promote and tell their stories to key decision makers in our sector who bring big conferences and business events to the Waikato. Business events attract high value visitors who, on average, spend twice as much as leisure visitors and often return as holiday makers.

I have had the privilege on being familiarisation tours with HWT. This first-hand experience has allowed me to write about the region's excellent operators and deliver key messages to our qualified, high value readers across the corporate, association and professional conference organiser (PCO) sectors.

The progress that HWT has made in the last few years has been phenomenal. The organisation has positioned Hamilton and the Waikato as one of this country's premium regions to host business events. HWT has been the catalyst for local businesses to work together to deliver outstanding business events.

With the recent announcements of more accommodation rooms coming online and new developments along the river, the region has never been better placed to grow its business events revenue in highly competitive market. A reduction in funding would be disastrous and undo all the great work that has done.

Yours Sincerely

Paul Hailes
Director,
Tourism Media Group