



**Submission to  
Hawke's Bay Regional Council  
on the  
Draft Long Term Plan 2018-2028**

**Date: 23 April 2018**

**TOURISM INDUSTRY AOTEAROA**

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Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the Long Term Plan 2018-2028 of Hawke's Bay Regional Council.

This submission is filed without prejudice to TIA's future position. Our ability to prepare a comprehensive submission responding to the consultation document relied on the provision by the Council of information relevant to the connection between the consultation document and the benefits that would accrue. If any information is provided at a later date, TIA reserve the right to comment further.

## INTRODUCTION

1. Tourism Industry Aotearoa (TIA) is the peak body for the tourism industry in New Zealand. With over 1,500 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and other activities, attractions and retail, airports and airlines, as well as related tourism services.
2. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business capability. The team is based in Wellington and is led by Chief Executive, Chris Roberts.
3. Tourism 2025 ([www.tourism2025.org.nz](http://www.tourism2025.org.nz)), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. Spend growth has been rapid since 2014 and we are well on target to reach that goal.
4. This year, TIA is working on a Tourism 2025 reset that will include incorporating sustainability principles, articulating a longer-term view of tourism in coordination with Central Government; and identifying new priority actions to be addressed over the next 1-3 years.
5. Any enquiries relating to this paper should in the first instance be referred to Nienke van Dijken, TIA Policy Analyst at [nienke.vandijken@tia.org.nz](mailto:nienke.vandijken@tia.org.nz) or by phone on 04 494 1842.

## TOURISM'S IMPACT AT A REGIONAL LEVEL

6. The visitor spend from both international and domestic visitors for Hawke's Bay Regional Council was \$630m (YE Feb 2018).

<b>Council</b>	<b>Visitor spend</b>
Napier City	\$341m
Central Hawke's Bay District	\$34m
Hastings District	\$237m
Wairoa District	\$18m
<b>TOTAL</b>	<b>\$630m</b>

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7. The tourism industry makes a significant contribution to regional economic development through the jobs and income it creates. Only a fraction of visitor spending actually occurs in places commonly considered visitor specific e.g. accommodation, attractions. The rest takes place in shops, cafes, petrol stations and other local businesses. Local farmers and market gardeners benefit from selling their goods directly or indirectly to visitors.
8. On any day of the year, your community is hosting the visitors, domestic and international, who are helping support local jobs and businesses.
9. One of the keys to a strong regional visitor economy is the quality of the visitor experience. Councils play an important part in that experience with the investment they make in infrastructure e.g. roads, water/waste disposal, broadband, attractions and events in addition to their support for promotional bodies. Councils play a vital role in helping visitors, as well as ratepayers, make the most of their time in the community.
10. Councils' planning need to consider the needs of visitors and residents so that the community can reap the benefits of the visitor economy.
11. In 2016, TIA developed a Local Government Manifesto, outlining eight priority actions for councils to reap greater economic and social rewards from tourism. A copy of this manifesto was sent to all Local Councils, ahead of the Local Council Election. For more details please refer to Appendix 1.

### **Specific feedback on your LTP**

12. In the following section, we provide feedback on the tourism components within your LTP.
13. We understand that Long Term Plans set out a local authority's priorities in the medium to long term. Hawke's Bay Regional Council's priorities are:
  - Land Water and Biodiversity
  - Sustainable Homes
  - Civil Defence
  - Local Government Funding Agency
  - Working with Tangata Whenua
  - Hawke's Bay Tourism

#### *Hawke's Bay Tourism*

14. We are very concerned to see the Councils proposal to decrease funding to Hawkes Bay Tourism by \$1.8m over the next three years, to an annual spend of \$900,000 by year four. Tourism is a driver of regional prosperity but it does not happen by chance. The LTP acknowledges that the additional \$1.8m spent over the previous three years has paid off, yet now wants to reduce funding.

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15. Spending on regional tourism marketing is an investment, not a cost. Hawke's Bay Tourism (HBT) deserves a great deal of credit for the current 8% annual growth in visitor spend in Hawke's Bay. The current \$630m annual spend by visitors can be built to \$1 billion a year by a well-funded Hawkes Bay Tourism.
16. Reducing HBT's funding means the Hawke's Bay will miss out on hundreds of millions of dollars and hundreds of jobs in the coming years. Attracting domestic and international visitors is highly competitive and numerous regions around New Zealand are looking to increase their tourism funding support. For example, Tauranga City Council is proposing a 63% increase in funding for Tourism Bay of Plenty, because it has ambitious goals to grow the local visitor economy to \$1.45 billion by 2028.
17. Because of the economic benefits that events bring, many regions in New Zealand are focussing on building and attracting events. Events also bring communities together and create vibrancy. Hawkes Bay Tourism has had notable success with its events programme. Having sufficient funds to attract and run these events is essential and the proposed funding cuts puts all of this at risk.
18. We understand that HBT may be proposing alternative options to maintain funding at the current level. We support this pro-active approach by HBT to find solutions, noting any form of local tourism tax or levy must be fair, efficient and ring-fenced for tourism-related investments.

*Land, water and biodiversity*

19. As noted, New Zealand's natural environmental assets are under threat, including many of our native species, our freshwater rivers and lakes, and our unique landscapes. It is pleasing to see that the Council understands the value of our natural environment and aims to help the region to be more resilient and sustainable.
20. We fully agree with the Council that *'a clean, green region can take advantage of opportunities for current and future generations, and our actions now will have lasting benefits'*.
21. We are supportive of the Council's preferred option of incentives for land, water and biodiversity and with the Council's preferred option of proposed partnerships to improve land, water and biodiversity.
22. We understand that the Council aims to use the proposed funding cut of Hawke's Bay Tourism to focus on its environmental issues. We acknowledge that environmental priorities are very important to the region and the tourism industry. This does not mean though that continued funding support for Hawke's Bay Tourism is of lesser importance.

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### *Follow up process*

23. TIA wishes to have the opportunity to participate further in any follow-up process, including any formal meetings, to ensure that the potential impacts on tourism are adequately represented.

### BACKGROUND

24. Tourism for New Zealand is big business as the country's largest export sector. It is a major contributor to the New Zealand economy that will always be here and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

The tourism industry delivers the following value to New Zealand's economy:


25. Tourism in New Zealand is a \$99 million per day and \$36 billion a year industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$59 million in economic activity every day.

26. The tourism industry directly and indirectly supports 14.5% of the total number of people employed in New Zealand. That means 399,150 people are working in the visitor economy.

27. Tourism is New Zealand's biggest export industry, earning \$14.5 billion or 20.7% of New Zealand's foreign exchange earnings (year ended March 2017).

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## **Appendix 1: TIA Local Government Manifesto 2016**

The following Tourism 2025 actions are the priorities for a stronger local government/tourism partnership. The industry's eight priorities we would like to see from Local Government are:

### **Destination Management**

This is the most important thing councils can do – look after and invest in the quality of your region as a destination.

- Facilitate and enable communities to meet the needs of growing numbers of visitors, as well as residents.
- Identify your unique selling points as a destination and promote them.
- Work with neighbouring communities to attract visitors to the wider region.

### **Infrastructure Facilitation**

With the rapid growth in visitor numbers, we have to invest in essential infrastructure and enable the private sector to develop its infrastructure by delivering efficient planning and approval services.

- Define and plan for the priority infrastructure that meets the needs of visitors as well as residents.
- Examine the regulatory environment applied to tourism operators and other businesses serving visitors, and assess where the compliance burden can be reduced to support increased productivity

### **Events programming**

Events are one of the best tools for encouraging people to visit your community. Use them to your advantage.

- Schedule events (meetings, conferences, sports events and festivals) outside of the peak season to foster off-peak travel activity.
- Attract high value business visitors through the availability of quality facilities, such as convention centres where appropriate.

### **Measuring Visitor Satisfaction**

It is important to understand what your visitors think of your community. If they are happy, businesses can grow. If you know there are areas of low satisfaction, you can address the problems. Without this insight, you can't increase value.

- Track the satisfaction of international and domestic visitors, whether by direct customer feedback or social media, and use this information to address areas of dissatisfaction and deliver ever higher satisfaction levels.

### **Off-peak Marketing**

Help your community to prosper by attracting people to visit throughout the year. This will develop a sustainable tourism industry with more permanent jobs.

- Council-owned or supported marketing agencies (e.g. RTOs, EDAs) build a stronger focus on promoting off-peak travel activity to high value visitors.

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### **Regional Development and Tourism**

Every region wants to grow and tourism can and does support this goal. Tourism complements your community's other industries like wine, horticulture and farming.

- Encourage and incentivise tourism as part of your regional development strategies.

### **Enabling Airport and Port Facility Development**

Great air and cruise links are vital to growing tourism. If your airport or port is council-owned, make sure long-term plans are aligned with industry forecasts. There are long lead times, so you have to think ahead.

- Councils work with local airports to establish and implement long-term and sustainable development strategies.
- Councils work with their port company to ensure cruise tourism is enabled.

### **Sustainable Tourism Positioning**

Every region needs to demonstrate its commitment to look after its economic future and the resources it uses to operate.

- Identify the regional priorities required to develop a sustainable tourism industry across economic, social, cultural and environmental considerations.

By actively pursuing these opportunities, your Council can enable real economic and social gains for their communities.

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