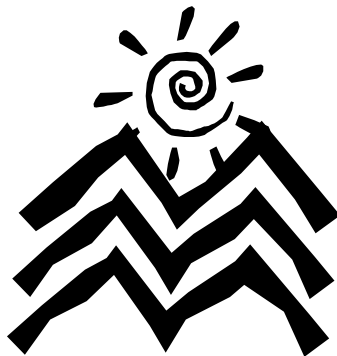




**KAIKOURA
DISTRICT COUNCIL**

***Tourism & Development Committee
Agenda***



11 February 2009

**TOURISM AND DEVELOPMENT COMMITTEE MEETING
HELD AT 1.00 PM ON WEDNESDAY 11 FEBRUARY 2009
IN MEMORIAL HALL SUPPER ROOM, ESPLANADE,
KAIKOURA.**

Agenda

1. *Apologies*
2. *Matters to be raised as Urgent Business*
3. *Matters Arising from Report of 10/12/2008* *page 1*
4. *Minutes Action List*

Meeting	By Whom	Progress
13 FEBRUARY 2008		
Invite Enterprise North Canterbury to speak at a future meeting	Councillor Macphail	H Miller attending meeting 11 February 2009
10 SEPTEMBER 2008		
Investigate forming an Events Policy at same time as reviewing Marketing Plan	Whole Committee	Workshop scheduled 11 February 2009
12 NOVEMBER 2008		
Obtain concept plan for Christmas decorations/lights for the town centre and bring back to committee	L Buurman	In Progress
10 DECEMBER 2008		
Review Tourism and Development Committee strategy, marketing and business plans	Whole Committee	Workshop scheduled 11 February 2009
Investigate how other districts not involved in tourism help their business	A Paterson	In Progress
Schedule a meeting of the economic development sub – committee	Councillor Macphail	In Progress

5. *Canterbury Regional Economic Development Strategy*
 - Heather Miller from Enterprise North Canterbury will be in attendance to present this item.

6. *Tourism & Development Statement of Accounts* *page 5*
7. *Tourism and Economic Development Officer's Report* *page 6*
8. *Urgent Business*

Tourism & Economic Development

Financial Report to 31 January 2009

	Budget (Year) 2008/2009 \$	Actual (7 Months) 2008/2009 \$	Actual (Year) 2007/2008 \$
Expenses			
Personnel & Personnel Related	56,040	30,952	55,427
Advertising & General Expenses	5,500	1,950	3,367
Overhead Charges	6,342	3,661	6,380
TRENTZ	8,400	-	18,482
Green Globe	3,500	2,838	3,311
Christchurch & Canterbury Marketing	5,000	5,000	5,000
Christchurch I-Site Display Space ¹	13,000	4,234	5,293
Canterbury Economic Development Corp	-	2,733	-
Visitor Research & Surveys	3,500	-	-
Events (Moa Hunt, Spring Challenge, etc)	15,000	6,562	5,000
Alpine Pacific Joint Ventures	25,000	16,156	10,500
Visitor Guide	3,000	4,421	10,200
Image Library/Website/Displays	6,700	-	-
AA Tourism Domestic Campaign	-	2,500	2,500
Air NZ In-flight Production	-	3,594	2,387
Radio Advertisement Development	-	-	11,423
Destination NZ TV Series	-	-	1,750
	150,982	84,601	141,020
Funded by:			
Trade Show Participation Fees	-	-	356
Visitor Guide Subscriptions	-	-	679
Christchurch I-Site Advertising Space ²	-	-	6,445
General Rates	100,982	58,906	99,573
	100,982	58,906	107,053
Activity Surplus/(Deficit)	(50,000)	(25,695)	(33,967)

Tourism & Economic Development Funds Held

	Budget (Year) 2008/2009 \$	Actual (5 Months) 2008/2009 \$	Actual (Year) 2007/2008 \$
Opening Balance	52,100	58,565	90,110
Activity Surplus/(Deficit)	(50,000)	(25,695)	(33,967)
Interest Applied to Fund	-	-	2,422
Closing Balance in Fund	2,100	32,870	58,565

¹ Revenue from Christchurch I-Site Display Advertising is shown under Funding (see Note 2)

² Note that the display advertising revenue for Christchurch I-Site display was received in the 2007/2008 financial year (\$6,445 as shown).

Tourism and Economic Development Officer's Report

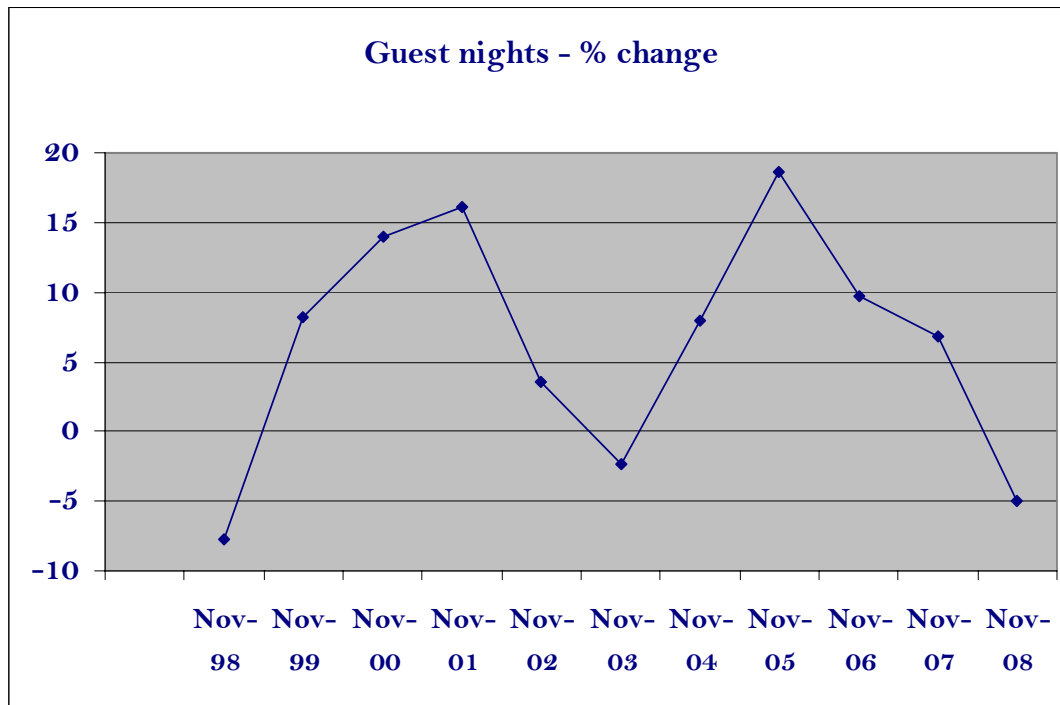
Meetings attended:

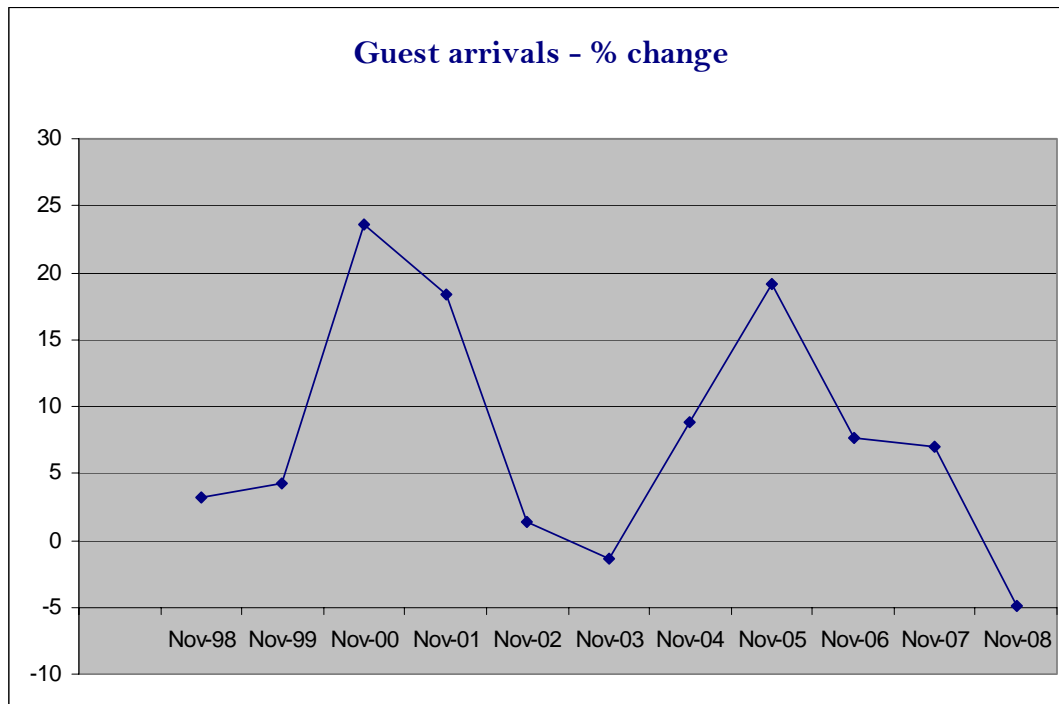
- 22nd January: North Canterbury Food & Wine Trail – refer to report.
- 26th January: Alpine Pacific Tourism joint famil with Virgin Blue – refer to report
- 28th January: Trash Fashion museum committee – refer to report

Project updates:

- **Visitor numbers & statistics report:** Refer to Appendix 1 for visitor statistics. With regard to the figures taken from Commercial Accommodation Monitor (C.A.M), it can be seen that both guest arrivals and guest nights in Kaikoura have decreased for the year November 07 – 08. Monthly figures over this period (Nov. 07 – 08) have decreased in 9 months of the 12 - with March, May & November being the exceptions to the downward trend. Statistics just released have shown an encouraging growth for both guest nights and guest arrivals for the month of November – arrivals have increased **3.6%** (NZ average is **-5.0%**) and nights have increased **4.3%** (NZ average is **-4.3%**)

Looking at the historical data for Kaikoura since 1998, both guest arrivals and guest nights have increased in 8 of those 11 years with annual growth ranging from 1.4 to 23.6%. Decreases were recorded for 1997– 98 and 2002 – 03 as well as 2007- 08 Can specific factors be indentified which would explain these figures? Clearly the decrease recorded over the November 2007 – 08 period pre-dates the impacts of the current global economic downturn and is more likely to be attributable to cycle of growth, maturity and decline as shown in these graphs:





However, despite the decreases recorded over this period, both guest nights and guest arrivals in the November 07 – 08 period are the 2nd highest ever recorded for Kaikoura. In addition, the figures from C.A.M relate to overnight visitors only and therefore do not record day visitors. Visitors to Kaikoura who stay with friends and family are another significant segment which is very difficult to record.

It is virtually impossible to monitor day visits accurately but the visitor numbers recorded by Kaikoura i-SITE are a useful set of figures to consider. Clearly there will be many visitors who do not visit the i-SITE. In addition, within any single group of visitors, there may only be one member of that group to use the i-SITE. These are some of the limitations of this set of figures but never-the-less, they are a useful set of figures to consider.

Tourism New Zealand is currently estimating a 15 to 20 per cent drop off in long-haul arrivals over the critical summer period. This means around 55,000 fewer arrivals, and \$200 million less in spending, than last year and the bulk of this reduction will unfortunately be from the higher yielding long-haul markets.

But given the size of the market, an anticipated slight increase in arrivals from Australia could help hold the overall decline to around 10 per cent.

Within New Zealand, districts & regions which have a heavier reliance on main long haul markets including Asia, US & UK will be more negatively affected while those operating in the Australian and domestic markets are likely to fare better.

Most of the forecasts expect the full effects of the global economic decline to be felt during spring/summer. Lead times between booking and actual travel are getting much shorter, making it even more difficult for operators to plan ahead.

While New Zealand has been experiencing a decline in domestic tourism, it is still a very important part of the economy. The degree to which New Zealand is exposed to the global

financial crisis as it affects both international and domestic travel will have a significant impact on the domestic tourism industry in the short term.

What else are the industry experts saying? George Hickton, CEO Tourism New Zealand, believes that although New Zealand's major markets have been more adversely affected than originally predicted, there are still opportunities for New Zealand to emerge from the current crisis in a strong position for the future. An example of this is the new phase of the UK campaign "What do you say UK" as well as the additional profile New Zealand gained from the recent IRB rugby world cup pool draw which took place in London in the TNZ giant rugby ball.

- o **North Canterbury Food & Wine Trail:** The Trail Steering group met for a planning session. The group discussed the recent surveys of trail members which were carried out to gather feedback to assist with future planning. Overall, members were very pleased with the first 9 months of operation and all but 2 members planned to commit to 2009/10. The main conclusions from the meeting:
 - o Aim to have 50 – 60 members in 2009/10
 - o Waipara Valley Wine Growers – keen to have more involvement with 15 wineries potentially interested in joining the Trail.
 - o Development of a website. This will be a stand alone website but will be built in to existing Visit Waimakariri website which will reduce the cost considerably.
 - o Membership fee will remain same as last year - \$400 maximum.
 - o Various ideas to introduce loyalty schemes for members, visitors and for those who are actively promoting the trail
 - o Famil to be organised for members – to increase knowledge of other businesses on the trail, to encourage referrals and to provide a networking opportunity.

- o **Christchurch & Canterbury Tourism autumn campaign:** Tourism & Economic Development Officer has been working with CCT on the autumn campaign. A campaign schedule will be distributed at the meeting. Here is a re-cap of this campaign for reference:
 - Unlike the 2008 spring campaign which we participated in, which was developed by AA in association with Regional Tourism Organisations, this autumn campaign is exclusively CCT. Over the past 12 months CCT have been running a series of tactical seasonal campaigns with a focus on short breaks rather than events. However for this new campaign, CCT are re-launching the garden city brand by linking in with the Ellerslie International Flower Show.

The new brand style can be seen on the CCT website (www.christchurchnz.com) which is still undergoing major redevelopment. This new approach aims to change the existing perceptions of Christchurch city and the districts which make up the region. Strong emotive representation of both the city and of the region via new imagery is being used. This is a long-term project with huge potential benefits for the whole region.

With regard to the autumn campaign, couples (30 – 55 years) with high household incomes are the main target in Auckland, Wellington and Christchurch. Campaign will be driven via the CCT website, media & PR activity, magazine features and an A6 booklet. The A6 booklet will be sent out to targeted households in Auckland & Wellington and to selected cafes in Auckland, Wellington & Christchurch. In addition, Kaikoura will have two billboards in Wellington during February & March. Campaign will run from February until mid April. Our investment is \$10 000.

- **Image gallery opportunity with Christchurch & Canterbury Tourism:** CCT have planned a photo shoot in Kaikoura for the end of February. This will primarily be for CCT to gather images of Kaikoura for its own use. However there is an opportunity for T&D to purchase some images from this photo-shoot. Tourism & Economic Development Officer will provide more details at the meeting.
- **Labour Market Strategy:** The expression of interest for Ministry of Social Development funding which was submitted by Tourism & Economic Development Officer and Community Development Officer has been accepted. This is the first step leading towards obtaining funding for the development of a Kaikoura Labour Market strategy.
- **Newsletter:** Tourism & Economic Development Officer is currently completing the latest newsletter. Copies will be sent to T&D committee members.
- **Trash Fashion museum committee:** Tourism & Economic Development Officer is a member of the committee and has been assisting with planning. The main priority for the group at this stage is to assess the long term future of the museum.
- **Alpine Pacific Tourism famil:** a journalist from Pacific Blue in-flight magazine was hosted by Alpine Pacific Tourism & Kaikoura on the weekend 23rd January.

Appendix 1

Guest nights:

Year end	Kaikoura District
November 2004	215 757
November 2005	298 645
November 2006	327 483
November 2007	349 639
November 2008	332 033

Guest nights (percentage change):

Year end	Kaikoura District	New Zealand
November 2004	7.9%	5.1%
November 2005	18.6%	2.3%
November 2006	9.7%	-0.2%
November 2007	6.8%	4.2%
November 2008	-5.0%	0.3%

Guest arrivals:

Year end	Kaikoura District
November 2004	171 248
November 2005	203 994
November 2006	219 522
November 2007	234 943
November 2008	223 316

Guest arrivals (percentage change):

Year end	Kaikoura District	New Zealand
November 2004	8.8%	6.5%
November 2005	19.1%	2.8%
November 2006	7.6%	-0.3%
November 2007	7.0%	2.6%
November 2008	-4.6%	0.0%

Guest nights & percentage change – 10 year history

Year end	Guest nights	Percentage change
November 1997	174 958	
November 1998	161 145	-7.7%
November 1999	174 620	8.2%
November 2000	199 104	14.0%
November 2001	231 115	16.1%
November 2002	239 185	3.5%
November 2003	233 370	-2.4%
November 2004	251 757	7.9%
November 2005	298 645	18.6%
November 2006	327 483	9.7%
November 2007	349 639	6.8%
November 2008	332 033	-5.0%

Guest arrivals & percentage change – 10 year history

Year end	Guest arrivals	Percentage change
November 1997	100 030	
November 1998	103 238	3.2%
November 1999	107 616	4.2%
November 2000	132 990	23.6%
November 2001	157 440	18.4%
November 2002	159 718	1.4%
November 2003	157 408	-1.4%
November 2004	171 248	8.8%
November 2005	203 994	19.1%
November 2006	219 522	7.6%
November 2007	234 943	7.0%
November 2008	223 316	-4.9%

All figures and tables used are taken from the Commercial Accommodation Monitor (C.A.M) C.A.M gathers data from accommodation providers with an annual turnover of \$30 000+ on a monthly basis. C.A.M is administered by Statistics New Zealand on behalf of the Ministry of Tourism – www.tourismresearch.govt.nz

Year end	Visitor numbers recorded at Kaikoura i-SITE	Percentage change
November 1998	187 596	-6.1
November 1999	184 330	-1.7
November 2000	181 756	-1.4
November 2001	181 652	-0.06
November 2002	199 680	9.9
November 2003	202 917	1.6
November 2004	216 527	6.7
November 2005	189 404	-12.5
November 2006	195 054	-3.0
November 2007	190 723	-2.2
November 2008	183 685	-3.7