



14 May 2015

Hamilton City Council
Private Bag 3010
HAMILTON

RE; HAMILTON CITY COUNCIL DRAFT LONG TERM PLAN 2015-25

Thank you for the opportunity to submit on the 10-year plan.

Hamilton City's Draft Long Term Plan 2015-25 proposes to build a strong, attractive city for families with the goal of redefining Hamilton as a major city, and the third largest city economy in New Zealand over the next 10 years.

Hamilton & Waikato Tourism (HWT) fully supports these aspirational goals and appreciates the difficult task Council faces with so many necessary and deserving projects, whilst minimising the burden on rate payers and managing debt and risk levels.

Many cities around the world recognise the need for quality infrastructure to enable a community to function and to attract investment, residents and businesses. However they also recognise the importance of creating great places to live, work and visit. These aspects are primarily based on the attractiveness of a city's social, recreational and cultural amenities and the role they play in supporting the overall economic, social and cultural well-being of their communities.

HWT's goal for Hamilton is that it offers a compelling visitor proposition for domestic and international visitors so that tourism plays an increasing role as a key driver of the city and region's economic growth. The city's competitive advantages are based around the Waikato River, Hamilton Gardens, world-class events and conferencing, and the role the city plays as the "metropolitan/cultural hub" for the greater Waikato region.

HWT therefore looks to HCC to provide strong leadership in supporting and enabling Hamilton to be a "great place to visit." The more compelling the visitor proposition, the more visitors we will attract, the greater the benefits for our communities. It will also improve tourism's effectiveness in performing its role as the "shop window" for economic development.

The Hamilton City River Plan

1. The Hamilton City River Plan and its implementation will be the single most defining factor for Hamilton. It will transform the city into a better place to live and to be enjoyed by residents and visitors alike. It will also play a crucial role in strengthening the city's overall tourism value proposition. HWT commends



HCC on this is visionary plan, which now requires bold, visionary leadership to bring it to life.

2. It is therefore critical that Council gives priority to the River Plan and fully commits to leading its implementation. The draft LTP details progressing the next phase of the plan with master planning for Ferrybank, Hayes Paddock/Wellington Street Beach with funding of \$250,000 allocated for 2015/16. This would appear to be on the conservative side. HWT's asks HCC to consider building in the capacity to increase this once the work is fully scoped and approved. This would allow a robust and comprehensive master plan to be developed in a timely manner with appropriate checks and balances, but without delay or interruption.
3. In addition, a budget of \$500,000 per annum for subsequent years also seems insufficient to fully realise the potential of the River Plan. It is HWT's considered view that Council needs to be a primary investor in the realisation of projects once planning is completed. This doesn't mean that HCC would be responsible for funding all the development, but would take a lead position and invest alongside other partners. Through this leadership the implementation of the River Plan will maintain momentum and deliver regular, tangible actions and outcomes for the community. It is also noted that there is no provision in the LTP for funding of the River Plan beyond 2025, whereas the plan has a 30 year horizon.

Recommendation

That HCC considers giving higher funding priority to the implementation of the Hamilton City River Plan and plays a key leadership and investment role in projects.

Hamilton Gardens

4. HWT commends and fully supports HCC's commitment to the completion of the Hamilton Gardens and the investment that it proposes to make over the next three years.
5. The Hamilton Gardens is one of the region's iconic visitor experiences and is a key part of HWT's promotional activities in domestic and international markets. HWT has been working with the HCC/Gardens' management team to explore commercial tourism products that will add value to the visitor experience, are supported by the tourism trade and will increase visitor numbers and length of stay and spend in the city.
6. A lot has been achieved over the past two years and HWT believes the completion of the Hamilton Gardens needs to be a high priority. HWT is aware the staff are working on securing the additional funding from various organisations in order to support HCC's investment. It can often be a challenge to secure partners especially given the quantum that is required. Should a significant partner(s) not be secured within the next 12 months, all



funding options need to be reconsidered to enable the completion of Hamilton's iconic attraction to be completed as soon as possible.

Recommendation

That the completion of Hamilton Gardens be a key priority and that all funding options are considered to expedite its completion.

Founders Theatre

7. As New Zealand's fourth largest city with the goal of being the 3rd largest economy in the next ten years it is expected that the city has a quality theatre to satisfy the needs of its community but also to enable Hamilton to attract and secure productions of significance (national/international) that contribute to broader economic and cultural goals. HWT supports the development of a business case to determine the level of investment required to upgrade the facility. However HWT suggests that once this business case is completed, the required work take higher priority and be brought forward earlier than is currently indicated (2021/22).

Recommendation

That the upgrade of Founders Theatre takes a higher priority and be brought forward earlier than is currently planned.

Te Awa Cycleway

8. Te Awa is positioned as "The Great New Zealand River Ride" and will fulfill its potential and deliver on the brand promise when completed. Te Awa is a popular ride with over 100,000 current users, and on completion will be multi-day ride driving strong economic benefits by attracting more visitors and encouraging a longer length of stay and spend. It will also achieve higher satisfaction levels for all users.
9. Cycling experiences are a key part of the Hamilton & Waikato region's visitor proposition and we are fortunate to have a diversity of trails such as the Waikato River Trails, The Timber Trail and Haruaki Rail Trail. It is therefore imperative that Te Awa is completed so that it can take its rightful place alongside these other trails. The region's four trails cater for a wide range of markets and collectively provide a unique opportunity to position the city and region as the best cycling destination in New Zealand.
10. Te Awa has received \$2.5m from NZTA towards the section within Waikato District. Further NZTA funding towards the Hamilton to Cambridge section will only be realised with a matched local government funding commitment.

Recommendation

That HCC considers funding be allocated in the LTP 2015-25 to enable the completion of the Hamilton to Cambridge section of Te Awa.



Hamilton Zoo

11. Hamilton has an excellent zoo which is testament to the leadership, professionalism and passion of the city leaders, zoo staff and the community. It is a valued community asset and important part of the city's visitor proposition.
12. During 2014-15, HWT was fortunate to be involved in the development of a Masterplan for the Hamilton Zoo, which identifies a range of opportunities to enhance and develop the zoo for the betterment of species, community, staff and visitors.
13. A goal is to improve visitor numbers and revenue generation. Many of the recommended enhancements in the plan will assist in achieving this goal. The Draft LTP makes no provision for implementation of the Masterplan within the ten year timeframe, therefore HWT asks that consideration is given to exploring other funding options to implement aspects of the plan, especially enhancements which will support increased visitation and revenue, which in turn can be re-invested back into further developing the experience.
14. In addition, HWT would like to see further marketing resource provided to the zoo to enable it to more proactively market the Zoo to visitors and partner more in HWT campaign activities.

Recommendation

That the implementation of the Hamilton Zoo Masterplan takes a higher priority and is brought forward than currently planned and;
That additional marketing resources are provided in order to increase promotional activities.

Thank you for the opportunity to submit to the Hamilton City Council's DRAFT Long Term Plan 2015-25.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Kiri Goulter".

Kiri Goulter
Chief Executive



Submission to the
Hamilton City Council's
Draft Long Term Plan 2015-25

14 May 2015



Executive Summary

1. HWT is requesting an additional investment of \$195,000 p.a. in Hamilton City Council's (HCC) Long Term Plan 2015-25. HCC's additional funding will also enable a further investment of \$210,000 from the region's other six partner councils.
2. Hamilton & Waikato Tourism (HWT) aims to expand the visitor economy from \$1 billion of visitor spend in 2014 to \$1.35 billion in 2025, representing growth of 34% or 2.7% per annum. In order to grow the region's visitor economy to this level, HWT will need to expand the scope of its business operations from destination marketing to include 'destination management' and is therefore seeking an increase in investment from its seven funding partner councils.
3. The increase in funding will enable HWT to undertake more effective promotional programmes, as well as play a key role in facilitating the development of the region's tourism proposition. This will be achieved through a focus on product development which HWT is currently unable to undertake due to a lack of capacity and resource.
4. The increase in funding from HWT's local government partners will continue to be leveraged through joint venture marketing activities with the region's tourism businesses and strategic partners.
5. The additional investment of \$195,000 from HCC will enable HWT to undertake the following new/expanded activities:
 - Development of a Destination Management Plan for the region identifying opportunities for tourism development and investment.
 - Increase marketing activity in the domestic market to build greater awareness, improve perceptions and provide more reasons to visit.
 - Increase focus in the Business Events (conference) market to support key venues and facilities in the city.
 - Provide greater support to new and existing visitor experiences to strengthen the city's visitor proposition e.g. River Plan, Hamilton Gardens.
 - Increase leveraging of events and high performance sport to optimise benefits through greater exposure and visitation.
6. The increased funding has been allocated in the following council's draft LTPs; Waitomo District, Otorohanga District, Waikato District and South Waikato District. Waipa District recently agreed to its inclusion in their LTP. Matamata-Piako District Council has not included it in their draft LTP, HWT will be presenting to them at a hearing on 20 May.
7. HWT understands that HCC is considering HWT's proposal for increased funding, however is yet to confirm the increased funding subject to gaining clarity from each of the other funding councils of their intentions regarding the matter.
8. It is critical that all seven councils support the increased investment to enable HWT to have enough financial resource to carry out the additional activities to achieve the desired outcomes, and to retain the integrity of the agreed funding model and shared service agreement across the group. If the additional \$405,000 is not secured, the proposed new and expanded activities will not be implemented.

Recommendation:

1. That Hamilton City Council continues its partnership with Hamilton & Waikato Tourism in collaboration with the region's other councils;
2. That Hamilton City Council increases its investment in Hamilton & Waikato Tourism from \$390,000 to \$585,000 p.a. in the Long Term Plan 2015-25.

Introduction

9. HWT is the Regional Tourism Organisation (RTO) for the Hamilton & Waikato region. HWT was officially established in 1 July 2011. The core purpose of HWT is to promote the H&W region as an appealing destination to international and domestic visitors in order to generate economic benefits for the region and its communities.
10. HWT currently receives core funding of \$810,000 from the region's seven territorial authorities. Funding from local government has remained at the same level since the organisation was officially established in 2011. Hamilton & Waikato Tourism is requesting an increased investment from its combined local government partners of \$405,000 of which an additional \$195,000 is sought from Hamilton City.
11. HWT works in partnership with the region's tourism industry and for the year end July 2014 received \$430,000 of investment from tourism businesses for promotional activities. HWT has the second largest industry investment out of 30 regions across New Zealand.

Value of Tourism to the National Economy

12. Tourism is a \$24 billion a year industry, New Zealand's second largest export industry, and is a significant contributor to the New Zealand economy. It is a \$65 million per day industry, and one of our biggest export industries earning \$10.3m of 15.3% of New Zealand's foreign exchange earnings.
13. Tourism brings new expenditure to regional and local economies. This visitor spend contributes towards generating economic growth which binds and maintains community vibrancy and well-being. Visitor spend underpins the business case for many recreational, sports and cultural facilities and events that require a mix of community and visitor use to be viable.
14. The economic value and benefit of tourism is felt much wider than direct tourism businesses. Visitor spend quickly converts into non-tourism spend, for example 44% of visitor expenditure is on retail, hospitality and other services, 21% in accommodation, activities and attractions and the balance on air and land transport and GST.

Value of Tourism to the Regional Economy

15. The Hamilton & Waikato region is New Zealand's fifth largest tourism region by value (\$1 billion) and one of only five regions (out of 30) with visitor expenditure of more than \$1 billion (alongside Auckland, Wellington, Queenstown and Christchurch). It is therefore already a major tourism region.
16. Since the establishment of HWT in 2011, strong collaborative relationships have been developed across the public and private sectors and there is now recognition of tourism as a key contributor to the region's economy.
17. Tourism is an important contributor to the H&W region, not only in terms of the direct expenditure and employment it generates, but also in terms of the broader economic development platform it provides. For example, the experience someone has in a region can strongly influence their perception of that region as a place to live, work, study or invest. This applies to both visitors and residents.
18. Visitor expenditure in Hamilton City is \$441m,¹ the largest expenditure of the TLA areas in the region. This is then followed by Waipa District at \$167m and Matamata-Piako District at \$142m. For the year ending March 2014 MPDC experienced the largest growth in visitor expenditure

¹ Regional Tourism Estimates, MBIE March 2014

in the H&W region at \$14m for the year, followed by Hamilton City and Waitomo District with both increasing by \$6m.

Slow Growth

19. Forecasts developed using national-level projections of domestic and international tourism suggest that under “business as usual” (BAU) conditions the H&W region’s visitor economy will grow from \$1 billion in the year ending March 2014 to \$1.17 billion in the year ending March 2025. This represents growth of 1.4% per annum, which is similar to the actual growth rate experienced between 2009 and 2014.
20. This rate of growth is below the expected inflation rate, which means that the H&W region is likely to experience a decline in the real (inflation adjusted) value of its visitor economy over the next decade. This is an undesirable outcome for a billion dollar industry and one that the region should take immediate action to remedy.

Lack of funding and capacity to grow the sector beyond “business as usual”

21. After three years of sustained tourism promotion the H&W region is doing as well as it can expect given the limited funding and resources available to HWT.
22. HWT is uncompetitively funded. HWT receives less funding support as a percentage of total rates receipts than any other New Zealand RTO. HWT is also the second lowest funded RTO in New Zealand based on visitor expenditure per dollar of Local Government funding. Some examples of percentage of investment in RTOs by councils in relation to rates revenue are; Hawkes Bay 5.67%, Taupo 3.16%, Rotorua 4.13%, Wellington 2.88%, Coromandel 0.68%, Marlborough 1.11%, Hamilton & Waikato 0.26%.²

Examples of Council funding for other Regional Tourism Organisations

Note: HWT receives funding from seven TLAs whereas in most other instances, funding to RTOs is provided by 1-3 TLAs.

Region	Local Govt Funding (YE June 2014)	Total Visitor Expenditure (YE March 2014)
Hamilton & Waikato	\$810k	\$1b
Hawke’s Bay	\$850k	\$533m
Waitaki	\$870k	\$113m
Southland	\$917k	\$263m
Bay of Plenty	\$1.29m	\$492m
Dunedin	\$1.3m	\$423m
Taupo	\$1.75m	\$398m
Rotorua	\$2.87m	\$471m
Christchurch Canterbury	\$3m	\$1.2b
Queenstown	\$3.2m	\$1.37b
Wellington	\$6.7m	\$1.45b
Auckland	\$9.9m	\$4.77b

Source: Regional Tourism Benchmarking Report, Regional Tourism Organisations of New Zealand, Regional Tourism Estimates, MBIE

23. This lack of funding severely limits the extent to which HWT can stimulate growth beyond current BAU levels, especially when it has to compete against RTOs that have more funding and are able to be more proactive in their approach to tourism. HWT requires a material increase in baseline funding to alter the current pattern of growth in the visitor economy.

The aspiration and opportunity

24. The aspiration for the H&W region is to expand the visitor economy from \$1 billion in 2014 to \$1.35 billion in 2025, representing growth of 34% or 2.7% per annum.
25. This can be achieved by focussing on two key areas:
- Growing awareness of what the H&W region has to offer (demand/marketing focus)
 - Expanding the range of things for people to see and do (supply/product development focus).

HWT's request for additional investment

26. Hamilton & Waikato Tourism is seeking an increase in investment from its local government partners in order to achieve the aspired growth target. Additional investment proposed is;

COUNCIL	FUNDING (Current)	Additional Funding Requested	Total Funding
Hamilton City Council	\$390,000	\$195,000	\$585,000
Waikato District Council	\$100,000	\$50,000	\$150,000
Waipa District Council	\$100,000	\$50,000	\$150,000
Matamata-Piako District Council	\$100,000	\$50,000	\$150,000
Otorohanga District Council	\$40,000	\$20,000	\$60,000
Waitomo District Council	\$40,000	\$20,000	\$60,000
South Waikato District Council	\$40,000	\$20,000	\$60,000
TOTAL	\$810,000	\$405,000	\$1,215,000

27. This increased local government funding will continue to be leveraged through joint venture marketing initiatives with the region's tourism businesses and other strategic partners e.g. Tourism New Zealand.
28. HWT is also seeking a partnership with the Waikato Regional Council and has requested consideration be given to supporting key projects with a potential investment of \$250,000p.a.

How will the additional investment from HCC be spent?

29. The additional funding will enable HWT to widen its scope to include the facilitation and support of new and enhanced visitor experience developments. A new product development manager will be employed to undertake this activity.
30. Some examples of how the funding will benefit Hamilton city are:
- Development of a Destination Management Plan for the region identifying opportunities for tourism development and investment in the city.
 - Increased activity in the domestic market to build greater awareness, improved perceptions and provide more reasons to visit.
 - Increased focus in the Business Events market to support key venues and facilities in the city.
 - Providing greater support to new and existing visitor experiences to strengthen the city's visitor proposition e.g. The River Plan, Hamilton Gardens.
 - Increased leveraging of events and high performance sport to optimise benefits through greater exposure and visitation.

Current Local Government support through Draft Long Term Plans

31. The following councils have included the additional funding for HWT in their draft LTPs;
- Waikato District Council
 - Waitomo District Council
 - Otorohanga District Council
 - South Waikato District Council
 - Waipa District Council
32. HWT understands that Hamilton City Council is considering our proposal for increased funding, however is yet to confirm the increased funding subject to gaining clarity from each of the other funding councils of their intentions regarding the matter. Other councils that have also indicated their support on the basis that all councils commit to the increase are Otorohanga District and Waitomo District.
33. Matamata-Piako District Council has not included the additional funding in their draft LTPs, however, HWT will continue to seek the proposed increase through their respective process.
34. HWT's success to date is due to the councils' vision and the collective partnership model adopted over the past three years. It is therefore critical that all councils' support the increased investment for the following reasons;
- a) to enable HWT to have enough financial resource to carry out the additional activities and widen its scope in order to achieve the desired outcomes;
 - b) to retain the integrity of the agreed TLA funding model and shared service agreement across the group.

Conclusion

35. HWT sincerely thanks Hamilton City for its support over the past five years. As a result of the partnership and investment alongside the region's other six councils, we have made significant progress in enabling the region to be recognised as a great place to visit and the tourism sector is now recognised as a leading contributor to the regional economy.
36. Looking forward, the H&W region has an opportunity to use tourism to increase the prosperity and living standards of its people. We can only do this by continuing a collaborative and long-term strategic approach, and by increasing the level of investment in HWT' activities to stimulate and create tourism growth resulting in greater economic benefits for our communities.
37. **HWT would like to request to speak to this submission at the LTPs hearings.** All enquiries should be made to Kiri Goulter, CEO of Hamilton & Waikato Tourism. Kiri@hamiltonwaikato.com or phone 07 8430056.

Thank you for the opportunity to submit to HCC's draft Long Term Plan 2015-25.

Yours sincerely



Graeme Osborne
Chairman
Hamilton & Waikato Tourism



Kiri Goulter
Chief Executive