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Rob Williams
Chief Executive
Thames-Coromandel District Council
515 MacKay Street
Thames 3500

By email: rob.williams@tcdc.govt.nz

Tēnā koe Rob

Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the pre-consultation round for the 2021-31 Long-term Plan. Our feedback focuses on the proposed changes to services for tourism promotion in the district.

The following proposals are being made by Thames-Coromandel District Council (TCDC):

1. Changing how tourism promotion is funded by funding information centres only. This would result in the i-SITES in Thames and Whitianga changing to information centres. Council currently provides annual funding of the two i-SITES via Destination Coromandel to the amount of \$80,000 and \$98,000 respectively. The four current information centres are each funded between \$33,000-\$57,000 annually. The information centres (managed by a number of organisations) and i-SITES (managed by Destination Coromandel) have been experiencing a downward trend in foot traffic and revenue generated over the last few years. This has been especially noticeable this year due to the loss of international tourism caused by the COVID-19 pandemic.
2. Reviewing TCDC's contract with Destination Coromandel for their destination marketing and management of the district. Council provides a grant of \$600,825 to Destination Coromandel which includes the i-SITE funding.

Our feedback - i-SITES and information centres

Concerns about the ongoing relevance of i-SITES and information centres is not a new issue for the industry as technology plays an increasing role in how visitors source information on tourism products and services. There is no single response to these issues and it's ultimately up to the funder and owner of the sites concerned to assess the viability of maintaining them. We do know that these sites play a range of important roles for regional tourism. As well as promoting local tourism products and services they support destination management, acting as a conduit of

information to manage the day to day needs of visitors including freedom campers and visiting drivers. These sites are also a visible location for visitors to go to in times of emergency, as happened after the Kaikoura earthquakes. They also enable the industry to support the New Zealand Tourism Sustainability Commitment, in particular #8 - Community Engagement. For example, in many smaller communities these sites act as a hub for locals to buy tickets to local fundraisers and productions, and the volunteers who work in these sites also create a close connection between tourism and the community.

Our view is that the decision is not purely a financial one and that the full range of services and benefits provided by these sites to support the local tourism system and wider community need to be considered. It's also worth noting that if a decision is made to move to information centres then the i-SITES will be required to resign as members of VIN Inc (i-SITE NZ) meaning there is no longer the ability to use the brand and leverage the marketing and support provided by VIN Inc.

Included in the proposals is consideration of replacing information centres and i-SITES with automated information kiosks, or to stop funding information centres and i-SITES altogether, instead relying on existing commercial operators to take on these services. Feedback provided to us is that these two options are unviable. There is virtually no private sector appetite to run information centres due to low profitability. We are advised there is currently no feasible automated kiosk solution as the internet makes these unviable.

Destination Coromandel

The Coromandel has had a Regional Tourism Organisation (RTO) for over 30 years. Destination Coromandel, one of 31 RTOs nationwide, receives current annual funding of \$455,175 from TCDC and \$120,000 from Hauraki District Council, supplemented by an industry contribution of \$107,765 (pre-Covid) as well as in-kind support of approximately \$50,000.

We are strongly opposed to any proposals that would reduce funding for destination management and destination marketing in the region. Dedicated resources to manage both these functions are very important to the success of regional tourism.

The Thames-Coromandel district has enjoyed a high level of domestic tourism and continues to do so. Of the \$465,000,000 spent annually by visitors in the region pre-COVID 79% came from domestic visitors. While the district is well located to take advantage of the large Auckland market regional competition for the domestic visitor has intensified as borders remain closed. Domestic visitors should not be taken for granted and continued investment in promotion is required.

Destination management is a key part of the regional tourism system. Regions are at various stages of evolution in their Destination Management Plans (DMPs), some completed and now

benefitting from their earlier foresight to develop these plans. Others including Thames-Coromandel are in the early stages. Government has realised the increasing importance of RTOs in leading the tourism recovery. We need capable, secure and adequately resourced RTOs that lead and coordinate activities in their regions, alongside the tourism industry, government and private stakeholders, Māori/iwi, and communities. As part of the government's STAPP fund, up to \$20.2 million in grants has been allocated to the 31 RTOs across New Zealand, with Thames Coromandel receiving a grant of \$700,000 to implement destination management & planning and encourage more people to explore the region. Destination Coromandel, with the support of your council has allocated this funding to focus on 16 projects, some of which are collaborations with other RTOs, across the three areas of Destination Management & Planning, Product Development & Industry Capability, and Domestic Marketing. The STAPP funding provided to deliver these projects is contingent on maintained local government support.

Closing comments

We acknowledge that many if not all councils across New Zealand will be reviewing budgets as the impacts of COVID-19 are felt by local government. But it would be remiss to presume that tourism funding could be withdrawn without a reduction in the economic benefits tourism brings to the region. Tourism supports 25% of the jobs in the region as well as attracting visitor spend of \$465m annually pre-COVID.

TIA wishes to participate further in the development of the Long-term Plan. We are a strong supporter of improving funding models for regional tourism. Our major submission to the Tourism Futures Taskforce included a paper titled [Sustainable Funding Models](#) which proposes that central government creates a Regional Tourism Fund of \$300m p.a. and distributes these funds to local government to address local tourism-related needs.

We urge the Council to reconsider these proposals and have confidence that an ongoing investment in tourism in the district will provide ongoing benefits to visitors, communities and ratepayers.

Please do not hesitate to contact us if you have any queries. We would be happy to meet to discuss our feedback further.

Ngā mihi,



Steve Hanrahan

Advocacy and Engagement Manager
Tourism Industry Aotearoa

Cc

Sandra Goudie, Mayor, Thames-Coromandel District Council sandra.goudie@tcdc.govt.nz

Hadley Dryden, General Manager, Destination Coromandel hadley@thecoromandel.com

About TIA

TIA is the peak body for the tourism industry in New Zealand. With nearly 1,400 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure & other activities, attractions, retail, airports & airlines, transport, cruise, as well as related tourism services.