



# Hurunui Tourism FY22 Marketing Plan

## Background

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This document outlines Hurunui Tourism activity plans and associated budget for the period July 2021 – June 2022.

Each year, Hurunui Tourism produce a marketing plan that outlines budgets and initiatives for that year. This is usually based on the [5-year strategy](#), which was approved and endorsed by the Hurunui District Council (HDC) in May 2017.

Last year was an exception, in that the FY21 marketing plan was a COVID-19 recovery plan signed off by HDC in April 2020, as the Hurunui Tourism Board's (HTB's) delegations were held by HDC at that point.

Should the HTB approve this draft plan, we will then consult with the tourism community on the plan. This feedback will be considered and then a final plan will be presented to the HTB at the April meeting.

Please note that this plan is based on our best available knowledge at the time of writing. We have included scenarios based on potential border openings to provide some flexibility. However, should the situation significantly change - for example if New Zealand were to go into lockdown for a period - we would need to reconsider the plan.

## Hurunui Tourism - Current Situation

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### *Performance*

Our objective this financial year was to “help the tourism industry in the Hurunui to recover from COVID-19, and help lead the further development of sustainable tourism in the area.”

This was measured by three KPIs:

1. Have the Regional Tourism Estimate of spending (RTE) reach 80% of where it was at pre COVID-19 by June 2021.
2. Increase website visits to visithurunui and visithanmersprings by 20% compared to the 2019 calendar year.
3. Continue destination development work to encourage new products and events.

Our performance against these measures so far:

1. RTEs were at **95.1% of pre-COVID levels** as at October 2020 (measured by year-end October 2020 vs year-end October 2019).
2. Website visits have increased by (2020 calendar year compared to 2019)
  - Visit **Hurunui: + 10.4%**
  - Visit **Hanmer Springs: + 58.8%**
3. Destination development
  - New products supported: Flyride in Hanmer Springs
  - New events supported: Hanmer Springs carnival, Bandquet
  - Existing events supported: Hurunui Garden Festival, Hanmer Springs Fete, North Canterbury Wine & Food Festival, Hanmer Springs Half Marathon

### *Financials*

Hurunui Tourism was fortunate to receive central government funding through the STAPP programme in FY21. At this stage there are no indications from government of any further funding being made available.

As at 21 January, we are forecasting:

- A deficit of \$72,889 for FY21
- Reserves to be \$133,956 as at 30 June.

The forecast reserves is the figure we have used as a starting point for this plan.

This is based on the forecast presented on page 6.

## The Tourism Industry

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The COVID-19 situation has decimated the tourism industry around the world. It will take many years for the industry to recover. However in New Zealand, domestic tourism has increased significantly and in some regions that has been enough to see tourism return to near pre-COVID levels or even lead to growth in tourism.

It does seem that we are limited to domestic tourism for the foreseeable future. The prospect of a trans-Tasman border is encouraging but will depend on many factors. International visitors from further afield than Australia would appear to be some time away.

That is why this plan is based on domestic tourism only, but it does present alternative scenarios for if borders do open. We will continue to focus on domestic tourism while monitoring the international situation, and being ready to respond.

Tourism NZ and Tourism Industry Aotearoa recently released an updated version of the domestic tourism tool, [DGIT](#). Data from DGIT is presented below.

### ***Domestic Market Potential***

	<b>Total NZ</b>	<b>Hurunui</b>	<b>Percentage</b>
Total potential trips	44,441,622	314,633	0.7%
Total potential overnight trips	19,001,093	245,705	1.3%

Not surprisingly, 85% of visits would be road trips only, suggesting the South Island should remain our primary target market. However, we have been receiving much more interest from the North Island, in particular Auckland, as the following data indicates.

### ***Demographics of those interested in visiting Hurunui***

The demographics indicated below will be taken into account when targeting our media:

- 72% are adults only (no children)
- 66.7% from Canterbury
- 10.8% from Auckland
- 4.1% from Dunedin
- 4.9% from Marlborough and Nelson-Tasman

## The Objective

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Our objective continues to be to help the tourism industry in the Hurunui to recover from COVID-19, and help lead the further development of sustainable tourism in the area.

Specifically:

1. Have the Regional Tourism Estimate of spending (RTE) **reach 100%** of where it was at pre-COVID by June 2022 – i.e. RTEs to return to pre-COVID levels.
2. Increase website visits to visithurunui and visithanmersprings by **20% compared to the FY2021 year**.
3. **Continue destination development work** to encourage new products and events.

This is based on the current situation in that New Zealand's borders are currently closed. Those borders may open during this year, and so we have created two further scenarios:

***Scenario 2 – trans-Tasman border reopens***

***Scenario 3 – long-haul borders reopen***

Should those scenarios eventuate, we will reconsider objectives based on the specific situation.

## The Plan

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Below are the key changes we will make to Hurunui Tourism marketing, and if that will require increased or reduced spend in those areas.

Item	Increase spend	Reduce spend	Comments
Tourism Growth Package	<input checked="" type="checkbox"/>		We reduced the amount spent on this during FY21, to spend more on advertising. To maintain momentum it is vital that we invest more in this area in FY22.
Collaboration			
Website/Digital	<input checked="" type="checkbox"/>		For continued website development and social media boosting.
Collateral		<input checked="" type="checkbox"/>	Spending less on the distribution of the visitors guide.
Visitor Information Boards	<input checked="" type="checkbox"/>		Updating two information boards.
Trade			
Advertising		<input checked="" type="checkbox"/>	In FY21 we supported a larger than usual advertising campaign.
In-Market	<input checked="" type="checkbox"/>		Visiting NZ travel operators and attending domestic travel shows.

Conferences and Meetings			
Communications	<input checked="" type="checkbox"/>		More budget to create media coverage in a cluttered market.
TRENZ			

### Scenario 2

Should the Australian borders open, it is vital that we are able to leverage opportunities and also rebuild relationships we have there; particularly Tourism NZ and trade contacts.

Therefore we have budgeted extra for:

- Sales trips to Australia
- Support of Christchurch NZ's potential consumer campaign in Australia
- Enhance the distribution of our visitors guide

### Scenario 3

Should other borders open, for example Singapore and China, we will need to have the budget to support initiatives into those countries:

- More activity with NZ Inbound Tourism Operators
- Supporting potential Tourism NZ and Christchurch Airport long-haul initiatives

## The Budget

Below is budgeted spend for FY22, alongside forecast spend this year. Notes:

1. The reason for the reduced revenue is that Hurunui Tourism received \$30,000 from both Hanmer Springs Thermal Pools & Spa and Hanmer Springs Community Board in FY21.
2. The apparent overspend in trade was actually an initiative that Hurunui Tourism paid for and then on-invoiced Tourism West Coast and Destination Kaikoura (\$12,000 total, which appears in "third-party revenue").

	<b>FY21 EOY Forecast</b>		<b>FY22 Draft Budget</b>
<b>Operating Revenue</b>			
Targeted Tourism Rate	251,674		261,468
Allocation from Hanmer Springs Thermal Pools & Spa	60,837		63,270
Sales Other	300		0
Hanmer Trails Contribution	2,000		0
Visitor Guide	(8,700)		0
Third-party Revenue	72,000		0
<b>Total Operating Income</b>	<b>378,111</b>	<b>1</b>	<b>324,739</b>
<b>Less Operating Expenditure</b>			
<b>Fixed Costs</b>			
Marketing Consultancy Costs (HSTP&S)	82,000		82,000
APT - Other Expenditure	2,000		2,000
	<b>84,000</b>		<b>84,000</b>
<b>Marketing Costs</b>			
Tourism Growth Package	20,000		60,000
Collaboration	25,000		31,505
Website/Digital	30,000		29,300
Visitor Information Boards	0		20,000
Collateral	38,000		30,000
Trade / TRENZ	27,000	<b>2</b>	10,000
Advertising	170,000		77,000
In-Market	20,000		10,000
Conferences and Meetings	10,000		10,000
Communications	12,000		22,400
TRENZ	15,000		0
	<b>367,000</b>		<b>300,205</b>
<b>Total Operating Expenditure</b>	<b>451,000</b>		<b>384,205</b>
<b>Net Surplus/(Deficit) for period</b>	<b>(72,889)</b>		<b>(59,466)</b>
<b>CAPITAL STATEMENT</b>			
Opening Balance	206,845		133,956
Surplus/(Deficit) for period	(72,889)		(59,466)
Closing Balance	<b>133,956</b>		<b>74,490</b>

**Scenario 2 (Australian borders open):**

Budgeted closing balance	\$74,490
Extra expenditure	\$30,000
- Australia sales trips	
- Support Australia consumer campaigns	
- Enhanced visitor guide distribution	
Scenario 2 budgeted closing balance	\$44,490

**Scenario 3 (long haul borders open):**

Scenario 2 budgeted closing balance	\$44,490
Extra expenditure	\$12,000
- Australia sales trips	
- Support Australia consumer campaigns	
- Enhanced visitor guide distribution	
Scenario 3 budgeted closing balance	\$32,490