

Visit Hurunui North Canterbury



Background

This document outlines Hurunui Tourism activity plans and associated budget for the period July 2022 – June 2023 (referred to as FY23).

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

Please note that this plan is based on our best available knowledge at the time of writing. The COVID-19 situation continues to change and challenge us all.

We have included a contingency amount in the budget. This provides some more flexibility, and could be used to help us respond to further lockdowns or similar actions, but could equally be used to take advantage of opportunities, for example if borders open.



Current Situation

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 95% of where it was at pre COVID-19 by June 2022 (as measured by the best available measure).
2. Increase website visits:
 - Increase visithurunui by 12% compared to the FY2021 year.
 - Increase visithanmiersprings by 20% compared to the FY2021 year.
3. Continue destination development work to encourage new products and events.

Our performance against these measures so far:

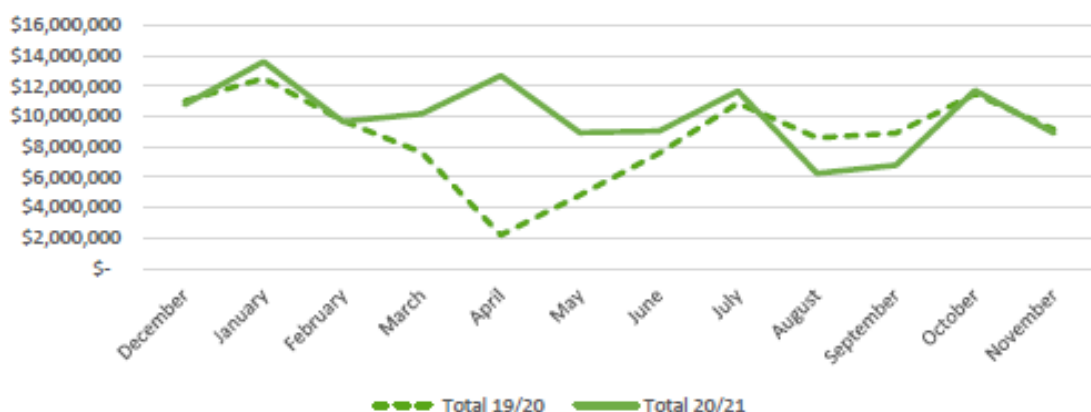
The current best measure for tourism spend is electronic spend data through Marketview.

As at year-end November:

- Spend was \$120 million.
- This was an increase of 9.8% on pre-COVID levels (Year-end February 2020 = \$109 million). Meaning Hurunui was at 109.8% of pre-COVID levels. **KPI ACHIEVED**
- This was also an increase of 15.0% on the previous year (Year-end November 2020).

Visitor spending, Hurunui YE November

source: Marketview



1. For the 2021 calendar year, website visits have increased by the following amount compared to the 2020 calendar year:

- **Visit Hurunui: + 70.1%** *KPI ACHIEVED*
- **Visit Hanmer Springs: + 81.6%** *KPI ACHIEVED*

2. Destination development

New products supported:

- **Flyride in Hanmer Springs**

New / fledgling events supported:

- **Alpine Winter Festival**
- **Bandquet**
- **Honour Festival**
- **Tombstone Mountain Bike Race**
- **Hanmer Carnival**

Existing events supported:

- **North Canterbury Wine & Food Festival (supported but cancelled)**
- **Hurunui Garden Festival**
- **Hanmer Springs Fete**



FINANCIALS

Hurunui Tourism has been fortunate to receive central government funding via MBIE and its tourism recovery programme.

Details are available here: <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-recovery/>

At this stage there are no indications from government of any further funding being made available.

As at 7 February, we are forecasting:

- **A deficit of \$76,343 for FY22**
- **Reserves to be \$126,500 as at 30 June 2022.**

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 9.



The Tourism Industry



The COVID-19 situation has decimated the tourism industry around the world. It will take many years for the industry to recover.

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. However much of that growth was through the summer of 2020-2021, after the first lockdown.

The second lockdown, and uncertainty about new COVID variants, appears to have stalled domestic growth at this point.

The plan to reopen borders across the first half of 2022, and recapture some International tourism, is also far from certain.

Like the previous year's plan, this plan is based on domestic tourism only, but it does present alternative scenarios for if borders do reopen.

We will continue to focus on domestic tourism while monitoring the international situation and being ready to respond.



DOMESTIC TRAVEL RESEARCH

Tourism NZ's Domestic Travel View Report Oct 2021 <https://insights.tourismnewzealand.com/assets/Tourism-New-Zealand/Consumer-research/Domestic-research/Domestic-Travel-View-Report-October-2021.pdf> has some interesting insights for domestic tourism:

- 1. 69% of New Zealanders were planning a domestic holiday in the next 12 months. This indicator has remained relatively high throughout the pandemic.**
- 2. There is a growing number of New Zealanders who are wanting to see more of New Zealand and/or wanting to visit a specific region or place.**
- 3. The key areas New Zealanders are using as inspiration for holiday ideas are:**
 - Recommendations from family and friends
 - Online travel / destination websites

We will include these insights, and future insights from Tourism NZ and other tourism industry bodies, when planning our marketing initiatives.

UPDATE 10/2/22: Tourism NZ released domestic research results for December, that has not been uploaded to their website yet. Results showed:

- 4. New Zealanders planning a domestic holiday in the next 12 months has dropped to 65%.**
- 5. More New Zealanders, particularly Empty Nesters, are looking to save money they would usually spend on overseas holidays, rather than spend it on domestic holidays.**

This does emphasise that Omicron and the red light setting is significantly affecting the industry, and will do so for some time. We will continue to use this information when planning our activity.



The Objective

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.

It is challenging to set objectives when uncontrollables such as lockdowns and red light settings can significantly affect the industry, however we would still aim to achieve the following:

- 1. Have regional spend reach and exceed pre-COVID levels (as measured by the best available measure).**
- 2. Have commercial accommodation maintain an average of at least 2 nights per booking.**
- 3. Have total guest nights reach and exceed pre-COVID levels.**

Our website is our key marketing asset, and we need to continue to drive visitors to, and engagement on, that site. We have had significant growth in the past year, and we aim to consolidate that growth by:

- 4. Increasing website visits:**
 - a. Increase visitthurunui by 15% compared to the FY2022 year.**
 - b. Increase visithanmersprings by 20% compared to the FY2022 year.**

Developing the destination remains a key objective. It is difficult to measure but at its heart we simply continue to drive to develop new product and events.

- 5. Continue destination development work to encourage new products and events.**

We also need to ensure we deliver on the investment plan based on the MBIE spending, particularly:

- 6. Deliver on a Destination Management Plan.**
- 7. Manage the MBIE Investment Spending to budget and maximise its effectiveness.**



The Plan

Below is an outline of how we plan to spend the budget, with explanations on each of the budget items on the next page.

	DRAFT BUDGET FY23	BUDGET FY22	FORECAST FY22 YTD
OPERATING REVENUE:			
Targeted Tourism Rate	271,927	261,474	261,474
Contribution from HSTPS	63,270	63,270	63,270
Third-party revenue	6,000	–	6,500
	341,197	324,744	331,244
LESS FIXED COSTS:			
Wages & Salaries	4,000	4,000	4,132
Marketing Consultancy Costs	82,000	82,000	82,000
Other Board Costs	1,000	1,000	1,000
	87,000	87,000	87,132
LESS OPERATING COSTS:			
Tourism Growth Package	50,000	50,000	25,000
Collaboration	31,005	36,505	36,505
Website/Digital	36,000	29,300	29,300
Visitor Information Boards	10,000	20,000	20,000
Collateral	45,000	30,000	30,000
Trade / TRENZ	8,000	10,000	10,000
Advertising	62,000	77,000	77,000
In-Market	8,000	10,000	10,000
Conferences and Meetings	8,000	10,000	10,000
Communications	27,400	22,400	22,400
Data	15,000	15,000	17,250
Promotion Groups Fund	8,000	8,000	8,000
Contingency Budget	27,292	–	–
	335,697	318,205	295,455
NET SURPLUS / DEFICIT	- 81,500	- 80,461	- 51,343
CAPITAL STATEMENT			
Opening Balance	126,500	177,843	177,843
Surplus/(Deficit) for period	- 81,500	- 80,461	- 51,343
CLOSING BALANCE	45,000	97,382	126,500

(... continued)

Explanations on budget items from previous page:

Tourism Growth Package is our support of Product and Events Development in the region, e.g. working to facilitate investment in new tourism products or events.

Collaboration is our participation in initiatives with other organisations; e.g. the Alpine Pacific Touring Route, support of Christchurch Airport activities, and our membership fees with RTNZ and TIA.

Website / Digital is our website development and social media programme.

Visitor Information Boards is revamping one of the several large info boards around the district.

Collateral is printing of the official visitors guide, maps, and also a photo / video budget.

Trade / TRENZ is work with the trade channel and attending TRENZ, the large industry event for linking with travel buyers.

Advertising is at it suggests, our advertising – billboards, online, radio, magazines, etc.

In-market is if we attend any consumer shows or similar, e.g. the NZ Bike Expo, Motorhome & Caravan Shows.

Conferences & Meetings is work we do to attract these events to the region.

Communications is the media and PR work we do. It also includes how we communicate with tourism operators, which will include at least one networking function for all business associations and promotional groups.

Data is a fee we pay to get monthly reports on the performance of the region – it includes tourism spend, accommodation info, visitor flow around the region, and AirBnB data.

Promotion Groups Fund is a fund available to promotion groups, up to \$2,000 per group, for their activities.

Contingency budget is there to be used if a significant event, e.g. responding to another lockdown or if the borders open.

Feels
like home

