

Attachment 3: SUMMARY REVIEW DRAFT SOI – DESTINATION GREAT LAKE TAUPŌ [DGLT]

Key Activities set out in the draft SOI 2018 -21

Objectives of DGLT

There are two main groups of objectives covered in this Statement of Intent:

- A series of objectives aimed at implementing the vision in the 2016-2026 strategic document (the focus of our work)
- A series of objectives around DGLT Trust operations (the way we work).

3.1 Our focus

Establish Great Lake Taupō as 'THE North Island holiday destination', centred around our natural environment and attractions.

We have identified four objectives in our 2016-2026 Strategic Document:

3.1.1 Diversify what we do to grow both domestic and international visitor numbers.

Domestic tourism is growing but there is competition for these visitors both within NZ and from long haul destinations. Whilst we are already a strong family destination, there is great potential for growth in couples and new New Zealanders. NZ is experiencing high growth in international arrivals and we need to ensure we are getting our share of this growth. Key growth markets include Australia, the US, China and India.

3.1.2 Create a thriving year-round tourism destination by filling capacity in quieter times and locations.

We will continue to market the Great Lake Taupō region as a short break destination, but we will also work to lengthen the perceived summer season by targeting marketing activities at Oct/Nov and March/April. We will promote a winter holiday focus with links to ski, snow and après ski experiences. We will grow international markets by increasing awareness of the destination through increased activity with the travel trade. We will also attempt to grow visitation for Turangi through a more targeted approach.

3.1.3 Encourage and support new investment in product development.

Thoughtful, strategic and quality investment will significantly enhance attractions, increase the vibrancy of our towns and strengthen our market reach. New product is key to providing reasons to visit at all times of the year and fill periods when there is capacity in the region, and to making sure our offerings are well suited to existing and future target markets.

This means working with both existing operators, new investors and Enterprise Great Lake Taupō to support new product development, further monetise existing attractions and market existing attractions to the travel trade. This will include a specific focus on Turangi, work alongside Ngati Tuwharetoa to develop cultural product and a focus on additional soft adventure/wet weather attractions.

3.1.4 Ensure the destination meets future challenges and encourages development opportunities.

Whilst this strategy is largely about growth and change, Great Lake Taupō is already a must-visit summer destination, particularly for families and international backpackers. It is critical that we don't take our eye off these areas.

Given the aspiration for both rapid and significant growth in visitors, Great Lake Taupō as a destination must also be engineered to deal with the development challenges and opportunities that will arise. The growth trajectory is positive, but we need to ensure we continue to deliver a world class experience to increasing numbers of domestic and international tourists.

3.2 Our approach

Run an efficient and effective regional tourism organisation, strongly supported by the local tourism industry.

Our other key objectives are around the efficiency and effectiveness of the organisation. We have identified two objectives:

3.2.1 Take industry with us, and work collaboratively

On-going effective industry and stakeholder communication is vital to ensuring that the district operates as a coherent whole. DGLT will continue to actively engage with operators and stakeholders throughout the strategy implementation.

3.2.2 Be fiscally responsible in the way we do business

DGLT will focus on responsible business practice, cost efficiencies and sustaining revenue streams in conjunction with marketing programmes.

Nature and Scope of Current Activities

DGLT has planned for a continuation of business as usual activity for the 2018/19 year.

Business as usual activity (funded under current resourcing levels) includes the following:

- Planning and delivery of destination marketing programmes that grow the inbound visitor market (including both domestic and international visitors) to the Great Lake Taupō district jointly with operators and other groups
- Promotion of the district to the international market collaboratively with the Explore Central North Island grouping of regional tourism organisations and with Tourism New Zealand
- Provision of tourism market information and insights as appropriate for operators to assist in their marketing initiatives
- Work with local, national and international media to gain maximum positive exposure for the district
- Provision of regional visitor information that enables our key markets to make decisions on holidays in Great Lake Taupō
- Operation of the two i-SITEs within the Great Lake Taupō district
- Convention and incentive marketing and facilitation of business conversion
- Delivery of trade and media familiarisations to build profile and opportunity
- Active involvement in discussions about infrastructure and destination management projects
- Representation of the district at tourism trade shows
- Management of greatlaketaupo.com and other digital marketing functions
- Event marketing and leveraging the visitor opportunities around events
- Planning and delivery of joint marketing activity for Turangi and Mangakino
- Work alongside Ngati Tuwharetoa to interpret and promote cultural stories
- Professional development / capability building for operators

Changes to status quo activity for 2018/19 include the following:

Taupō District Council has produced a draft Long Term Plan which includes the following changes in relation to economic development funding (for 2018/19):

- Separation of the funding for marketing and i-SITE operations so that there are two separate grants (with less co-dependency). Also, an increase to i-SITE funding in recognition of the increasing costs of this service (caused by declining revenue).

A fixed funding environment over a number of years, combined with a need to increase international activity, has resulted in some erosion of domestic and conference/incentive marketing. A separation of i-SITE funding, and an increase in i-SITE funding to mitigate decreasing revenue, will enable some reinstatement of domestic/direct to consumer marketing activity. This will be largely deployed in to digital marketing.

- A renewal of funding to enable continuation of winter/ski campaign activity with Tourism NZ, RAL and Auckland International Airport.

In March 2017 Taupō District Council agreed to provide an additional funding allocation per annum for an Australian winter marketing campaign in conjunction with Tourism New Zealand, Ruapehu Alpine Lifts and Visit Ruapehu. Ruapehu Alpine Lifts is planning \$100 million of investment at Whakapapa Ski Field over the next few years, and with a plan that will transform the visitor experience on the mountain. As part of this development RAL has identified that it needs to reorient and position alongside Taupō as the primary winter resort town to service visitors to the mountain and especially for international visitors. This marketing campaign is being led by Tourism NZ and is designed to raise awareness of the North Island ski proposition and significantly shift both skier days and visitor expenditure. DGLT is anticipating that this funding will be retained in the Long Term Plan, enabling this activity to be retained for 2018/19 and then onward to 2021. The funding is provided directly to Tourism NZ by Taupō District Council and DGLT will support this campaign activity with its own activity and resourcing.

DGLT will support these changes via the submissions process. For the purposes of this SOI DGLT has assumed that the funding changes in the draft Long Term Plan will be retained following the submissions and then deliberations process.

Suggested shareholder feedback on the draft SOI

	Council Feedback
Nature and Scope	Council is satisfied
Performance Measurement	Council is satisfied
Disclosures – Concerns Sch 8 Clause 9 LG Act 2002	Council is satisfied
Timeliness of forwarding draft	Council is satisfied - Received 28 February 2018

Recommendations

Council is satisfied with the content of the SOI and no feedback on its content is required.