Bay of Plenty
Tourism Performance and Future Opportunities Report

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Prepared by

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Contents

1. Executive Summary

This report brings together a variety of perspectives from tourism stakeholders across the wider Bay of Plenty region and an examination of the region's tourism sector performance over the last 10 years to provide a commentary on possible future tourism development projects that will benefit the region over the next 10 years.

Stakeholder interviews (15 in total) were conducted to provide a summary of the "views of the industry" – what's working well, where the region can do better and more specifically what opportunities the Bay of Plenty tourism sector should pursue.

The Current Situation

Bay of Plenty tourism performance has been rated as 'just above average' by the tourism stakeholders interviewed. Commercial accommodation statistics over the last 10 years support this perception with reasonable growth in guest nights enjoyed by Tauranga City, Western Bay of Plenty and Whakatane / Opotiki. However Rotorua has seen a significant decline in guest nights over the last five years impacting overall regional performance and dropping the wider region's share from 5.4% to 4.8% of the New Zealand commercial accommodation market between 2000 and 2009.

The stakeholders interviewed highlighted three areas where the tourism sector in the Bay of Plenty was performing particularly well. These include:

1. The cruise ship market
2. Rotorua with its breadth of product and promotional activity
3. Events across the region.

Constraints to growth over the past decade were also outlined with a lack of cohesion and cooperation, particularly in tourism marketing activity (via the Regional Tourism Organisations and other agencies) being mentioned most frequently as an area of concern. Other constraints included a lack of tourism activity product (or reasons to visit) in the Western Bay, Tauranga and Eastern Bay of Plenty and a need for tourism to be recognised by the community and councils in these areas as a significant industry for the region and therefore justifying support and investment.

Future Opportunities

There was a diverse range of perspectives in the interviews conducted as part of this research given the different parts of the region and segments of tourism represented. One common theme however, was a relatively consistent agreement on which tourism markets the region should focus on developing over the next 10 years i.e. Australia, the domestic market and UK/Europe. This consistent focus bodes well for greater alignment of development initiatives and marketing effort across the region in future.

Of the segments or activities within tourism that were highlighted as presenting the largest areas of opportunity, the following actions were seen as most important:

1. Collaborating to enhance the regional brand and improve the effectiveness of marketing efforts across the region
2. Capitalising on the growth in cruise ship visitors and crew
3. Reclaiming the position as New Zealand's premier region for authentic Maori cultural experiences and exploring opportunities to add more eco tourism or environmental elements to the visitor experience.

Potential Next Steps

Further investigation of the potential for region-wide tourism development projects is recommended in order to deliver improved returns to the tourism sector and address the region's declining tourism market share. Potential projects for the development of tourism in the wider Bay of Plenty region include:

- Investigating new ways of collaborating across the wider Bay of Plenty tourism sector in order to create a new and sustainable competitive advantage by establishing either informal networks or formal structures capable of improving communications within the region and aligning the planning activity, resources and talent of the region.

- Examining options for a staged approach to greater unification in major events and tourism marketing activity in order to counter seasonality. This may start with a Bay of Plenty major events network or even a new pan-regional organisation charged with developing major home-grown events and bidding for new events.

- Developing a plan to optimise cruise ship visitor activity over the next 5 years including establishing the Bay of Plenty as the preferred Australasian destination for cruise ship crew and ensuring new tourism product is packaged and ready to cater for the growing visitor demand.

- Improving the shared understanding of the Bay of Plenty regional brand (e.g. through a brand audit) and enabling tourism businesses to align where possible with the regional brand (or sub-regional brands).

- Investigating new ways to leverage the region's proximity to half the New Zealand population in order to generate greater visitation.

- Researching product gaps across the region and whether planned new developments will fill these e.g. understanding the potential to offer more authentic cultural tourism, adventure tourism or eco tourism experiences.

- Considering a pan-regional conference and incentives strategy to ensure an optimal investment in conference facilities over the next 10 years and combining conventions and incentives marketing efforts across the region for better overall effect.

2. Introduction and Methodology

This research seeks to identify and elaborate on issues that will inform Environment Bay of Plenty of the current performance and perceptions of the tourism industry and to encourage debate and discussion about issues and opportunities for growth over the next 10 years.

The research took two broad forms in order to capture a wide range of information and to provide a snapshot of the current Bay of Plenty region's current tourism activity and to highlight future opportunities.

- Primary research – 15 interviews (by telephone) were conducted with key stakeholders in the Bay of Plenty region with an interest in events, economic development, attractions and tourism.

- Secondary research – web based research examining the performance of the Bay of Plenty region against its competing New Zealand destinations and past performance.

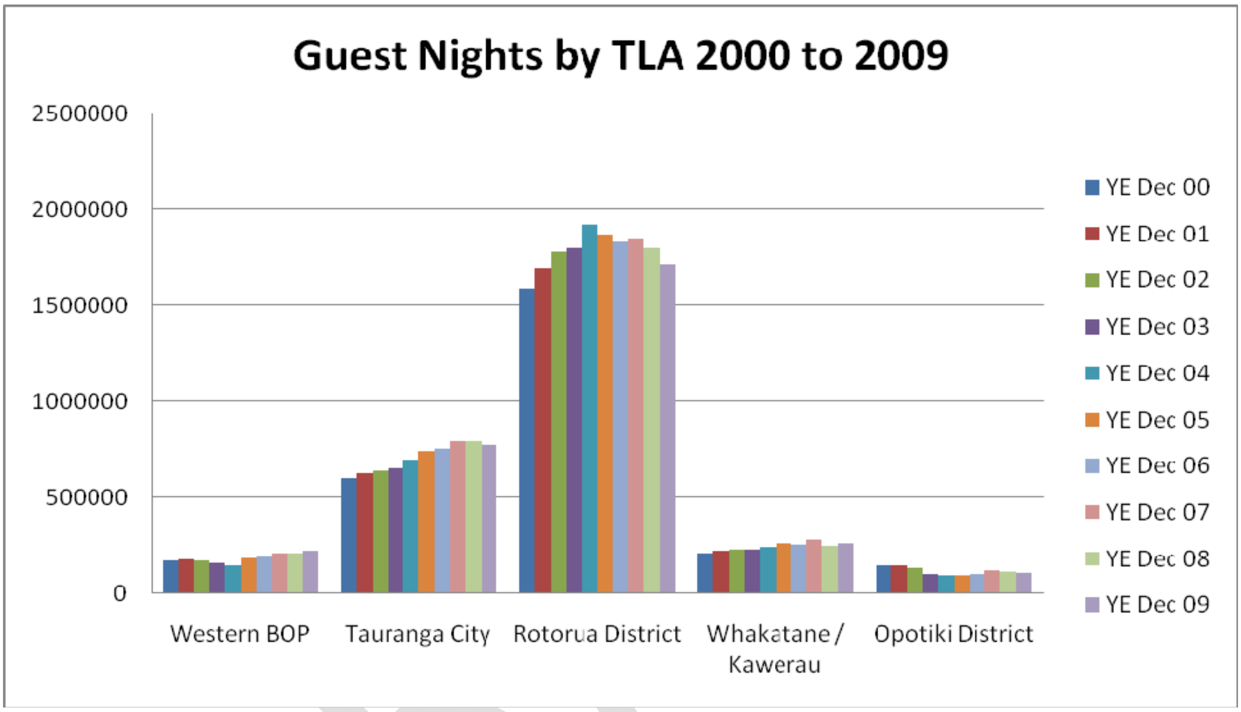
This report also provides information on global tourism trends relevant to the Bay of Plenty and commentary on some possible future projects to develop the tourism sector.

The research into future opportunities for tourism in the Bay of Plenty included reference to specific sectors:
- Maori and cultural tourism
- Education tourism
- Event tourism (including sports and RWC)
- Medical tourism
- Recreational and eco tourism
- Heritage tourism
- Cycle way
- Future tourism opportunities
- Cruise ships

3. Bay of Plenty Regional Tourism Performance 2000 to 2010

3.1 Commercial Accommodation in the Bay of Plenty

The wider Bay of Plenty Region enjoyed consistent growth in the first half of the decade in terms of guest nights in commercial (paid) accommodation. However this growth has not continued due mainly to declining guest night numbers in Rotorua from 2005 to 2009.



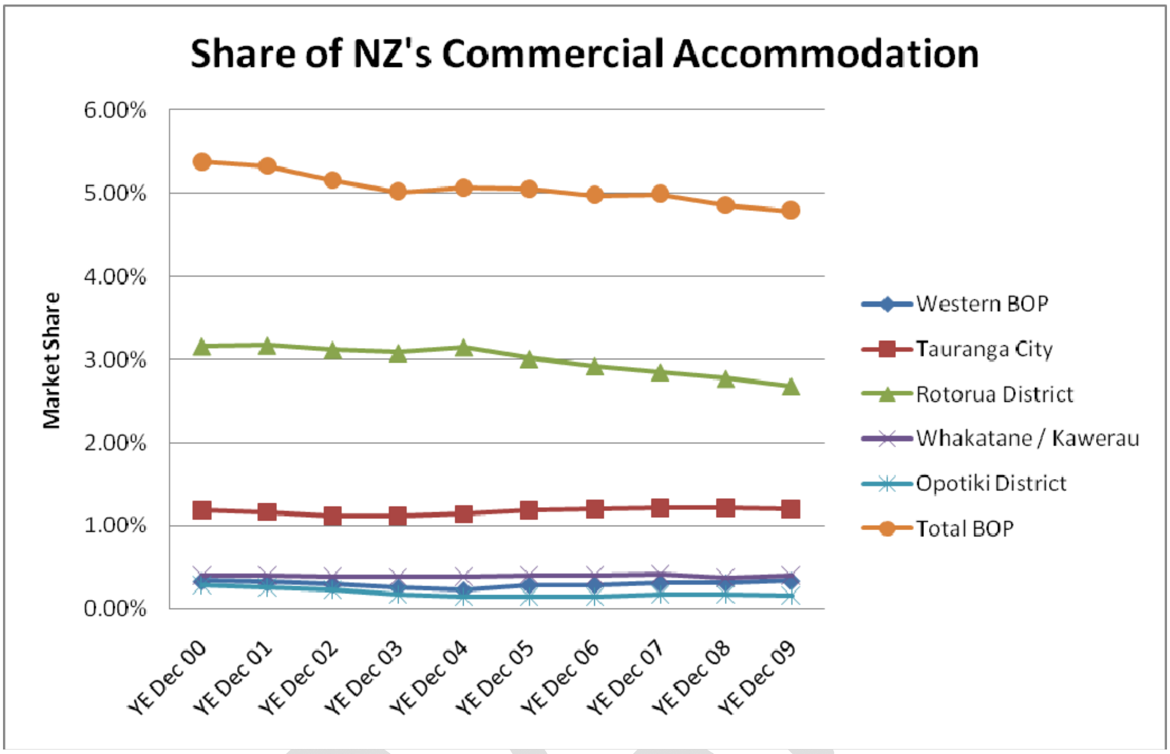
Source: Commercial Accommodation Monitor, Ministry of Tourism

Table 1: Guest Nights in Commercial Accommodation 2000 to 2009

	Western BOP	Tauranga City	Rotorua District	Whakatane / Kawerau	Opotiki District	Total BOP
2000	169,275	596,079	1,588,714	205,086	143,430	2,702,584
2001	171,524	624,314	1,697,585	217,220	141,083	2,851,726
2002	170,206	637,716	1,777,296	224,593	130,294	2,940,105
2003	153,599	651,216	1,798,785	223,731	98,725	2,926,056
2004	142,635	696,168	1,924,559	238,915	89,654	3,091,931
2005	180,605	737,005	1,872,429	256,623	92,900	3,139,562
2006	183,455	750,471	1,829,382	253,178	93,548	3,110,034
2007	202,946	792,608	1,854,032	273,944	116,279	3,239,809
2008	204,084	791,601	1,802,639	242,329	112,233	3,152,886
2009	217,836	770,082	1,716,160	256,915	102,600	3,063,593

Source: Commercial Accommodation Monitor, Ministry of Tourism

Bay of Plenty's share of New Zealand tourism activity, when measured in terms of guest nights in commercial accommodation, appears to have been slipping again due to Rotorua's consistent decline from 2005 to 2009.



Source: Commercial Accommodation Monitor, Ministry of Tourism

This decline in Commercial Accommodation does not appear to be related to accommodation capacity in the district as the same numbers of establishments (around 125) appear to be offering significantly more rooms / beds in 2009 than in 2000.

Rotorua RTO area has dropped from 4th to 5th in terms of guest nights in commercial accommodation between 2000 and 2009 while the Bay of Plenty RTO area has moved from 12th to 11th largest region in New Zealand.

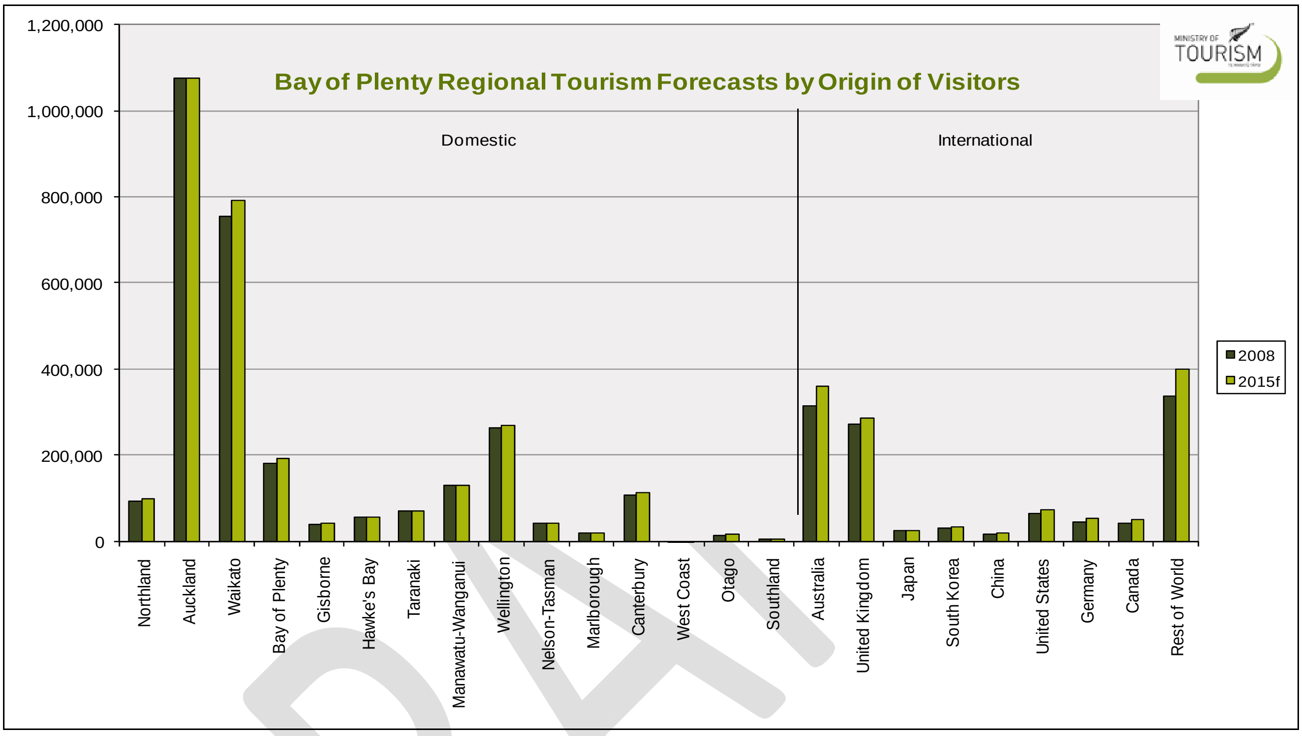
Table 2: Regional Rankings Based on Guest Nights in Commercial Accommodation (RTO Areas)

	2000 Total	2000 Rank	2009 Total	2009 Rank
Auckland	4,270,692	1	5,447,674	1
Canterbury	2,952,462	2	4,007,718	2
Queenstown	1,836,194	3	2,343,301	3
Rotorua	**1,588,714**	**4**	**1,716,160**	**5**
Wellington	1,488,339	5	2,312,670	4
Northland	1,431,808	6	1,633,984	6
Nelson-Tasman	1,045,863	7	1,224,981	8
Taupo	1,000,838	8	980,827	12
West Coast	871,929	9	1,233,081	7
Waikato	813,281	10	1,021,327	10
Hawke's Bay	765,975	11	1,037,847	9
Bay of Plenty	**765,354**	**12**	**987,917**	**11**
Dunedin	643,959	13	860,650	13
Coromandel	637,096	14	686,419	15
Marlborough	584,680	15	691,330	14
Manawatu	458,419	16	510,196	18
Wanaka	430,189	17	592,228	16
Taranaki	372,300	18	555,392	17
Gisborne	337,242	19	364,521	23
Fiordland	328,280	20	404,850	22
Southland	321,894	21	456,348	19
Mackenzie	290,573	22	417,988	20
Waitaki	257,296	23	295,024	26
Ruapehu	248,431	24	412,044	21
Hurunui	210,774	25	299,893	25
Central Otago	206,423	26	331,865	24
Whakatane-Kawerau	205,086	27	256,915	28
Kapiti-Horowhenua	195,992	28	203,868	29
Timaru	181,300	29	271,533	27
Wairarapa	170,557	30	188,991	30
Wanganui	160,349	31	185,140	31
Clutha	56,319	32	80,992	32

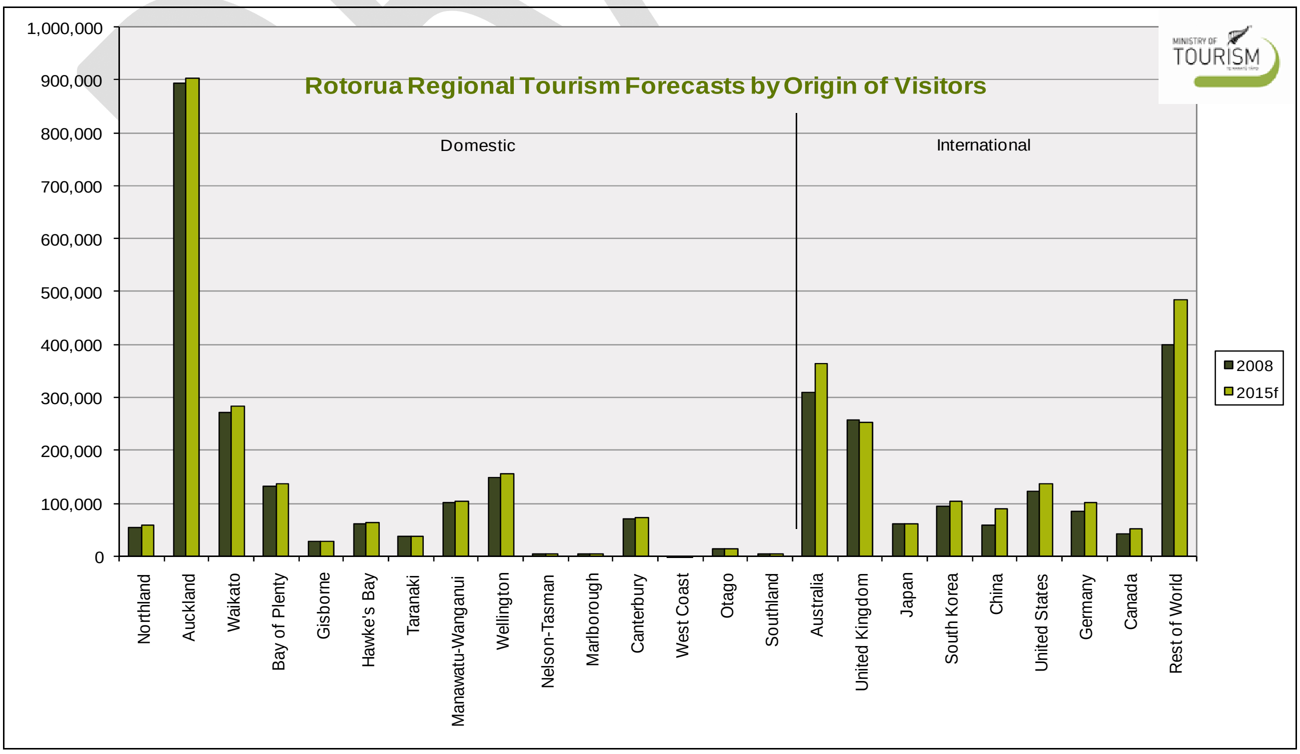
Source: Commercial Accommodation Monitor, Ministry of Tourism

3.2 Origin of Visitors to the Bay of Plenty

Auckland is the major region of origin for visitors to both Bay of Plenty (excluding the Eastern Bay of Plenty) and Rotorua. Even considering the higher forecast growth in international visitor nights, Auckland is still expected to contribute 25% of the visitors to both regions.



Source: NZ Tourism Forecasts 2009 to 2015, Ministry of Tourism



Source: NZ Tourism Forecasts 2009 to 2015, Ministry of Tourism

3.3 Activities Enjoyed by International Visitors to the Bay of Plenty

The following tables show the top 20 activities / attractions enjoyed by visitors to both Rotorua and the Bay of Plenty Regional Tourism Organisation (RTO) areas.

Table 3: Top 20 Activities Undertaken by International Visitors to Rotorua RTO Area

	Rotorua Activities/Attractions (Grouped)	YE Dec 05	YE Dec 06	YE Dec 07	YE Dec 08	YE Dec 09
1	Volcanic/Geothermal Attractions	692,321	589,596	579,151	532,067	521,107
2	Cultural Attractions	427,795	389,561	365,525	310,103	277,486
3	Dining	218,554	198,547	234,235	204,422	248,469
4	Walking And Trekking	190,250	148,791	226,695	196,498	213,247
5	Sightseeing (Land)	358,599	281,571	266,868	166,560	145,777
6	Other Scenic/Natural Attractions	81,713	117,187	151,814	141,945	140,907
7	Shopping	167,770	146,645	156,051	141,774	122,558
8	Farms	180,445	154,244	144,083	139,326	118,562
9	Heritage Attractions	11,860	29,206	53,308	41,253	69,783
10	Gardens	39,621	52,692	74,896	64,953	67,252
11	Other Land Activities	78,583	65,826	70,562	61,340	66,706
12	Museums And Galleries	65,577	48,856	47,969	59,308	56,440
13	Visiting Friends And Relatives	35,327	27,875	32,775	42,271	34,617
14	Canoeing, Kayaking, Rafting	21,298	24,700	29,100	12,681	26,031
15	Zoos/Wildlife/Marine Parks	94,378	59,144	51,530	42,808	23,060
16	Other Arts & Culture Activities	230	1,060	492	4,510	22,551
17	Major Art/Culture Event	20,529	34,562	30,612	19,636	19,616
18	Entertainment	32,063	29,812	20,751	21,078	16,902
19	Theme And Leisure Parks	7,893	12,224	7,774	14,401	14,933
20	Boating	21,951	10,016	15,761	12,237	14,319

Source: International Visitor Survey, Ministry of Tourism

Rotorua's geothermal attractions are significantly more popular than any other activities however cultural, heritage and natural attractions also feature strongly. Adventure activities also feature as popular with international visitors to Rotorua although not in the top 10.

In contrast to Rotorua, the Bay of Plenty RTO area sees higher participation by international visitors in activities that are free and occur outdoors as well as showing business travel as rating the 8th most popular activity closely followed by people who did nothing in the region.

These tables show the differences between a mature visitor destination (Rotorua) and a more recently popular region (Tauranga and Western Bay of Plenty) in providing visitors with paid activities and attractions versus those that are free or even nothing at all.

There would appear to an opportunity for the Bay of Plenty RTO to attract more international visitors to paid activities / attractions to replace the high number of visitors who seem to do nothing in the region i.e. the 9th ranked activity.

Table 4: Top 20 Activities Undertaken by International Visitors to Bay of Plenty RTO Area

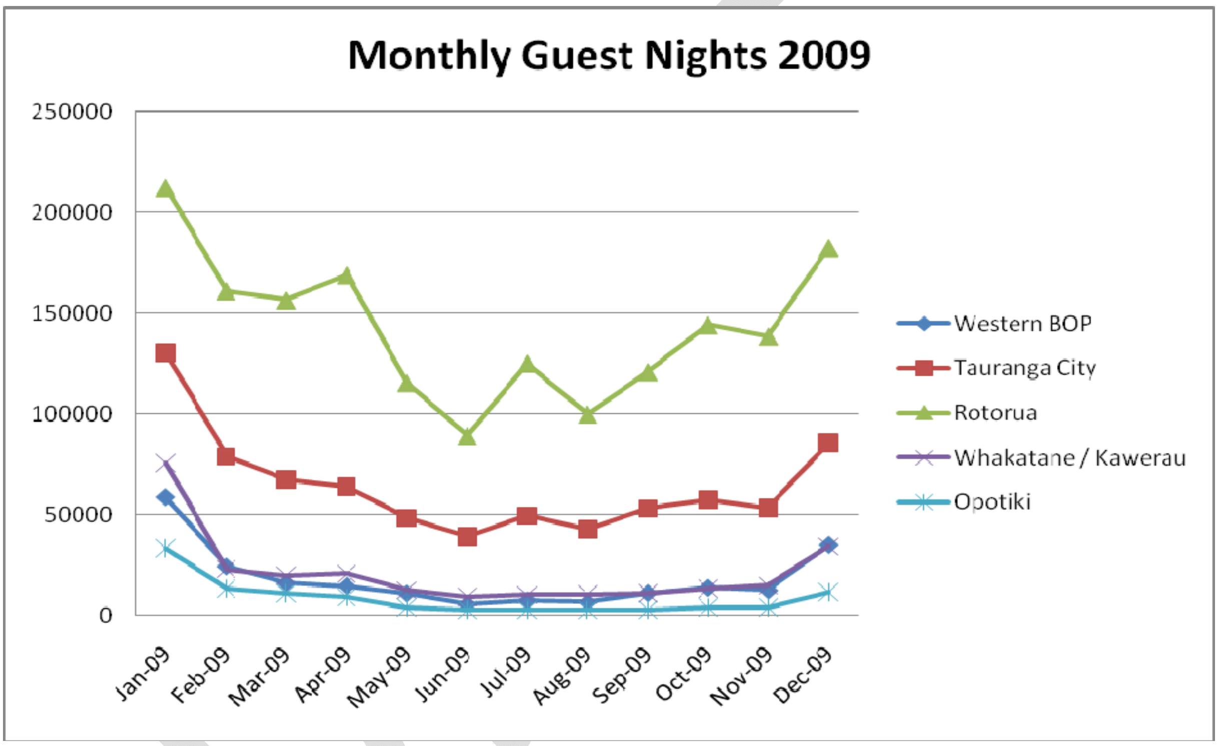
	Bay of Plenty RTO Activities/Attractions (Grouped)	YE Dec 05	YE Dec 06	YE Dec 07	YE Dec 08	YE Dec 09
1	Other Scenic/Natural Attractions	67,399	74,175	103,846	108,173	103,450
2	Visiting Friends And Relatives	81,064	83,549	100,144	82,497	100,882
3	Dining	59,885	50,519	73,663	76,645	90,374
4	Walking And Trekking	43,201	55,125	89,184	81,566	87,762
5	Shopping	45,594	52,780	61,747	46,719	54,004
6	Entertainment	12,839	26,912	16,561	23,546	30,630
7	Sightseeing (Land)	63,940	66,655	59,676	48,535	29,354
8	Business	12,394	6,086	5,216	10,394	13,869
9	None / Nothing	15,000	9,059	8,115	9,796	13,057
10	Swimming	12,866	8,652	10,216	3,367	8,383
11	Fishing	7,210	9,248	804	11,602	7,839
12	Volcanic/Geothermal Attractions	12,884	13,829	4,822	14,068	7,533
13	Other Water Activities	4,383	3,492	5,223	4,821	6,457
14	Lookouts And Viewing Platforms	3,165	4,560	6,938	2,605	6,122
15	Other Attractions	965	604	151	1,271	5,175
16	Farms	4,580	2,869	4,822	3,631	3,829
17	Boating	6,033	2,551	4,402	3,023	3,668
18	Education/Study/Language School	974	1,915	1,856	2,029	3,049
19	Cultural Attractions	334	3,517	3,356	4,456	2,521
20	Other Land Activities	3,548	1,011	341	723	2,479

Source: International Visitor Survey, Ministry of Tourism

3.4 Seasonality

Rotorua and Tauranga City, like most districts of New Zealand, experience a significant trough in the month of June.

Many New Zealand regions have tried to stimulate travel to a region in the quietest month or months of the year often paying a high price only to learn that stimulating demand requires more than marketing investment and appealing off-peak deals. Holding a major event, festival or convention in off-peak months is often more effective in stimulating demand in the off-peak than marketing activity alone.



Source: Commercial Accommodation Monitor, Ministry of Tourism

4. Tourism Forecasts and Trends

4.1 New Zealand Tourism Forecasts

International visitor arrivals are forecast to increase 2.5% each year over the next five years to 2015 resulting in annual arrivals of 2.9million. This projected annual growth in international visitor arrivals is significantly higher than the 0.7% annual growth in domestic visitor trips and is also higher than the forecast growth rate of 1.8% each year in outbound trips by New Zealanders.

The average growth in international visitor arrivals is expected to be as high as 6.5% in 2011 – the year of the Rugby World Cup – dropping back to 3.4% annual growth in 2014 and 2015.

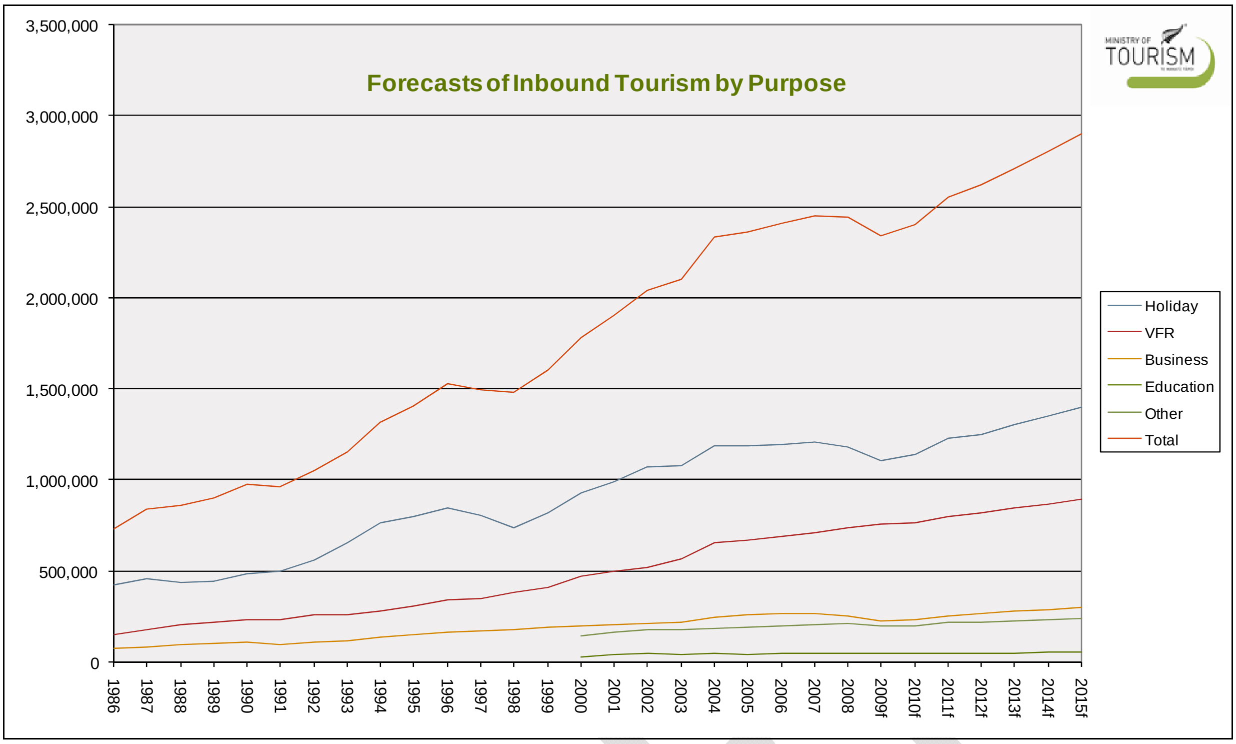
International visitors travelling to New Zealand to visit friends and relatives (VFR) is expected to contribute the largest overall growth at 2.8% annual growth between 2009 to 2015 followed by Business (2.5% growth p.a.) and Holiday arrivals (2.4% growth p.a.). The VFR market is forecast to grow to 31% of New Zealand total international visitor arrivals – up from 28.5% in 2005. If this trend continues we could expect to see 33% of our international visitor arrivals coming to visit friends and family in 2020.

The proportion of international visitors arriving in New Zealand for education purposes is expected to grow at 1.8% per annum to a total of nearly 60,000 in 2015 – representing only 2.1% of total annual international visitor arrivals.

Table 5: Purpose of Travel 2005 to 2015

Table 2	Purpose					
Year	**Holiday**	**VFR**	**Business**	**Education**	**Other**	**Total**
2005	1,192,001	673,572	259,171	48,072	192,713	2,365,529
2006	1,195,492	690,200	270,089	51,271	201,836	2,408,888
2007	1,211,040	712,954	267,875	53,928	209,487	2,455,284
2008	1,184,250	743,000	254,396	52,811	212,778	2,447,235
2009f	1,111,060	758,650	226,690	49,080	198,040	2,343,520
2010f	1,144,190	772,010	231,300	50,710	203,480	2,401,690
2011f	1,232,520	799,740	253,460	52,940	218,630	2,557,290
2012f	1,253,370	824,650	267,540	54,520	220,110	2,620,190
2013f	1,302,150	849,070	280,500	56,240	226,370	2,714,330
2014f	1,350,860	873,480	291,970	58,030	232,620	2,806,960
2015f	**1,400,760**	**898,890**	**303,380**	**59,900**	**239,230**	**2,902,160**
2005 Proportion	**50.4%**	**28.5%**	**11.0%**	**2.03%**	**8.1%**	
2015 Proportion	**48.3%**	**31.0%**	**10.5%**	**2.06%**	**8.2%**	
Growth 2009-2015						
Change	216,510	155,890	48,984	7,089	26,452	454,925
Total	18.3%	21.0%	19.3%	13.4%	12.4%	18.6%
Annual	**2.4%**	**2.8%**	**2.5%**	**1.8%**	**1.7%**	**2.5%**

Source: Tourism Forecasts, Ministry of Tourism



Source: Tourism Forecasts. Ministry of Tourism

China (7.5% annual growth), South America (4.5%), Australia (3.1%) and Pacific Islands (3.0%) are expected to be the fastest growing origin markets in terms of visitor arrivals between now and 2015.

Table 6: Forecasts of International Visitor Arrivals to New Zealand by Market (000s)

Inbound Market	Actual 2008	2009	2010	2011	Forecasts 2012	2013	2014	2015	Growth 2009-15 Change	Total	Annual
Australia	976	1,032	1,053	1,103	1,115	1,146	1,176	1,206	230	23.6%	3.1%
United States	212	186	184	199	210	217	225	232	20	9.2%	1.3%
Canada	53	48	49	53	56	58	60	62	8	15.5%	2.1%
Other Americas	30	30	31	33	35	37	39	41	11	36.4%	4.5%
Total Americas	296	264	264	286	301	312	324	335	39	13.1%	1.8%
Japan	102	74	78	85	89	93	97	101	-2	-1.6%	-0.2%
South Korea	79	50	56	63	71	77	82	87	8	9.5%	1.3%
China	112	96	118	129	141	154	168	183	70	62.6%	7.2%
Other Asia	156	144	152	157	161	164	168	173	16	10.5%	1.4%
Total Asia	450	364	405	434	462	489	516	543	93	20.6%	2.7%
United Kingdom	285	248	240	270	267	275	283	292	7	2.4%	0.3%
Germany	62	63	63	65	67	69	70	72	9	15.2%	2.0%
Other Europe	164	158	161	173	177	185	193	201	37	22.5%	2.9%
Total Europe	511	470	465	507	510	528	546	565	53	10.4%	1.4%
Pacific Islands	110	115	115	121	123	127	131	135	26	23.3%	3.0%
Rest of World	104	98	100	106	109	112	115	119	15	14.0%	1.9%
TOTAL WORLD	2,447	2,344	2,402	2,557	2,620	2,714	2,807	2,902	455	18.6%	2.5%
Annual Change	-0.3%	-4.2%	2.5%	6.5%	2.5%	3.6%	3.4%	3.4%			

Visitor Expenditure Forecasts

The official New Zealand Tourism Forecasts 2009 to 2015 show that visitor expenditure growth is forecast to be 3.8% per annum over the next five years

Total visitor expenditure is forecast to increase from $14.0 billion in 2008 to $18.1 billion in 2015, up by $4.1 billion or 29.6%, averaging 3.8% per annum. The growth will be driven by an additional $2.3 billion spent by international visitors (up 38.1% from $5.9b to $8.2b) and $1.9 billion in domestic visitor spend (up 23.3% from $8.1b to $9.9b).

The domestic market is still expected to generate greater visitor spend than international visitors in 2015.

Table 7: Forecasts of National Visitor Expenditure by International and Domestic Markets and Purpose of Travel

Year Ended December	Actual	Forecast							Growth 2009-2015		
	2008(1)	2009	2010	2011	2012	2013	2014	2015	Change	Total	Annual
Inbound Tourism					($million)						
Total	**5,947**	**5,833**	**6,098**	**6,650**	**6,964**	**7,365**	**7,778**	**8,215**	**2,268**	**38.1%**	**4.7%**
Holiday	3,263	3,191	3,309	3,644	3,784	4,007	4,237	4,479	1,216	37.3%	4.6%
Visit Friends/Relatives	1,189	1,262	1,326	1,405	1,491	1,577	1,668	1,765	576	48.4%	5.8%
Business	667	561	573	631	678	719	758	798	131	19.6%	2.6%
Education	378	371	397	420	442	463	486	510	132	34.9%	4.4%
Other	450	448	493	550	569	599	629	662	212	47.2%	5.7%
Domestic Tourism					($million)						
Total	**8,058**	**8,194**	**8,612**	**8,889**	**9,120**	**9,383**	**9,660**	**9,935**	**1,877**	**23.3%**	**3.0%**
Holiday	3,181	3,288	3,430	3,503	3,562	3,658	3,759	3,859	678	21.3%	2.8%
Visit Friends/Relatives	2,473	2,555	2,664	2,722	2,771	2,847	2,927	3,006	532	21.5%	2.8%
Business	2,081	2,020	2,173	2,312	2,426	2,507	2,593	2,680	598	28.7%	3.7%
Education	89	92	96	98	100	103	105	108	19	21.1%	2.8%
Other	233	239	248	254	260	268	275	283	50	21.4%	2.8%
Total Tourism					($million)						
Total	**14,005**	**14,027**	**14,710**	**15,539**	**16,084**	**16,748**	**17,438**	**18,150**	**4,145**	**29.6%**	**3.8%**
Holiday	6,443	6,479	6,739	7,147	7,346	7,665	7,996	8,338	1,894	29.4%	3.8%
Visit Friends/Relatives	3,662	3,816	3,989	4,126	4,263	4,425	4,594	4,771	1,109	30.3%	3.8%
Business	2,749	2,581	2,747	2,943	3,103	3,226	3,351	3,478	729	26.5%	3.4%
Education	468	464	493	518	542	566	592	619	151	32.3%	4.1%
Other	683	687	742	805	829	866	905	945	262	38.4%	4.8%

4.2 Regional Tourism Forecasts

Please note: Official Tourism Forecasts 2009 to 2015 are available for the Bay of Plenty RTO (Tauranga City and Western Bay of Plenty) and Rotorua RTO area. New Zealand Tourism Forecasts are not available for the Whakatane, Kawerau or Opotiki Districts.

Bay of Plenty RTO Area - Visitor Nights

- Total visitor nights in the Bay of Plenty RTO area are forecast to rise from 4.01m in 2008 to 4.23m in 2015 - an increase of 5.7% (228,600) or 0.8% p.a.
- International visitor nights are expected to increase from 1.15m in 2008 to 1.31m in 2015, representing growth of 159,000 or 13.8%. The share of total visitor nights generated by international visitors is expected to increase from 28.7% to 30.9%.
- Domestic visitor nights are expected to increase from 2.86m in 2008 to 2.93m in 2015, representing growth of 69,600 or 2.4%. The share of total visitor nights generated by domestic visitors is expected to decrease from 71.3% to 69.1%.

Rotorua RTO – Visitor Nights

- Total visitor nights in the Rotorua RTO area are forecast to rise from 3.27m in 2008 to 3.54m in 2015 - an increase of 8.2% (268,900) or 1.1% p.a.
- International visitor nights are expected to increase from 1.44m in 2008 to 1.65m in 2015, representing growth of 216,700 or 15.1%. The share of total visitor nights generated by international visitors is expected to increase from 43.9% to 46.7%.
- Domestic visitor nights are expected to increase from 1.84m in 2008 to 1.89m in 2015, representing growth of 52,200 or 2.8%. The share of total visitor nights generated by domestic visitors is expected to decrease from 56.1% to 53.3%.

The summary of regional tourism forecasts shown in Table 8 below shows the continued market share growth of the major airport hubs of Auckland, Wellington and Christchurch. Queenstown, the West Coast and Fiordland are the only regions in New Zealand outside the three major hubs that are forecast to increase their share of visitor nights between 2008 and 2015.

If these tourism forecasts are to be believed, the steepest declines in regional market share of visitor nights are forecast to occur in Northland, Coromandel, Bay of Plenty and Lake Taupo.

Table 8: Tourism Forecast Growth 2009 to 2015

	Growth 2009-15			Share of NZ		
Destination RTO	**Change**	**Total**	**Annual**	**2008**	**2015f**	**Change**
Northland RTO	290,843	5.4%	0.8%	5.2%	5.1%	-0.15%
Auckland RTO	2,934,010	12.1%	1.6%	23.8%	24.6%	0.79%
Coromandel RTO	142,286	3.9%	0.5%	3.6%	3.4%	-0.15%
Waikato RTO	390,058	8.0%	1.1%	4.8%	4.8%	-0.02%
Bay of Plenty RTO	**228,609**	**5.7%**	**0.8%**	**3.9%**	**3.8%**	**-0.10%**
Rotorua RTO	**268,884**	**8.2%**	**1.1%**	**3.2%**	**3.2%**	**-0.01%**
Lake Taupo RTO	155,834	5.0%	0.7%	3.1%	3.0%	-0.10%
Eastland RTO	78,508	5.9%	0.8%	1.3%	1.3%	-0.03%
Taranaki RTO	125,206	6.4%	0.9%	1.9%	1.9%	-0.04%
Hawke's Bay RTO	227,579	6.6%	0.9%	3.4%	3.3%	-0.06%
Ruapehu RTO	45,977	5.2%	0.7%	0.9%	0.8%	-0.03%
Manawatu RTO	170,684	7.5%	1.0%	2.2%	2.2%	-0.02%
Wanganui RTO	51,532	6.8%	0.9%	0.7%	0.7%	-0.01%
Wairarapa RTO	37,968	4.3%	0.6%	0.9%	0.8%	-0.03%
Kapiti-Horowhenua RTO	49,658	4.9%	0.7%	1.0%	1.0%	-0.03%
Wellington RTO	736,818	9.5%	1.3%	7.6%	7.7%	0.07%
Marlborough RTO	149,081	7.5%	1.0%	1.9%	1.9%	-0.02%
Nelson RTO	270,003	7.6%	1.1%	3.5%	3.5%	-0.03%
Canterbury RTO	1,174,775	9.0%	1.2%	12.8%	12.9%	0.06%
Hurunui RTO	34,611	5.4%	0.8%	0.6%	0.6%	-0.02%
Central South Island RTO	65,131	7.2%	1.0%	0.9%	0.9%	-0.01%
Central Otago RTO	38,162	4.5%	0.6%	0.8%	0.8%	-0.03%
Mackenzie RTO	56,991	7.4%	1.0%	0.8%	0.7%	-0.01%
Waitaki RTO	42,795	6.4%	0.9%	0.7%	0.6%	-0.01%
West Coast RTO	207,409	8.7%	1.2%	2.3%	2.3%	0.00%
Lake Wanaka RTO	72,552	5.6%	0.8%	1.3%	1.2%	-0.03%
Queenstown RTO	321,145	9.4%	1.3%	3.4%	3.4%	0.03%
Dunedin RTO	216,112	8.2%	1.1%	2.6%	2.6%	-0.01%
Fiordland RTO	90,334	9.9%	1.4%	0.9%	0.9%	0.01%
Southland RTO	101,874	7.6%	1.1%	1.3%	1.3%	-0.01%
New Zealand	8,679,185	8.5%	1.2%	100.0%	100.0%	

4.3 Trends in Tourism

The following tourism trend material is sourced from the Tourism Fast Track Training Programme delivered by Quality Tourism Development to tourism businesses around New Zealand:

Key trends include:

Changing Demographics

- Aging populations in traditional international markets (Europe, North America and Australia) and in New Zealand will require more soft adventure, cultural and creative experiences as well as 'accessible' options for mobility impaired visitors
- Polarising populations –
  - People in jobs who have money but are time poor
  - People in between jobs or retired who want to travel but on a budget

Authenticity

- Greater regional differentiation as regions and segments in NZ mature
- International staff providing front-line service delivery in NZ will have an impact on our authenticity if not managed properly

Environmental Pressures

- Weather related incidents will remind visitors of the impacts of climate change and their part in contributing to it
- Mitigating environmental impacts will increasingly be required to make visitors feel better about their travel

Technology

- Technology is likely to make choices harder initially (i.e. too much 'data' rather than user-friendly information) then easier through convergence and rationalisation of non-favoured websites etc
- Technology will continue to make travel purchases easier i.e. more online purchasing (e-ticketing and distressed inventory sales)
- "Instant information" as Podcasting, GPS and handheld PDAs / iPods / Phones provide more user-friendly portable applications and information
- Specialist intermediaries continuing to provide useful services for busy clients

Rising Costs

- More competition for good staff (domestically and internationally)
- Increasing costs of business will put even more pressure on margins (particularly staff, fuel and interest costs). So pricing will need to be reviewed more often

External Shocks

- External market shocks through disease / terrorism / fuel or water scarcity

Resilience

- Despite the changes above the NZ tourism sector has shown that it can adapt and even thrive during times of uncertainty.

5. Tourism Segment Background Information

5.1 Maori and Cultural Tourism

Maori culture provides a unique point of difference for the New Zealand tourism industry. It is popular amongst international tourists, with one in five visitors experiencing a Maori tourism experience during their stay in New Zealand. In fact international visitors account for the majority of the demand for Maori cultural tourism

The Rotorua (RTO) area attracted the greatest number of international visitors to Maori cultural attractions. 2005/06 saw 396,900 international visitors enjoyed Maori cultural attractions in the Rotorua area representing 86% of all international visitors who participated in Maori cultural activities around NZ.

Among domestic tourists the pattern was similar in 2005/06, with 48,800 visitors or 43% visiting Maori cultural tourism attractions in Rotorua.

Table 8: Trends in Maori Cultural Tourism 2001 2006

KEY INDICATORS	2001	2002	2003	2004	2005	2006
Maori Culture Tourists						
Total	608,800	506,300	561,800	459,600	589,600	567,200
International	338,200	371,700	364,100	401,700	473,400	455,000
Domestic	270,600	134,600	197,700	57,900	116,200	112,200
Propensity to experience Maori culture						
International	19.6%	20.0%	17.8%	18.4%	20.6%	19.9%
Domestic	0.4%	0.2%	0.3%	0.1%	0.2%	0.2%

Source: Tourist Activity Profile, Maori Cultural Tourism, Ministry of Tourism Series B6, March 2008

5.2 Cruise ships

Port of Tauranga is a major gateway to the Bay of Plenty region and has been highly successful in attracting the cruise ship market during the New Zealand summer.

During the 2009/10 cruising season, a total of 42 cruise ships were scheduled to visit the Port of Tauranga.

Every year the Port sees cruise ships from the Pacific Islands, North America and Europe visit Tauranga harbour and this has had a major benefit in terms of visitor arrivals and spend in the region.

Rotorua has benefitted from its close proximity to Tauranga and many passengers have visited the city and its attractions on day trips from Tauranga.

Source: Port of Tauranga website

5.3 Event Tourism

Major sporting events, such as the 2005 Lions Tour, Super 14 and the annual Rotorua Marathon provide the Bay of Plenty with large numbers of international and domestic visitors. Adding the many mountain biking, road cycling and walking events held in the area, Rotorua and the wider BOP region could rightly claim to be the mass participation outdoor sport centre of New Zealand.

Many cultural events are held throughout the year, although the Bay of Plenty does not currently have a major 'signature' cultural event, such as the World of Wearable Arts.

2011 Rugby World Cup (RWC)

- Whilst only two 2011 RWC pool games will actually be played at BOP venues, The RWC provides a significant opportunity to attract additional international visitors from visiting teams, officials and fans.

- RWC 2011 - Bay of Plenty games

Sat Sept 10	Fiji v Namibia	Rotorua	Rotorua International Stadium
Wed Sept 14	Samoa v Namibia	Rotorua	Rotorua International Stadium

While major events such as 'the next Lions Tour' will eventuate, the Bay Of Plenty has the opportunity to further develop its own sporting and cultural events to fill gaps in the current calendar. As vast majority of sporting events are held through the summer months, there is an opportunity to fill the winter months with indoor events and conferences utilising available accommodation and facilities.

5.4 Cycle Tourism – NZ Cycle Trail

Internationally and domestically bicycle usage and associated tourism activities has become a both popular recreation and travel mode together a low impact option with rising environmental concerns.

Cycle tourists are defined as international and domestic visitors, aged 15 years and over, who cycle (both road cycling and mountain biking) at least once while travelling in New Zealand. 356,900 tourists cycled in 2008, comprising 12% international tourists and 88% domestic tourists. Auckland, Rotorua, Canterbury and Hurunui attracted the most cycle tourists.

International visitors from the UK (24%), Australia (23%) and the US (11%) made up the largest share of international cycle tourists.

Domestic tourists from Auckland (30%), Canterbury (17%) and Wellington (14%) made up the largest share of domestic cycle tourists.

International cycle tourists typically stayed in New Zealand for long periods, and spent significantly more on average per trip ($3,895) than all international tourists ($2,662).

New Zealand Cycle Trail Project

A national project is to build a network of cycle trails is underway, creating regional cycle trails that will provide safe and scenic cycle tourism facilities for domestic and international visitors.

Interested parties have been invited to submit proposals for this project. On 11 February 2010 it was announced that two Bay of Plenty projects have been selected for the funding of feasibility studies. Central Government funding may then be provided to develop these trails.

> *Tauranga Moana Coastal Cycle Trail (Tauranga)*
>
> Waihi Beach to Tauranga waterfront in the Bay of Plenty region, experiencing the Pacific Coast, Matakana Island and Tauranga Harbour, with the Kaimai range providing a backdrop. 75km. $75,000 has been allocated for a feasibility study
>
> *Thermal by Bike (Rotorua)*
>
> A 75km scenic cycleway from Rotorua to Orakei Korako incorporating four of the world's most unique geothermal areas. $15,000 has been allocated for a feasibility study

5.5 Recreational and Eco Tourism

There is already a strong recreational and sporting based tourism market, both domestically and internationally. The natural environment and weather of the Bay of Plenty provides plenty of opportunity for recreation, though this tends to be seasonal.

Eco tourism focuses on personal growth and learning new ways to live on the planet. It typically involves travel to destinations where flora, fauna, and cultural heritage are the primary attractions. It provides participants with insight into the impact of human beings on nature and also a greater appreciation of their own natural habitats.

Responsible ecotourism includes programs that minimize the negative aspects of conventional tourism on the environment and enhance the cultural integrity of local people.

Nature Based Tourism (excerpt from Tourism Activity Profile)

- 1.6 million international tourists and 11.1 million domestic tourists took part in nature-based activities in 2008.
- The most popular nature-based activity was going to beaches. Also popular were various scenic trips, bush walks, wildlife and adventure activities.
- Auckland, Northland, Canterbury and Rotorua were the most popular areas visited by nature-based tourists.
- International tourists from Australia (33%), the United Kingdom (14%) and the United States (10%) made up the largest share of international nature-based tourists.
- Domestic tourists from Auckland (31%), Waikato (17%) and Canterbury (12%) made up the largest share of domestic nature-based tourists.
- International nature-based tourists spent more on average per trip ($3,040) than all international tourists ($2,680).

Source: Ministry of Tourism Sector Profile for Nature Tourism

5.6 Education Tourism

Education tourism can take a number of forms; though can be defined as individuals or a group of participants who travel to a location with the purpose of engaging in a learning experience. This could cover aspects of professional, cultural or technical education or special interests.

Educational tourism is an emerging trend where visitors wish to experience, participate and learn, taking something away with them at the end of their vacation.

New Zealand and the Bay of Plenty region provides a unique geographic and cultural environment on which educational tourism programmes can be based. This justification could create demand and offset arguments such as the distance from international and domestic markets. There may be additional links that can be developed between educational and eco tourism.

Currently a number of specialist operators and educational institutions are actively developing educational tourism, comprising secondary, tertiary and special interest students and these institutions are engaging with the tourism industry.

5.7 Heritage tourism

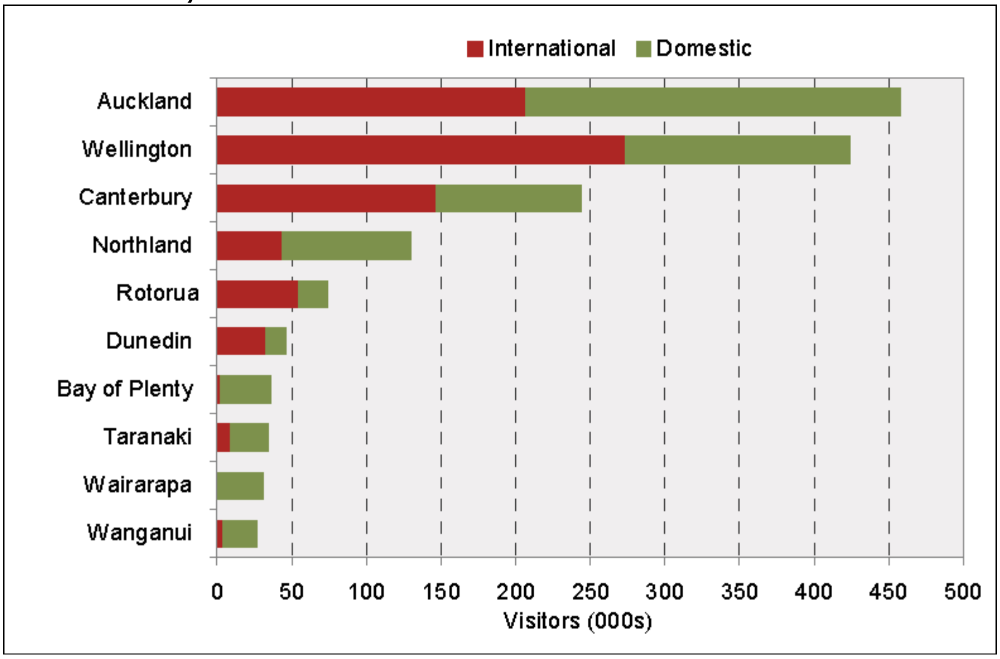
In addition to Maori culture and history, the Bay of Plenty has a diverse heritage with fascinating stories to be told, including the Waihi gold rush and the development of the forestry and geothermal power industries.

Geologically the region has many attractions and together with its Maori and European history a broad basis for general, special interest and educational tourism.

Museum Sector Profile

- In 2006, there were 228 museums in New Zealand, an increase of 58 or 34% over the last five years. Over half of the museums are located in the four major regions – Auckland (35), Wellington (32), Canterbury (31) and Otago (28).
- In 2006, almost 1.7 million tourists visited museums, comprising 51% international tourists and 49% domestic tourists.
- Propensity, or likelihood, of international tourists visiting museums jumped from 19% in 2002 to 28% in 2003 owing to a surge in Australian visitors and has remained relatively steady since.
- Overall, the Auckland RTO was the most popular region among all tourists who visited a museum as part of their New Zealand travel experience (on average 458,100 visitors per year over 2005/06). This was followed by Wellington (424,200), Canterbury (243,900) and Northland (130,100).
- Among the top ten visited areas, Rotorua (74%), Dunedin (71%) and Wellington (65%) attracted more international than domestic tourists to their museums.

Main RTO Destinations of International and Domestic Museum Tourists, 2005/06



- International museum tourists spent significantly more on average per trip ($3,880, 2005/06) than general tourists ($2,850).

Source: Ministry of Tourism Activity Profile for Museum Sector

Further information relevant to Maori and Heritage tourism development in the Bay of Plenty:

Ontario Cultural and Heritage Tourism Product Research Paper. February 2009

http://www.tourism.gov.on.ca/english/competitiveness/Ontario_Cultural_and_Heritage_Tourism.pdf

- The Ontario situation provides many parallels to New Zealand in terms of the current challenges it faces in terms of maintaining market share and its opportunities for leveraging its indigenous and European history.

5.8 Medical Tourism

Medical tourism is the rapidly-growing practice of travelling across international borders to obtain health care. It can also refer to the practice of healthcare providers travelling internationally to deliver healthcare.

The medical services typically sought include elective procedures as well as complex specialized surgeries such as joint replacement, cardiac surgery, dental surgery, and cosmetic surgeries. Over 50 countries have identified medical tourism as a national industry, however there is wide variation in the quality of care across the globe.

New Zealand is a relatively new destination to medical travel, though it has the potential to be a successful destination, especially for North American based patients. This includes being a first world, English speaking with a rich heritage of producing world class doctors and medical research. The cost of the surgical care is cheaper than in the in many countries however there may not currently be surplus capacity available in medical facilities in the wider Bay of Plenty region, though there may be potential for investment.

Dr Howard Klein of the NZ Association of Plastic Surgeons was contacted as part of the preparation of this report and stated that there would need to be a significant investment in both facilities and marketing in order for New Zealand to attract visitors here for plastic surgery procedures. Interestingly, the Bay of Plenty has only one surgeon affiliated with the NZ Association of Plastic Surgeons compared to Auckland (15 surgeons), Waikato (6), Wellington (11) and Canterbury (6) suggesting that other regions have greater existing capacity to provide services to visitors than the Bay of Plenty.

5.9 Wine Tourism

(Excerpt from Tourism Activity Profile)

- 475,200 tourists visited a winery in 2008, comprising 37% international tourists and 63% domestic tourists.
- Auckland, Hawke’s Bay, Marlborough and Wellington were the most popular regions visited by wine tourists.
- International tourists from Australia, (33%), the United Kingdom (20%) and the United States (16%) made up the largest share of international wine tourists.
- Domestic tourists from the Auckland (38%), Wellington (24%) and Canterbury (11%) regions made up the largest share of domestic wine tourists.
- International wine tourists spent more on average per trip ($3,543) than all international tourists ($2,710).

Source Ministry of Tourism Sector Profile for Wine Tourism

6. Research Results: Tourism Stakeholder Interviews

Interviews were conducted with 15 tourism industry stakeholders and sector experts, mainly within the Bay of Plenty region. Stakeholders from a range of tourism organisations and commercial operators were interviewed by telephone, using a questionnaire to provide a consistent base for responses.

The main focus of the qualitative element of the research was to gain a broad understanding of the potential tourism sector opportunities that will enable greater growth over the next 10 years and identify any barriers to growth.

The writers of the report would like to thank the stakeholders interviewed for providing many constructive ideas on how the Bay of Plenty region might facilitate improvements that would benefit the tourism industry and the region as a whole.

6.1 Opportunities for the Bay of Plenty Tourism Sector

Although there was a diverse range of opportunities put forward by the stakeholders interviewed for developing the sector, an analysis of the responses showed that, some were more predominantly expressed than others.

Overall, there was a very consistent view of what constitutes the key domestic and international **markets:**

- Australia
- NZ Domestic
- UK / Europe

Three **segments** of the tourism industry were most frequently highlighted as presenting the largest opportunities for developing the region's tourism sector, these include:

- Developing more authentic Maori / Heritage tourism experiences and attractions
- Growing the cruise ship market and maximising the benefits to businesses in the wider region
- Events providing an opportunity for growing the domestic and short haul markets and for utilising available off peak capacity.

Key Markets

Even though there was a broad range of opportunities put forward to grow the tourism sector it was encouraging to learn that there was a consistent identification of the domestic and international markets or regions that would constitute the future key markets for the Bay of Plenty.

The current financial crisis has had the effect of refocusing many tourism businesses on the opportunities presented by the domestic and the Australian markets.

The domestic market is seen as key to providing year long business opportunities, in particular driven by events held outside of the summer peak international tourism season.

> *Auckland is particularly able to help with seasonality - through event attendance - half the NZ population lives within a 3 hour drive.*
> **Tim Burgess Tourism Bay of Plenty**

Likewise, Australia, though often regarded as a mature market, is now being seen as having tremendous further potential as a repeat visitor market, particularly following the introduction of direct air services from Australia to Rotorua.

> *Heaps of potential to develop the domestic and maximise the Australian market. Australia – has its own eclectic market which could pull visitors from other (European) markets.*
> **Renee Nathan Whakarewarewa Thermal Village**

Of the key long haul markets, the biggest potential region is considered to be the United Kingdom and Northern Europe. These markets, though also considered mature, are seen as offering tremendous potential for the development of cultural and interactive tourism products. Visitors from Europe tend to be independent travellers, who stay in New Zealand for longer periods of time than Asian or North American visitors and are willing to explore outside the main centres.

Emerging and high volume Asian markets were not seen by many respondents as being key to the future development of the tourism industry, due to the short stay and benefit for the wider region. It was suggested that of the Asian markets the emerging affluent, longer stay and more adventurous traveller should be targeted.

> *UK/Europe – particularly Western Europe, due to longer stay, higher spend and appreciation of the environment.*
> **Tim Burgess Tourism Bay of Plenty**

Key Segments

Development of "Authentic" Maori and Heritage tourism product
Tourism products must be continually developed or upgraded to address changes in the markets and its expectations. The enhancement of existing products or development of new products can access new or niche markets, such as special interest or educational groups and will generate increased visitation or enhanced yield. Product development can also help address seasonality, staff shortages and lowering marketing costs in order to improve business returns.

Respondent's suggestions crossed a wide variety of areas from improving event facilities and developing a regional museum to a strong belief that new, "authentic" Maori and heritage tourism experiences were key elements of the region's future tourism industry.

There is a real opportunity for "Authentic" Maori cultural tourism / participation in community projects
Joe Doherty, Te Urewera Tours

Maori Tourism - a wider definition - intersecting Environment and "Our stories"
Jeremy Gardiner, Te Runanga o Ngati Awa

It is also believed that that there is a synergy between Cultural, Eco and Educational tourism and that these areas need to be considered together and not in isolation.

Cruise Ship Visits
Almost all respondents commented that the industry and Port of Tauranga in particular were doing an excellent job in developing the cruise ship market.

Comments varied as to how well the wider Bay of Plenty tourism industry was accessing this market, with the main beneficiaries currently being Mount Maunganui for independent day visitors and Rotorua for day coach trips.

With the projected growth in Cruise ship passenger volumes, 45% more visitors in 2012/13 than 2009/2010, there is a tremendous opportunity for the wider Bay of Plenty to benefit from this market but suitable products will need to be developed.

As ship visits increase, so does the opportunity presented by visiting ship's crews. Tauranga could become the "best crew port in NZ" provided that it understands the different needs of crew, such as different nationalities and seniority e.g. ship's officers vs. other staff.

Crew visits to Tauranga present significant potential as it is not a turnaround port so many crew will have time off and they can easily get into Tauranga city. Tourism operators could target crew with special offers and because crew are repeat visitors there is potential for referral to other crew and even passengers. Perhaps Tourism NZ and the RTOs could do further research into this opportunity.

Events
Major events were also highlighted as an opportunity to grow off peak business and utilise existing accommodation. However there was a note that new infrastructure would be required to support these large scale events, such as new stadia and the development of more hotel accommodation in Tauranga city.

More events can help counter seasonality and provide visitors with more reasons to visit the Bay of Plenty.

Events – particularly major events of 20,000 plus people
Tim Burgess Tourism Bay of Plenty

Events need a more regional sense
Matt Brindle Events Tauranga

6.2 Tourism Sector Weaknesses to be Addressed

Interviewee's were asked to identify any weakness and gaps in the region's tourism industry that will need to be addressed in order to enhance future tourism sector performance in the region.

A lack of tourism leadership at a regional level was consistently expressed as was a concern that customer service skills, training and certification were not at the level to meet the demands of the market.

Leadership and branding
Some of the strongest feedback from tourism stakeholders related to the current lack of and need for greater collaboration in marketing, including brand alignment, across the region.

This is coupled with the opportunity to establish leadership and a collegial, rather than parochial approach to marketing the region to domestic and international markets.

> *No clear, articulated vision of the BOP region as a whole*
> **Renee Nathan Whakarewarewa Thermal Village**

> *Collegial approach to regional tourism marketing – working closer together*
> **Andrew Coker - Priority One - Economic Development Agency**

Staff Quality / Employment / Certified Training
The tourism sector must continually strive to improve quality as customer expectations will always increase.

Concerns were raised that the level of customer service being provided to visitors was not consistent or at a professional level. This is partly due to staff quality issues caused by the nature of seasonal and part time employment and the difficulty in recruiting quality staff in regional centres.

> Industry needs to gain a better understanding of what "customer service" is and ensure that it is delivered consistently.
> **Jeremy Gardiner, Te Runanga o Ngati Awa**

> *Quality staff. Hard to get and retain good staff in a small regional centre*
> **Peter Tait, White Island Tours**

> *Skills of service staff – how do we stay friendly but offer professional service - currently its "city prices but provincial service"*
> **Gerard Casey Eastern Bay of Plenty Chamber of Commerce**

Tourism's reliance on small and medium sized enterprises combined with a relatively high staff turnover creates a need to improve training options within the sector.

Many of those interviewed commented that they had not been able to address the problem of seasonality and this was a major cause of staff retention and quality issues. Building shoulder seasons will require greater collaboration, to build new reasons for tourists to visit outside traditional peaks, such as events and attractive packaged offerings.

> *A skilled workforce able to be employed year round – we need to solve seasonality issues.*
> **Don Gunn Destination Rotorua Tourism Marketing**

6.3 Barriers to Future Growth

Parochialism
There is concern that a major barrier to future growth is the lack of overall tourism industry leadership and cohesive branding at a regional level.

As a result of this and due to the current focus of RTOs, there appears to be a lack of cooperation between the three sub regions.

> *There's no flow through, as collaborating is only a small part of the RTOs current focus*
> **Tim Burgess Tourism Bay of Plenty**

There is a concern that parochialism and a narrow focus is resulting in lost opportunities, but there is also a willingness to work together for greater efficiency and a common benefit.

Infrastructure / Funding
There is a strong belief that more support and funding is required to develop infrastructure and greater financial support is required for tourism promotion particularly for Tauranga and the Eastern Bay of Plenty.

There are two broad areas in tourism where infrastructure development could result in improved returns and greater competitive advantage:

a) Cultural and performance venues: Many interviewees expressed the need for the development of cultural and performance facilities in the Eastern and Western Bay of Plenty, such as museum, art galleries and stadia. There is also a lack of conference facilities in both of these areas and a lack of hotel accommodation.

b) Regional infrastructure: There is also a belief that more support and funding is needed from local councils and there are currently issue with infrastructure such as rural roading, cell phone coverage and all weather harbours at Whakatane and Opotiki.

> *Eastern Bay, the big issue is lack of funding, especially for infrastructure*
> **Peter Tait, White Island Tours**

> *Missing a suitable venue for both indoor and outdoor events*
> **Graeme Marshall Port of Tauranga**

In addition to the need for more infrastructure there appears to be a need for greater financial support for tourism promotion particularly for Tauranga and the Eastern Bay of Plenty.

Tourism needs to be seen as an Important Sector

Finally, there was a concern that the tourism sector was not seen, by the community and local authorities, as being a major part of the region's economy (other than in Rotorua). Communicating the size of the industry and the number of jobs is supports will be essential in changing community and council attitudes.

7. Potential Next Steps in Regional Tourism Development

7.1 Aligning Resources

Stakeholder interviews conducted during this research project highlighted that tourism sector performance over the last 10 years has been slightly better than average with the most significant barrier for the Bay of Plenty tourism sector being the lack of a shared vision, underpinned by strong leadership and buy-in. The flip side of this is often referred to as parochialism. Also mentioned as an issue was the proliferation of brands within the region – something that other tourism regions in New Zealand have been able to avoid.

A spectrum of options exist to more strongly align the people and resources within the Bay of Plenty tourism sector as there is broad agreement on the primary target markets that are critical for the region's tourism.

Recommendation 1: Investigate new ways of collaborating across the wider Bay of Plenty tourism sector in order to create a new and sustainable competitive advantage by establishing either informal networks or formal structures capable of improving communications within the region and aligning the planning activity, resources and talent of the region.

Recommendation 2: Examine the options for a staged approach to greater unification in major event and tourism marketing activity that will counter seasonality. This may start with a Bay of Plenty major events network or even a new pan regional organisation charged with developing major home-grown events and bidding for new events.

7.2 Build on Existing Advantages

The cruise ship market, Rotorua's marketing efforts and events across the whole region were mentioned by the tourism stakeholders interviewed as key things currently going well in the Bay of Plenty. The projected growth in cruise ship arrivals and visitor volumes was most often mentioned as a key opportunity for the region and the corresponding growth also in cruise ship crew (roughly 40% of passenger volumes) visiting the region presents a significant opportunity to grow tourism in peak, and potentially shoulder, seasons.

Recommendation 3: Consider developing a plan to optimise cruise ship visitor activity over the next 5 years including establishing the Bay of Plenty as the preferred Australasian destination for cruise ship crew and ensuring new tourism product is packaged and ready to cater for the growing visitor demand (of both cruise ship passengers and crew).

Authentic Maori cultural experiences and a Thermal by Bike cycle trail fit perfectly with the region's brand and product offering and there will be many more tourism products developed that will further enhance the region. However it is timely to consider the wider Bay or Plenty regional brand and the aspirations of the community so that new attractions, events and accommodation developments can demonstrate how they align with, and strengthen the regional brand.

Recommendation 4: Improve the shared understanding of the Bay of Plenty regional brand e.g. through a brand audit and enable tourism businesses to align where possible with the regional brand (or sub-regional brands) in order to strengthen the brand.

Recommendation 5: Investigate new ways to leverage the region's proximity to half the New Zealand population in order to generate greater visitation e.g. through cross-promotion (e.g. departing Rotorua visitors being presented with offers to stay in Tauranga and vice versa).

7.3 Generate New Reasons to Visit Off-Peak

Issues have been highlighted with the tourism "product" in the region either in need of being packaged for convenient purchase by the tourism trade or in some instances being tired and requiring reinvigoration (perhaps reinforced by Rotorua's declining market share).

Recommendation 6: Consider researching product gaps across the region and whether planned new developments will fill these e.g. understanding the potential to offer more authentic cultural tourism, adventure tourism or eco tourism experiences that will further enhance the Bay of Plenty's position as a leading tourism destination.

Recommendation 7: A pan-regional conference and incentives strategy may also be considered to ensure an optimal investment in conference facilities over the next 10 years and combining conventions and incentives marketing efforts across the region for better overall effect.

7.4 Other Potential Synergies / Actions

Other potential opportunities to be considered when examining the opportunities in the recommendations above include:

- Investigating offering visitors a broader set of wellness tourism options including medical tourism, traditional Maori and other holistic health practices.
- Pursuing new tourism marketing funding sources, mechanisms and efficiencies.
- Establishing a more highly valued and differentiated regional brand positioning e.g. as New Zealand's Bay of Plenty (referring to the abundance of options to enjoy from past to present from cool to hot etc.).

8. Conclusions

What is The Bay of Plenty is doing well?

Overall, pparticipants in the research highlighted that the Port of Tauranga and its tourism industry partners were doing a good job in developing the cruise ship market.

A number of people interviewed also commented on the strength of Rotorua's product offering and promotional activity. The success of a number of events in the region was also highlighted as a sector that was performing well.

What are the current barriers to the development of tourism in the Bay of Plenty?

A number of issues have been highlighted by this survey:

- There is perceived to be a lack of (overall) leadership, cohesive branding and cooperation between the three sub regions / RTO's in the wider Bay of Plenty.
- There is a concern that tourism is not seen, by the community and local authorities, as being a major part of the region's economy (other than in Rotorua).
- That there is currently a lack of tourism product and promotional activity for Tauranga and Eastern BOP and that the later is due to a lack of funding.
- There is also a belief that more support and funding is needed from local councils and there are currently issue with infrastructure such as rural roading, cell phone coverage and all weather harbours at Whakatane and Opotiki

When asked what they thought were the top three barriers to development of the tourism industry in the Bay of Plenty respondents have highlighted a number of issues:

- There is perceived to be a lack of (overall) leadership, cohesive branding and cooperation between the three sub regions / RTO's in the wider Bay of Plenty.
- The are concerns at the level of customer service being provided to visitors due to staff quality issues caused by the nature of seasonal and part time employment and the provision of certified training.
- There is also a belief that more support and funding required to develop infrastructure and the need to provide greater financial

support for tourism promotion particularly for Tauranga and the Eastern Bay of Plenty.

The Future: What Stakeholders Would Love to See

The stakeholders interviewed in the primary research provided many constructive ideas on how we might facilitate improvements that would benefit the tourism industry and the region.

Suggestions crossed a wide variety of areas from improving event facilities and developing a regional museum to a strong belief that "authentic" Maori and Heritage tourism experiences were the key elements of the future regional tourism industry.

> *There is a real opportunity for "Authentic" Maori cultural tourism / participation in community projects*
> **Joe Doherty, Te Urewera Tours**

The current financial crisis has had the effect of refocusing many tourism businesses on the opportunities the domestic and the Australian markets.

> *Heaps of potential to develop the domestic and maximise the Australian market.*
> **Renee Nathan Whakarewarewa Thermal Village**

Opportunities for Developing Tourism in the Bay of Plenty to 2020

The strongest feedback from tourism stakeholders relates to the need for greater collaboration in marketing (including brand alignment) across the region.

Three segments of the tourism industry were most frequently highlighted as presenting the largest opportunities for developing the region's tourism sector, these include:

- Developing more authentic Maori / Heritage tourism experiences and attractions
- Growing the cruise ship market and maximising the benefits to businesses in the wider region
- Using events to counter seasonality and as a means to provide visitors with more reasons to visit the Bay of Plenty. Major events were also highlighted as an opportunity however there was a note that new infrastructure would be required to support these large scale events e.g. stadia and hotel accommodation in Tauranga city.

It was also believed that that there is a synergy between Cultural Tourism, Eco and Educational Tourism and that these areas need to be considered together and not in isolation.

Appendices

Appendix 1: Questionnaire: Bay of Plenty Tourism Opportunities

We have been appointed by Environment Bay of Plenty to conduct an analysis of the wider BOP region's tourism activity and to highlight future opportunities. Would you be happy to participate in the research – these questions should take around 30 minutes?

Organisation Name:	**Interviewee:**	**Date:**

1. How would you rate the tourism sector performance (or growth) of the wider Bay of Plenty Region (i.e. including Western Bay, Rotorua and the Eastern Bay including Opotiki District) over the last 10 years?
(Rate 1=Poor; through to 5= Excellent)

Rating:

2. What other NZ regions, if any, have done better, and why?

List regions: **Why:**

3. What do you think the tourism industry in the wider Bay of Plenty region is doing well currently?

List: •

4. Are there any areas/segments where the BOP Region could have achieved greater growth over the past ten years but didn't due to some constraint either internal or external (to the region)? In other words: What has curtailed growth in the last decade?

List: •

5. Now, looking to the future, what are likely to be the big opportunities to grow the tourism industry in the wider BOP Region over the next 10 years i.e. to 2020?

List: •

6. In addition to the segments / opportunities for tourism you've just highlighted do you see potential in the following niche areas (prompt those not already identified)?

- Maori and cultural tourism
- Education tourism
- Event tourism (incl sports and RWC)
- Medical tourism
- Recreational and eco tourism
- Heritage tourism
- Cycle Trails
- Cruise Ships

Probe for where any other segments within tourism might be seen as significant opportunities?

List areas of potential: •

7. Of the opportunities we've discussed, which would you consider to be in the top 3 – in order of priority?

1. **2.** **3.**

8. Which markets (both domestic and international) do you consider essential to the tourism sector in the Bay of Plenty over the next 10 years?

List: •

9. Of those you've just mentioned – which are the top 3?

1. **2.** **3.**

10. Are there any GAPS (e.g. people, skills, technology, capital, infrastructure, venues, organisations etc) in BOP's tourism sector that will need to be addressed in order to enhance future tourism sector performance in the region?

List: •

11. If you were to list the top three barriers (existing or potential) to the Bay of Plenty continuing to grow as a tourism destination what would they be?

1. **2.** **3.**

12. Are there any other comments you would like to make?

13. Would you be happy for us to quote any or all of your comments in our final report?

Yes / No (<u>underline</u> answer): **Exclude answers in questions: (list exclusions)** •

<u>THANK YOU VERY MUCH FOR YOUR TIME.</u>

Appendix 2: Interviewees for the Research

Interviewee	Organisation
Gerard Casey	Chamber of Commerce Manager
Craig Harris	Cruise New Zealand
Don Gunn	Destination Rotorua Tourism Marketing
Graeme Lind	Education Tauranga
Matt Brindle	Events Tauranga
Michelle Beaton	Learning Journeys
Dr Howard Klein	NZ Association of Plastic Surgeons
Graeme Marshall	Port of Tauranga
Andrew Coker	Priority One
Jeremy Gardiner	Te Runanga o Ngati Awa
Joe Doherty	Te Urewera Treks
Mary Hermanson	TOI EDA
Tim Burgess	Tourism Bay of Plenty
Renee Nathan	Whakarewarewa Thermal Village
Peter Tait	White Island Tours