

From: Lauren Patterson <lauren.patterson@hamiltonairport.co.nz>
Sent: Thursday, 18 April 2024 1:30 pm
To: haveyoursay
Cc: Mark Morgan
Subject: Long Term Plan Submission - HWT Funding - Waikato Regional Airport Ltd
Attachments: WRAL Submission to Waitomo DC LTP 2025-35 FINAL.pdf

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Good afternoon,

I was unable to make our attached submission online so please accept the attached and below as Waikato Regional Airport LTDs Submission to Waitomo District Councils LTP 2024-2034.

Full Name Mark Morgan
Organization Waikato Regional Airport Ltd
Phone 07 848 9027
Address Hamilton Airport, 201 Airport Road, RD2, Hamilton
Postcode 3282
Email mark@hamiltonairport.co.nz
I Wish To Speak Yes

Our full submission is attached and relates to the proposed funding cuts to Hamilton Waikato Tourism.

Kind Regards,

Lauren Patterson

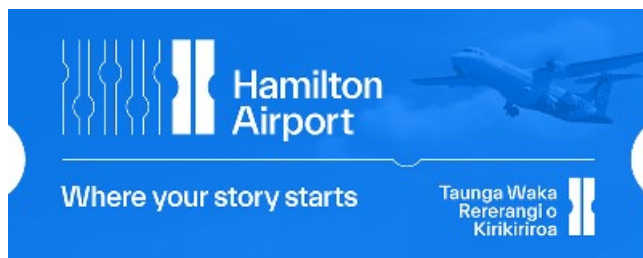
Executive Assistant to Mark Morgan, Group Chief Executive

P +64 7 848 9027

M +64 27 343 1665

201 Airport Road, RD2, Hamilton 3282

hamiltonairport.co.nz



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Submission to Waitomo District Council Long Term Plan 2025-2035

17 April 2024

Waitomo District Council
15 Queen Street
Te Kuiti

Waikato Regional Airport Ltd Submission to Waitomo District Council – Long Term Plan

Tēnā koutou katoa

Executive Summary

Mark Morgan as CE of Waikato Regional Airport Limited (WRAL), writes this submission on behalf of the WRAL Board of Directors. WRAL is the sole shareholder of Hamilton Waikato Tourism (HWT). As a fully owned subsidiary of WRAL, the WRAL Board have appointed an independent HWT Board of Directors to govern the organisation in accordance with the Group Statement of Intent having regard for the expectations of the funding councils and industry partners.

Our submission intends to reinforce the importance of the organisation to promote tourism to the region and to indicate the risks associated with a proposed reduction in funding and our strong belief that funding for the organisation should be retained as status quo.

Hamilton & Waikato Tourism (HWT) is the official tourism organisation for the Waikato region. The organisation's role is to attract domestic and international visitors and increase length of stay and expenditure through effective destination marketing, development, and management activity. HWT promotes Hamilton and the Waikato as a preferred destination for domestic and international business, events and leisure travelers and provides leadership in regional product and event development, investment, and sector capability. As passionate ambassadors of the region, HWT aims to ensure visitors enjoy a wide variety of experiences and places throughout the mighty Waikato, in turn contributing to economic, social, environmental, and cultural benefits for the community.

Waitomo District Council LTP indicates a 60% reduction in funding to HWT. Any reduction in funding will directly impact service delivery and effective outcomes. However, a proposed reduction as large as 60% will result in a significant review as to the viability of the organisation. Reduction in funding directly impacts on the services provided to the visitor sector. Less resources = less services. Less services will equal less visitors. Less visitors equals less visitors spend. This will impact communities and tourism operators across the mighty Waikato.

In the 12 months ended October 2023 visitors spent \$1.9 billion in our region; of this just **over \$101million is in Waitomo** District alone. This equates to **\$276,712 of new money** being spent in the district each day. A portion of this revenue is directly attributable to the activities and co-ordination by HWT and this will now be at risk should the RTO be required to significantly restructure its resources and therefore dilute its service delivery model.

While we acknowledge the council finances need addressing and 'tough decisions' need to be made, our submission to Waitomo District Council urges reconsideration of funding allocation to Hamilton & Waikato Tourism. The Waikato Regional Airport Limited (WRAL) Board considers the current proposed 60% reduction in funding to be detrimental to regional economic development and growth aspirations of the district.

Background

1. WRAL opposes the proposed 60% reduction in HWTs funding and requests this be reviewed and returned to the level outlined in the current Service Level Agreement.
2. Tourism Waikato was disestablished in 2006. This resulted in a significant decline in domestic and international visitor expenditure, a drop in overnight stays, lack of national and international tourism profile and destination marketing. Appendix 1 outlines the impacts of the RTO being disbanded in 2006 and established in 2011 in relation to International Visitors.
3. Waikato Regional Airport Limited funded and provided tourism services in 2009/2010 in order to secure Pacific Blue flights into Hamilton.
4. Hamilton & Waikato Tourism (HWT) was formally re-established July 2011 as a wholly owned subsidiary of Waikato Regional Airport Limited (WRAL).
5. HWT is a Limited Liability company, with its own board of directors who are responsible to the WRAL Board.
6. We acknowledge the economic climate is tough and councils need to make savings in operating expenses. We have therefore avoided requesting additional or increased funding. However, a 60% reduction is a step too far as a reduction of funding to this level will require the WRAL Board to assess the viability of the organisation and its ability to provide a credible and effective Regional Tourism Organisation.
7. WRAL currently provides financial assistance for HWT by way of a reduction in the commercial rent for its offices and cost savings for shared services at an approximate value of \$90k, however that financial support has always been capped noting that WRAL is not a core funder of the organisation. Additionally, WRAL and its other subsidiary Jet Park Hamilton Airport Hotel are industry funding partners of HWT, procuring over \$20,000 of HWT services on full commercial rates.

Risk of reduced funding

8. If/when international flights return to Hamilton Airport, a well-resourced RTO is needed to support any business case to secure international flights. The current proposed funding means the RTO would not be sufficiently resourced to assist with the marketing and promotion of international flights during these times and will impact the credibility of the region's response to Airline enquiry and therefore put any business case at risk.
9. Although reluctant to take such drastic actions, as WRAL is HWTs shareholder, the WRAL board will make the ultimate decision on whether the organisations capability and expected work outputs is viable to continue or whether HWT will need to be disbanded entirely. The current collective proposed funding reductions across the six funding councils is -41%. Any reduction in base level funding will result in less services that can be reasonably provided, however, the core viability of the organisation is seriously at risk at this proposed level.
10. WRAL has future considerations for the expansion of the Airport Hotel, currently trading as JetPark Hotel. In order for the potential expansion to be viable, a functioning RTO is required to promote not only the property but the attractiveness of the region for leisure, conferencing and corporate travel. WRAL would be mindful of any significant investment in the hotel without a functioning RTO.

Conclusion

11. For every dollar invested into tourism in the region, there is a significant return, funding of the RTO should be considered as an investment by Waitomo District Council and not an expense line to be reduced. At a time when the district needs to encourage and support economic development, this proposal would seek to constrain or remove an organisation that promotes, supports, and drives initiatives to increase tourism receipts and fulfils a role as an economic enabler.
12. Reduced funding will at best result in a reduced and restructured organisation which will flow onto the services provided, with the corresponding reduction in effective outcomes.
13. **WRAL would like to request to speak to this submission at the LTPs hearings.** All enquiries should be made to Mark Morgan, CE of Waikato Regional Airport Limited. mark@hamiltonairport.co.nz or phone 07 848 9027

Recommendation

14. That Waitomo District Council continues its partnership with Hamilton & Waikato Tourism in collaboration with other Waikato based councils;
15. We strongly urge Waitomo District Council elected members to reconsider the funding of Hamilton & Waikato Tourism.
16. That Waitomo District Council commits investment to Hamilton & Waikato Tourism to the same level as currently invested (\$72,338) with annual CPI increases in the Long-Term Plan 2025-35.

Thank you for the opportunity to submit to Waitomo District Council's draft Long Term Plan 2025-35.



Barry Harris
Chairman



Mark Morgan
Chief Executive

Appendix 1

International Visitors (smoothed) - Indexed to 97-99

