

24 April 2018

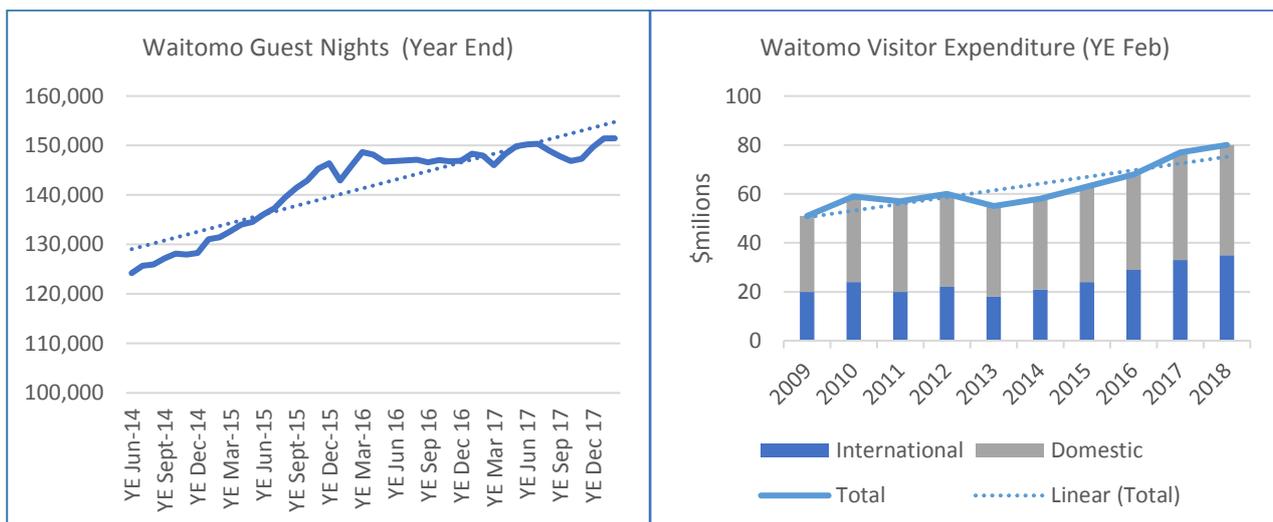
Waitomo District Council
Te Kuiti

Council LTP 2018-2028

Hamilton & Waikato Tourism continues to support the tourism industry within the Hamilton and Waikato region. As an industry, it is important that we welcome visitors to our region, towns and communities and ensure that they enjoy their stay, stay longer and spend more while they are here. This in return provides economic benefits and employment within our community.

Tourism contributes \$28.17b¹ of visitor expenditure to the New Zealand economy. The industry continues to experience exceptional growth with visitor arrivals and expenditure at its highest level ever (3.775m international visitors)². Tourism is New Zealand's largest export industry. The Hamilton and Waikato region has shared in this growth with visitors spending \$1.5b in our region in the 12 months to February 2018; international visitors contributed \$357m, while domestic visitors to the region contributed \$1.14b. As a region, we have increased our market share of business events to 11% of all business events held in NZ – third behind Auckland and Wellington.

Waitomo continues to experience substantial growth in visitor expenditure and guest nights. Guests are now staying an average of 1.23 nights in Waitomo, generating an occupancy rate of 33% in commercial accommodation, resulting in 151,429³ guest nights to the year ended February 2018. These visitors contributed \$80m to the Waitomo economy - \$45m from international visitors and \$35m from domestic visitors.



¹ MBIE: Monthly Regional Tourism Estimates YE February 2018

² MBIE: International Visitor Arrivals YE February 2018

³ MBIE: Commercial Accommodation Monitor YE February 2018

The original Visitor Strategy proposed and presented in 2014 indicated the below funding increments:

Table 1 : Long-term funding plan for HWT (\$millions)

YE June	Income from Councils	Income from Industry	Total Income	Visitor Economy (YE March)	Funding:Visitor expenditure ratio
2014/15	0.810	0.342	1.152	1,019	0.11%
2015/16	1.465	0.350	1.815	1,039	0.17%
2016/17	1.465	0.375	1.84	1,065	0.17%
2017/18	1.465	0.400	1.865	1,093	0.17%
2018/19	1.800	0.425	2.225	1,129	0.20%
2019/20	1.800	0.450	2.250	1,177	0.19%
2020/21	1.800	0.475	2.275	1,211	0.19%
2021/22	2.200	0.500	2.700	1,245	0.22%
2022/23	2.200	0.525	2.725	1,279	0.21%
2023/24	2.200	0.550	2.750	1,314	0.21%
2024/25	2.600	0.575	3.175	1,350	0.24%

However, funding was agreed to be lower in the 2015/16 period than the recommendation in the adopted Visitor Strategy. It was agreed that our seven funding councils would collectively provide \$1,215,000 funding, with an additional \$400,000 provided from within the tourism industry. Of this amount, Waitomo District Council provides \$60,000 funding towards the activities undertaken by Hamilton & Waikato Tourism.

While funding was reduced from this amount and has remained the same, the visitor income has far surpassed expectations, having reached \$1.5b to date (YE Feb 2018). For every dollar invested in HWT, the region economy has received \$1,234 spent by visitors.

The Visitor Strategy recommended an increase from \$1.465 million funding to \$1.8 million this year and for the next three years. We are not requesting this.

However, to continue to deliver the same activities that we currently undertake, with rising costs, we are requesting that our funding councils add a CPI increase each year, based on the rate for the 12 months to December 2017.

This would increase Waitomo District Council's funding contribution from \$60,000 to \$60,960 per annum, with effect for the new financial year commencing 1 July 2018.

We look forward to your favourable response and our continuing relationship.

Your sincerely



Annabel Cotton
Chair
Hamilton & Waikato Tourism Board