



# Inside Nigel Coventry Tourism

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## More visitors, but spending down

THE number of international visitors to New Zealand increased 3.8 percent in the year to September 2010, but the amount they spent declined 5.4 percent to \$5,800 million.

Ministry of Economic Development director Roger Wigglesworth says: "More Australians visited New Zealand in the past year than in any other year since 1985.

"However they, like the long-haul visitors from the UK and the US, spent considerably less during their trips.

"On the other hand Korean and Chinese visitor numbers increased 16 percent and 11 percent respectively and

### Satisfaction levels drop

OVERALL satisfaction of a New Zealand holiday decreased slightly in the year ending September, dropping from 8.1 out of 10 to eight for domestic visitors while internationals remained at 8.2.

The latest Regional Visitor Monitor also shows that satisfaction among Australians remained at 8.4 while UK arrivals' satisfaction levels dropped from 8.4 to 8.2.

Americans remained at 8.7 the most satisfied of all visitors while Japanese increased satisfaction levels rose from 7.8 to eight.

South Koreans went up from 7.4 to 7.7 while the satisfaction level of Chinese visitors jumped from 7.8 to 8.6, representing the largest percentage increase at 9.7.

But the level of satisfaction among Germans decreased from eight to 7.7 and Canadians rose from 8.4 to 8.6. Taiwanese remained at 7.5 and the satisfaction of Singaporeans dropped 7.6 to 7.3.

their spending increased 18 percent and 20 percent respectively to reach a combined total of \$605 million in the past year."

Other key points:

\* Australian visitors now make up 44.5 percent of all holidaymakers.

\* The total expenditure by Chinese visitors at \$382 million makes China the fourth most important source of tourists. They spent on average \$3,600 during their stay.

\* Japanese visitors continue to spend the most during their visits (\$4,400 per person) but this was down 14 percent on last year.

### Impact

"The results of the International Visitors Survey (IVS) appear to reflect the continuing impact of the global recession on international travel decisions. In addition, the relative strength of the New Zealand dollar seems to have affected both the number of visitors and the level of spending by travellers from the UK and US," adds Dr Wigglesworth.

### Rebounding

"It is great to see that the number of tourists and spending from the Asian markets is rebounding so

strongly. It is to be hoped that as economic conditions in our long haul markets improve and exchange rates are readjusted over the next 12 months, we will see a steady increase overall in both tourism numbers and spending levels." South Koreans parted with an extra 18 percent to give us \$223 million. But German expenditure was down 12 percent (over)

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# Pages Past

## Ten years ago in IT...

PM Helen Clark told the wine tourism conference that there's growing recognition of visitor interest in wine and that it is an important catalyst to the undertaking of tourism activities.

She wonders why the tourism industry and the wine sector were never combined before in a conference.

\*\*\*

HISTORIC and a decade in the making was how Transport Minister Mark Gosche described a new open skies air services agreement announced this week between NZ and Australia. It encompasses the single aviation market arrangements, signed in 1996 and replaces the oldest bilateral air services agreement, signed in 1961.

\*\*\*

TNZ chairman Peter Allport notes that although we have world-class wines only 10 percent of international visitors go on a wine trail.

\*\*\*

THERE are now 45 wine and food festivals in NZ each year. All are between October and May so there's potential to create more off-peak events says New Zealand Events director Rendell McIntosh.

## Fifteen years ago in IT...

STRONG weekend business for hotels so they have enough confidence to invest in more rooms is the aim of a yet-to-be-formed marketing group being set up by Tourism Wellington.

\*\*\*

TOURISM more than any other industry can have a positive impact on the environment, says NZTB (now TNZ) CEO Ian Kean. The revenue gained from visitors can provide the incentive and the means to take better care of the environment.

\*\*\*

EVERYONE knows NZTB (now TNZ) is a master at manipulating statistics and making figures work for them, says North South Ferries spokesman Andrew Logan.

\*\*\*

MOUNT Cook Group plans to have a commercial air charter company on Australia/South Pacific routes before the end of the year. It is leasing a Boeing 757 for the initiative.

## More visitors but spending less

(from pg1) (to \$263 million), Australia 2.9 percent (to \$1,665 million), the UK 17.1 percent (to 678 million) and Japan 7.7 percent (to \$362 million).

Total expenditure by holidaymakers decreased 9.2 percent to \$3,006 million while VFR was down 10 percent to \$1,026 million and business 8.4 percent down to \$606 million.

The average spend overall per visit decreased 9.3 percent to \$2,513 and per night it was down 9.1 percent to \$113.

## Research conference attracts delegates from 17 countries

THE New Zealand Tourism and Hospitality Research Conference opened at AUT University yesterday (Wednesday). It ends tomorrow (Friday).

The event is being run by the School of Hospitality and Tourism and the New Zealand Tourism Research Institute.

More than 110 delegates from 17 countries are attending and 97 papers are being presented. Speakers include TNZ CEO Kevin Bowler, AirNZ deputy CEO AND TIA chairman Norm Thompson and Alison Morrison, Professor of Hospitality at the University of Surrey, UK.

### Contributions

Conference chairman Mark Orams says one of the most important contributions the event could make would be to provide an opportunity and forum for post-graduate research students and early career researchers to receive constructive feedback and to offer a supportive environment at which to present their research including ideas, planning and initial results.

It was also decided to promote a better link between research, academia and the tourism and hospitality industries.

"As a consequence, we adopted the theme for the conference of *adding value through research*. We deliberately invited three keynote speakers who have strong credentials and background in industry and with a good understanding of the importance of research for successful practice in tourism and hospitality."

## October arrivals decrease

VISITOR arrivals were down one percent to 184,900 in October compared to the same month last year. It is the first downturn since May.

Although there were more visitors from Korea (up 1,500) and China (up 1,000), there were fewer from Australia (down 6,500) and the UK (down 1,800).

But annual arrivals hit 2.514 million, up three percent with Australian visitors up five percent to 1.115 million. They accounted for 45 percent of all visitors. More visitors also arrived from Korea (up 23 percent), China and Japan (both up 11 percent), Taiwan up 29 percent and India up 16 percent.

## Davis calls on PM to act over Taipa land occupation

PM and Tourism Minister John Key must act decisively over the Taipa land occupation before Northland's reputation as a safe place to holiday is ruined, says Labour's tourism spokesman Kelvin Davis.

"This is an example of pakeha law clashing head on with a Ngati Kahu version of Maori lore, and neither can occupy the same niche without detriment to one or the other."

He adds: "With protesters re-establishing a presence on land adjacent to that they were forced by police last week to vacate, the law of the land appears usurped by the lore of the north."

### Lectures

"Reports emerging that tourists on buses are receiving uninvited lectures on the Taipa occupation prove that Northland increasingly risks being seen as a third world destination in a first-world country," Mr Davis says.

"Other reports - that Ngati Kahu iwi leaders have encouraged the protest on one hand but engaged in 'good faith' treaty settlement talks on the other hand - put Ngati Kahu credibility on the line."

Mr Davis says Mr Key must instruct Treaty Settlements Minister Chris Finlayson "to pursue settlement with the four other Muriwhenua iwi and leave Ngati Kahu to pick through the leftover crumbs if they ever decide they want to sit down at the table with the Crown."

### Evidence

He adds: "While historical Crown processes for acquiring Maori land were dodgy, there is no actual evidence to prove this particular piece of land was acquired by stealth. If the protesters' argument, that occupying former ancestral land is legitimate, is followed to its logical conclusion, it would mean all of New Zealand would be up for grabs, including private dwellings. New Zealand just doesn't want to go there."

"Ngati Kahu would be best served ending the protest and negotiating a durable solution to all grievances."

"John Key needs to lead this charge, or fewer tourists will see Northland as a good place to visit. This protest is hurting the wonderful Maori tourism activities that Northland provides. It is worrying that progressive Maori ambition may be jeopardised by Maori grievance."

\* Tour coaches will continue to stop in Taipa although Fullers GreatSights Bay of Islands earlier told Taipa Resort and local operators that it would divert its daily service after Ngati Kahu protesters boarded a Dune Rider tour bus in the area this week.

## TRENZ will be "unmissable" says Cossar

TRENZ 2011 will be an unmissable opportunity for operators who are serious about being in the international marketplace, says TIA CEO Tim Cossar.

New exhibitors and those with new products to offer to the international marketplace will be particularly sought, as buyers are always looking for new products for their clients. TNZ, AirNZ, Qantas, host region Southern Lakes and other industry partners support TRENZ.

Operators are being invited to apply to exhibit. Applications open today (Thursday), and will be accepted until December 21. Visit: [www.trenz.co.nz](http://www.trenz.co.nz).

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\* Aviation Tourism and Travel Training Organisation, Hairdressing ITO, Hospitality Standards Institute, Retail Institute, Skills Active and Tranzqual.



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## Five attractions acknowledged for their architectural merits

FIVE visitor attractions were recognised in the latest Architecture Awards. They are Waitomo Glowworm Caves, Wellington zoo's animal hospital, the Zealandia Visitor Centre, Dunedin's Orokonui Ecosanctuary Visitor Centre and the Oamaru Opera House redevelopment.

The awards are organised and run by the New Zealand Institute of Architects and supported by Resene.

The extensive Waitomo Glow-worm Cave Visitor Centre, which includes an innovative woven canopy, charmed jurors with its organic form and the way it flows beneath the road.

They say the project, by Architecture Workshop, reinforced the idea of "a simple lightweight sky shell to act as a counterpoint to the main subterranean attraction".

Jury convenor Sean Harris adds: "The experience starts as soon as you arrive. The visitor centre is part of the whole journey into the caves."

### The Nest

The Zoo Hospital, The Nest, by Warren and Mahoney, opened in December last year. It provides an animal hospital and centre for native wildlife care.

Each of the facility's main surgical rooms features a viewing gallery offering a first-hand glimpse of the veterinary team delivering animal care.

Zealandia's visitor centre, by Jasmax, was praised as a "powerful and dramatic entry space" and "an excellent accompaniment to a life sustaining sanctuary".

The Orokonui Ecosanctuary Visitor Centre, by Architectural Ecology, is admired as an "astonishingly elegant work of architecture" achieved from a simple brief and modest budget.

The Oamaru Opera House redevelopment by Williams Ross Architects was hailed for reclaiming a previously almost unusable building and creating "a magnificent community asset for performance".

## Guests may soon be able to personalise their hotel stay

HOTEL guests will soon be able to tailor every aspect of their stay, according to research conducted by Fast Future Research for Amadeus.

*Hotels 2020: Beyond Segmentation* has found that more than 90 percent of those surveyed feel that in 10 years' time guests will expect their stay to be personalised around a set of choices they make prior to arrival.

Says the report: "We will start to see innovations such as intelligent furniture, personalised nutrition and responsive technologies that understand cognitive functions."

Amadeus director Jérôme Destors says: "Only by looking at the global drivers and forces of change can we begin to understand the future hotel guest and what this means for hotel chains."

Fast Future Research CEO and report co-author Rohit Talwar: "What's becoming very clear is that guests want far more say over the delivery of the hotel experience."

NGĀI TAHU Tourism

## Marketing Manager

### Ngāi Tahu Tourism Southern Region Brand Champion for Queenstown's Greatest Tourism Icons

As one of New Zealand's largest tourism operators, Ngāi Tahu Tourism is a growing family of tourism businesses who are passionate about creating transformational experiences for our customers.

Ngāi Tahu Tourism are seeking a talented and innovative marketer to protect and enhance our stable of iconic tourism brands in the Queenstown Region: Dart River Jet Safaris, Hollyford Track Guided Walks and Shotover Jet.

This Queenstown based role involves all elements of tourism product marketing, from marketing strategy to implementation; from research to branding; from joint venture partnership development to sponsorship. We are looking for someone who would enjoy working in a small team and who has a proven successful record across the entire spectrum of marketing disciplines.

**If this sounds like the opportunity you've been waiting for and you would relish the responsibility for the brand guardianship of New Zealand's greatest tourism treasures, please forward your CV and a covering letter to Michelle Amataiti at [michelle.amataiti@nttourism.co.nz](mailto:michelle.amataiti@nttourism.co.nz). Applications close at 5.00pm on Wednesday 1 December 2010.**

## Tourism to have high profile at governmental forum

PM and Tourism Minister John Key, Economic Development Minister Gerry Brownlee and the mayors of Auckland, Wellington, Christchurch and Dunedin will attend the Central Government/Local Government Forum on Economic Development being held in Wellington next Wednesday. TIA CEO Tim Cossar will make a presentation on tourism, which will have high profile in the programme.

### Hamilton

Mr Cossar and TIA policy and research manager Simon Wallace last week met new Hamilton mayor Julie Hardaker. TIA says Ms Hardaker is keen to revitalise tourism in the Waikato. TIA also notes that more councillors with strong tourism links have been "unearthed" since last month's local body elections: Trevor Hook in Marlborough (Te Mahia Bay Resort) and Jim Harre in Hurunui (The Gates Country Lodge), and Soraya Peke-Mason in Rangitikei. Ms Peke-Mason is chairwoman of the Whanganui Maori RTO and part of Te Kahui Tupua, which won the Local Government Helping Visitor Industry Award in this year's Tourism Industry Awards.

## New mayor critical of airport's secrecy

QUEENSTOWN Lakes new mayor Vanessa van Uden says Queenstown Airport's board's decision not to tell council about the sale of land at Five Mile is unacceptable.

The council, the airport and Auckland International Airport met on Monday to discuss the deal in a closed-door meeting. AIAL paid \$27.7 million for Queenstown shares on July 7 giving it a 24.99 percent ownership.

## Jewell now chairman of Glacier Country Tourism

FOX Glacier Guiding CEO Rob Jewell has been elected chairman of the Glacier Country Tourism Group Inc, replacing Adam Haugh of Bella Vista Motels in Franz Josef. New treasurer is Kate Hodges owner/operator of Rainforest Motel in Fox Glacier. She replaces group stalwart Mike Nolan of Fox Franz Heli Services. Scenic Hotel Group West Coast GM Richard de Graaf, Franz Josef Glacier Country Retreat's Marie Coburn,

Matheson Café and ReflectioNZ Gift Shop's Chris Alexander and Kathy Hartshorne of Glacier Country Lake Tours and Campervan Park form the management committee. Jane Wellard remains as promotions officer. The group was formed 24 years ago and has a membership of 90 operators, ranging from B and Bs to the Scenic Hotel Group.

## Employee and others "stole prawns to order"

FORMER Huka Prawn Park employee Jazmyn Bray, 17, and five other teenagers appeared in Taupo District Court last week charged with stealing 76kg of freshwater prawns worth \$7,200.

Ms Bray and two others were sentenced to five months' community detention, 200 hours of community work, nine months' supervision with electronic monitoring and 12 months' non-association with co-offenders.

### Boredom

They also had to pay \$4,121 reparation. The court heard a gang of six had been stealing the prawns to order for restaurants.

Judge Philip Cooper told the three in court that their offending was the result of "boredom, stupidity, an unstructured lifestyle and too much alcohol and drugs."

Ms Bray was also convicted for assault and dangerous driving, reports the *DomPost*.

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If you have any further questions please contact [recruitment@tepapa.govt.nz](mailto:recruitment@tepapa.govt.nz) quoting reference TP1138.

Applications close 5pm, Friday 3 December 2010.



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# Do education policy makers value tourism education?



By ATTTO CEO Elizabeth Valentine

EVERY industry lives or dies on the quality of its workforce. Attracting the right people into the visitor industry is crucial to the profitability and sustainability of the sector. Making sure young people see tourism as a viable and exciting career path is an important part of this.

Senior secondary school students preparing for university - including those with an interest in tourism - must have the opportunity to gain the kind of broad educational base that will help guide them into their future careers. But that's not what is proposed by changes to university entrance requirements.

The changes proposed by the New Zealand Qualifications Authority (NZQA) are set to undermine the work that has been done to promote tourism as an attractive career path for young people - and a subject area worth studying. This could see a perpetuation of the deeply flawed assumption that tourism is not for top achievers.

## Credits

Under the current system, students seeking to achieve university entrance can select up to 28 credits from a list of "approved" curriculum subjects and up to 14 credits from a wider pool of subjects offered by their school which could include tourism or other vocationally-relevant subjects such as electronics, hospitality or aviation.

The proposed new system makes it compulsory that all credits contributing towards university entrance come from the list of "approved" academic subjects.

It's important that studying for university entrance provides students with the skills required to go on to university, and that students aiming for university are required to achieve a certain standard of academic performance.

## Modern

But requiring students to focus solely on traditional academic subjects (the sciences, mathematics, languages and humanities) is out of sync with modern education thinking, which more closely aligns tertiary education with employment and economic outcomes. A more modern view also accommodates the career needs and aspirations of students and focuses forward on their end goal: employment in the field of their choice.

Subjects such as tourism allow students to gain a wide range of skills that help them at university including problem-solving and communication skills - and those schools that do a good job of teaching them understand

the power of contextualised learning. These "composite" subjects make academic achievement more accessible to a broader base of students, while also giving students a head start in their future careers.

From a tourism industry point of view, encouraging students to study tourism at school and then at university is crucial to ensuring bright young minds and future leaders are attracted into the industry.

## Talented

We need to attract talented young people into the many skilled areas of tourism-related education such as international marketing, cross-cultural communication, business and management studies and into the highly specialised areas of Tikanga Maori, aviation, and culture and heritage.

Removing tourism as a university entrance subject will send a clear message to students that tourism is not the place to be if you want a challenging and exciting career. Considering the enormous importance of this sector to our economy and the emphasis the current government places on tourism as an economic driver, this is a confusing and inaccurate message to send to young New Zealanders.

## Disappointing

It is disappointing that well-intentioned policy-makers within education still don't demonstrate a real understanding of their role in developing a skilled workforce that will contribute to New Zealand's economic future. Tourism is not a subject that should be excluded from the study options of our most capable young people.

ATTTO is working with TIA, secondary school teachers and our colleagues at the Industry Training Federation to ensure the government is aware of our concerns around these changes. The NZQA is accepting submissions on the proposal until December 6.

### Woman dies swimming with dolphins

A Swedish woman who died after getting into trouble while swimming with dolphins near Kaikoura at the weekend was Anita Engman, 56, who was on holiday with her husband and other Swedes, police have told the *Marlborough Express*. Ms Engman was not injured by a dolphin but it was still not clear what had happened.

## From the top

# Insights to add value to your business

By TIA CEO Tim Cossar



ALL markets sourcing domestic visitors are struggling given the high dollar and cheap international options, according to AA Tourism CEO Peter Blackwell. Mr Blackwell is one of several industry leaders expressing his take on the mood of the industry in TIA's new *Insights Report*.

Launched last week, this monthly report contains valuable up-to-date information and research to help tourism operators with business planning and decision-making.

### Information

Information is the key to leading the way in business today. But there is such a plethora of information it can be overwhelming, especially for small and medium-sized business owners who don't have the time to sit and trawl through pages of statistics and research.

That's what TIA has done for our members. *Insights Report* combines our own research on the current state of the tourism industry with interpretation of current tourism-related statistics and international reports. Along with facts and figures, each month we will analyse what that means for New Zealand tourism operators.

### Interviews

*Mood of the Industry* will be a regular *Insight* section, featuring short interviews with key players. Some of the issues coming through this month are short booking times, the high Kiwi dollar, and the need to focus on length of stay, not just visitor numbers.

The flat domestic market is another worry for operators, and *Insights* has tips on how to encourage Kiwis to take a holiday, and take it at home.

Interislander sales manager Simon Payne is worried about the impact of the UK and German air passenger taxes. He says these are valuable but fragile markets and we don't need any further barriers that might deter potential travellers coming here.

### Pleased

Mr Payne also comments about TNZ, and is pleased that the government agency "recognises there needs to be more to their marketing message than Mitre Peak and adrenalin activities".

He's referring to TNZ's new marketing strategy which will target people who already have New Zealand on their list of preferred future holiday destinations (these "active considerers" are aged over 18 and are willing to spend a minimum set amount on their holiday here). Each month *Insights* will analyse a key visitor market. In November we've looked at India, an emerging market

that is expected to grow from 28,300 visitors in year ending September, to almost 41,000 in 2016. *Insights* suggests ways to attract more business from Indian visitors, such as marketing to potential Indian visitors through friends and relatives who live here.

### Demographic

*Insights'* trends and innovations for November include a new report on demographic change and tourism that challenges current thinking on the impacts of ageing populations for tourism, and the growing number of people who are demanding holiday facilities for their furry friends. Lufthansa has opened a luxury lounge for pets at Frankfurt Airport, and Walt Disney World is offering a full-service pet resort.

Content for the December issue of *Insights* will look at one of New Zealand's top competitor destinations, the outlook for the Christmas holiday period, and trends and a key visitor market profile.

TIA members can download the report from: [www.tianz.org](http://www.tianz.org).

### Shotover Jet back after crash

FOUR of five passengers injured in an incident involving Queenstown's Shotover Jet were released from hospital on Monday.

A fifth passenger, a Queenstown tourism company employee, suffered a swollen hip and was kept in overnight for observation.

An American tourist taken to hospital was later released and left town with his wife to continue their travels.

### Released

The remaining passengers since released from hospital include a Queenstown resident in her 20s, another Queenstown resident in her 50s, and a 26-year-old man working at a Queenstown hotel, who suffered minor-to-moderate injuries. Other passengers on the jet boat came from Germany, the UK, the US and New Zealand. Spokesman David Kennedy says all passengers received one-on-one attention from Shotover Jet staff.

Mr Kennedy says it is too early to comment on what may have caused the incident, but emphasises that safety is the company's "utmost priority". The driver involved in the incident is on leave. The company is operating again.

## Angus and Associates identifies potential in Germanic markets

VISITORS from Germanic markets have increased steadily to reach more than 87,000 arrivals in the year to September, whilst American and UK visitor arrivals remain below earlier peaks recorded in the period 2005 to 2008.

The Angus and Associates *Quarterly Focus* on the latest Regional Visitor Monitor (RVM) figures for Auckland, Rotorua, Wellington, Christchurch, Dunedin and Queenstown shows visitors from the three markets travel to New Zealand on holiday, while a sizeable proportion of UK visitors are VFR.

Visitors from Germanic markets tend to stay for the longest period and American visitors the shortest.

While visitors from Germanic markets tend to spend less money than their American counterparts on a daily basis, they stay longer and their expenditure is more widely dispersed across the regions.

### Drawn

Holiday visitors from Germanic markets are more likely to be drawn to the RVM regions by a desire to see natural or other attractions than are visitors from other international markets.

"They are less motivated by the simple desire to take time out, to recharge, to indulge in comfort, or to participate in activities," says the report.

"American visitors are especially motivated by a desire to explore what they see as 'uniquely different places' and, along with Germanic visitors, by cultural factors (the desire to learn about other cultures and/or to experience local culture). A desire for challenge is also a significant factor in the travel choices of American visitors."

*Quarterly Focus* adds: "Holiday visitors from the UK place comparatively less emphasis on natural or other attractions than their peers from other long haul markets and appear to be less motivated overall by good deals."

### Less emphasis

It notes that all three market segments place less emphasis on clean and unspoiled landscapes than the average international visitor.

"Visitors from the Americas place special emphasis on adventure and excitement, on appealing city/townscapes, on authentic culture and unique wildlife. In contrast, visitors from the UK are most inclined to rate good weather and climate as an important factor, along with friendly/welcoming people, and urban attributes (appealing city/townscapes and a vibrant urban atmosphere)."

Visitors from the UK are more likely to travel with a partner or spouse and less likely to travel alone or with friends than are visitors from other international markets.

The opposite is true of visitors from Germanic markets. This group is least likely to travel with a partner or spouse and much more likely to travel alone or with friends.

### Differences

"There are also clear differences in travel patterns between the three major long haul markets. Results indicate that it is visitors from Germanic markets who travel most widely throughout New Zealand, followed by visitors from the UK. Visitors from the Americas tend to confine their travel to the RVM regions although the West Coast, Manawatu/Wanganui and Waikato have also proved relatively popular with visitors from North American markets over the past two years."

Guide and travel books are the most important in raising awareness of the RVM regions amongst visitors from Germanic markets.

For UK visitors it is word-of-mouth and personal recommendations, together with family connections, that influence regional awareness. Even though the findings of the RVM indicate that the internet is growing in dominance as an information source overall, visitors from the UK are less likely to have found out about the RVM region they visited via online sources than are visitors from other markets.

### Books

When seeking pre-trip information, Germanic visitors make extensive use of guide or travel books, as well as i-SITEs and other visitor information centres. Their above-average consumption of magazines and newspapers for regional information is also worth noting.

"In contrast, American visitors are heavy users of the [newzealand.com](http://www.newzealand.com) and other websites. Visitors from the UK rely heavily on advice from family, friends and/or travel agents and are also relatively heavy consumers of information published in guide or travel books," adds the report.

Visitors from the UK are more likely than others to use websites such as [lonelyplanet.com](http://lonelyplanet.com), a travel review website, [tourism.net.nz](http://tourism.net.nz), [top10.co.nz](http://top10.co.nz) and [jasons.com](http://jasons.com).

American visitors are more likely than others to visit a government agency site in NZ for regional information, as well as travel review websites, [expedia.com](http://expedia.com), [kayak.com](http://kayak.com), [travelocity.com](http://travelocity.com) and [orbitz.com](http://orbitz.com).

### Blogs

The Germanic markets tend to favour sites from their own countries but are also the most frequent users of blogs and social networking sites, [youtube.com](http://youtube.com), [wikitravel.org](http://wikitravel.org) and [doc.govt.nz](http://doc.govt.nz) when seeking regional information. RVM results show that American visitors do more activities and see more attractions on their visits to the regions than visitors from other international markets. They show a strong preference for walking, hiking and climbing activities, as well as water and sightseeing activities.

The American market also shows greatest interest in activities and attractions involving Maori culture, (to pg9)

## Angus and Associates identifies potential in Germanic markets

(from pg8) birds or animals, adventure and wine/food. The UK market is less attracted to walking, hiking and climbing activities and prefers sightseeing and urban attractions.

"Germanic markets visit natural attractions, a reflection of their primary motivation for visiting the RVM regions. Visitors from these markets are less likely than the international average to participate in water and adventure activities, as well as wine and food experiences."

### Backpackers

Germanic visitors are heavy users of backpackers and youth hostels during their stay in the RVM regions but are also marked by their use of holiday parks/camping grounds and a preference for free camping.

Adds the report: "The American markets on the other hand are the primary users of hotels and B and B to some extent.

"With a high proportion of UK visitors travelling to the RVM regions to visit family or friends, it is not surprising that a higher-than-average proportion of this market stay in private homes. However, visitors from the UK are also a key market for operators of backpackers/youth hostels," *Quarterly Focus* says.

### Vehicles

A higher proportion of visitors from Germanic markets travel to the RVM regions in private vehicles and on scheduled coach and backpacker bus services than is the case in other international markets. On typically shorter trips, American visitors often travel directly to the RVM regions on scheduled domestic flights or on coach tours.

Visitors from the UK use a variety of transport modes but are more likely than others to travel by campervan or to arrive directly in the RVM regions via scheduled international flights.

When compared with the average international visitor, visitors from North America are more likely to spend in all categories measured in the RVM.

### Expenditure

"This is also reflected in their higher-than-average daily expenditure, which is especially marked in relation to accommodation, foods/meals/drinks and gifts and souvenirs.

Visitors from Germanic markets exhibit the lowest spending patterns overall and are below or well below average in actual expenditure in all categories measured (on a per person per day basis).

Even though a higher-than-average proportion of visitors from the UK report expenditure on some items, such as food/meals/drinks, they also spend less than the average international visitor in all categories measured.

"This may stem in part from the high proportion travelling to the RVM regions to visit and stay with family or friends."

The proportion of domestic holiday visitors had stabilised in the most recent year after a brief decline recorded in 2009. At the same time, the proportion of domestic VFR visitors continues to trend downward.

### Changes

"Since the RVM began, there have been some interesting changes in the factors motivating holiday-makers to visit individual RVM regions. At the aggregate level, the underlying trends appear relatively stable overall. However, a number of key motivators for international visitors - including opportunities to "see natural attractions" and to "explore uniquely different places" - have grown further in significance in the most recent year."

Also worth noting is a gradual increase in the proportion of international visitors motivated by the simple desire to "take time out" which historically has been more a feature of the domestic market.

"In the domestic market, there has been a gradual increase in the proportions of domestic visitors motivated by a desire to 'escape from the pressures of daily life' and/or to 'explore a uniquely different place'. More marked is the growing proportion of domestic holiday travel triggered by events occurring in the RVM regions over the past two years."

### Underlying shifts

The report adds: "While the responses of international visitors have remained largely constant over time, gradual changes do hint at underlying shifts in visitor expectations. Long-run trends indicate a steadily growing proportion of international visitors expect to encounter unique wildlife on a visit to the RVM regions. At the same time, the proportion of visitors expecting vibrant urban atmospheres is declining."

While beautiful scenery has always been a key consideration, feedback from international visitors shows the importance of this is strengthening still further over time. Also apparent is a slowly growing emphasis on relaxation.

### Domestic

In the domestic market, priorities centre increasingly on "friendly people" and "beautiful scenery". While "safety and security" remains the highest priority for domestic visitors, the proportion nominating this as among their most important expectations has declined in the most recent year.

Despite being the second most important source of information, guidebooks have been losing influence while a growing proportion of international visitors report having first heard about the RVM regions via the internet.

While guide/travel books remain the most common resource for international visitors seeking information about the RVM regions prior to arrival, their use continues to decline. RVM results indicate that travel agents are increasingly playing only a marginal role in the provision of visitor information, says *Quarterly Focus*.

## **THL has proven its ability to manage industry cycles - chairman**

THL has proven its ability to manage itself through the difficult stages of tourism market cycles, says chairman Keith Smith in his annual report.

"Over recent years we have done this by building our understanding of our customers, improving our access to them by targeting our product offering and improving our marketing platform; and through effective management of our capital resources in respect of debt and capital expenditure."

### **Strong**

The company's balance sheet has remained strong, with net debt levels down from \$58 million to \$37 million at June 30, providing an equity ratio of 62 percent and a debt-to-debt-plus-equity ratio of 21 percent.

Mr Smith says this provides a competitive advantage in that it differentiates THL from other tourism operators. Net profit before tax from continuing operations increased to \$6 million from a loss of \$3.2 million the previous year. Operating cash flow was up from negative \$18 million to \$32 million.

The company has been engaged in a turnaround designed to increase its focus in the area with the greatest potential for value creation: the rentals business.

"This strategy has been behind our sell-down of attractions and coaching assets over recent years. A further disposal was completed after the end of the 2010 year - the sale of Tourist Transport (Fiji) and Feejee Experience to local interests, becoming part of Fiji's largest tourist transport operator. The proceeds from that transaction were used to repay debt.

### **Fit**

"The tourism businesses we continue to own - the Waitomo Group and Kiwi Experience - continue to have a clear place and fit within THL.

"Our focus on rentals reflects our confidence in the business model and its ability to be replicated and grown in markets that we understand. To the extent that we can do this, we believe the company can benefit over and above its cost of capital by applying systems, processes and knowledge gained from many years in the rentals business - and by doing so at relatively low risk.

"Regardless of the near-term market situation, we will continue to explore growth opportunities in appropriate markets where they present themselves."

### **Australia**

Mr Smith says Australian domestic customers are choosing to travel internationally, and outbound travel is up about 18 percent so far this year.

Visitor arrivals from the UK are down on last year by about five percent in New Zealand and Australia.

He also reports that the hire period has shortened about 10 percent as customers adjust their length of stay.

"Customers have a set holiday budget in their home currency and adjust their destination, length of stay and activities to fit.

Our New Zealand business is also seeing the impact of the exchange rate, particularly in respect of visitation from the UK." The reduction in demand has brought increased discounting in New Zealand and Australia.

### **Competition**

"THL works hard to avoid being drawn into price competition, with some success attributable to our lead position in the market, with a quality product range, understanding of customers and strong service orientation. Nevertheless, in the current environment some discounting is unavoidable to protect market share where competitors take short-term predatory action. Where this is necessary we are able to withstand such pressure due to the strength of our balance sheet and cash flows."

He notes that a return to more traditional lead-time and channel patterns has been evident over the past six months. "Customers are booking earlier again. Online channel growth is continuing, although the volcanic ash incident earlier this year in Europe appears to be encouraging customers to return to traditional retail and wholesale agents in their countries of origin.

### **Minimal growth**

"Taking all factors into account, the current financial year is expected to show minimal growth from the perspective of rental revenue and visitor numbers."

THL's forecast for net profit before tax from continuing businesses for the current six months will be a loss of up to \$2 million, compared to a profit of \$1 million last year. But for the full year THL expects net profit before tax from continuing businesses to be about \$5 million compared to \$6 million last year. This equates to tax for the full year from continuing businesses of about \$4 million, vs \$5 million last year.

"It should be noted that the year-end forecast assumes that booking intakes for the high season remain at last year's level, and that the significant drop in intakes experienced in the last quarter of the past financial year relative to the prior year is not repeated. With a low profit number any change to these variables will affect the final result significantly."

## **Company performance improving but less momentum - CEO**

IT is still a difficult time for THL and the company's performance whilst improving, does not have the momentum CEO Grant Webster had hoped.

"We have, in my view, positioned the business correctly. We now stay focused on that direction, whilst (to pg11)

## Company performance improving but less momentum - CEO

(from pg10) adjusting as required given the UK and Australian market performances over this quarter and the coming year," he says in his annual report.

Mr Webster says THL's turnaround in the past 12 months is partly explained by official tourism numbers, which show inbound growth to New Zealand and Australia of 3.7 percent and 2.7 respectively.

"In the holiday segment, there was a decline of just under one percent in New Zealand. Of particular concern was a significant change in the mix, with a decline in arrivals from the UK and an increase from Australia.

UK holiday arrivals were down by 9.6 percent in New Zealand and just under one percent in Australia. "

The strength of the NZD and AUD is encouraging residents of both countries to travel further afield.

"We have more recently seen an 18 per cent increase in Australian outbound travel.

### Vital

Australia is a vital market for New Zealand tourism. On average, however, its visitors come for shorter stays and choose lower-value vehicles to hire. That was one of the factors that put pressure on margins in the New Zealand rentals business." Mr Webster adds.

In New Zealand there was a change in the mix of visitor arrivals with a greater proportion from Australia and fewer from the UK. "We actually had more vehicle hires but less hire days. The reality is that this causes an increase in costs as the vehicles are processed more often but for much less revenue. This clearly affects margin, and we are working on other means to recover that margin."

### Difficult

The New Zealand rentals business had a more difficult year than the Australian business. EBIT was down 58 percent to \$1.9 million. Total operating costs increased by \$1.6 million, or 3.6 percent, while revenue decreased by \$1.1 million excluding revenue from the sale of fleet.

Mr Webster says he is pleased with the result from Kiwi Experience in the past year given the substantial level of discounting that has been occurring in this market sector.

"As with the campervans, you could consider this product the ultimate perishable. Once the bus leaves and there is an empty seat there is no chance to sell that seat again.

### Protected

We have, therefore, vigorously protected our market share and met the price in the market. This has created significant drops in yield and I would argue, has had an impact on the quality positioning of the total New Zealand tourism experience. Internally, we have focused successfully on continuing cost reductions in this business. " He adds: "We do see a bright future for this business within THL."

The company is still seeing the UK market declining at a rapid rate. "There is some speculation that customers may be deferring visits until the Rugby World Cup, but although that might be the case the underlying feedback is that the recent budget and the general state of the economy are greater factors.

"In the medium term with the focus of the Rugby World Cup, exposure from The Hobbit and airline capacity increasing, we believe New Zealand will see a rebound from this valuable market."

## Focus on: THL - Part III

In 2003 the purchase of The Legendary Blackwater Rafting Co. and a licence to develop a guided tour experience in Ruakuri Cave, expanded the company's interests in the Waitomo area.

Kelly Tarlton's Antarctic Encounter and Underwater World added Stingray Bay which opened in time for Christmas 2004. The much anticipated Ruakuri Cave walkway experience was reopened in 2005

THL businesses experienced several disruptions during 2005 and 2006 with the Waitomo Glowworm Cave facilities suffering major fire and vandalism damage in December 2005, and Kelly Tarlton's being flooded during a power outage in early June 2006.

THL's portfolio of more than 30 brands was split into four distinct, operating divisions each representing the focus of its core market segment and customer groupings. The four operating divisions are Rentals, CI Munro, EX Group and the Tourism Leisure Group. These four operations are supported by a centralised Project and IT resource.

The rentals division was kept busy introducing new products to the market including the Britz Voyager, Britz Adventurer, Britz Rookie and the Backpacker Breezer.

In July 2007, EX Group launched Explore More, the low-cost campervan and rental car products focused on the youth market.

In 2007 Australian-based MFS Living and Leisure made an unsuccessful takeover offer for all of THL THL that year agreed to joint venture Johnstons Coachlines, with Coaching Investment Limited retaining one-third interest in the company.

It entered into another joint venture with the owners of InterCity Group (NZ), building on the strengths of its nationwide bus and coaching operations and Northland leisure cruising businesses. - TO BE CONTINUED.

## **Mad at Whaka uncovers hotpools not seen for 20 years**

VISITORS from Auckland, Bulgaria, Germany and the Netherlands were the first to take part in Mad at Whaka, a joint programme between the village, Nomads backpackers in Auckland and Rotorua's backpackers hostel, Kiwi Paka. They helped open an old overgrown track, re-fencing and clearance of dead scrub, allowing views of pools that hadn't been seen for more than 20 years. They bought the four-day package that included accommodation and the cultural experience of interacting and working among the village community.

## **Whale of a time in Tory Channel**

FISHY tales will abound when former whalers and others gather on Saturday to celebrate the restoration of the historic Perano Whaling Station in Tory Channel. About 15 people who worked at the station, including chaser crew and processing factory workers, are attending the celebration of the first stage of preservation work at the site that is a landmark of the 137-year whaling heritage in the area.

New Zealand's first and last onshore whaling stations were located in Tory Channel. The first was set up in 1827 at Te Awaiti by John Guard. The Perano Whaling Station, in neighbouring Fishing Bay, was the last, closing in December 1964 after which commercial whaling was banned in New Zealand waters.

## **Taniwha is an eight-wheeler...**

OVER The Top Adventures, Coromandel, has a...taniwha! Actually it's an eight-wheel "drive beast" that thrives in mud and bush. The company's Stewart Guy says the taniwha "swamp monster" is an addition to the company's more traditional offerings in the Southern Coromandel.

Mr Guy says even though the local council is being slow in developing the new cycleway he is ready for customers with a range of quality bicycles for hire including mountain bikes, tandems, comfort cruisers and even electric bikes.

## **Mixed messages**

INTERNATIONAL and domestic visitor statistics of late have not been particularly positive, notes Venture Southland tourism marketing manager Lisa Buckingham. She says there's been mixed messages with some operators reporting strong forward bookings while others are saying that times are tough and the summer could be a worry.

She notes TNZ's digital strategy is a huge advance to combine established tourism website formats with evolving traveller research behaviour and social media technology.

"It will be crucial that you follow developments and get involved where you can, if you want to maximise your visibility on [www.newzealand.com](http://www.newzealand.com) and be competitive," she tells operators.

Ms Buckingham and Destination Fiordland's Toni Ellis recently travelled to the east coast of Australia to meet with wholesalers and inbound agents. "Companies were relatively positive about sales figures but most noted the high Australian dollar meant that Australians were being lured to destinations such as the US and this was currently affecting NZ sales figures and growth," they report.

## **On The Move**

**JEROEN Meijer** is to be the new director of business development for the Hilton Phuket Acadia Resort and Spa in Thailand. He is currently in a similar role at The Hilton Auckland.

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**DANIELLE Robbins** has joined Nelson i-SITE after graduating from NMIT with a diploma in tourism management. She has also worked at Travel Smart, Nelson.

**David Webster** decided on a career change and returned to New Zealand from the UK last year after 12 years in the IT industry. He has also just graduated from NMIT with a diploma in tourism management and is working at the i-SITE. **Jeff Price** is a retired military officer and has spent the past four years at the Motueka i-SITE and then with Wilsons Abel Tasman.

## **Wilkinson opens first Great Ride**

CONSERVATION Minister Kate Wilkinson has officially opened the St James Cycle Trail, the first of the country's 'Great Rides' to be completed.

The trail passes through the iconic backcountry of St James Conservation Area, near Hanmer Springs.

"The St James Cycle Trail is the third trail to have sections of track available for use - but it is the first to be completed from start to finish," says Ms Wilkinson. DOC has worked incredibly hard with Nga Haeranga to complete this project and the result speaks for itself." She adds: "This is a real tourism asset and I have no doubt it will draw thousands of cyclists a year."

## **Miracle kiwi chick dies**

QUEENSTOWN'S "miracle" kiwi chick has died a week after it was hatched at the town's Kiwi Birdlife Park. It had battled poor parenting and a collapsed egg membrane before being transferred to the park where it hatched on November 13.

The staff is now focusing on the care of two other eggs, the latest of which was laid on Saturday.

## Research vital to TNZ's decision-making, CEO tells academics

TNZ CEO Kevin Bowler urged researchers to help the industry plan for future emerging travel trends when he spoke at AUT in Auckland yesterday (Wednesday).

Mr Bowler told the New Zealand Tourism and Hospitality Research Conference that research has a vital role to play in each decision made by TNZ in the current fast changing tourism environment.

"There are the obvious monitors and reports that measure what has happened - who came, how many, what they did, where they went and what they spent and how satisfied they were - and these will remain essential core data for decision making.

"But historic tracking isn't enough. We'll be using a lot more insight gathering to drive future decisions," he said.

### Investment

Mr Bowler said research and data underpinned TNZ's market selection for investment. He also talked about the organisation's new research, which more closely defined TNZ's target market on a country-by-country basis. The research was driven by the need for TNZ to define its audience in order to make the best use of digital marketing channels, rather than mass marketing channels of the past.

It identified a group of travellers, dubbed active considerers, made up of people who are considering New Zealand for their next holiday.

"From this point, we're targeting a large audience of people who are considering New Zealand for their next holiday - we're not building awareness for New Zealand per se. We're trying to move more of these considerers from desire to action," Mr Bowler said.

### Gap

The new research highlighted a gap between information and motivation, and desire and action. "A big part of it is filling in the gaps to demonstrate that New Zealand is easy, fun and popular."

As well as providing for well-defined and targeted messaging, digital channels also allowed TNZ to "time" when and how it delivered messages to potential travellers and provided more ability to measure.

Mr Bowler left delegates with a challenge - to use research to look ahead not just behind.

He said the industry, and TNZ, needs a deeper understanding of developing travel trends and a better understanding about what is in the minds of potential visitors.

For example, visitor's attitudes to the concept of 'value' after the global financial crisis; a closer understanding of how the growth in Asian visitor arrivals would develop over time; the needs of older travellers; development of future aviation links; and the importance of New Zealand's green image.

"Quality research and insights are a vital ingredient to ensuring we're ready to handle the range of changes in front of us," he said.

## Birth of exclusive accommodation collection

THE Waterfront Suites Bay of Islands, Sea Spray Suites Bay of Islands and Akaroa Cottages in Akaroa have joined Heritage Hotels.

"These properties herald the beginning of our exclusive accommodation collection which will extend throughout New Zealand," says group GM Heritage Boutique Collection Ronnie Ronalde.

"Our new Heritage Boutique Collection is aimed at both corporate and leisure markets and we offer the customer a new certainty when selecting boutique accommodation because of our exacting and high brand standards," adds Mr Ronalde.

## Moore asks Key to invite Kate and William to Rotorua

ROTORUA luxury lodge operator Diana Moore is calling on PM and Tourism Minister John Key to extend an invitation to Prince William and his bride to honeymoon in New Zealand next year. She says Rotorua would be an ideal location for the royal couple to start their post-wedding holiday together.

Ms Moore, who manages Lake Okareka Lodge, says the kudos the country's international tourism reputation would receive if Prince William and Kate start their married life together in New Zealand, would be "simply priceless".

She says Rotorua would be a great place for the couple to kick off their New Zealand honeymoon as it has a mix of adventure, scenery, geothermal attractions, and cultural activities.

"Rotorua has actually been a popular holiday destination with European royalty for well over 100 years. One of Prince William's ancestors, Queen Victoria's son Prince Alfred, actually visited Rotorua way back in 1870. So historical precedents already exist."

\* The Queen has also stayed at Moose Lodge. - Ed.

## Hopes that rare dolphins will breed

NORTH Island Maui dolphins and South Island Hector's dolphins were once thought to occupy separate stretches of New Zealand's coastline, but new research has shown that two female Hector's have been visiting their North Island relatives. Researchers hope that the closely related dolphin sub-species may breed, bringing much-needed genetic diversity to the critically endangered Maui's dolphin population.

## New social event?

TRENTHAM Gardens function and event staff catered for the inaugural Project Born high-end lingerie fashion show, which included dance, drama, music, and creations from Weta Workshop in Wellington over two nights last week. More than 400 guests turned up and helped raise \$100,000 for the Neonatal Trust (New Zealand), which supports the parents of the country's smallest and sickest babies. Trentham staff manned the kitchen and front-of-house and provided free food. Special-effects maestro Sir Richard Taylor has put his name to the event. *IT* is told this could become one of Wellington's main social events.

## Kawhia Kai Festival

TRADITIONAL Maori village décor including fences made from manuka and a carved waharoa gateway will add to the Maori flavours for the 10,000 visitors expected for the Kawhia Kai Festival on February 5.

## Mayor launches latest Ziptrek

QUEENSTOWN Mayor Vanessa van Uden took to trees above the adventure capital on Friday to officially open Ziptrek Ecotours' three-hour Kea 6-Line Tour. Soon after the ribbon cutting, guide Justin Berger zipped into the newly built aerial tree platform holding a New Zealand flag. The tour delivers the world's steepest tree-to tree flying fox as part of its high velocity eco-adventure. Zippers travel to speeds of up to 70km/h on an extended "zip into town" experience that builds on the company's original Moa 4-Line Tour.

## Armstrong pays his way to Rotorua

SEVEN times Tour de France winner Lance Armstrong is coming to Rotorua at his own expense to take part in the 25th Eves Blue Lake Multisport Festival from January 19-20. His first sport was the triathlon.

## Operators object to campground plans

THE Marlborough District Council wants to set up seven sites for freedom camping around Marlborough, but the move has upset campground operators. The council assets and services committee meeting last week agreed to the proposed sites as part of discussions to deal with the snowballing problem of people camping overnight in public places. Its decision will go before the full council on December 9. Council reserves and amenities manager Rosie Bartlett said the proposed sites, which could be used by each freedom camper for two nights only, were all on council-owned land. But Smiths Farm Holiday Park owner Chris Faulks told the *Marlborough Express*: "What they're doing is creating a way for people to avoid camping grounds. I find that almost insulting." Picton Top 10 Holiday Park manager Roger Kett supports designated freedom camping areas in isolated areas, but not near towns. He is urging the council to strictly enforce freedom camping rules.

"You can put all the laws in you like but if you're not going to police them then it's never going to work. In Picton it's getting bad and there's nobody in our area that can do anything about it."

## Museum criticised

QUESTIONS over the use of public funds at Otago Museum - and CEO Shimrath Paul's use of a late-model Audi - have prompted a warning future funding could be cut, reports the *ODT*.

The Dunedin City Council launched a joint review of the annual levy it pays to the museum after Mr Paul complained in May that the council's support was inadequate.

Community development chairman Bill Acklin says the review is scrutinising a "fairly significant" increase in museum staff costs.

The council provided nearly half the museum's annual funding and has allocated more than \$28 million since 2003.

The steadily increasing funding has risen from about \$2.37 million in 2003-04 to \$3.77 million this financial year.

Mr Paul says comments about staffing irregularities are "rumours created for no good reason".

Cr Acklin says he is also concerned Mr Paul drives a leased 2009 Audi Q7, while at the same time "pleading poverty" on behalf of the museum.

## Terrace Downs now high-end resort

TERRRACE Downs Resort, Canterbury, will be open seven days a week from December 15, having pared it down to a few days while being physically and emotionally repositioned over the past two years. Originally launched as a golf resort, the property has been transformed into the country's leading high-end destination resort.

With Epikurean Hotels, Resorts and Hideouts being awarded the management earlier this year, Terrace Downs now has the resources and clout to effectively develop, capture and deliver to top international businesses.

## Wanganui gets riverside i-SITE

WORK is completed on re-modelling the former Tearaway Building at 31 Taupo Quay, Wanganui, to create the city's new riverfront i-SITE.



## THE LAST WORD

*"If you can't write your idea on the back of my calling card, you don't have a clear idea." - David Belasco*