



# Quarterly Report on Activities

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## Oct – Nov – Dec 2011



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# Section 1: Chairman's Comment - Economic Situation

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## Chairman's comment



### **Chairman Andy Britton**

Most of us are now back at work after having time out and hopefully some relaxation. It is also been time for reflection on where we have come from and where we are going to. The “perfect storm” conditions still exist. In fact with the European financial situation it has the potential to get even worse.

Government purse strings are undergoing a further round of tightening and there are no events on the immediate horizon such as the Rugby World Cup to take the focus away from the economic issues.

It is bleak, but there is also opportunity. It is apparent to us that we have to do things differently, encourage innovative thinking and thinkers, and take some calculated risks.

The Northland Regional Council has been addressing how to best use the Northland Regional Council Community Trust and its controlled organisations, Enterprise Northland and Destination Northland, and with the publishing of their draft long term plan next month we should know the shape and nature of the proposed structural solutions.

However structural solutions are only part the answer. Regional collaboration, cooperation and cohesiveness between all parties is the other key ingredient going forward, and without this we will not make the step changes required to take us from being the bottom region in terms of GDP per Capita to being in the middle. We estimate that to do this we have to generate over an extra \$1b per annum in GDP. This is not going to happen if we just keep doing things the same way. We need to seek innovation, encourage and support ideas from the community and make step changes.

There is the talent within the region to make these step change projects successful in a sustainable way. We look forward to working with you this year.

A handwritten signature in black ink that reads "Andrew Britton". The signature is written in a cursive, flowing style.

## Economic Situation

*Extracts from Infometrics Report*

### Summary

The Northland economy has recovered at a slower pace than the national economy. It has now experienced four successive quarters of positive annual growth and GDP is back up to its prerecession level.

The labour market is improving although it is still fragile. Employment grew by 1.3% in the year to September 2011. The number of unemployment beneficiaries declined to 3,630 in the September quarter from 3,830 a year ago. The seasonally adjusted unemployment rate as measured by the Household Labour Force Survey showed an increase, although this measure tends to be volatile.

The housing market is very weak in Northland with both house prices and sales falling further than the national averages. Residential building activity has been constrained by the weak housing market and a lack of finance for developers. The number of residential consents has fallen to its lowest level in ten years. Non-residential consents have also fallen to a very low level by historical standards. On the positive side electricity consumption and car registrations have continued to grow.

Indicator (annual average % change)	Northland	New Zealand
GDP	↑ 2.1%	↑ 1.6%
Employment	↑ 1.3%	↑ 1.7%
Unemployment beneficiaries*	↓ 5.1%	↓ 14.7%
Unemployment rate* (% point change)	↓ -0.8%	↓ -0.2%
Residential Consents	↓ -31.3%	↓ -16.9%
Non-residential Consents	↓ -54.3%	↓ -3.0%
House Sales	↓ -6.7%	↓ -2.6%
House Prices	↓ -4.2%	↑ 0.7%
Guest nights	↓ -0.3%	↓ -0.8%
Electricity consumption	↑ 1.7%	↓ -0.3%
Car registrations	↑ 4.3%	↑ 5.5%
Commercial registrations	↓ -3.7%	↑ 28.1%

#### Regional growth indicators (year to September 2011 compared with previous 12)

*Source: Infometrics, Statistics New Zealand, NZTA, REINZ and QV*

\* An increase in the number of registered job seekers and the unemployment rate is shown as a negative.

## Gross domestic product

### National economy

Annual growth in economic activity was estimated to be 1.7% in the year to September 2011. Although this is still a slow rate of growth, it was the largest annual increase since June 2008 – just prior to the start of the global financial crisis. Consumer spending and business investment have both increased moderately, as strong export commodity prices and an improving outlook for the New Zealand economy made households and firms more willing to spend.

However, concerns about the level of sovereign debt in the Eurozone have led to a significant deterioration in credit conditions since July. With policymakers in Europe dithering, the outlook for global growth has darkened, knocking business confidence. As long as the current debt crisis remains at the forefront of people's minds, both consumer and business spending will stay restrained. This will hold back growth in the next 6-9 months. However, with commodity prices high and consumer's income rising, we believe the stage is set for a recovery in economic activity by the later stages of 2012.

### Northland

GDP in Northland increased by 2.1% in the year to September 2011 compared to the previous 12 months. The region's growth was higher than in the country as a whole (1.6%). GDP growth peaked in Northland at 5.1% in the year to March 2006.

## Employment

### National economy

Total employment in New Zealand increased 0.2% in the September 2011 quarter, while total hours worked climbed 1.0% to finally surpass its June 2008 peak (seasonally adjusted). Employment has increased moderately over the past year, even as the economy was dogged by earthquakes and global uncertainty. However, robust wage growth may limit any further increase in employment heading into 2012.

### Northland

Employment in Northland increased by 1.3% in the year to September 2011 compared to the previous 12 months. The region's growth was lower than in New Zealand (1.7%). Approximately 65,100 people were employed in Northland during the September 2011 quarter which accounted for 3% of national employment. Employment growth peaked at 4.4% in the year to September 2005.

## Section Two: Enterprise Northland Quarterly Report on Activities

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### Communication & Leadership

#### Northland Intersectoral Forum

In October, NIF hosted the signing ceremony redesignating Whangarei as a Safe community. Signatory agencies were: Whangarei District Council, ACC, Northland District Health Board, Te Puni Kokiri, Police, NZ Fire Service, Northland Plunket, and Northland Road Safety Trust. Carolyn Coggan, national director of the Safer Communities Foundation New Zealand congratulated the signatory agencies and NIF for the district's lowest road toll in 41 years in 2010, stating that improved public facilities, roading, education and awareness campaigns and other initiatives were indicative of effective cross-sectoral collaboration.



Whangarei Safer Community signing ceremony (Oct 2011)

The Ministry of Youth Development presented NIF with the results of the Northland Youth Voice Consultation NIF commissioned earlier this year. This consisted in the survey of the young people of Northland around the themes of youth issues, knowledge of decision makers, awareness and use of local government and youth voices. The Northland Youth Voice Consultation was held in May. 401 young people participated via face to face consultations across the region and on-line surveys. The consultation findings will be used by NIF member agencies to inform their work in the aim of realising the potential of Northland's young people.

Other particular issues of note this quarter included a brief on Neighbourhood Policing Teams, updates from New Zealand Transport Agency, and discussions around water quality and fire.

The Northland Intersectoral Forum (NIF) has welcomed 3 new members this quarter: Nick Chamberlain, CEO of the Northland District Health Board, Superintendent Russell Le Prou, District Commander, and Steve Ruru, CEO of Kaipara District Council.

NIF will be conducting a strategic planning session with a facilitator in 2012 to review the NIF Strategic Plan and operational structure of NIF.

## **Enterprise Northland website**

In October, Enterprise Northland revamped its website: [www.enterprisenorthland.co.nz](http://www.enterprisenorthland.co.nz)

The new website layout includes a Hot Projects section with detailed information of some of our current projects as well as a section dedicated to the Regional Business Growth Team and the services they can offer Northland businesses.

Past and current quarterly reports on activities as well as NRCCT annual reports are all available for download from the site. Many other publications and resources touching on a variety of economic sectors are also made available to the general public.



#### LATEST NEWS »

##### [Waikare Oyster Waste Recovery Limited appoints Operations Officer »](#)

WOWR Directors are pleased to welcome Tania McInnes as the new Operations Officer.

##### [Oyster waste to be removed from Waikare Inlet »](#)

Wealth from waste: a co-operative approach to improving the economic health of the region.

#### FEATURED PUBLICATION »

##### [The Northland forest opportunity \(December 2011\) » \(pdf - 390KB\)](#)

A summary of the analysis on opportunities for added value wood processing in Northland. Full...

##### [Northland region infometrics report \(September 2011\) » \(pdf - 189KB\)](#)

Quarterly economic monitoring report for the Northland region covering Q3 2011.

#### Contact and support

Help is available in a number of key areas:

- Information to assist your investment decision.
- Introductions to our networks of professional and business contacts.
- Advocates on your behalf to relevant national organizations.
- Co-ordinate/facilitate support from other organisations, e.g. get logistic and financial assistance to recruit and train the right people for your company.
- Save you time and trouble and make investing in Northland easy.

Your contacts:

**Wayne Hutchinson, General Manager**  
[Wayne@enterprise-northland.co.nz](mailto:Wayne@enterprise-northland.co.nz)  
 Tel: +64 9 470 0243

**Glen Beattie, Investment Consultant**  
[glen@chama17.co.nz](mailto:glen@chama17.co.nz)  
 Tel: +64 21 340 096

#### Are you eligible?

##### Our aim

##### Are you eligible?

##### What services can we offer you?

NZTE Capability Development Vouchers

##### Contact us

##### Useful links

The scheme is a free service accessible for the following categories of business:

- desire to grow, or
- export capability, or
- a focus on innovation, or
- new start-ups

##### Please note:

The business will need to be GST registered, operating in a commercial environment, privately owned or in a Maori Trust or incorporation under the Te Ture Whenua Maori Act 1993 or similar organisation managing Maori assets under multiple ownership.

Regional Business Partner  
**Northland**

New Zealand  
**TRADE & ENTERPRISE**

Ministry of Science & Innovation



#### HOT PROJECTS



##### [Northland's Aquaculture Development Group »](#)

Bringing aquaculture to a new level. Find out more here.



##### [Waikare Oyster Farmers - Waste Minimisation »](#)

Find out how this project will clean up oyster harvesting areas while recycling waste shells and timber.



##### [Northland Horticulture Growth Strategy »](#)

Find out about the first steps of this new strategy.

##### Aquaculture

##### Quarterly reports

##### Business growth

##### Economic development

##### Community development

##### Forestry

##### Minerals

##### Northland Agricultural Research Library (NARL)

##### Annual reports

#### Publications & reports

##### Browsing: Business growth

Business growth, capability building, jobs, productivity, and skills

##### [Snapshot of the Northland labour market \(2011\) » \(pdf - 2.32KB\)](#)

A snapshot of the labour market in Northland with a focus on developments since 2008 when unemployment rates started climbing dramatically as a result of the economic slow down.

##### [Business Survival Guide \(2008\) » \(pdf - 285KB\)](#)

A business survival guide in recessionary times for small to medium enterprises. Learn the 6S for Success.

Examples of what you can find on the revamped Enterprise Northland website

## Jobs, Productivity, and Skills Projects

### Northland Regional Business Partnership – Business Growth Team

Enterprise Northland in partnership with the Northland Chamber of Commerce



Over the last reporting period the NBGT team has continued to introduce both new clients and providers to the Regional partnership program. They are also in the process of building further key relationships within the wider Northland Business community. The open relationship with providers that the team has developed over the last year has seen the quality of referrals improve and referral numbers increase. This has meant that the team have been able to provide greater funding to businesses who present excellent growth opportunities and a willingness to invest in capability development.

The team are in the process of completing an Action plan moving forward which will include increased marketing, brand and service awareness, increased client interaction, increased capability and R&D funding. Part of this plan includes identifying Northland businesses that meet the NBGT's criteria for growth and present export opportunities.

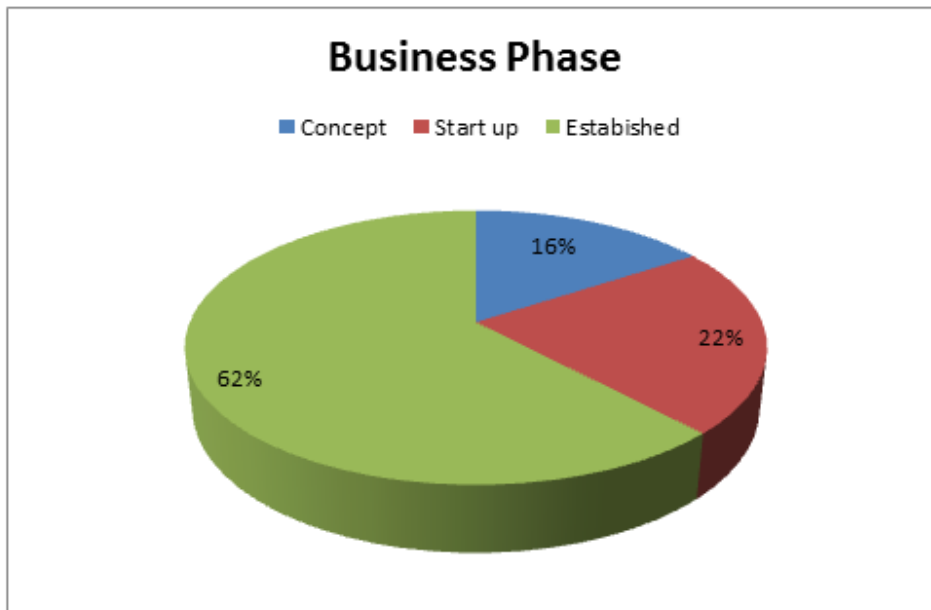
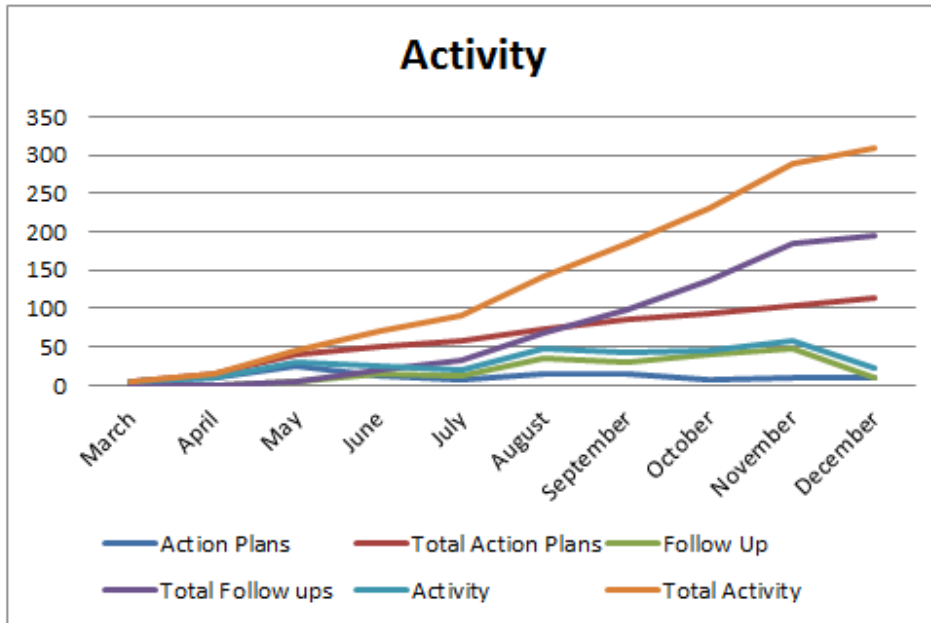
At the time of this report the NBGT team has had 55% of its vouchers validated they do however expect that this percentage will increase to 78% once businesses return from the holiday period. This rate of validation proves that the team's approach of quality assessment, client interaction and strong provider relationships as a model works. Over the next reporting period it is the goal of NBGT to leverage this model further.

#### Summary – YEAR TO DATE NORTHLAND

<b>Clients -</b>	
<b>Action Plans -</b>	117
<b>Total Vouchers Issued -</b>	38
<b>Total Value of Vouchers -</b>	\$87,725.00
<b>Vouchers Validated to Date -</b>	\$48,725.00
<b>Vouchers Expired to Date -</b>	\$16,000.00

#### **Vouchers issued for -**

Business Planning, Strategic Marketing, Export, Leadership and management capability.



There has been a marked increase in established businesses engaging and therefore increased uptake and demand for the services.

## One More Worker Campaign

### Background

The One More Worker campaign aims at tapping into the Northland Community PRIDE branding and encouraging Northland businesses to take on one more employee.

This project is currently being led by Work and Income, Enterprise Northland and Northland Chamber of Commerce.

In September, the Northland Intersectoral Forum (NIF) agreed to champion the initiative.

### Project update

The initial time frame of the campaign (Oct-Nov 2011 for Whangarei , then Feb-Mar 2012 for the whole region) has been pushed back to a region wide 3 month campaign expected to start in February 2012 (after elections and Christmas holidays, when businesses are firing up again and young people are looking for jobs).

The working title for the campaign is: **Northland working, Northland PRIDE.**

Media partners are Mediaworks and APN.

Radio campaign includes 2 radio commercials which will run 4th February through to the 29th April, 2012.

Newspaper campaign will run from 4th of February through to the 29th April, 2012, and includes:

- 3 times a week “help these young job seekers find work” feature in the Northern Advocate with PRIDE logo.
- two ad placements per week in the Northern Advocate and one ad placed in the Northern Age per week. The advertisements promote the subsidy Job Ops with Training and will carry the sponsor tag and PRIDE logo.
- No less than 3 Employment Good News stories in the Northern Advocate over the campaign period. Supplied by Work and Income.



NIF is pursuing several potential sponsors to confirm what resources are available.

## Employment Trust

### Background

The Employment Trust project aims at addressing the employment market gap, targeting up skilling employees and linking them to employers. A number of successful models exist in other regions (Southland Employment Trust, ATNZ, Otoroanga, Dunedin).

This project is currently being led by Work and Income and Enterprise Northland.

An Employment Trust would:

- **Recruit and employ on behalf of employer and sub-contract workers back to employers**
  - This would benefit employers who would no longer have to pay for payroll/admin overheads.
  
- **Manage the industry training needs of the employer and the worker**
  - The specific target is to up-skill the workforce (apprenticeships, internships, and employers willing to train employees at least up to level 4).
  - This would benefit some of Northland's small businesses who lack the infrastructure to provide such training.
  
- **Provide in-work support and pastoral care to both workers and employers**
  - This would enable the apprentices to move around from employer to employer to make sure they get that breadth of experience needed to complete their apprenticeship.
  - Help clarify the pathway for apprentices to succeed and progress in their given field.
  
- **Be funded through an employer's premium on top of wages**

A presentation of the project concept was made to the Northland Intersectoral Forum (NIF) in September and NIF agreed to champion the initiative.

### Project update

The concept was agreed on but no feasibility study has been done. Since drafting the concept document in September it has become clear that employment trust type projects would need to be varied community led initiatives and will not work with a top-down implementation.

There are pockets of interest in the community.

Mayor Dale Williams from Otorohanga has made several presentations in the region and he is adamant it needs to be driven by local business and community leaders.

Community buy-in and leadership being seen as essential to progress on setting up these trusts, it is not clear yet how to get communities taking ownership of the trust model.

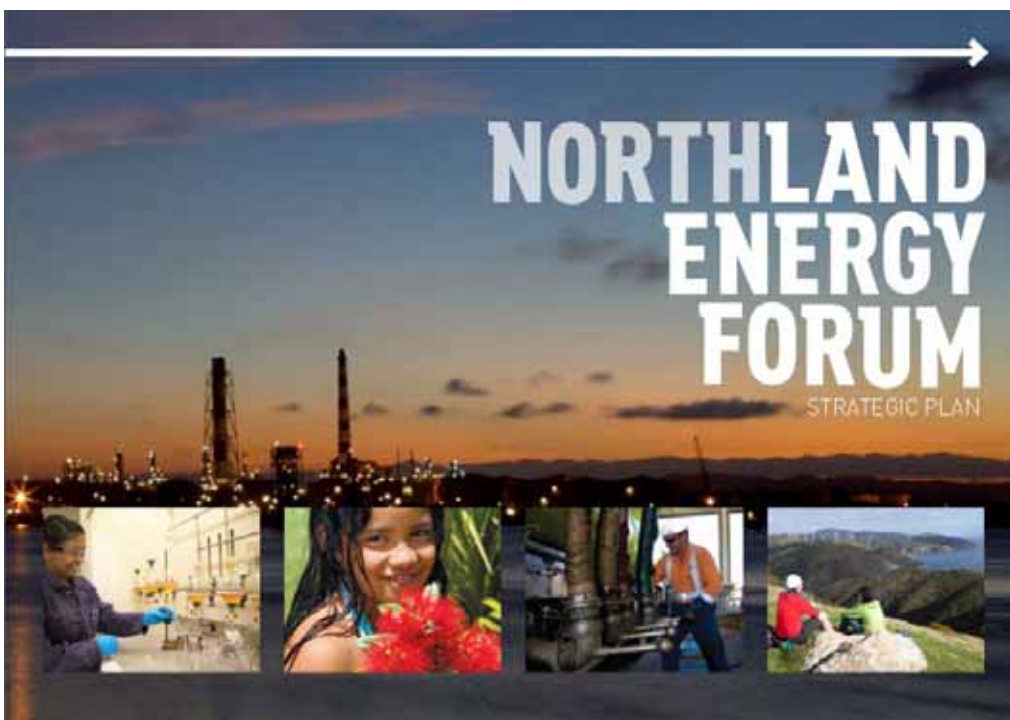
As for a regional trust model, this could only work if it was set up around a particular industry.

There is also a need to look at what is happening at the moment in the apprenticeship area.

## Infrastructure Projects

### Northland Energy Forum

The Forum established a Strategic Plan September 2011 which Enterprise Northland was subsequently commissioned to publish in hard copy and by way of web placement. A high quality A5 booklet has been printed and is now available for distribution by way of the Forum's membership. This, like the aforementioned Mineral's Information Memorandum is predicated on the 'New Zealand's First Northland' brand style, to be carried across a suite of publications on the various Northland industry/sector groups.



[The Northland Energy Forum Strategic Plan can be downloaded from the Enterprise Northland website](#)

A 'Project List' was tabled at the November 2011 meeting of the Executive of the Forum; Enterprise Northland is now charged with preparing 'Project Profiles' for each of the 30+ projects identified. Each profile will contain: a scope; data snapshot; identification of the lead/key agencies and support/liasion organisations/personnel; high level project benefits; an action plan/status; and where the Forum may assist with advancing the project accordingly.

## Growth Projects

### Northland Minerals Forum

New Zealand Petroleum & Minerals (NZP&M) has contracted GNS Science to complete the geological interpretation of the magnetic and radiometric data collected from the airborne geophysical survey, undertaken by UTS Aeroquest earlier in 2011. Consequently, NZP&M will prepare 200+ copies of a DVD that will contain a GIS of all magnetic and radiometric anomaly maps, Northland geochemistry, QMAP geology, and many other layers, and the various GNS-emanating reports. The actual aeromagnetic data is into the terabyte space so will be made available, to the more serious qualified parties, on hard drive by request. It is planned that these information/data DVD's and hard drives are to be available for public distribution April 2012.

Enterprise Northland has been commissioned to prepare and publish on behalf of the Forum's principal partners - NZP&M, Northland Regional Council and Far North District Council - a high quality 40 page Information Memorandum which will contain an executive summary style 'teaser' of the interpretive data wrapped by general detail about mineral exploration/resources available and the Northland and New Zealand competitive advantages. Publication is planned for Quarter 1 with an official Northland launch planned for April 2012.

### Project Oyster Shell

There were four main activities undertaken this quarter for the oyster shell recycling project in the Waikare Inlet: project planning; business innovation; public/private consultation and staff recruitment.

#### Project Planning

One of the first tasks in the coming year is to remove and recycle the timber posts and rails on the oyster farms. The team has been planning how the posts will be removed, how much timber there is in the Inlet and where the timber will be stored after it is removed. All oyster farms now have a clear plan of the area requiring timber removal and the age of the timber to be recovered.



Oyster shells and timber on farms during a site visit in Nov. 2011

Testing of timber posts is in progress to determine acceptable standards are met for their re-use. The removal timescales for each farm are being finalised. Most farmers will have completed harvesting their live oysters by the end of January 2012 so will be able to begin the timber removal from thereafter.

A large storage area for collecting the timber will be required and this was identified at a property in the mid-Waikare Inlet. This land-base is nearer to all the farms than the originally identified Opuia site. A small reclamation will need to be built to assist with the loading of the material to the land-base and a Resource Consent is being submitted to progress this.

### **Business and innovation**

Through the Ministry of Science and Innovation, we have been working on identifying opportunities to re-use and recycle oyster shells. The ultimate project outcome is that the final use of the shell could be suitable for a sustainable business development opportunity. EN staff met with the Business Manager at UniService, at University of Auckland, and identified various uses for oyster shells, e.g., filler for Calcium supplement pills, treatment media for mining waste or cattle effluent in cattle races, media for biochar to improve soil quality, permeable pavements to treat stormwater in urban areas, trickling filter media for treating water using algae growth on shells, talc or foundation powder for cosmetics use, the manufacturing of plastics can use shells, ingredient for poultry grit and could also be used for making explosives (lime/fertiliser component). These options will be further investigated to determine best return price and then a sustainable business model will be further developed.

### **Public/Private consultation**

Various meetings and hui have been organised to discuss the activities that are going to be undertaken in the timber and shell recycling project. For example, affected parties close to the small reclamation in the mid-Waikare Inlet have been consulted and the local iwi, NDHB, DOC, BOI watchdog group and Opuia Cruising Club have been contacted to discuss the shell removal methods being considered in the Inlet.

The shell removal methods, equipment and process needed to recover shells for re-use include barges, diggers, suction dredger, amphibious digger, hammer mills, silt curtains and wood mulchers.

In order to establish a permanent land-base for the oyster farmers, a draft reclamation concept plan at Colenso Triangle has been drawn and discussions with affected parties is underway, e.g., Far North District Council, Northland Regional Council, Office of Treaty Settlements, Far North Holdings Ltd. Further testing of the area close to the headland is required and penetrometer testing of the mud depth in the proposed reclamation areas is being investigated. This data will be used to firm up the design and will be included in the resource consent application.

### **Staff Recruitment**

The Waikare Oyster Waste Recovery Limited recently appointed their new Operations Officer, Tania McInnes, to assist them with the Waste Minimisation Funded project to remove waste shell and timber from the oyster leases in the Waikare Inlet. Tania will be organising the work programmes to effectively remove, recycle and re-use these shells and timber.



Operations Officer, Tania McInnes was appointed in Dec. 2011.

In summary, the Project Oyster Shell outcomes are

- In the first year, the project is expected to divert 297 tonnes of waste timber towards mulch
- From the second year the project is expected to divert 700 tonnes of waste shell from landfill as an ingredient for calcium-based products. If secured for development, the reclamation will divert 15,000 – 22,500 tonnes of soil material from storm damaged land-slips tonnes
- In the third year, provided that the reclamation and shore base are completed, 5700 tonnes of waste shell is expected to be processed.

## Northland's Aquaculture Development Group

Enterprise Northland staff held the inaugural meeting of Northland's Aquaculture Development Group in Whangarei on 13 December 2011. This group is industry-led, includes iwi, regulatory experts and large R&D and innovation companies. This group is an "action" group. A draft strategy for Northland and a plan for the next 12 months up to 10 years has already been developed at the first meeting. The details of this strategy will be made available in early 2012. The group also plans to hold an Aquaculture Forum in 2012. This will include a wider membership in order to gain feedback and support from other parties.



**Northland's Aquaculture Development Group inaugural meeting**

Lee West was appointed chairman of Northland's Aquaculture Development Group at the group's first meeting. Lee is CEO of Te Aupōuri and Managing Director of Westcorp and is also involved with the Parengarenga Incorporation venture which is investing in a land-based fin fish farm in Parengarenga. Other members of this industry-led group include Doug Lloyd from OceanNZ Blue, Clive Stone and Keir Volkerling of Ngātiwai, Glen Beattie, Wayne Hutchinson and Jacquie Reed from Enterprise Northland, and Michael Bruce from NIWA (Bream Bay).

## **Growth Investment Projects**

### **Regional Events Strategy**

The Strategy recommended for a regional central agency. EN cannot see the cost benefit at a regional level (events are very localized and the budgets necessary for bidding for major events is phenomenal). The matter is still under review.

The suggested solution is that an ad hoc Strategy Group is formed to investigate opportunities. This group would consist of the Economic Development Officers of the TLAs and a Project Officer from either Destination Northland or Enterprise Northland. Other will be brought into the group as the situation develops.

WDC will lead an events strategy based on this regional events strategy and will be looking at changing the perception of Whangarei.

A small team is also putting together a bid for 2015 Te Matatini National Kapa Haka competition to be held in Waitangi. This will need to be part of the economic development agenda between the 3 councils as FNDC will need support from outside the district (especially with regards to accommodation).

## Appendix - Enterprise Northland Consolidated Strategy and Business Plan 2011

<b>Vision</b>	A vibrant economy that creates wealth and jobs, and provides opportunities for people to live work and invest in Northland, whilst recognising the value of its unique environment for present and future generations.									
<b>Goals</b>	<ul style="list-style-type: none"> <li>Leadership that provides coordinated support and an enabling environment for economic growth</li> </ul>		<ul style="list-style-type: none"> <li>Developing a well-educated and highly skilled labour force that supports growth</li> </ul>		<ul style="list-style-type: none"> <li>Providing infrastructure that supports economic development</li> </ul>		<ul style="list-style-type: none"> <li>Develop and implement an industrial policy that supports high value growth</li> </ul>		<ul style="list-style-type: none"> <li>Northland is seen as the region of choice to live, work and invest.</li> </ul>	
<b>Methodology</b>	<b>SERVICE PROVISION</b>					<b>GROWTH PROJECTS</b>				
<b>Aspiration</b>	Status quo current GDP per capita with average growth – Don't go any further backwards					To provide step-change lift in GDP per capita with the aim that in 5 to 10 years, as a region we are at least in the median range in the New Zealand context. The assumption is that with the rise in GDP per capita so will regional and individual economic wellbeing.				
<b>Strategy</b>	Communication & Leadership			Productivity & Skills		Infrastructure		Growth Projects		Investment
<b>Project Area</b>	Collaboration	Communication	Business growth	Skills development	Energy, Transportation, Communications, Facilities	Industry Sector Groups	Community development Projects	Maori Development projects	Growth Investment	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Economic Development arm of the NRC</li> <li>Relationships with TLAs</li> <li>Northland Intersectoral Forum</li> <li>Advocate with Local MPs</li> <li>Destination Northland</li> <li>Iwi CEOs Forum</li> <li>Government Agencies</li> <li>Project identification</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Activity Reports</li> <li>Magazine highlighting regional achievements and successes</li> <li>Investment Sector Profiles</li> <li>Infometrics Reports</li> <li>Online Magazine</li> <li>Websites</li> </ul>	<ul style="list-style-type: none"> <li>Regional Business Partnership Grow team</li> <li>Chamber of Commerce partnership</li> </ul>	<ul style="list-style-type: none"> <li>Regional Business partnership Grow team</li> <li>One more worker (NIF)</li> <li>Employment Trust (NIF)</li> </ul>	<ul style="list-style-type: none"> <li>Northland Energy Forum</li> <li>Digital Strategy Forum</li> <li>Gas Project</li> <li>Rail project</li> </ul>	<ul style="list-style-type: none"> <li>Marine *</li> <li>Horticulture Forum</li> <li>Minerals Sector</li> <li>Agriculture Sector Group*</li> <li>Aquaculture Development Forum</li> <li>Forestry Sector</li> <li>Food Processing Manufacture sector</li> <li>*In abeyance awaiting group participation and /or project identification</li> </ul>	<ul style="list-style-type: none"> <li>Project Oyster Shell</li> </ul>	<ul style="list-style-type: none"> <li>Regional Environmental Maori Economic Development snapshot</li> <li>Regional Strategy</li> <li>Develop collaborative opportunities</li> <li>Integrate with other sectors/project work</li> <li>Liaise with Iwi and other interested parties</li> </ul>	<ul style="list-style-type: none"> <li>Inwards Investment opportunities</li> <li>Infrastructure Investment</li> <li>Regional Development Fund Opportunity Assessment for NRCCT</li> <li>Project Business Case Development</li> <li>Investment ready Activities</li> </ul>	



## Section 3: Destination Northland Quarterly Report on Activities

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### Executive Summary – DNL 2011-2012 Business Plan

This plan has been developed in partnership with the Northland Tourism industry using the 2009-2013 Northland Visitor Strategy as a base document and also taking into account the current international economic environment and the new marketing direction of Tourism New Zealand.

The activities of Destination Northland will be focused in the following areas for the 2011-12 year.

- Continue to develop and enhance northlandnz.com as Destination Northland key marketing tool
- Continue to maximise opportunities via visiting media especially during 2011 Rugby World Cup period
- Destination Northland to take a lead role in implementing the 2011-2016 Regional Events Strategy
- Focusing on the Australia, Europe and domestic markets while identifying possible opportunities from the growing Asia sector
- Continue to provide support for product development opportunities that can grow visitors contribution to Northland GDP

### **Mission Statement:**

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To maximise and manage the sustainable economic benefits of increased visitor numbers, to work in partnership with Northland businesses, communities and councils.

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## Long Term Goals – Strategic Outcomes

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- Contribute to increasing and managing the growth of visitor numbers to the region
- Contribute to increasing visitor nights and expenditure within the region (targeting shoulder months), resulting in positive economic development
- Increase regional business expenditure. Identify and assist with product development to increase regional business expenditure
- To work with industry and communities to improve the quality of the visitor experience in Northland, and enhance business profitability
- To work in partnership with Maori to increase their involvement in tourism throughout Northland
- To promote the Twin Coast Discovery Highway concept to encourage a greater spread of visitors throughout the region
- Encourage the adoption of sustainability principles and the quality delivery of tourism experiences as per the Northland Visitor Strategy

## Strategies

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We will achieve our long term goals through the following strategies:

- Take the lead in pro-active marketing to our preferred markets
- Being innovative in the use of web based marketing & technology
- Building & fostering a strong partnership with our stakeholders
- Maximising strong strategic partnerships
- Ensuring our direction & strategies are based on best available research

## MACRO OBJECTIVES

*These are collective Northland visitor industry targets. DNL contributes to these however no single business or organisation can be held directly responsible*

1. To grow Northland's market share of visitor nights currently 5.07%  
**Progress: Currently 5.09%**
2. Increase visitor expenditure contribution to Northland GDP  
**Progress: Not available until 4th quarter**
3. To grow the shoulder season by 5% to 450,000 visitor nights in commercial accommodation (CAM)  
**Progress: Results available May 2012**
4. To increase the percentage of Northland international visitor nights from current figure of 40%.  
**Progress: Currently 41%**

## ORGANISATIONAL OBJECTIVES

1. To maintain, as a minimum, the existing funding base of \$960,000 from the private sector for co-operative joint marketing with Destination Northland  
**Progress:**  
**\$400,000 July - September 2011**  
**\$546,000 July - September 2010**
2. Northlandnz.com is the leading site for the promotion of Northland and acts as a portal for those interested in the region as a place to work, live and play  
**Progress:**
  - Unique visits +7%
  - Total visits +4.9%
  - Paid listings -3.0%
  - Page views +6.5%
3. To increase the visitor numbers from Australia by 5% over 2010/11 for participants in the Australian Trade Marketing Group  
**Progress: Not available until 4th quarter**
4. To take a lead role in implementing the Northland events strategy including the development of two new regional events.  
**Progress: Currently assisting in development of a business case to support implementation of the strategy**

5. To ensure Northland has maximum media exposure from the 2011 Rugby World Cup.  
**Progress: Results available March 2012**

6. Increase domestic media coverage by 5% over 2010/11 value

**Progress:**

- **July - December 2010 \$244,039**
- **July - December 2011 \$359,327**

7. Initiate and drive 2 new business case studies for major new tourism development projects which will generate increased visitor expenditure

**Progress: Currently undertaking visitor research, see separate item**

## Key Project Update from 2010 - 2011 Destination Northland Business plan

### Marketing Collateral

Visitor Guide: Sales for the 2012 Northland Visitor guide were down approximately 15%, mainly due to the previous year having extra pages for the 2011 Rugby World Cup. Distribution of the 130,000 copies is currently underway.

### Northland Visitor Research Survey

As it's been 8 years since a comprehensive visitor research survey has been undertaken, DNL in partnership with the industry has commissioned a research company to undertake this project in the 1st quarter of 2012.

The objective is to update why visitors choose to visit our region, sources of influence points for decision making, satisfaction levels with product experiences and to identify opportunities or gaps for new or enhanced products. This will then provide some up to date information and priorities for the 2012 - 13 Destination Northland business plan to focus on.

The research report is due to be completed by mid March.

## Media Results

Oct-Dec 2011			
International Publication	Market	Circulation	
Shanghai Morning Post (Ipipiri) Aug 2011	China	700000 daily	
Gateway (CZ Inflight Magazine) May 2011 - dolphins	China	280,000 monthly	
Sport Diver (Tutukaka, Paihia diving)	USA	203,301	
Gonomad.com (Kauri, waka, dinner cruise)	USA	119,000 unique monthly visitors	
Shanghai Morning Post (Ipipiri) Aug 2011	China	700000 daily	
Gateway (CZ Inflight Magazine) May 2011 - dolphins	China	280,000 monthly	
Sport Diver (Tutukaka, Paihia diving)	USA	203,301	
Domestic Publication	Circulation	Readership	Value
Kia Ora Magazine October 2011 (Events)	46,000	282,000	\$4,300.00
Tourist Times October 2011	15,000	37,500	\$1,042.00
Let's Travel August 2011 (Russell)	12,000	60,000	\$2,500.00
Jasons.co.nz Oct 2011 (Events)		14,383 weekly impressions	\$400.00
AA Directions Summer 2011 (Mimiwhangata)	542,242	917,000	\$34,450.00
Jasons Explore Newsletter December Issue		110,000 subscribers NZ & Aust	\$7,672.00
Jasons Travelmedia		14,500 page impressions	\$500.00
Jasons Travelmedia Homepage 14.11.11		14,500 page impressions	\$400.00
NZ Womans Weekly 14.11.11 (Bay of Islands)	80,518	828,000	\$7,800.00
New Idea 28.11.11 (Russell)	50,168	464,000	\$3,235.00
Simply You Living (Wineries)	20,143	62,000	\$1,250.00
NZ Life & Leisure Insiders Guide (Northland)	22,884	92,000	\$120,000.00
NZ Herald Travel Planner 2011/12		557,000	\$2,800.00
Tourist Times Dec/Jan (Events page)	15,000	37,500	\$190.00
Outlook NZ Dec 2011 (Northland)	50,000	n/a	\$1,350.00
	<b>TOTAL VALUE</b>		<b>\$187,889</b>

## International Marketing

### Visiting Media

- Society American Travel Writers (SATW). A total of 450 American and Canadian Travel writers held their annual conference in Wellington during November. Northland received a total of four pre and post group visits (average 15 ) covering the following subjects: sailing, diving, golf and Maori culture. We expect some excellent media articles to feature on the above subjects in the next 3-6 months
- Bernard Hoecker, Germany. Filming of the well known German comedian and actor. Major campaign by Tourism NZ supported by key travel sellers in Germany: FTI Touristik, Dertour, Explorer Fernreisen and Boomerang Reisen.
- Haeberlein & Mauer GmbH, German PR Agency for Tourism NZ
- Shine Communications, UK PR Agency for Tourism NZ
- Daily Mail (UK)
- West Australian News
- Dale Leatherman, US Freelancer specializing in golf, adventure and diving.
- Rough Guide to NZ – region wide updates
- Sina.com, China
- BQ Magazine, China. Lifestyle Magazine

### Visiting Trade

- FTI Touristik, Germany. Famil of 11 top agents organized by AOT
- Jetstar Singapore Agents famil (7 people)
- East China Region Product Managers famil (6 people)
- Air NZ Head of International Marketing (Jodi Williams) famil

### Australia

- Destination Northland undertook wholesaler reservation staff training in Brisbane with Sunlover Holidays (30 staff), Flight Centre/Infinity (55 staff) and ANZCRO (25 staff
- Destination Northland will be attending the Holiday & Travel Show in Sydney in March 2012.
- Destination Northland is currently planning a series of campaigns in partnership with Tourism AKL and Tourism NZ targeting the March – June travel period.

### China

Destination Northland is producing a Chinese trade guide. Translation of Northland editorial has been finalised. Operators will be invited to partake in the trade guide, which will be printed for TRENZ 2012 and published on the northlandnz.com website.

## Domestic Marketing

### Conference Market

Attended the Conventions & Incentives NZ (CINZ) Conference and the quarterly meeting of the NZ Convention Bureau (NZCB) in Wellington. Updated the Auckland NZCB team with Northland information and itineraries. DNL assistance given to various conference planners across the quarter and to Tourism New Zealand with the website re-development of their "business events" section.

### Events

Updated the Northland annual events calendar and distributed to media and to Tourism New Zealand. Event planning and marketing involvement with the State Paihia Classic Ocean Swim, Ngapuhi Festival, Bay of Islands Sailing Regatta and marketing of various Xmas and New Year events to media.

### Food & Wine Sector

DNL again met with key personnel from the food and wine sector to discuss the Dining section of the Northland Visitor Guide and plans for 2012. Continued updating the DNL database and northlandnz.com listings for this category.

## Auckland

During the last quarter, DNL has been meeting with the new Auckland Tourism structure and can report some excellent progress in developing a strategic partnership to jointly market the two regions and in some markets such as Asia with Rotorua as well.

The ability for DNL to leverage off the much greater Auckland promotional budgets will enable the region to gain higher profile and market penetration over the next 12 months. Specific campaigns have now commenced in Australia for November and will be updated as the year progresses.

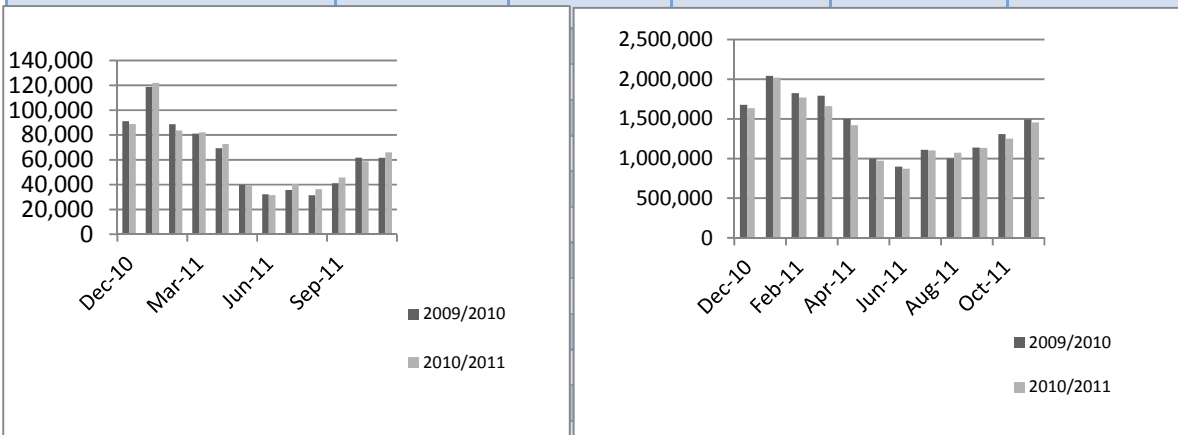
## Visitor Figures

The 2010 -2011 year has been a challenging 12 months for both the Northland and New Zealand Visitor Industry. Despite these macro challenges the Northland figures have held up remarkably well, outperforming the NZ average for both numbers and nights, by quite a strong margin. Although the RWC October month shows a decline, the Statistic's NZ data does not include the many visitors who stayed in campervans or the 10,000 + RWC Cruise ship passengers.

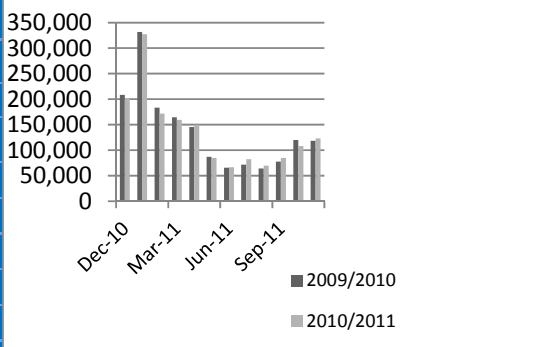
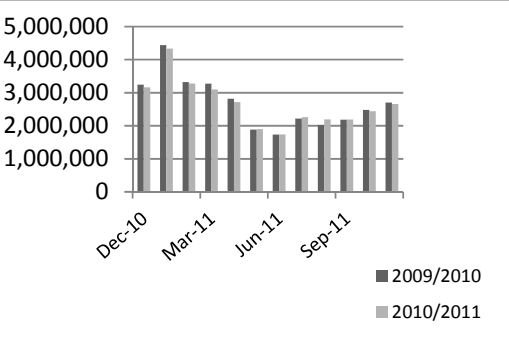
Overall however feedback nationally & locally indicates per day expenditure is down 7-10% and visitors are being very cautious on daily expenditure.

COMMERCIAL ACCOMMODATION MONITOR			
Results as supplied by Statistics New Zealand			
VISITOR NUMBERS			% Change
Northland	2009/2010	2010/2011	2010/2011
Dec-10	91,211	88,827	-2.6
Jan-11	118,718	121,900	2.7
Feb-11	88,704	83,650	-5.7
Mar-11	81,001	82,197	1.5
Apr-11	69,336	72,695	4.8

May-11	39,827	39,417	-1		
Jun-11	32,224	31,660	-1.8		
Jul-11	35,675	40,506	13.5		
Aug-11	31,470	36,343	15.5		
Sep-11	41,188	45,800	11.2		
Oct-11	61,712	58,823	-4.7		
Nov-11	61,646	65,967	7		
<b>New Zealand</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2010/2011</b>		
Dec-10	1,675,668	1,634,135	-2.5		
Jan-11	2,044,175	2,019,706	-1.2		
Feb-11	1,825,711	1,770,186	-3		
Mar-11	1,792,850	1,661,480	-7.3		
Apr-11	1,500,286	1,420,933	-5.3		
May-11	997,050	972,710	-2.4		
Jun-11	898,991	871,839	-3		
Jul-11	1,111,619	1,102,018	-0.9		
Aug-11	1,001,283	1,073,216	7.2		
Sep-11	1,138,242	1,134,763	-0.3		
Oct-11	1,307,428	1,253,027	-4.2		
Nov-11	1,494,314	1,453,687	-2.7		
				<b>NZ numbers</b>	
<b>Northland numbers</b>					



<b>VISITOR NIGHTS</b>			
Northland	2009/2010	2010/2011	% Change 2010/2011
Dec-10	208,473	201,866	-3.2
Jan-11	331,933	327,332	-1.4
Feb-11	183,454	171,758	-6.4
Mar-11	164,582	159,565	-3
Apr-11	145,653	149,789	2.8
May-11	86,900	84,919	-2.3
Jun-11	65,956	66,884	1.4
Jul-11	71,628	82,315	14.9

Aug-11	64,057	69,838	9		
Sep-11	77,926	84,819	8.8		
Oct-11	119,965	108,187	-9.8		
Nov-11	118,307	123,248	4.2		
<b>New Zealand</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2010/2011</b>		
Dec-10	3,241,970	3,165,264	-2.4		
Jan-11	4,438,860	4,334,874	-2.3		
Feb-11	3,326,033	3,275,448	-1.5		
Mar-11	3,273,647	3,095,870	-5.4		
Apr-11	2,821,076	2,715,326	-3.7		
May-11	1,881,253	1,898,174	0.9		
Jun-11	1,730,887	1,736,350	0.3		
Jul-11	2,215,500	2,259,131	2.0		
Aug-11	2,025,246	2,195,358	8.4		
Sep-11	2,183,848	2,189,342	0.3		
Oct-11	2,482,187	2,445,416	-1.5		
Nov-11	2,702,784	2,662,602	-1.5		
<b>Northland nights</b>				<b>NZ nights</b>	
					
<b>12 months ended Nov 2011</b>			<b>% Change</b>		
	<b>2009/2010</b>	<b>2010/2011</b>	<b>2010/2011</b>		
				<b>Our 10/11 target for market share of NZ visitor nights is 5.3%</b>	
<b>Northland Visitor Numbers</b>	752,741	767,783	2.0	<b>Current</b>	5.10%
<b>Northland Visitor Nights</b>	1,638,833	1,630,519	-0.5		
<b>NZ Visitor Numbers</b>	16,787,617	16,367,700	-2.5		
<b>NZ Visitor Nights</b>	32,323,291	31,973,155	-1.1		
<b>Percentage change from previous year</b>					
<b>12 mths ended Nov 2011</b>	<b>Northland</b>	<b>NZ</b>			
<b>International guest nights</b>	-0.6%	-3.6%			
<b>Domestic guest nights</b>	-0.5%	0.7%			
<b>12 mths ended Nov 2011</b>	<b>Northland</b>	<b>NZ</b>			
<b>Hotels</b>	-1.7%	-4.6%			

<b>Motels</b>	-1.3%	1.7%			
<b>Backpackers</b>	3.1%	-2.0%			
<b>Holiday Parks</b>	-0.5%	1.3%			
<b>TOTAL accommodation</b>	<b>-0.5%</b>	<b>-1.1%</b>			