

Northland
Major Regional Initiative
Activate Northland
Final Report

30 April 2007



Activate Northland (AN) commenced in 2004 as a “one off” intervention aimed to build the capability and lift the performance of Northland’s tourism industry.

The project has been funded by New Zealand Trade and Enterprise (NZTE), Enterprise Northland (ENT), other central / local government partners, and the Northland tourism industry. Final activities are due to be completed in December 2007.

The project had four key result areas, professional development, product development, e-technology and inward investment.

Macro targets for the project over four years were:-

- \$53 million of additional revenue (visitor expenditure)
- 600 new jobs
- \$92.5m of investment

Key performance indicators (KPIs) were also set in each project area.

The project received \$2 million funding from NZTE and an estimated additional \$1.5m from Enterprise Northland, the tourism industry and other partners.

Performance against the macro targets and project KPIs are expected over time, with real evidence of the outcome of the intervention expected in 2008 / 09. However, results to date (Dec 06) have been significant are detailed at the end of this report.

1. PROFESSIONAL DEVELOPMENT

Business Improvement Programme

The Business Improvement Programme's key objective was to improve the capability and performance of small to medium sized tourism businesses, making them more profitable, sustainable, better placed to grow / attract new investment, able to employ, able to provide leadership and best-practice models for the industry.

Achievements

- Successfully developed a comprehensive performance improvement framework / processes and benchmarking, monitoring, evaluation and reporting systems
- 79 businesses participated in programme
- 25.17% increase in annual turnover
- 37 new employment positions
- 16% of participants became first time employers
- \$5+ million in capital development
- Industry contributions \$86 000
- First business improvement programme of its kind within the tourism industry

Northland Sustainable Tourism Charter Project (NSTC)

The Northland Sustainable Tourism Charter Project's objective was to assist tourism operators to identify and adopt appropriate sustainable business practices that protect and enhance our natural, cultural, social and economic environment.

Achievements

- Successfully developed, piloted and implemented Northland Sustainable Tourism Project in partnership with Ministry for Environment, Ministry of Tourism and Northland Tourism Industry
- Project identified as a national model, currently being rolled out to 5 other regions
- 40 business participated over 2 years
- Value of the project rated by participants (Mean) 3.91 (78.2%)

2. PRODUCT DEVELOPMENT

Research

Two tourism research projects were undertaken to guide planning, marketing and further product development initiatives.

Achievements

- Northland Visitor Research “Exploration of Planning and Satisfaction, Motivations to Visit Northland”
- Northland Domestic Visitor Research

Northland Museum Strategy

A strategic plan was developed for the museum sector to enable Northland Museums and heritage tourism products to contribute better to the sustainable economic development of the region.

Achievements

- Successful development and implementation of sector strategy in partnership with Northland Museum Association, supported by Te Papa National Services Te Paerangi
- Number of workshops held and specialist advice provided to key institutions
- An estimated \$1.4m of investment (April 07)
- \$20m new investment planned over the next 3 years

Northland Cultural Tourism Project – Kauri

The Cultural Tourism Project aimed to increase interactive travellers’ demand for culture tourism by enhancing the iconic, interpretative stories and experiences of Northland.

Achievements

- Cultural Tourism Plan developed, secured funding from Ministry of Tourism (\$100K)
- Kauri theme recognised as a key theme and iconic point of difference, Kauri brochure produced
- Northland Kauri Festival established and delivered over 3 years (30 events across the region annually)
- Festival marketing collateral and website www.kaurifest.com
- Kauri Festival identified (year 2) by Tourism New Zealand with top 10 Spring Festivals to be promoted into Australian market
- Kauri Festival Event Management Plan developed
- Kauri Education Toolkit developed
- 92% satisfaction rating good to very good by participants

Food and Wine Sector Development

The initiative focussed on lifting capability of the speciality/niche food and beverage growers/producers as a key contributor and part of Northland tourism experience.

Achievements

- Greater awareness of Northland grown products by consumers, producers and suppliers
- Increased profile of Northland as a quality food and beverage destination
- 80% participants rated programme as very good to excellent

Northland Arts Sector Strategy “Arts in a Regional Frame”

A strategic framework was developed for the creative industries to enable the sector to contribute better to the sustainable economic development of the region.

Achievements

- Development of strategy in partnership with Arts Promotion Trust (APT) and arts sector
- Secured funding (\$100K) for strategy implementation from Northland Regional Council and Creative New Zealand
- Regional Arts Development Officer employed April 07 (APT)

Hokianga Tourism Development

Assisted the development of Maori tourism products in partnership with the Lloyd Family Trust and Te Hua Kawariki Trust.

Achievements

- Research/feasibility/optimisation study, concept development and business planning for products
- Interpretation planning for proposed cultural centre and digitisation of stories
- New Maori tourism product “Footprints Waipoua” launched June 2004
- New Maori tourism product “Crossings Hokianga” launched Dec 2006

Te Rerenga Wairua (Cape Reinga) Visitor Interpretation Centre

Currently assisting in the development of a Visitor Interpretation Centre at Cape Reinga in partnership with DoC, Ngati Kuri and Te Aupouri.

Achievements

- Business case and optimisation study completed
- Secured \$80K from Ministry of Tourism for Interpretation planning (partnership with DoC and Transit NZ)

Conference Marketing

Facilitated the successful formation of a conference marketing collective and developed supporting marketing collateral to address seasonality and increase visitor length of stay and spend in the region.

Achievements

- 60 businesses participating in group after 3 years
- Significant increase in number of conferences 21 (05), 49 (06), 78 (07)
- Collective sustainable and continuing activities post MRI

Tourism Cluster Development

- Russell research, branding, collateral and signage development
- Bream Bay / Waipu Winter Campaigns, signage
- Welcome To signs for Kerikeri, Doubtless Bay, Dargaville, Bay of Islands
- Tourism Action plans – Assisted Tutukaka, Mangawhai, Waipu, Russell, Kaikohe, Pouto

Other Product Development Achievements

- Scoping Report into Iconic Walking Opportunities in Northland
- Hundertwasser Cultural Centre Development Kawakawa – Supported Concept Development, Visitor Research and Visitor Behaviour Studies
- Research project into the “Demand for New Accommodation on West Coast of Northland”
- Whangarei Arts Culture and Heritage Strategy – Project Manager - member of steering group 2006
- Kerikeri Basin Sustainable Management Plan – Project Manager - member of working group 2005/06

3. E-TECHNOLOGY

Northland E-Technology Strategy

A strategy was developed to align Northland with the internet developments of Tourism New Zealand and New Zealand Trade and Enterprise in order to better position the region as a desirable place to visit, do business and live and work.

Achievements

- www.northlandnz.com - increased operator listings from 150 to 995
- Unique visits increased from Dec 04 – Dec 06 by 112%, total visits 104%
- Website winner of TUANZ Award 2005 for Best Promotional Website
- First regional website to align directly with newzealand.com utilising ORD operator listings
- Northland regional portal developed – visit, business, live and work 2006
- Finalists TUANZ Awards 2006 for regional portal

Northland I-Site Review and Strategy

Undertook a strategic review of the Northland region's I-SITES and developed an I-Site Strategy to support the future information network needs of Northland.

Information Communications Technology (ICT) Capability Project

Project to support tourism businesses to enhance their utilisation of ICT. Pilot carried out and series of workshops held.

4. INWARD INVESTMENT

The range of programmes under the Activate Northland project aimed to create a positive investment climate in Northland by;

- attracting investment to assist the growth of SME's
- acting as a catalyst for investment in tourism development

PROJECT ACHIEVEMENTS AGAINST MACRO KPIS

(Preliminary Figures – still to be independently verified)

Key Performance Indicator	Forecast Target	Actual
Revenue Generation (Visitor Expenditure)	\$53 million	\$626.7 (Dec 2005)
Employment (based on tourism expenditure)*	350	737
Inward Investment (Major Tourism Products)	\$92.5 million	\$175 million
Inward Investment (jobs)**	350	662

* \$85K increase in turnover = 1FTE

** Estimated capital investment of \$2.64m = 1 FTE

- Based upon these preliminary figures, Activate Northland has exceeded all growth prospects as at Dec 2006. Growth is forecast to continue over the next 3 to 5 years as more investment comes on stream, and business profitability improves as a result of the intervention.
- Employment generation is calculated using ratio of employment to gross income developed specifically for the Tourism Satellite Accounts prepared by Statistics New Zealand.

Summary of Key Achievements

- First professional development programme (Business Improvement Programme) of its kind for the tourism industry with demonstrable results.
- The Northland Sustainable Tourism Charter Project (NSTC) model recognised nationally as best practice and is currently being adopted by 5 other regions in New Zealand.
- Museum strategy has been successful in helping to build the capability and improve the performance of the regions' institutions, with significant development / investment underway or proposed.
- Northland is the first region to directly align their website with Tourism New Zealand newzealand.com. Northlandnz.com won a TUAZN award in 2005 for Best Promotional Website.
- Northland is the first region to develop a regional I-Site strategy. The strategy has been recognised by I-Site NZ as a model for inter-district / regional collaboration.
- Activate Northland supported the development of new Maori Cultural tourism products (Footprints Waipoua / Crossings Hokianga) which are receiving national and international recognition.
- As a result of the intervention, Northland's tourism industry has been significantly strengthened within the global environment through the introduction of innovative on-line technology, improved quality / profitably / sustainability of tourism businesses and significant scaled business development / investment coming on stream.
- Statistically, Northland is performing well, exceeding all forecasted targets and recently outperforming all other regions in regards to visitor nights (CAM Jan 2007).
- The region is recognised by the tourism industry as a leading region in New Zealand.

Key Lessons

Business Improvement

- The critical importance of undertaking a correct needs analysis and identification of interventions to support growth and development.
- Significant value of one on one support, forming strong relationships and the ability to provide external, objective, specialist advice.
- Huge role coaching and mentoring plays in assisting business confidence, growth and performance.

Sustainability

- Make it simple and real, provide user friendly tools / resources for SMEs to participate and adopt sustainable business practices - need to cut through masses of information being distributed given current national focus on global warming / climate change.
- One on one support is critical at early stages of adoption to ensure mid / long term commitment from businesses.

Sector Development (Museum / Heritage / Arts)

- Practical strategies that provide a clear framework / process for improvement.
- Pick “winners” i.e. products that have the potential to grow and lead the sector.

Product Development

- Importance of robust research to assist / guide new product / business ventures. Need to clearly identify market gap, guide concept development and support feasibility / business case analysis to ensure viable investment and the product is positioned, developed and delivered correctly.
- Location of products in relation to tourism flows, cluster of products to support, investor capital available, capability and capacity with the business mid / long term. The ‘cold’ reality of developing a viable tourism business within a hugely competitive environment, ability to offer a compelling proposition that is able to displace and / or attract market share.

E-Technology

- Extremely limited capability within the sector to embrace and leverage technology to benefit business. Technology provides enormous ability to obtain market reach, position products and effectively influence decision making and close sales securing business as well as increase efficiencies and levels of productivity.
- **Investment**
Intrinsically linked to comments above re product development and business improvement to ensure any develop or investment is viable and sustainable over the long term.
- Prior to MRI a number of products were developed that didn't undertake robust research, concept development, business case analysis and therefore are subsequently underperforming or out of business.